

THE POWER OF CONNECTION

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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.

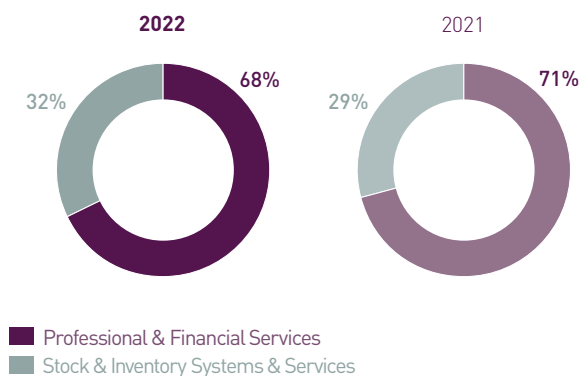
Stock & Inventory Systems & Services (SISS)

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.

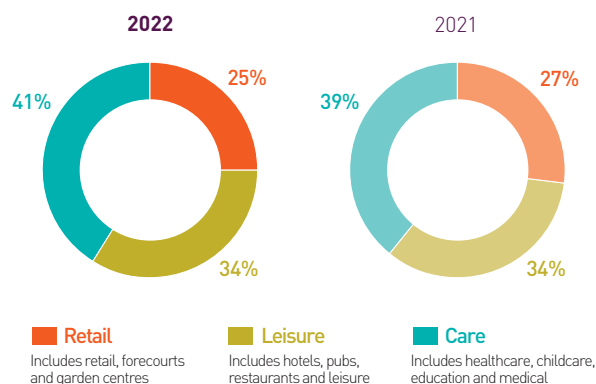
Highlights of the year

- Strong revenue growth of 13% to £69.2m (2021: £61.3m)
- 5% increase in operating profit to £5.5m (2021: £5.2m) ahead of original market expectation
- Has again sold in excess of 1,000 businesses during the year
- Excellent PFS performance – ahead of pre pandemic revenue levels
- SISS division largely re-established business as usual – although not yet back to 2019 levels
- Earned revenues to replace £2.6m of government support that we received in 2021
- Balance sheet significantly strengthened
- Elimination of pension deficits on both defined pension schemes - which are now in surplus
- 56% improvement in net funds to £7.2m (2021: £4.6m)
- Final dividend increased by 25% to 2.50p (2021: 2.00p) to give total in year of 3.75p (2021: 3.00p)

Revenue by division



Revenue by sector



Chairman and Chief Executive's review of the year



Maximising the benefits of connectivity

I am delighted to report a very positive set of results for the year ended 31 December 2022. Building further on the prior year's excellent performance, this time we delivered a 13% growth in Group revenues to £69.2m, underpinning a 5% increase in operating profit to £5.5m (2021: £5.2m operating profit from revenue of £61.3m).

£69.2m

REVENUE OF £69.2m
(2021: £61.3m)

£5.5m

OPERATING PROFIT £5.5m
(2020: £5.2m)

3.75p

FULL YEAR DIVIDEND 3.75p
(2021: 3.00p)

“2022 emphasised the Christie Group’s unique position as a leading specialist across multiple sectors, affording unrivalled opportunity for connectivity and collaboration between our operating divisions and companies.”

The growth in revenue was particularly pleasing, as it was achieved despite having to replace the £2.6m we received in Government support during 2021. Our operating profit, too, was delivered in the face of a significant increase in expenses as our business operations normalised during the year.

These results reflect the continuing strength of our recovery from the impact of Covid-19. Our balance sheet is significantly stronger than 12 months ago, not only because of our strong cash-generation but also due to the elimination during the year of deficits on both our final-salary pension schemes, which are now in surplus.

This removes the requirement to continue funding the ongoing deficit-repair plan that was in place until this year. This cost approximately £1.0m in cash per annum, equivalent to an additional dividend of approximately 4.0p per share. Going forward, therefore, this cash should be available for alternative purposes, such as investment to support our strategic aims and a progressive dividend approach to reward our shareholders.

In addition, we paid off a further £2.0m of our Coronavirus Large Business Interruption Loan Scheme (CLBILS) loan during the year, which is on course to be fully paid off by the end of June 2023. This will leave the Group with no long-term debt, which is particularly pleasing having borrowed £6.0m in 2020.

Above all, however, this was a year when returning normality emphasised the Christie Group’s unique position as a leading specialist across multiple sectors, affording unrivalled opportunity for connectivity and collaboration between our operating divisions and their constituent companies.

To provide an operational overview, I would characterise 2022 as the year when our Professional & Financial Services (PFS) division achieved full recovery. There were also strong signs of recovery in our Stock & Inventory

Systems & Services (SISS) division, although progress was initially slower in the hospitality sector, where restrictions were still in place as late as April. Happily, uptake of our services accelerated as 2022 progressed.

This was also the year during which we focused more than ever before on strengthening the connectivity between our Group companies. We did this in several ways. First and foremost, we invested in our operational capabilities, further expanding our Group Executives so as to include functional directors responsible for marketing, HR and technology to increase the level of in-house expertise available to our subsidiaries.

We also delivered a significant increase in the number of marketing campaigns and other initiatives covering several Group companies. These included our first Group Marketing Team day and a strengthened focus on collaboration and knowledge-sharing between our social media and technology teams. We have also strengthened our focus on training, including induction programmes for new starters that introduce the wider Group.

As ever, there were significant levels of collaboration between our operating companies as our people constantly sought opportunities to add value for clients by drawing on the expertise of colleagues and teams from across the Group.

The work of our teams has been widely recognised during the year, receiving an exceptional number of industry awards and commendations. The total of 12 awards and commendations received across all our Group companies speaks volumes for the way we are perceived in our markets: see individual company reports for the detail.

We are continuously prepared to make the changes necessary to drive further improvement. For example, I believe the creation of our focused Cross-

Fertilisation Committee will help us build further on the unique advantages of our Group structure by exploring in greater depth than ever before the opportunities offered by inter-company collaboration.

Overall, therefore, this was a great year of progress for the Christie Group, and I would like to thank my colleagues in all departments, divisions and operating companies for their contributions to our collective success and return to ‘normal’ trading. I want in particular to welcome everybody who joined us during the year and wish them well for a long and mutually beneficial career with us.

Professional & Financial Services

I am very pleased again to report a tremendous result for our PFS division, which built on the prior year’s exceptional performance to exceed 2019 in terms of both revenue (£47.4m) and operating profit (£7.6m). Our ability to achieve this in the face of significantly higher business expenses than those incurred during the Covid-19 crisis emphasises the strength of our recovery. This is supported, at least in part, by the sectorisation of our advisory businesses to focus on valuation and advisory services for all the sectors we serve.

Christie & Co delivered a strong improvement in its trading performance, particularly after a slow start to the year that was affected by the Omicron variant. Once activity levels started to rise, however, we quickly saw rapid uptake of our services in several core sectors. These included Pharmacy and Dental in our Medical practice area, in both of which we managed the sales of several multi-site practices. We also enabled landmark deals in both the childcare and adult-care sectors, underpinning a strong performance across the year.

This was the first year since 2019 when the pub industry could return to unrestricted trading, and demand for valuations and consultancy showed encouraging growth. Some early signs of distress in the hotel sector drove demand

Chairman and Chief Executive's review of the year continued

"We regard our future opportunities with optimism. We believe we have the right mix of services, the right people and the right commitment to drive the Group and its constituent companies to new heights in the years ahead."

for disposals and business reviews, and we strengthened our position as the leading enabler in the UK hotel and leisure transactional market. The retail sector, too, showed signs of growth, with growth in garden-centre activity reflecting the strength of the grey pound.

While around 50% of our hotels business is now outside the UK, the impact over the last two years of Covid-19, associated with that of war in Ukraine, has emphasised the risk associated with over-reliance on one industry. We are therefore addressing our reliance on hotels by developing a second international trade sector, on which we will report in due course.

Christie Finance delivered another strong year, with satisfactory growth in both instruction numbers and average fee levels. We gained strongly from the interconnection between Group companies, successfully financing 10% of all business sales made by Christie & Co. We appointed new sector-leads in multiple areas, including care, childcare & education, hospitality, retail, pharmacy and dental, and anticipate accelerated revenue growth throughout 2023 and beyond.

We exceeded budget in many areas at our Pinders valuation and consulting business, achieving a remarkable combined value in excess of £1.4 billion across all the properties it valued in 2022. A particular highlight was our work alongside Christie & Co for London's Sterling Dental Group. Our increased average fee levels combated inflationary pressures in salaries and insurance costs.

Our Christie Insurance business successfully renewed the great majority of existing commercial insurance client contracts, while supporting buyers and borrowers with the key-man, mortgage-protection and other covers they require.

Stock & Inventory Systems & Services

This was the year in which the businesses in our SISS division largely re-established business as usual, despite challenges

involved with onboarding and training many new team members. Although stocktaking levels are not yet at their 2019 levels, the division drove revenues of £21.8m to deliver a reduced operating loss of £2.1m. Given the conditions, this was a creditable performance, that emphasises our progress in this area of the economy.

After a heavily Covid-affected start to 2022, our Venners hospitality stocktaking business ended the year having won more new corporate clients than in any other year in its 126-year history. As a result, the business returned to profit, partly at least enabled by our work for leading household-name businesses such as Brewdog, Stonegate and Revolution Bars.

Our Orridge retail-stocktaking business delivered a very strong year in terms of service levels and operational performance as bounce-back became increasingly visible in areas including shopping centres and retail parks. With an emphasis on delivering market-leading service levels, we successfully grew our business with clients including the Co-op, DHL and the Tesco-owned One Stop convenience chain. Looking ahead, to protect us against any future restrictions on entering client premises, we aim to balance our SISS division by investing more in online stocktaking.

We developed a new internet-based journey for our Vennersys software-as-a-service (SAAS) business during the year, which will increase future online revenues. The company also made excellent progress in terms of an expanded offering, both via its VenPos Cloud product and through links with more than 900 other products used by leisure clients.

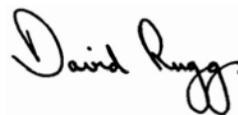
Looking ahead

On 28 June 2022, Christie & Co was instructed to launch a sales process of the Four Seasons Health Care core

property portfolio. The portfolio comprises 111 core freehold care homes in England, Scotland and Jersey and certain ancillary assets. The sales process has progressed well and has generated significant market interest to date and we are actively engaged in on-going diligence with potential purchasers currently. Subject to maximising value for Four Season Health Care's creditors, and the attractiveness of offers received, the sales process is expected to complete later in 2023, with any sales subject to appropriate legal and regulatory considerations.

Despite some continued negative political and economic headwinds, we regard our future opportunities with optimism. As in previous years, we anticipate a year with a stronger second half weighting. We believe we have the right mix of services, the right people and the right commitment through a challenging and supportive culture to complete the recovery of the Christie Group and drive its constituent companies to new heights in the years ahead.

I am also pleased to announce that your Directors recommend a final dividend of 2.50p per share (2021: 2.00p), increasing the total dividend for the year to 3.75p (2021: 3.00p). If approved, the dividend will be paid on 7 July 2023 to those shareholders on the register on 9 June 2023.



David Rugg
Chairman and Chief Executive
21 April 2023

Mark Ellis

We were saddened recently to lose our treasured colleague of 30 years, Mark Ellis. Mark was Managing Director and subsequently Chairman of Pinders. He is much missed in the business. Our sympathies remain with his wife Sue and daughters Katherine, Rachel and Sarah.

Strong connections delivering strong performance

Our people constantly sought opportunities to add value for clients by drawing on the expertise of colleagues and teams from across the Group. The work of our teams has been widely recognised during the year, receiving an exceptional number of industry awards and commendations, which speaks volumes for the way we are perceived in our markets.

Professional & Financial Services

- Revenue exceeds 2019 levels at £47.4m (2021: £43.8m) with operating profit maintained at £7.6m (2021: £7.6m).
- PFS recovery has been supported, at least in part, by the sectorisation of our advisory businesses to focus on valuation and advisory services for all the sectors we serve.
- Once activity levels started to rise after a slower start to the year, there was rapid uptake of our services in several core sectors. These included Pharmacy and Dental, both of which managed the sales of several multi-site practices, and we enabled landmark deals in both the childcare and adult-care sectors.
- Our finance brokerage business delivered another strong year, with growth in both instruction numbers and average fee levels. It gained strongly from the interconnection between Group companies, successfully financing 10% of all business sales made by Christie & Co and appointing new sector-leads in multiple areas.

Stock & Inventory Systems & Services

- 24% increase in SISS revenues which reduced operating losses in the division.
- Our hospitality stocktaking business, Venners, ended the year having won more new corporate clients than in any other year in its 126-year history, partly enabled by our work for leading household-name businesses such as Brewdog, Stonegate and Revolution Bars.
- Our retail-stocktaking business delivered a very strong year in terms of service levels and operational performance as bounce-back became increasingly visible in areas including shopping centres and retail parks. We successfully grew our business with clients including the Co-op, DHL and the Tesco-owned One Stop convenience chain as we aim to balance our SISS division by investing more in online stocktaking.
- Vennersys, our software-as-a-service (SAAS) business, developed a new internet-based journey which will increase future online revenues.

Chief Operating Officer's review



Having navigated the challenges that stubbornly remained at the start of the year with the ongoing Covid-19 restrictions, I am pleased to be able to write a review which comments on a number of positive achievements across both of our divisions and all seven of our brands.

Our Professional & Financial Services ("PFS") Division delivered growth in both revenues and operating profit and benefitted from profitable contributions from all our sector teams and all four of our trading brands.

In our Stock & Inventory Systems & Services ("SISS") division, the headline financials continue to illustrate challenges that remain, notably an operating loss of £2.1m for the year. However, the division grew revenues in the year by 25%, absorbed the cessation of furlough support of £2.6m received in 2021 and after a very difficult first quarter, saw its hospitality stock audit business return to trading profitably over the remainder of the year with a record number of corporate sales wins and well placed for further growth in 2023. Moving forwards, our management teams across the division are intensely focused on delivering the growth in revenues and maintenance of margins required to restore the division to profit.

“All of our businesses are capable of assisting and benefitting from each other, to a greater extent than they already do, and all of our businesses have growth opportunities that they have the potential to take advantage of.”

Professional & Financial Services

Christie & Co, our agency and advisory business, continued the activity levels it had achieved in 2021 with an excellent 2022. The year began a little slowly, but soon picked up to maintain and in some areas improve on the performance of the previous year. Transactional volumes were very close to 2021, with our UK and European operations once again selling just under 1,100 businesses in the year. However, in terms of the value of those businesses sold, 2022 saw a 14.5% increase, with Christie & Co acting on the sale of £1.5bn worth of asset sales (2021: £1.3bn).

Our Medical team delivered a strong performance, with fee income up 11% on 2021. The Dental and Pharmacy teams were both involved in a number of portfolio transactions, advising on the sale of Dawood & Tanner to Dentex, the sale of the UK-wide Hanji Dental Group to Riverdale Healthcare and the 16-strong Hub Pharmacy Group to Allcures plc.

We saw positive signs of recovery across the UK hotel sector in 2022, which was reflected in Christie & Co's own Hotel team performance, albeit ahead of economic headwinds for the sector which are expected to impact owners and operators in 2023. Notable deals for the team included the Premier Inn in Glasgow City Centre and The Metropole Hotel & Spa in Llandrindod Wells. As some distressed activity returned to the sector, our Consultancy team were also engaged in a number of independent business reviews.

Internationally our teams were busy again on a variety of assignments. In the Nordics we provided a feasibility study for the hotel which forms part of the Arena 3.3 indoor-arena project near Helsinki. In Austria, we completed the sale of Hotel Bassena Kagran, Vienna, having originally been instructed in March 2020 on a forward deal where the buyer paused due to the onset of Covid-19. In Germany, we acted on the sale of the newly built Hamburg Residence Inn/Moxy on behalf of

a German developer having successfully identified a European institutional investor as a buyer for the hotel.

In Spain and Portugal our teams were more active than they had been for several years on both agency and consultancy assignments. In France, our Bordeaux office completed the swift sale of the Mercure Libourne St Emilion, a 4-star property with 81 rooms.

Returning to the UK, the Pubs & Restaurant sectors remained confronted by challenges and this undoubtedly impacted on the transactional market in 2022. Cost pressures had an acute effect on operator margins. Nonetheless, our teams were instructed on a number of assignments, including acting on the sale by Berkeley Inns Limited of two of their Derbyshire sites to RedCat Pub Company and the sale of the profitable freehold restaurant, The Bull Auberge, Ipswich, after 27 years' private ownership.

Confidence and growth appetite returned to the Childcare & Education sector in 2022. Our Childcare & Education team delivered an impressive 46% year-on-year growth in fee income, with highlights including the sale of The Egg Day Nursery Portfolio in Hampshire to Busy Bees and the sale of the former Hawley Place School campus, Surrey, to a private SEMH school operator following appointment by the Administrators.

2022 was an outstanding year for Care transactions, a sector in which Christie & Co continues to lead the way. Highlights included brokering the sale for Aspire LLP of a development site in Kent with planning consent for a 64-bedroom care home to Barchester Healthcare, the sale of four high quality care homes in Bristol and South Gloucestershire by Grove Care Ltd to dementia and nursing care provider, Allegra Care and the acquisition by Anchor of the entire share capital of Halcyon Care Homes Topco Limited in a deal comprising a new build leasehold platform of 11 residential care homes.

In the face of rising operational costs and record inflation levels, the UK's convenience retail, petrol retailing and garden centre markets have proved to be more resilient than ever. Our team continued to gain instructions across all three areas of the sector. Our capabilities were illustrated by the confidential sale, on behalf of D&S Retail group, of six high turnover leasehold convenience stores located throughout the East Riding of Yorkshire to Naeem Ahmad, a growing multi-site operator based in the North of England.

Lenders continue to recognise the objectivity and service levels that our businesses consistently deliver. Both Christie & Co and Pinders successfully sustained all of their panel positions during 2022, as well as adding several new lenders.

Our Valuation teams in both businesses were extremely busy. In aggregate across the two businesses, we valued over £10 billion worth of businesses, a 32% increase on the previous year, as we benefitted from an increase in revaluation activity among existing lenders. We valued 49% more units than we did in 2021, completing valuations on over 5,500 units.

Average fee levels reflect the completion of a number of larger portfolio assignments which contributed to the significant increase in volume, ensuring that in aggregate we were able to deliver double-digit year-on-year revenue growth from our Valuation and Business Appraisal activities. Highlights included the provision of existing and proposed valuations by Pinders which supported the successful development of the Bluebell Dental Practice in Chigwell and the valuation by Christie & Co of a 700-pitch holiday and residential park portfolio in the North West of England, in support of a £10m acquisition.

The dramatic increase in base rates during the year has impacted lender assessments of borrowing affordability. Christie Finance

Chief Operating Officer's review continued

Total businesses sold in 2022	Total value of businesses sold	Value of businesses valued	Stocktakes & audits in the period
1,057	£1,493m	£10bn	53,818

Divisional KPIs

Professional & Financial Services Division		2022	2021
Total businesses sold		1,057	1,069
% Increase / (decrease) in average fee per business sold		14.4%	(8.8%)
Total value of businesses sold (£m)		1,493	1,304
Total valuations carried out (units)		5,515	3,705
% increase in average fee per valuation		0.7%	1.8%
Value of businesses valued (£m)		10,057	7,622
% increase in number of loan offers secured		4.2%	(5.1%)
Average loan size (£'000)		440	457
Stock & Inventory Systems & Services Division		2022	2021
Total stocktakes & audits carried out (number of jobs)		53,818	40,341
% increase in average income per job		4.7%	3.1%
% of visitor attraction client admissions purchased online		53.7%	62.0%

did not see any meaningful new entrants into the lending market during 2022 but were still able to secure offers of finance from 40 different lenders and completed loans via 33. Challenger banks continue to provide a route for accessing finance in our sectors, with 75% of Christie Finance's 'core' commercial mortgage loan offers obtained from challengers, as high street lenders continue to adopt a more conservative approach.

While average loan sizes were down slightly at £440k versus £457k a year ago, activity levels reflected our finance brokerage team's ability to consistently obtain solutions for their clients. Offers of finance secured increased by 13% in our

Core division. In our Unsecured division, average debt size increased by 7%, highlighting the attraction and availability of unsecured borrowing for owners and operators.

Christie Finance's ability to source debt from intra-group referrals continues to be a strength and an opportunity. One such example in the year was the Chequers Inn, Worcestershire where the vendor had appointed Christie & Co to broker the sale of the business but Christie Finance helped the buyer – an established operator in the sector, obtain finance via a digital bank that would otherwise have been inaccessible.

Investing for growth and continuing to plan for the future, Christie Finance increased their headcount by 12.5% in the year adding new starters across their Core, Unsecured and Corporate divisions.

2022 also saw Christie Finance continuing to be recognised as experts in their field, receiving a highly commended award for 'Deal of the Year' from the National Association of Commercial Financial Brokers (NACFB).

Our insurance brokerage business, Christie Insurance, experienced a 2022 insurance market where premiums continued to harden, in some areas quite significantly. Underwriting capacity in certain sectors diminished sharply. Insurers remained averse to underwriting new business in the Care sector in particular, which remains a feature of the post-Covid environment. Inflation across the global economy has driven up the costs of repair of almost all asset classes, and insurers are focusing on the true cost of repair when setting premiums. A good broker, with in-depth knowledge of specific sectors, remains a valuable relationship for any business owner.

Stock & Inventory Systems & Services

In our stocktaking businesses, which serve the Hospitality, Retail and Pharmacy sectors, the year saw a significant growth in activity, despite the disruptive effects of Q1 Covid-19 restrictions and a challenging recruitment market. Overall stocktaking activity was up by more than 33% on a year earlier.

Our hospitality Stock Audit, Compliance and Consultancy business, Venners, continued its post-Covid recovery, ultimately delivering an encouraging 2022 performance after a tough first quarter. Sales activity throughout the year was strong, with a number of corporate client wins in the year. The business issued more quotations in the year than its previous record year of 2019, and successfully converted more than 51% of those quotes to wins.

“Our management teams across our SISS division are intensely focused on delivering the growth in revenues required to restore the division to profit. Overall stocktaking activity was up by more than 33% on a year earlier.”

A scarcity of labour in the first half of the year subdued the pace of recovery that would otherwise have been achieved with the strong demand for its services but the business acted decisively, introducing a number of employee-focused measures which enabled a growth in headcount in the second half of the year and an improved level of staff retention.

This increase in capacity – delivered gradually through the second half of the year – was combined with a robust approach to pricing in the face of strong inflationary pressures, with average fee levels up nearly 10% over the year.

Venners ended 2022 with stock audit volumes up over 50% on the previous year. Despite this, they remained at only 70% of their 2019 levels, highlighting the further growth opportunities that remain as operators in the sector continued to recognise the need for good stock and margin control.

The value that Venners' Compliance and Consultancy services can also bring to clients was endorsed by Stonegate's re-engagement of Venners for its critical cash and security audits across their night-time venues.

Orridge remains well placed to assist retailers with the challenges they face. Supply chain issues, stock loss and stock availability can all be improved by Orridge's stocktaking services. While consumer retail spending continues to gravitate towards online shopping, reducing the number of physical stores, the overall retail market remains substantial and provides significant opportunity for growth whether that be to aid in-store stock control or ensuring goods-in processes and procedures are efficient at the growing number of distribution centres. Recognising this opportunity, Orridge were successful in winning several new Supply Chain clients in 2022 and will begin to expand their Supply Chain services in Europe in 2023.

Its own post-Covid recovery continued with the number of stocktaking jobs it undertook across the UK and Europe up by 18% on 2021 levels. Service levels and on-the-job operating margins both remained strong, providing the platform for a successful year in terms of key client retention.

In the Pharmacy sector from which Orridge originated in 1846, gaining reliable stock valuations at a time of sale or purchase remain as indispensable as ever. Whether that be from referrals from Christie & Co, or independently won work, Orridge remains a leader in a UK sector with over 14,000 sites. It grew pharmacy stocktaking revenues by over 12% in the year, with change-of-ownership valuations complimenting more regular stocktaking requirements from clients.

Our SaaS ticketing and visitor-management solutions business, Vennersys continued to progress. While the proportion of visitors choosing to purchase their tickets online fell back to just under 54% in comparison to the levels of 60% and above that we saw in 2020 and 2021, this remains a significant and positive change in purchasing behaviour to that which prevailed pre-pandemic. Indeed, Vennersys' 2022 revenues earned from their clients' own e-ticketing admissions and online sales stood at 277% of their 2019 levels.

As smaller and medium sized attractions emerged from the pandemic with inflationary pressures looming large, they exercised caution in making investment decisions. As a consequence, after a more subdued first half we saw sales activity gather momentum in the latter part of the year as clients looked to the first half of 2023 with their new system installation plans.

For existing clients, we continued to offer additional solutions and enhancements through the integration power of Venpos Connect and additional applications available through Venpos

Cloud such as Campaign Monitor, Shopify and Microsoft Power BI.

Summary

We ended 2022 having achieved an operating profit of £5.5m (2021: £5.2m) from revenue of £69.2m (2021: £61.3m). That translates to an operating profit margin of 7.9% but with significant opportunities ahead of us to seek to improve on those performance measures. All of our businesses are capable of assisting and benefitting from each other, to a greater extent than they already do, and all of our businesses have growth opportunities that they have the potential to take advantage of. We should continue to look forward with optimism.



Daniel Prickett
Chief Operating Officer
21 April 2023

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.

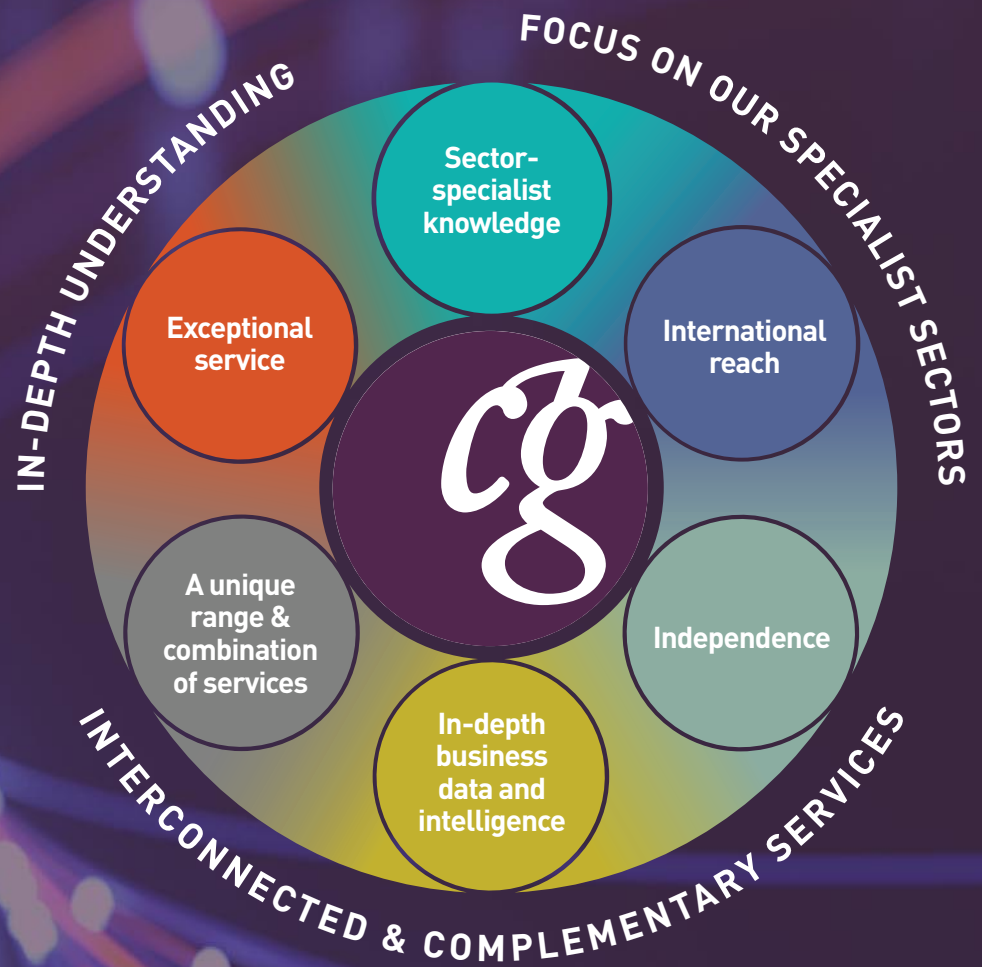
Passion: Energy, enthusiasm and desire are vital characteristics of our teams. We know that our clients apply the same values to their own businesses and have every right to expect the same of us when they choose us as a partner to work with.

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

www.christieinsurance.com



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

www.vennersys.co.uk

Where we operate

The area we cover

38 offices across the UK
and Continental Europe.

GLASGOW • EDINBURGH

NEWCASTLE
UPON TYNE

LEEDS

MANCHESTER

CHESTER

ALDRIDGE

NOTTINGHAM

BIRMINGHAM

MILTON KEYNES

STEVENAGE

HARLOW • IPSWICH

BRISTOL

WINCHESTER

LONDON

BRUSSELS

BONN

BERLIN

FRANKFURT

PARIS

VIENNA

RENNES

MUNICH

LYON

BORDEAUX

AIX-EN-PROVENCE

BARCELONA

MADRID

HELSINKI

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

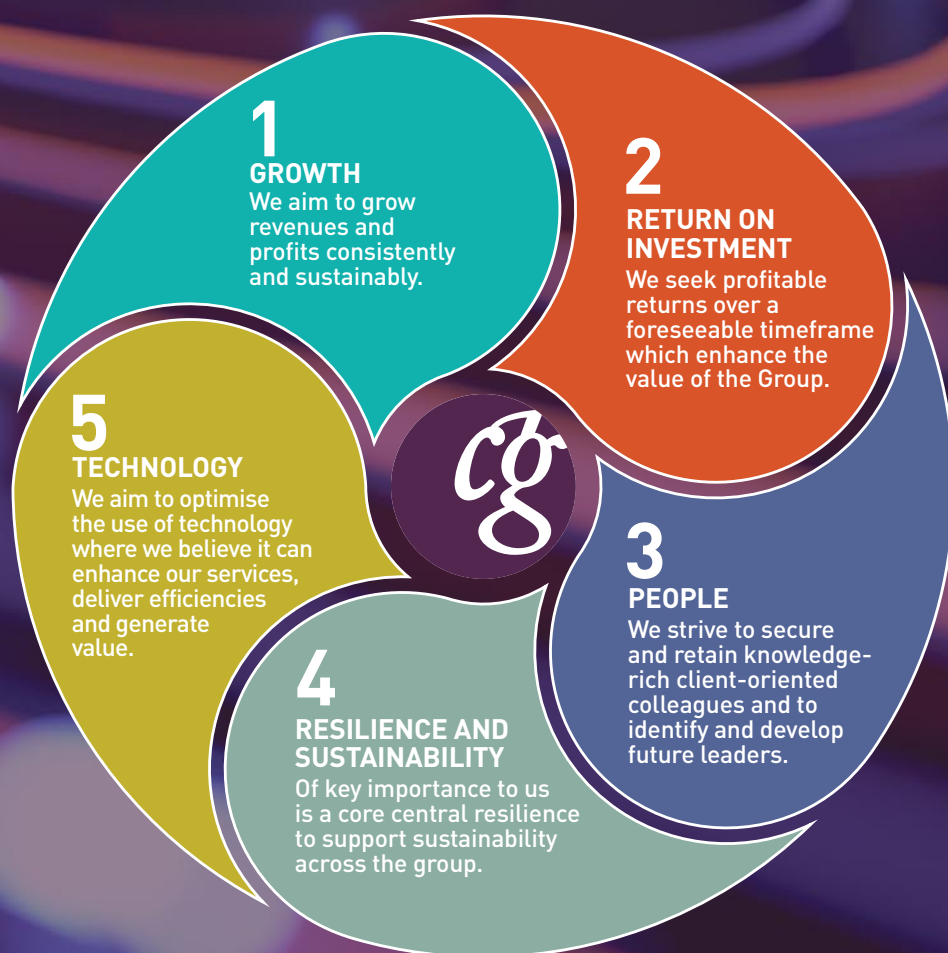
Technology

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.



“The majority of the sectors in which we work had a strong year and continued their recovery. Available capital and buyer demand ensured that transaction volumes remained encouraging.”

Darren Bond, Global Managing Director, Christie & Co

During 2022, we successfully achieved the resilient improvement in trading performance we anticipated once the economy was liberated from the restrictions enforced by the Covid-19 pandemic.

This was particularly pleasing in a year that was far from being without its challenges: with January continuing to be impacted by the Omicron variant, while the geopolitical situation, energy crisis and associated economic pressures were front of mind for many of our customers and other businesses throughout the year.

Despite these challenges, the majority of the sectors in which we work had a strong year and continued their post-pandemic recovery. A significant amount of capital and buyer demand ensured that transaction volumes remained encouraging, and many businesses saw their operating performance back to, or even ahead of, 2019 levels.

In our Medical sector, for example, we saw many pharmacy businesses expand in 2022, both through acquisition and developing additional services. Examples include our ongoing work with Boots Pharmacy disposals and our successful sale of both the Allendale Pharmacy in Northumberland and the 16-strong Hub Pharmacy chain across the north of England. We also successfully managed the sales of several dental groups, including the UK-wide Hanji Dental Group

and Edinburgh-based McCutcheon & Ballantyne. We were delighted to receive recognition of our activity at the Dental Industry Awards, winning the categories for Advertisement of the Year and Best Use of PR.

The pub industry remained resilient in 2022, the first time in two years that UK pubs could return to unrestricted trading. As a result, there was a strong bounce back during the first half, supported by significant consumer demand. We also saw increasing volumes of valuation and business options analysis and fully expect this trend to accelerate as we move through 2023. Highlights of the year included the sale of two sites for Berkeley Inns and the acquisition for the Metropolitan Pub Company of three iconic restaurants in Glasgow. Our valuation team provided work for many UK pub operators, including the annual revaluation of the Marston's pub estate.

The hotel sector, too, showed strong signs of recovery during the year, despite continued challenges around workforce recruitment and rapidly rising energy costs. The distress activity that many observers were anticipating did not materialise and operators benefited from strong underlying trading performance, although margins were starting to come under pressure, with tougher economic conditions likely to impact the year ahead.

We continued to dominate the hotel and leisure transactional market, as reflected by our success in securing the most active Hotel & Leisure award in 2022 for the second year running, with seven regional awards in the Estates Gazette's Radius National Leaderboard 2022 rankings. Key regional UK transactions included the Wiremill pub and restaurant located near Lingfield, sold to regional brewer and pub company Hall & Woodhouse and the sale of the Metropole Hotel & Spa in Llandrindod Wells.

2022 was also an incredibly busy year for our Childcare and Education team, with the resumption of previously paused exit plans and a surge in owners wishing to sell. The children's day nursery and specialist childcare markets were particularly active, with very high levels of interest in small to medium-sized regional early-years businesses. We saw intense buyer demand in this area, as well as in organic development sites for specialist childcare operations.

CASE STUDY: A very 'busy' year for the Childcare & Education team

Christie & Co's Childcare and Education team continued to enhance their reputation in the sector, significantly increasing their brokerage fee income from a year earlier. One of many highlights for the team was the sale of the Egg Day Nursery group, comprising three settings in Andover, Winchester and Weyhill. Christie & Co successfully brokered the sale of the group, founded in 2010, to the UK largest nursery group, Busy Bees, for an undisclosed price. Through their knowledge of the market, the Christie & Co team were able to run a very competitive process which generated a high volume of market-setting offers from multiple well-funded parties.



“We continued to work closely with business turnaround, restructuring and insolvency professionals to ensure we are well positioned to capture rising levels of activity should business distress and insolvency levels rise during 2023.”

Successes included the sales of Twinkles Nursery Group in Yorkshire and Cherry Childcare Nurseries to Family First Nurseries.

The year was outstanding for transaction levels in the adult care sector too, with landmark deals including the sales of Halcyon Care Homes Topco to Anchor and Cornwall Care to Sanctuary. We also completed on the sale of 29 care homes in Northern Ireland, previously trading under the Four Seasons Health Care Group brand. Our regional care team was also very busy and completed many substantial transactions across the entirety of the UK, including the sale of Grove Care in Bristol and South Gloucestershire to Allegra Care and Moorfield Group.

Turning to the retail sector, we believe that convenience retail is well placed to weather any slowdown in discretionary consumer spending, due to the necessity of purchases like food and fuel. Garden centre sales are also increasing, and we expect these to remain unaffected due to continued spending of an older demographic. Highlights from 2022 included the successful sales of six high-turnover Yorkshire-based convenience stores for D&S Group and the Millbrook Garden Centre near Monmouth.

We continued to work closely with business turnaround, restructuring and insolvency professionals during 2022, maintaining existing relationships and forging new ones to ensure we are well positioned to capture rising levels of activity should business distress and insolvency levels rise during 2023. This will increase the need for our brokerage, valuation and consultancy services, as the challenges faced by operators continue to escalate.

Overseas, we saw environmental, social and governance (ESG) factors become of increasing importance for hotel investors. International travel increased over the course of the year and the region benefitted from an increase in visitor numbers and a weak euro. While investors pursued fewer opportunities, with a shortage of stock available across Austria, Germany and the Nordics, this helped to increase appetite for available



Case study: Christie & Co's Care Development & Investment team broker sale of best-in-class development site

Christie & Co's Care team consistently sell the highest number of individually transacted healthcare assets in the UK, reflecting their market-leading position in the sector. Alongside brokering the sale and purchase of established trading operations, their Development & Investment team assist with the sale of development sites. One such example brokered in 2022 was the sale of an Aspire LPP development site in Tenterden, Kent, to Barchester Healthcare. Aspire had achieved planning consent for the 64-bedroom development following a proactive process working with the local council and Barchester Healthcare, resulting in a high-class contemporary design to meet the demands of the local area. A stunning development which the Christie & Co team were delighted to be able to assist with.

instructions. Our team in Germany had a very successful year, which included the sale of the newly developed Autograph Collection Hotel Caro & Selig on Lake Tegernsee to Hamburg-based real investment manager Union Investment.

The hotel transaction market in France performed well in 2022 with the appetite of investors for hotels remaining high, particularly for operators seeking to consolidate their portfolios. The best illustration of this is in the Auvergne, Rhône Alpes, Bourgogne, and Franche-Comté areas. Indeed, in 2022,

our Lyon office recorded seven sales, demonstrating strong demand for the French south east region.

For Christie & Co Spain and Portugal, we saw positive levels of interest and demand for our investment services, with more than 10 mandates completed during the year and four successful operator searches in the region. Our advisory team has also been very active, with more than 50 assignments completed, including commercial due diligences, feasibility studies and asset valuations.

CHRISTIE FINANCE

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



“We secured offers of finance from 40 lenders during the year as the successful placing of business continued to move away from the high street. In 2022, 75% of our commercial mortgage debt was provided by challenger banks and other niche lenders and funds.”

John Mitchell, Managing Director, Christie Finance

Our strong performance in 2021 was a hard act to follow, but we delivered an overall improvement during 2022, with an increase in the number of client instructions and a rise in average fees. During the last few months of the year, however, a change in direction of fiscal policy had a major impact on the finance market which drove a sudden, short-term decline in demand for borrowing.

This was a short-term issue, and by January 2023 demand had returned to pre-October 2022 levels. It nonetheless

impacted our overall results for the year, which included a marginal increase in the offers of finance received and a flat outcome in the total value of offers of finance secured.

We would otherwise have recorded significantly improved outcomes in both these and other metrics within our business, as we responded positively to opportunities arising both from the wider economic landscape in 2022 and our close connectivity with other Christie Group companies. Opportunities included the

need for borrowers to seek funds from alternatives to high-street lenders, as the stringency of their underwriting assessments sharpened in the face of dramatic base-rate increases.

This heightened the importance of our working with a wide range of lenders. During the year, we secured offers of finance from 40 such organisations, and completed loans with 33. This successful placing of business continues to move away from the high street: during the year, 75% of our traditional commercial mortgage debt was provided by challenger banks and other niche lenders and funds.

The value of our specialist approach and close lender relationships was highlighted by many of our transactions during 2022, including the sale of the Chequers Inn at Cutnall Green in Worcestershire. Christie & Co successfully sold the business to an experienced operator, financed via a digital bank that is only accessible through specialist finance brokers such as ourselves.

During the year, we continued successfully to finance acquisitions and provide refinance and working-capital facilities across all our specialist market sectors, for first-time entrants as well as experienced operators. Our performance once again also underlined the importance of those close and highly connective relationships with other Christie Group companies, including Vennersys and



CASE STUDY: Christie Finance help first-time buyer purchase well-performing community pharmacy

Allendale Pharmacy is a community pharmacy dispensing an average of 4,750 items per month, located close to a GP surgery in the Northumberland village of Allendale. Following a confidential sales process conducted by the Pharmacy team at Christie & Co – the second time Christie & Co had sold the pharmacy in four years – the business was purchased by a first-time buyer from Newcastle upon Tyne who was able to source their funding through Christie Finance. The business was identified by the buyer as having further growth potential and Christie Finance were delighted to assist with realising the buyer's ambitions to buy their first pharmacy.

“Our performance once again underlined the importance of our close and highly connective relationships with other Christie Group companies.”

Christie Insurance. Significantly more than half (57%) of our Core Division's instructions for commercial mortgages came via Christie & Co introductions. The benefits went in both directions. We were delighted to help finance 10% of all business sales made by Christie & Co, including 27% of those in the retail sector.

In response to the market opportunities we perceived, we grew our headcount by 12.5% during 2022, bringing new people into our Unsecured, Core and Corporate Divisions. We also sharpened further our focus on sector-specific specialisation, appointing sector-lead roles across our Care, Childcare & Education, Hospitality, Retail, Pharmacy and Dental Practice areas.

We were once again recognised for our expertise in our field during 2022, receiving a highly commended award for 'Deal of the Year' from the National Association of Commercial Finance Brokers (NACFB). And on the regulatory front, we continued to operate as a 'Fully Authorised' business with full permissions from the Financial Conduct Authority (FCA). We were pleased once again that no compliance issues arose during the year, either from the annual audit or our own ongoing monitoring procedures.

Looking ahead, we expect the strong performance we recorded at the start of 2023 to continue and gather pace. Demand for our services remains strong at the time of writing, with the premium associated with strong relationships becoming yet more important amid growing caution among lenders. Our involvement is a cause of positive differentiation as lenders use increased due diligence to identify the lower-risk borrowers in preferred sectors they would opt to support.



Case study: Christie Finance's success in financing Christie & Co sales highlights opportunity for further growth

Christie Finance obtained finance for buyers on just under 10% of all Christie & Co completed deals in 2022, where – following on from Christie & Co successfully selling the business for the vendor – Christie Finance were ideally positioned to then assist the buyer with securing the funds they required for the deal. One such example was the Ellys Road Store, Coventry which was one of many retail convenience stores where the Christie Finance team were able to assist. Christie Finance's knowledge of lender appetite on a sector-by-sector basis and their ability to assist first time buyers navigate this, saw their Retail team work particularly effectively on Christie & Co sales during 2022, but in doing so highlighted the potential for increased collaboration in other sectors which both Christie & Co and Christie Finance serve.

CHRISTIE INSURANCE

Christie Insurance is an Insurance Brokerage, drawing on our knowledge, experience and sector relationships to develop solutions for our clients. Our close relationships with other Christie Group businesses also enable us to add value by delivering joined-up solutions to our clients.



“Inflation appears likely to impact the insurance market. We expect insurers to concentrate on the true value of risk to ensure clients are reflecting the correct cost of rebuilding the ‘bricks and mortar’ of their business.”

Walter Murray, Managing Director, Christie Insurance

Upwards pressure on prices characterised the UK insurance sector during 2022, as rates for property and employee injury cover were widely prone to increases. At least some of this arose from inflationary pressures. Widespread supply-chain delays have also led to growth in both the cost of repairs and the time taken for them to take place.

At year end, it appeared likely that the return of inflation will impact the

insurance market. We expect insurers to concentrate on the true value of risk to ensure clients are reflecting the correct cost of rebuilding the ‘bricks and mortar’ of their business.

Aside from rising costs, 2022 was noteworthy for three important decisions of the Commercial Court, relating to the wording used in the business-interruption insurance. At the time these cases were brought in October, companies including

Stonegate, Various Eateries and Greggs all had very substantial outstanding claims that related to interruption caused by Covid-19.

The key question under consideration concerned whether or not these companies were subject to one loss, as argued by the insurers, or to multiple losses as argued by the claimants. (For example, Stonegate argued their £2.5 million limit should be applicable to each of its 760 venues).

While the court did not find in favour of the Stonegate argument, it also rejected the insurers’ case in finding that there were multiple occurrences in all three cases. In addition, the court also rejected the argument that there was in place a single package of UK Government measures to respond to the pandemic, which could be described as a single occurrence. This finding is likely to make it difficult for a group of policyholders to successfully argue that all losses arising from all lockdowns are a single claim as each loss will be particular to the business, not a collection of businesses.

The residual impact of the Covid-19 pandemic was also felt in the care sector during 2022, as insurers reacted to the

CASE STUDY: Life insurance remains key for owners looking to obtain a commercial mortgage

Christie Insurance is uniquely placed to support business owners across our chosen sectors with their life assurance and general business insurance requirements. When Christie Finance are supporting clients in obtaining an offer of finance on a commercial mortgage, the lender will require proof that life cover is in place. Christie Insurance are able to work with those clients, many of whom will have pre-existing relationships with other Christie Group companies, to identify attractive solutions in the market which match a client’s requirements and circumstances in order to satisfy the lender. It brings peace of mind to clients to know they can deal with brands and relationships they trust.



potential impact of mass litigation by staff, service users and visitors. Whilst this did not ultimately occur, the insurance market effectively froze, ceasing to underwrite new business and delaying clients' ability to take on new businesses.

In early 2023, the care sector is still regarded as under-priced for the level of risk insurers take on. We expect no immediate change, and we do anticipate a gradual reopening of the market as the year progresses: insurers will always find attractive those clients who take an appropriate risk-management approach in their business.

Elsewhere, we also expect rates to rise for motor fleets during the year, as the cost of repairing electric vehicles is 25% greater than for their traditional diesel or petrol counterparts.



“In the aftermath of the pandemic, the care sector is still regarded as under-priced for the level of risk insurers take on. We anticipate a gradual reopening of the market as the year progresses. Insurers will always find attractive those clients who take an appropriate risk-management approach in their business.”

PINDERS

Pinders is the UK's leading specialist Business Appraisal, Valuation and Consultancy company, combining surveying skills with business analysis to accurately assess the trading potential of a business as well as commercial property values. Our nationwide team of RICS-qualified surveyors works closely with clients in sectors including 'white coat', Leisure & Hospitality, Healthcare and Education, Retail & Catering, Manufacturing and Services.



"We delivered a very positive performance in 2022, with our three main divisions exceeding our own expectations. This was led by our Appraisal Division. The total combined value of assets valued during the year exceeded £1.4 billion."

Justin Cain, Managing Director, Pinders

We delivered a very positive performance in 2022, with our three main divisions exceeding expectations. From an income perspective, this was led by the Appraisal Division, primarily as a result of the improvement seen in our average fee, which was the highest ever achieved by the business. The quality of the business undertaken is reflected by the fact that the total combined value of assets valued

during the year exceeded £1.4 billion. As a result, income exceeded that of the previous year.

Looking forward, we believe we are increasingly well placed to receive instructions from lenders seeking to review loans issued to businesses at apparent risk of falling into distress. At a time of changing costs, lenders require

valuers to take an evidence-based approach. This involves the use of actual benchmarking information of the type contained in our extensive database, which we consider to be market leading.

Our Consultancy division also delivered income that exceeded expectations. This reflected increased demand for our professional services, in particular, those aimed at dispute resolution, recognising our particular expertise in this area.

Despite the positive performance of these two areas, our Building Services division delivered the standout performance, generating income that significantly exceeded budget. The team dealt with instructions on behalf of a number of large corporate operators, in both the Leisure & Hospitality and Healthcare sectors. These included a large number of pre-acquisition surveys, in which the agent handling the transaction introduced our services. With an increase in new development, the team also handled a number of building/project management instructions through to the year end on behalf of the main lenders.

A notable instruction in the 'white coat' sector related to the sale of Sterling Dental Group in Southall, West London. The sale was handled by Christie & Co, with funding provided to the purchaser by Unity Trust Bank, our client. The instruction related to three dental

CASE STUDY: Pinders undertake appraisal and valuation of West London dental group

The Sterling Dental Group, in Southall, West London, comprised 3 dental practices and 14 surgeries, operating from adjoining premises. With income coming from a mix of NHS and private clients, the NHS contract provided for a high volume of units of dental activity (UDAs) and was thought to be one of the largest NHS contracts in West London, with further income generated from more specialist NHS and private treatments. Pinders carried out an appraisal and valuation on behalf of a lender, in relation to a proposed acquisition, with the sale – which completed some months later – being brokered by Christie and Co.



“Client feedback was that our service standards continue to out-perform our competitors.”

practices, operating from adjoining premises and providing a total of 14 surgeries. This was one of the largest single-asset transactions concluded in the market in 2022, and our appointment to provide professional advice to the lender was testament to the trust they place in us.

Our expertise in the Leisure & Hospitality sector secured an instruction to provide professional advice regarding Burton Waters Marina, Lincoln. This high-turnover business generates income from a variety of related sources, including new and used boat sales, brokerage, berth rental, repairs and retail sales. The incumbent lender needed a report based on expertise in these areas. It also needed to include bench-marking information enabling likely future operational costs, required to ascertain the asset's value. This and other high-profile assignments enabled this division to significantly exceed budget.

We applied the same stringent review of operating costs to our own business, enabling us to maintain costs at below budgeted levels despite the wider economic pressures. We concluded the year with no provision for bad debts, highlighting the quality of our client relationships.

Feedback from clients was that our service standards continue to out-perform our competitors, both in terms of timescale and the quality of our reports. Two of our largest instructing sources told us they intend to increase the volume of instructions they award to us in 2023. This serves to reduce our cost of doing business, as we are not weighed down with the costs of seeking new opportunities.

Against this background, we successfully sustained all of our panel positions during 2022. We also added several new lenders, including a number who panel their instructions via VAS, with whom we enjoy an excellent relationship.

We continue to invest in our people and we look forward to welcoming two further alumni of our graduate-training programme as qualified surveyors during



Case study: Pinders expertise in Leisure & Hospitality secures instruction to advise on marina

Pinders extensive experience and knowledge of a wide range of sectors across the whole of the UK, was evidenced once again with the instruction to provide professional advice on Burton Waters Marina, in Lincoln. With several income streams, the high turnover business required an independent review in relation to an existing loan facility. The 2.66 acre site with 12 floating pontoons derives its income from a variety of sources, including new and used boat sales, brokerage sales, management of a wider marina development, repairs and servicing.

the first half of 2023. Our marketing and relationship-building efforts were successful, with particularly high attendance by lenders, brokers, operators and other professionals at our 'curry clubs' in London and Milton Keynes. We also received numerous invitations to provide training, both online and in person, to many of the lenders with whom we work.

Looking ahead, we believe we can build on the positive steps taken in 2022, based partly on the fact that there is a lack of qualified talent in the market.

In addition, having already seen some firms move away from dispute-resolution

work, we expect to see increased instruction volumes, together with the opportunity to align the fees charged with the specialist nature of the service provided.

While we operate with a large number of panel appointments, none of them tie us to any fixed pricing model. We set all our fees to reflect the nature of the assignment, together with the cost and availability of the resource required. This real-time pricing enables us to properly reflect actual operating costs, ensuring that we are not weighed down with non-viable work.



Established more than 175 years ago, Orridge is a trusted stocktaking provider, a market leader in the UK with an expanding European presence. Delivering accurate and cost-effective stocktake and supply-chain solutions to a strong and expanding customer base of retailers and pharmacies, we base our leadership position on our reputation for consistent high-quality service.



“Instore challenges such as stock loss heighten the importance of accurate stocktaking. Instore stock availability also becomes increasingly important in the face of increasing online retailing. We anticipate greater customer demand due to the improved on-shelf availability that stocktake data confers.”

Darren Flack, UK Managing Director

The last year will be remembered as a largely positive one for Orridge and Company, during which we successfully grew our revenues by 7% over the prior year while delivering a strong gross margin demonstrating our operational efficiency.

While shopper footfall remains somewhat lower than before the Covid-19 pandemic, a discernible bounce-back was visible in some sectors during 2022, including shopping centres and retail parks.

Just as importantly, we successfully maintained the high quality of service standards for which we're recognised in the face of escalating costs and challenging conditions in the labour market. As a result, we were able to keep our key customer base highly satisfied as well as renegotiating a number of substantial contracts.

While 2022 ended with the lull in stocktaking activity that is usual in the

run-up to Christmas, business gained strong momentum for early 2023 which we can see continuing strongly into the year.

Despite some negative predictions for the UK economy, including the British Retail Consortium's expectations of low retail sales growth during the year, we are confident that we will benefit from several anticipated trends. For example, food is expected to outperform non-food categories during 2023, and given we have some valued and long-standing relationships in the food retailing sector, this plays to our strengths.

Similarly, predictions of recession in the UK are of less concern to Orridge than they are to most businesses. This is for several reasons. Firstly, higher unemployment tends to lead to a higher demand from people in the workforce for the flexible work opportunities which Orridge can provide to its stocktakers. In addition, instore challenges such as stock loss heighten the importance of accurate stocktaking. Instore stock availability also becomes increasingly important in the face of falling footfall and increased online market share. We anticipate greater customer demand due to the improved on-shelf availability that stocktake data confers.

We are also protected against much of the impact of high interest rates and inflationary pressures, as we include

CASE STUDY: Over 175 years of Pharmacy-sector knowledge make Orridge the ideal choice for change-of-ownership stock checks

Orridge originated in the 1840s thanks to Benjamin Orridge, Queen Victoria's pharmacist. This unique heritage, unrivalled longevity in the sector, and its ability to connect with other specialists in Christie Group when needed, mean it is well-placed to assist on stock valuations when a pharmacy business is being sold. Referrals from Christie & Co are regular, alongside business generated through Orridge's own powerful reputation. Orridge prides itself on accuracy and efficiency, which are both vital when stock forms such an important part of the balance sheet in any sale and purchase transaction.



“The UK market provides enough opportunity for us to achieve our growth aspirations.”

annual wage-related fee increases in our standard terms and conditions as well as non-standard agreements. Under standard terms, we also have the right to propose two cost-driven fee increases each year.

In short, our stocktaking services help our customers in the face of challenges and the UK market provides more than enough opportunity for us to achieve our growth aspirations.

During 2022, we resumed attending trade shows to enable us to meet potential new customers. For example, a connection with Wickes' main stocktaking contact resulted from our presence at the Retail Risk show, which in turn led to collaboration on organising a Stock Accuracy Forum where we made several other valuable new contacts.

In particular, trade show attendance benefitted Orridge Supply Chain services, which opened a number of encouraging new relationships as a result. We believe the market opportunity is significantly greater in this area of our business than in 2019, because the growth in online market share is driving more customer orders through more complex supply chains. During the year, our key customers remained both satisfied and committed and we successfully established 11 new customer relationships in this area of our business.

Our Pharmacy business maintained a profitable performance during 2022, continuing to deliver high service standards under challenging circumstances caused by negative labour market conditions and upward cost pressures. Our decision to appoint a Retail Operations Director and Client Relationship Director to the Board, as well as a new Retail Account Manager, enabled us to gain from a number of organisational and commercial improvements during the year.

Overall, our European operations are well-positioned for growth. We performed well in France, with a tight focus on the profitability of individual accounts. Our performance in Belgium was very strong, building the business and creating an excellent foundation for further development in 2023.



Case study: Shift to online retailing brings into focus the need for accurate and reliable stock records and data

As retailers continue to balance their online and instore retail offerings, the need for accurate and reliable stock data which can be trusted to reflect the actual physical stock the retailer holds has never been more important. Orridge is growing its Supply Chain offering and capabilities to meet this growing demand. Orridge's Supply Chain team are able to provide increased assurance to its retail clients that their own suppliers are delivering what they should be, and providing comfort to those retailers that their warehouses and distribution centres can despatch stock to store locations and endpoint customers when needed.

While our German business faced some challenges in 2022, its efficiency remains good and it enters 2023 well-structured to meet the significant expansion opportunities that face us there.



Founded nearly 130 years ago, Venners today is the clear market leader in stocktaking, inventory, and related services and systems for the UK hospitality sector. Our wide-ranging portfolio helps businesses across the UK and Europe manage the risks they face, boost performance and generate greater productivity. And in 2022, we extended our lead by winning more new corporate clients than in any year in our history.



“In 2022, we won more new corporate clients than in any year in our history. In the same period, our total number of quotations was nearly 14% higher than in 2019 and we grew our average fee level by nearly 10%.”

Scott Hulme, Managing Director, Venners

During 2022, the hospitality sector started to come to terms with the fact that the residual impact of Covid-19, just like the virus itself, is here to stay as part of the sectoral landscape. As the pandemic's aftershocks linger, additional challenges such as the escalating cost of living are also impacting the sector in ways we need to take into account as we move forward.

Recognising these issues, our focus in 2022 was equally concentrated on how best to support our own people and our

clients. Looking first at our employees, we considered deeply how to invest in them financially, professionally and personally.

The so-called 'war for talent' makes it more essential than ever that we work hard to deserve their loyalty and commitment for the long term. People want much more than financial reward alone, so we have made sure to develop, consult and invest in them for the long term. We have therefore focused not just on developing their stocktaking skills,

but have also raised their understanding of topics ranging from health & safety and cyber issues to GDPR and other legislative factors.

Helping them gain knowledge outside their core abilities to conduct stocktakes and audits was an important step on our journey towards one of our key strategic goals of becoming an employer of choice: a company that people want to work for, enjoy being part of and feel valued by.

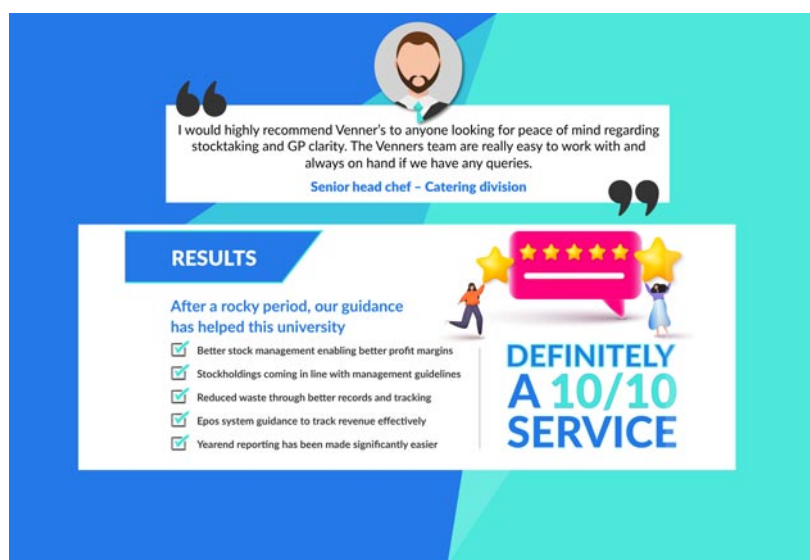
Our approach was not only recognised by the British Institute of Innkeepers, who made us runners-up for their Staff Wellbeing Award. It also underpinned an extremely successful recruitment drive in the second half of 2022, when many competitors were struggling to attract employees.

We experienced some recruitment challenges during the first half of the year, when the number of leavers outnumbered new recruits. However, we took steps to review our recruitment and retention strategy. In doing so we more than turned the situation around during the second half, returning to a growth pathway with recruitment exceeding attrition. This sector-leading trend is helping our competitive edge, with talented, committed and highly trained individuals giving our clients the best level of support available to them.

The peace of mind this confers is essential in the uncertain economic

CASE STUDY: Venners help University caterers to boost gross profit

Venners' hospitality expertise means they can help clients across a range of sectors which have food & beverage operations. The University sector is no exception to this. Venners were appointed by the catering team at a large university in Southwest England who were looking to address issues with stock losses and a lack of visibility on financial performance data. Venners were quickly able to identify issues with stock movements not being tracked across campus, out of date stock and wastage, Epos system inaccuracies and a lack of understanding among key staff members. The catering team were greatly assisted and ended with a far more robust understanding of how to operate an efficient operation.



“Our Compliance offering is proving invaluable to clients in areas that are fundamental to their success.”

environment our clients currently operate in. This, together with our investments in our new branding and website, has enabled us to win more corporate clients than in any of our other 126 years of operation. These include prestigious, high-profile multi-venue operators like Brewdog and Revolution Bars, who we are very proud to add to our fast-growing portfolio.

Gains of this scale have supplemented our general growth, which gathered momentum during the year as never before. Not only did we win more tenders than we lost during the year, but our total number of quotations was nearly 14% higher than in our previous record year of 2019. In addition, we grew our average fee level between February and November by nearly 10%, and our stocktaking division delivered an increase of more than a third over 2021's total number of billable days.

Turning to our Compliance offering, this is going from strength to strength on the back of our extremely popular bespoke audit tool. Supporting operators in risk management, corporate governance and profit retention, it's proving invaluable in areas that are fundamental to their success.

Among the many large and prominent hospitality operators we supported in 2022 was Stonegate, the UK's largest pub company, with whom we re-engaged by delivering critical cash and security audits across their night-time venues. Another key appointment came from Boparan, to carry out audits of business operations across their branded estate portfolio, covering cash and revenue reporting and till management.

Our Consultancy division also delivered insight and support to the operations of a wide range of major clients. Activities included covert observational audits, till analysis, menu costing, performance analysis and commercial audits to ensure suppliers adhere to agreed pricing and service levels.

We have also continued to develop our proprietary technology, including our online stocktaking platform. Significant new investment in our data storage and communication infrastructure, meanwhile, is keeping us at the forefront of our data storage and security methodologies.



Venners Consultants gave us a really clear and factual document, just what we needed.

Front of House Manager

RESULTS

- ☒ Benchmarked performance
- ☒ Realistic advice
- ☒ Achievable actions
- ☒ Reduced risks
- ☒ Tightened processes
- ☒ Practical procedures



**STOCKHOLDING
VALUE REDUCED
BY -£30K**



Case study: Venners provide suite of services to Cambridge theatre venue to help drive operational improvements

Venners were engaged to review operations at a popular, council-run theatre venue which wanted to reduce risks to their stock, cash and wider business but felt they lacked the in-house hospitality expertise to do so. Working through a solutions roadmap with the client, Venners introduced regular stocktaking, stock excellence staff training workshops with staff, focused analysis of stock results and data, and real-time operational performance reviews and observations, all of which culminated in clear advice, benchmarked performance data and recommended actions.



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. Visitor attractions across the UK use VENPoS to create a one-stop integrated ticketing and point-of-sale solution that streamlines operations and enhances the visitor experience.



“We also developed a new and improved online journey for clients and prospects, which will be implemented in 2023 to increase the proportion of online revenue we can generate. We are at the forefront of product functionality.”

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

While Vennersys delivered an increase in revenue in 2022 of more than 70% over 2019 (the last ‘normal’ pre-Covid-19 year for UK visitor attractions), significant growth opportunities lie ahead over the next two years. We ended the year with an encouraging final quarter, securing several new clients and creating a strong sales pipeline for the year ahead.

It was clear during 2022, however, that our target clients remain cautious, with various industry sources predicting that the ongoing impact of the pandemic and Brexit means visitor numbers are not anticipated to match previous heights until 2025.

That said, some of the trends we witnessed during the year were

encouraging for our business prospects. For example, many potential clients are reviewing their systems, as following the Covid era timed tickets and capacity management are more significant requirements than ever before. In addition, increasing numbers are coming to recognise the benefits of a single, integrated system – a requirement where VENPoS excels.

We took decisive action to maximise our opportunity in both areas, with a particular emphasis on product development, streamlining the sales journey and refining our marketing approach.

On the product front, we successfully upsold enhanced systems to our existing client base, including new elements such as the Campaign Monitor, the Microsoft Power BI module and Shopify.

We also developed a new and improved online journey for clients and prospects, which will be implemented in 2023 to increase the proportion of online revenue we can generate. Having this in place – alongside Venpos Connect, which enables 900 different integrations – ensures we are at the forefront of product functionality ahead of many of our competitors’ offerings.

In terms of marketing, we delivered a significant change in emphasis during the year, with a strategic shift away from

CASE STUDY: Vennersys provide historic Pier attraction with state-of-the-art ticketing online ticketing capabilities

When Clevedon Pier & Heritage Trust were looking for a new software system to support their aspirations, they found the perfect partner in Vennersys. As testified by their Chairman, Phil Curme, “VenposCloud is an extremely flexible software, helping us to upgrade our offering to visitors and improving their overall experience. The reporting feature has been key in helping the commercial team to find new growth opportunities and increase our revenue.”



creating brand awareness to generating leads. As part of this, as well as joining the Association of Indoor Play Areas (AIP), we worked with willing clients to generate many more case studies than in previous years. We are also using social media more actively than ever before, using Twitter, LinkedIn, WhatsApp and Instagram to build direct relationships.

Our brand is certainly becoming better known throughout the industry, particularly in all the sectors we focus on most directly: historic houses, zoos and aquariums, farm attractions, theme parks, museums and more. During 2023, our marketing effort will be focused more tightly than ever on these core sectors.

Within our existing client relationships, we continually seek to protect and increase the value we receive as well as that we deliver. This is particularly important at a time of high inflation, and we regularly review our price list.

Of course, our value is primarily delivered by our bright, hard-working and highly capable employees. We are highly selective and owe much of our success to date in spotting talent early, nurturing it through mentoring, training and then promoting people to levels that are commensurate with their ability.

Recent examples include one person who has risen from a junior helpdesk role to become a developer and another who transitioned from the Quality Assurance team to become our Product Owner. We are rightly proud of making such opportunities available, and of our people for having the energy and ability to grasp them.



“Because of Covid we went completely cashless but we will never go back to cash! The support given by Vennersys goes beyond just our attraction. The team is always incredibly interested in hearing about industry problems and researching new ways to improve and solve them.”

Ken Lunn, Director at Jack In The Box & Finance
Director at The Association of Indoor Play

Financial review



In 2022, the Group continued to make good progress with meaningful growth in revenues and profitability, despite the overall challenges in the economy of cost of livings increases, energy price rises and the war in Ukraine. Moreover, we exited 2022 with positive net funds, lower borrowings, significantly reduced cash pension obligations and an appreciably stronger balance sheet to support our future growth ambitions.

“We ended the year with an improvement in net funds to £7.2m and we reduced overall borrowings by £1.9m.”

Income statement

	HY1	HY2	Total	Var
	£'000	£'000	£'000	HY2 v HY1 £'000
Result by half years				
Revenue	33,653	35,539	69,192	1,886
Operating profit	2,277	3,175	5,452	898

Income statement

Revenue for the full year was up by 13% to £69.2m (2021: £61.3m) with an increase in operating profit to £5.5m (2021: £5.2m).

We achieved a stronger second half year performance, as in Q1 2022 certain businesses in the Group were still impacted by Covid-19 restrictions. Additionally, during 2022, we returned to more normalised travel, marketing & exhibitions following a couple of years of reduced activity and spend in these areas as a result of the pandemic.

The growth in revenue – particularly in the SISS division which increased revenue by 25% to £21.8m (2021: £17.5m) – assisted in underpinning the reduction of £2.6m government furlough support that we received principally in our SISS Hospitality & Retail businesses in the first half of 2021.

Cash and net debt

We ended the year with an improvement in net funds to £7.2m (2021: £4.6m), measured as cash & cash equivalents minus total borrowings, whilst we reduced overall borrowings by £1.9m to £1.6m (2021 £3.5m) at the end of 2022. During the year, we repaid £2.0m (2021 £2.0m) of CLBILS borrowings and the amount outstanding on this loan as at the 31 December 2022 was £1.0m. This is due to be fully repaid by the 30 June 2023. At that point, the Group's only borrowing will be its invoice discounting facility which was £0.6m at the 31 December 2022 (2021: £0.6m).

Cash generated from operations was strong at £6.3m.

Capital investment

As a Group, we invested £0.8m (2021 £0.5m) in capital expenditure. This includes £0.5m (2021 £0.4m) applied to the ongoing development of our SaaS visitor attraction software business. We believe that this investment will yield positive returns in future years.

Pension schemes

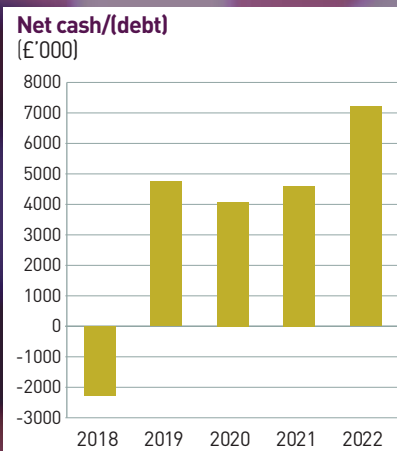
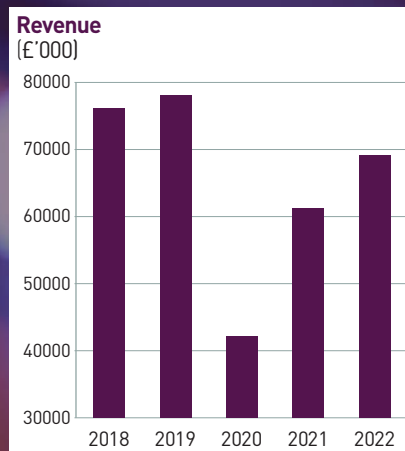
I am delighted to report that in the year, the pension liability, as measured at the balance sheet date in accordance with IAS 19 & IFRIC 14, significantly improved with a reduction of £8.0m, compared with the corresponding position in 2021. In fact, at the balance sheet date there was a surplus of £13.9m in the defined benefit schemes although accounting standards prevent us from being able to recognise this in our balance sheet. As a result of this, the ongoing cash obligations relating to our defined benefit schemes have considerably reduced and now only relate to ongoing employer contributions for the small number of remaining active members.

This reduction in the liability was principally due to changes in actuarial assumptions particularly regarding the increase in the discount rate.

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.

KPIs

	Group	Professional & Financial Services	Stock & Inventory Systems & Services
Revenue movement %			
2022 on 2021	13.0%	8.2%	24.8%
2021 on 2020	45.1%	67.0%	9.2%
2020 on 2019	(45.9%)	(43.0%)	(50.1%)
2019 on 2018	2.6%	5.9%	(1.9%)
2018 on 2017	6.2%	6.8%	5.5%
Operating profit/(loss) as a % of revenue			
2022	7.9%	16.0%	(9.7%)
2021	8.5%	17.3%	(13.6%)
2020	(11.9%)	(7.1%)	(19.8%)
2019	7.4%	13.6%	(6.2%)
2018	5.4%	13.0%	(2.2%)
	Group	YOY Movement	YOY %
EPS (pence)			
2022	12.32p	(1.39p)	(10.1%)
2021	13.71p	33.03p	171.0%
2020	(19.32p)	(34.62p)	(226.3%)
2019	15.30p	4.07p	36.2%
2018	11.23p	1.76p	18.6%
	Group	Movement	
Net funds/(debt) £'000			
2022	7,216	2,617	
2021	4,599	521	
2020	4,078	(674)	
2019	4,752	7,040	
2018	(2,288)	280	
Pension liability £'000			
2022	953	8,044	
2021	8,997	11,139	
2020	20,136	(8,125)	
2019	12,011	2,108	
2018	14,119	122	



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.
- **Pension liability** – a key metric for the Group is the defined benefit pension scheme liability.

Group

At a Group level, we have made solid progress against the KPIs in the year. Revenue increased by 13.0%, following a 45.1% increase in 2021. Net funds improved by £2.6m to £7.2m the strongest position in the period above, whilst the pension liability reduced by £8.0m, with the latter two KPI's significantly strengthening the balance sheet.

PFS

In the PFS division, revenues increased to above pre pandemic levels. Operating profit margin remained strong at 16.0%, given the increase in more normalised expenditure on travel, marketing & exhibitions in 2022. 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 KPI's 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 Q1 2022. Having said that, we did make progress in the year with strong revenue growth of 24.8%.

Taxation

The absolute tax charge for the year was a charge of £1.2m (2021: £0.3m), as the prior year included the utilisation of tax losses brought forward following the pandemic.

There was a reduction in the deferred tax asset of £1.9m (2021: £1.7m reduction) and this is principally reflective of the movement in the retirement benefit obligation during the year.

Earnings per share (EPS)

EPS in the year was solid at 12.32p albeit a marginal reduction to the prior year, given the increase in the tax charge principally as a result of using brought forward tax losses in the prior year, as discussed above. This provides a good foundation for future growth going forward.



Simon Hawkins
Group Finance Director
21 April 2023

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, political or 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, employee negligence, employee fraud 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. In the ordinary course of business, claims may arise against Group companies. In the opinion of the Directors, appropriate amounts have either been set aside or appropriate insurance cover is in place in each of the individual companies within the Group, in respect of liabilities which they may suffer as a result of the resolution of these claims. 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 44 and the Audit Committee report on page 45.

Streamlined Energy and Carbon Reporting (SECR)

The Board and Group's compliance with Streamlined Energy and Carbon Reporting (SECR) is set out in the Environmental report on pages 46 to 47.

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.

Examples of compliance are referred to in the Corporate Governance report on pages 40 to 44 and are reviewed annually. 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 48 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.

The Strategic report on pages 2 to 37 is approved by the Board and signed on their behalf:

Dan Prickett
Director
21 April 2023

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 2022. 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.

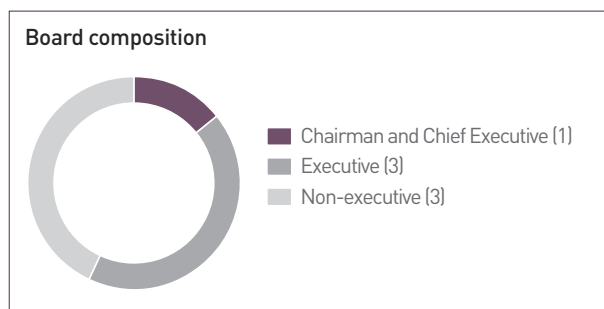
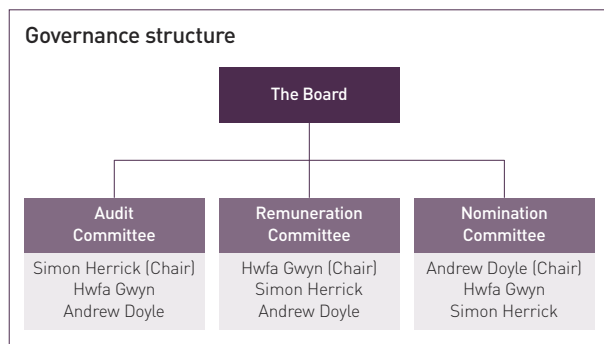
Maintain the Board as a well-functioning, balanced team led by the Chair

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 2022 the Board comprised four Executive Directors and three Non-executive Directors. At 31 December 2022 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	Hwfa Gwyn	Simon Herrick	Andrew Doyle
Has been an employee of the Company or Group within the last five years?	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?	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?	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
Holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies?	No	No	No
Represents or is a significant shareholder?	Yes	No	No
Has served on the Board for more than nine years from the date of their first election?	No	No	No

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 pages 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 2022 were as follows:

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

*Asterisk denotes attendance by invitation

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 Nomination 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 Nomination 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 2023 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 2022, 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 early 2023. 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 2023.

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. Biographies of each Non-executive Director are set out on page 39.

Role and responsibilities

The Audit Committee meets not 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.

MHA MacIntyre Hudson were appointed as statutory auditor on 10 November 2022. An effectiveness review of MHA MacIntyre Hudson's own performance will be 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Audit services				
– audit of the parent company and consolidated financial statements	25	33	25	33
– audit of the subsidiary company financial statements	125	170	–	–
Total audit fees	150	203	25	33
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 MHA MacIntyre Hudson 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 MHA MacIntyre Hudson and gave specific consideration to MHA MacIntyre Hudson's significant findings. Those significant findings identified, examined and reported satisfactorily 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 and intangibles
- Going concern
- The accounting policies and disclosures and their compliance with International Accounting Standards

The Committee also considered MHA MacIntyre Hudson's findings and recommendations in relation to Internal Controls, as well as their assurance 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 so to ensure it has a full understanding of the issues raised and the accounting methodologies used.

Simon Herrick

Chair of Audit Committee
21 April 2023

Environmental reporting

Streamlined Energy and Carbon Reporting (SECR)

Summary of Energy consumption

SECR reporting forms an integral part of the Directors' report. Christie Group plc's UK energy use associated with the Group's operations during the 2022 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	FY22 Energy (kWh)	FY21 Energy (kWh)
Professional & Financial Services	1,730,303	1,648,750
Stock & Inventory Systems & Services	4,204,442	3,354,374
Total	5,934,745	5,003,124

GHG Emissions Summary

GHG emissions associated with Christie Group plc's operations during the 2022 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.

The Group energy consumption shown in the table above has increased by 18.6% in FY22 from FY21 and the Group's GHG emissions shown in the table below have increased by 19.2% since FY21. Transport is the main contributor to the overall increase as Covid-19 travel restrictions affected the business during 2020 and 2021. In particular, Venners transport usage was significantly reduced during that period due to the restrictions in place. Stocktaking was affected for most of the year in the hospitality sector and thus the associated transport costs and emissions were considerably reduced as normal business levels had not resumed. Energy consumption in offices has decreased in FY22 from FY21.

Summary of Absolute GHG Emissions

Greenhouse Gas Scope

	FY2022			FY2021		
	Professional & Financial Services	Stock & Inventory Systems & Services	Group	Professional & Financial Services	Stock & Inventory Systems & Services	Group
Scope 1 emissions (tCO₂e)						
Emissions from combustion of gas	55.4	4.7	60.1	56.7	1.1	57.8
Emissions from combustion of fuel for transport	15.5	413.4	428.9	18.9	339.8	358.7
Scope 2 emissions [location-based] (tCO₂e)						
Emissions from purchased electricity	80.7	38.6	119.3	96.5	41.3	137.8
Scope 3 emissions (tCO₂e)						
Emissions from business travel in employee-owned vehicles where company is responsible for purchasing the fuel	238.1	580.9	819.0	200.8	442.8	643.6
Total Emissions (tCO₂e)	389.7	1,037.6	1,427.3	372.9	825.0	1,197.9

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 the mandatory Scope 1, 2 and 3 GHG emissions and is based on the global revenue figure.

Summary of Carbon Intensity Ratio (tonnes CO₂e per £ turnover)

Normalisation	FY2022	FY2021
TCO ₂ e/£ turnover	0.000021	0.000020

Energy management and energy efficiency measures undertaken

Christie Group plc continuously work to reduce energy consumption and improve energy efficiency across the Group. There has been a decrease in the number of printers and computer equipment at several office locations, which has helped to decrease the overall electricity consumption in the offices. As transport contributes to the largest proportion of the total greenhouse gas emissions, Christie & Co started to develop an electric car policy to incentivise employees towards using electric cars. Venners have replaced a number of older vehicles on leases with newer, more efficient models to help reduce fuel consumption and reduce associated GHG emissions. Pinders have reduced the number of face-to-face internal meetings and are utilising online video conferences to reduce unnecessary travel. Hybrid working practices have been maintained at several Christie Group Business including Orridge to reduce office consumption and travel.

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.

Directors' report

for the year ended 31 December 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

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 4.

Results and dividends

The results for the year are set out in the consolidated income statement on page 62, and the consolidated Statement of Comprehensive Income on page 63. The Directors recommend the payment of a final dividend of 2.50p (2021: 2.00p) per share which together with the interim dividend of 1.25p (2021: 1.00p) per share, makes a total of 3.75p (2021: 3.00p) per share or a total distribution of £987,000 (2021: £780,000) for the year. The profit for the year before tax and before other comprehensive income was £4,424,000 (2021: £3,891,000) and the profit attributable to equity holders of the Group for the financial year, after taxation and including other comprehensive income, was £7,801,000 (2021: £13,426,000).

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. All Directors served throughout the year. David Rugg and Paul Harding 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 353,000 (2021: 224,000) of its own ordinary shares, through an Employee Share Ownership Trust, for a consideration of £420,000 (2021: £223,000). To enable it to meet awards under its SAYE and other share schemes; the Company also sold 171,000 (2021: 51,000) of its own ordinary shares during the year, through an Employee Share Ownership Trust, for a consideration of £141,000 (2021: £35,000). The total holding of the Employee Share Ownership Trust as at 31 December 2022 was 695,000 shares (2021: 513,000 shares), which represents 2.01% (2021: 1.96%) 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 and note 31 for further financial instrument disclosure.

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 financial forecasts. Those forecasts cover a period up to 31 December 2024, using the information available to management at the time.

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

These financial forecasts were produced in November & December 2022 and reviewed in March 2023 and therefore reflect actual financial performance up to that date, with forecasts for the subsequent period up to 31 December 2024.

These financial forecasts and going concern assessments have been shared with the statutory auditor, MHA MacIntyre Hudson.

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 multidiscipline 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.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution proposing MHA MacIntyre Hudson be re-appointed as auditor of the Group 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 21 April 2023.

Simon Hawkins

Director

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 Group'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 Group's remuneration policies for the Directors for the year ended 31 December 2022. 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 2022.

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. While the Chairman and Chief Executive normally attends the Remuneration Committee meetings, this is by invitation, as is attendance by any other Director. 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 Group.
- 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 Group Executive Directors and are designed to reflect the time and experience which the Non-executive Directors bring to the Group.

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	2022 £'000
David Rugg	477	–	101	51	–	629
Dan Prickett	236	–	77	11	15	339
Paul Harding	246	–	23	14	18	301
Simon Hawkins	182	–	54	12	11	259
Hwfa Gwyn	34	–	–	–	–	34
Simon Herrick	34	–	–	–	–	34
Andrew Doyle	34	–	–	1	–	35
	1,243	–	255	89	44	1,631

	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.

Chris Day was appointed as a Non-executive Director on 1 September 2020 and stepped down from the Board on 16 June 2021. Victoria Muir was appointed to the Board on 14 May 2018 and stepped down from the Board on 16 June 2021.

During the year Dan Prickett exercised 50,000 options over shares in the Company with a gain of £21,000 (2021: nil options exercised).

Directors' pension entitlements

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

	2022 £'000	2021 £'000
Defined benefit arrangement:		
Accrued annual pension at end of year	60	57

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 2023	31 Dec 2022	31 Dec 2021
David Rugg (*)	1,329,259	1,320,214	1,291,804
Paul Harding (**)	167,870	337,870	337,870
Dan Prickett	75,000	75,000	75,000
Simon Hawkins	126,240	126,240	126,240
Hwfa Gwyn	1,026,535	1,026,535	1,026,535
Simon Herrick	–	–	–
Andrew Doyle	–	–	–

(*) Included within the 5.01% shareholding shown above for David Rugg is a 4.76% beneficial holding of Mrs T C Rugg. Individually Mr Rugg holds 0.26% and holds no beneficial interest in Mrs Rugg's 4.76% shareholding.

(**) Paul Harding and his wife, Mrs Angela Harding disposed of 170,000 shares in a sale to the Christie Group Employee Share Ownership Trust on 10 January 2023 for 117.5 pence per share.

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

Dan Prickett holds 100,000 share options, granted in May 2015 at 127.5p, exercisable between October 2016 and May 2025. During the year he exercised 50,000 options which had been granted in October 2013 at 75.0p per share, and subsequently disposed of those shares in a sale to the Christie Group Employee Share Ownership Trust for a consideration of 120p per share.

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. On 9 January 2023 David Rugg exercised options over 9,045 shares for a consideration of 99.5p per share.

The market price of the shares at 31 December 2022 was 117.5p (31 December 2021: 97.5p) and the range during the year was 95.0p to 130.0p (year to 31 December 2021: 84.5p to 128.5p).

Hwfa Gwyn

Chair of Remuneration Committee
21 April 2023

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 adopted for use in the United Kingdom ("UK adopted IFRS") 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 International Financial Reporting Standards adopted for use in the United Kingdom ("UK adopted 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

For the purpose of this report, the terms "we" and "our" denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Christie Group plc. For the purposes of the table on pages 55 to 57 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA MacIntyre Hudson. The Group financial statements, as defined below, consolidate the accounts of Christie Group plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Christie Group plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Christie Group plc for the year ended 31 December 2022.

The financial statements that we have audited comprise:

- the 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; and
- Notes 1 to 34 to the consolidated financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group and parent company's financial statements is applicable law and International Financial Reporting Standards adopted for use in the United Kingdom ("UK adopted IFRS").

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 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards adopted for use in the United Kingdom ("UK adopted IFRS"); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

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 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 ethical responsibilities in accordance with those 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 basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business model.
- The evaluation of how those risks might impact on the available financial resources.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of cash flow projections at Group and Parent Company level.
- The evaluation of the base case scenarios and stress scenarios, in respect of the Group and the Parent Company, and the respective sensitivities and rationale.
- Viability assessments at Group and Parent Company levels, including consideration of reserve levels and business plans.

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 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.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement. We undertook full scope audits on the complete financial information of 18 components, specified audit procedures on particular aspects and balances on another 4 components and analytical procedures were undertaken on the remaining 6 components.
First-year audit transition	We developed a detailed audit transition plan, designed to deliver an effective transition from the Group's predecessor auditor, Mazars LLP ("Mazars"). Our audit planning and transition commenced in November 2022, following our appointment. Our transition activities included (but were not limited to) meeting relevant partners and senior staff from Mazars, reviewing the Audit Committee meeting minutes and reviewing Mazar's 2021 audit working papers. Our transition focused on obtaining an understanding of the Group's system of internal control, evaluating the Group's accounting policies and areas of accounting judgement, and meeting with management and the component auditor.

Materiality

	2022	2021	
Group	£1,037k	£612k	1.5% (2021: 1%) of revenue
Parent Company	£495k	£460k	1.5% (2021: 1%) of gross assets

Key Audit Matters

Recurring	• Revenue recognition (Group and Parent Company) • Recoverability of investments and intercompany balances (Parent and Holding Companies only) • Valuation of intangibles and goodwill (Group)
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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) that we identified. These matters included those matters 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.

Independent auditor's report continued

Key Audit Matters continued	
Revenue recognition	
Key audit matter description	The Group has a number of separately identifiable revenue streams that can be broken down into their different components for financial reporting purposes. Revenue and the costs associated with generating that revenue must be recognised in line with the fulfilment of the performance obligations under IFRS15 in the appropriate period.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: • Obtained a detailed understanding of the internal processes, systems and controls surrounding revenue recognition and subsequently performed a walkthrough test of each of the key revenue streams from start to finish, to check the design and implementation of those controls; • Completed cut-off testing by selecting a sample of sales transactions across the various streams either side of the year end to ensure the revenue has been accounted for in the correct period; • Used data analytics for the revenue cycle to identify any transactions which do not fall into the typical cycle that we would expect, these have been discussed with management and supporting documentation requested where necessary; • Substantive testing has been carried out across the different income streams by picking samples from the initial point of sale and tracing to the appropriate supporting documentation; and • Completed a review of revenue recognised to ensure that the accounting policies comply with IFRS 15 and have been appropriately applied.
Key observations	No material issues have been identified from the audit procedures carried out on revenue recognition.
Recoverability of investments and intercompany balances	
Key audit matter description	There is a risk that the carrying value of investments in subsidiaries may require impairment, and that intercompany receivable balances may not be recoverable. Significant provisions have been made in the past against both investment values and intercompany receivables. Management perform impairment reviews of all investments held throughout the Group. Management assess the recoverability of intercompany receivables based on current results of Group entities, as well as forecast future cash flows.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: • Reviewed management's impairment reviews and the conclusions drawn; • Challenged management on whether the inputs into the review are reasonable and accurate based on supporting evidence, such as post year end management accounts and current year performance; • Identified which of the assumptions used are significant to the estimate, i.e., those whose reasonable variation would cause a material change in the valuations, and complete a sensitivity analysis; • Carried out reviews of material intercompany balances to assess the completeness of the provision in place; and • Reviewed accounting policies included within the financial statements and agreed their appropriateness to IFRS 9 and IAS 36.
Key observations	Based on the audit procedures performed, we are satisfied that there are no material issues from our work.

Key Audit Matters continued**Valuation of intangibles and goodwill**

Key audit matter description	There is a risk that the fair value of goodwill arising on investments made by the Group, or internally generated intangible assets exceed their recoverable amount and may therefore need to be impaired. Management prepares a detailed impairment assessment, taking into consideration: • current year developments relating to each intangible; • expected useful lives of the intangible and the ability to retain the licence interests when they come up for renewal; • completion of 5-year forecasts for all subsidiaries taking into account growth and discount rates.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: • Reviewed the key information provided by management including the annual board paper, the forecasts and calculations to support the value of goodwill; • Reviewed the method used in estimating any potential impairment required and considered if it is appropriate; • Challenged management whether the inputs into the impairment assessment are reasonable and accurate based on supporting evidence; • Identified which of the assumptions used are significant to the estimate, i.e., those whose reasonable variation would cause a material change in the valuations; • Assessed any evidence of management bias in selecting key assumptions and assessed the impact of changes in the model vs. the assumptions used in previous periods; and • Assessed whether there were indicators of impairment that should also be considered for the previous reporting date.
Key observations	Based on the audit procedures performed, we noted no material issues from our work.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £1,037,044 (2021: £611,980) which was determined on the basis of 1.5% (2021: 1%) of the Group's revenue. Materiality in respect of the Parent Company was set at £495,000 (2021: £460,010), determined on the basis of 1.5% (2021: 1%) of the Parent Company's gross assets.

Turnover was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the Group financial statements due to the continued growth of the Group and this is the metric by which the growth is principally assessed. In our opinion this is therefore the benchmark with which the users of the financial statements are principally concerned.

Independent auditor’s report continued

Gross assets were deemed the appropriate benchmark for the parent company as its purpose is to hold the assets and investments for the group. Users of the financial statements will be therefore focus on the asset value as a guidance on their return.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £725,931 (2021: £458,985) and at £346,500 (2021: £345,007) for the Parent Company which represents 70% (2021: 75%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £51,850 (2021: £18,359) and £24,750 (2021: £13,800) in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

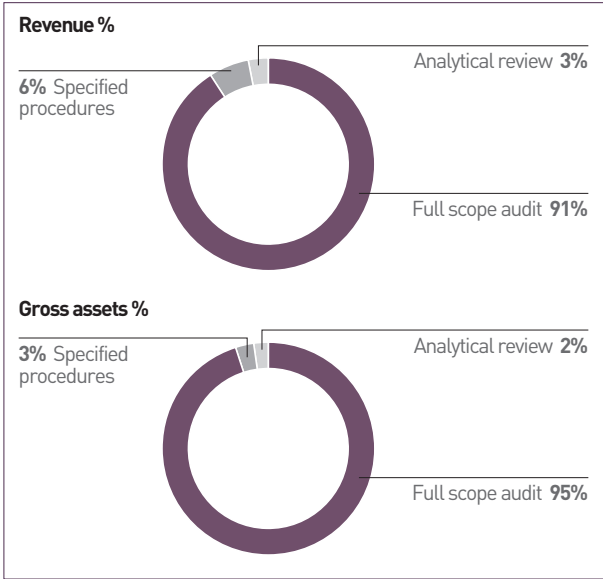
Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 28 reporting components of the group, we identified 27 components in the UK and Europe and 1 component in Canada which represent the principal business units within the Group.

Full scope audits – Of the 28 components selected, audits of the complete financial information of 18 components were undertaken, these entities were selected based upon their size or risk characteristics.

Specified procedures – Of the 10 insignificant components, specified procedures over the bank balances and transactions have been undertaken on all 10 entities, payroll balances of 2 entities and revenue balances of 3 entities. These procedures have been determined based on the size and nature of the balances.

Our audit scoping coverage for the key balances is summarised in the charts below:



The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness and placed reliance on certain controls over purchases and payroll.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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 the 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.

Strategic report and Directors' report

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.

In the 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.

Matters on which we are required to report by exception

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 by 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, 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group including the regulatory and supervisory requirements of the Financial Conduct Authority (FCA).
- We enquired of the Directors and management including the audit committee concerning the Group's and the Parent Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's audit committee meetings and inspection of legal and regulatory correspondence and correspondences from the regulators and the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
 - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - enquiry of management around actual and potential litigation and claims;
 - challenging the assumptions and judgements made by management in its significant accounting estimates; and
 - obtaining confirmations from third parties to confirm existence of a sample of balances.
- the Group and the Parent Company operate in a regulated industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Knibbs MA FCA

(Senior Statutory Auditor)

for and on behalf of MHA MacIntyre Hudson,
Statutory Auditor

Milton Keynes, United Kingdom

21 April 2023

Consolidated income statement

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	5	69,192	61,252
Other income – government grants	6	34	2,592
Employee benefit expenses	7	(47,390)	(44,332)
		21,836	19,512
Other operating expenses		(16,384)	(14,318)
Operating profit		5,452	5,194
Finance costs	8	(1,077)	(1,329)
Finance income	8	49	26
Total finance costs	8	(1,028)	(1,303)
Profit before tax	9	4,424	3,891
Taxation	10	(1,213)	(316)
Profit after tax		3,211	3,575
Earnings per share			
Basic	12	12.32	13.71
Diluted	12	12.15	13.34

All amounts derive from continuing activities.

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

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

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	Note	2022 €'000	2021 €'000
Profit after tax		3,211	3,575
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(119)	100
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent years		(119)	100
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gains on defined benefit plans	28	20,616	13,181
Effect of asset ceiling	28	(13,896)	(1,788)
		6,720	11,393
Income tax effect on defined benefit plans		(3,759)	(2,089)
Income tax effect of asset ceiling		1,748	447
		(2,011)	(1,642)
Net other comprehensive income not being reclassified to profit or loss in subsequent years		4,709	9,751
Other comprehensive income for the year net of tax		4,590	9,851
Total comprehensive income for the year		7,801	13,426

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

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

Consolidated statement of changes in shareholders' equity

As at 31 December 2022

	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
Other comprehensive income	–	–	100	9,751	9,851
Total comprehensive income for the year	–	–	100	13,326	13,426
Movement in respect of employee share scheme	–	(278)	–	–	(278)
Employee share option scheme	–	62	–	–	62
– value of services provided	–	–	–	(260)	(260)
Dividends paid	–	(216)	–	(260)	(476)
Transactions with shareholders	–	(216)	–	(260)	(476)
Balance at 31 December 2021	531	5,246	686	(4,906)	1,557

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

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

Consolidated statement of financial position

At 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Intangible assets – Goodwill	13	1,843	1,800
Intangible assets – Other	14	1,104	1,043
Property, plant and equipment	15	1,178	1,346
Right of use assets	16	6,397	5,106
Deferred tax assets	18	1,565	3,460
Other receivables	19	2,811	2,555
		14,898	15,310
Current assets			
Inventories	20	25	15
Trade and other receivables	21	12,437	12,502
Current tax assets		238	946
Cash and cash equivalents	22	8,839	8,167
		21,539	21,630
Total assets		36,437	36,940
Equity			
Share capital	23	531	531
Other reserves	25	5,128	5,246
Cumulative translation reserve	26	567	686
Retained earnings	26	2,170	(4,906)
Total equity		8,396	1,557
Liabilities			
Non-current liabilities			
Trade and other payables	27	620	546
Retirement benefit obligations	28	953	8,997
Lease liabilities	16	8,731	7,488
Borrowings	29	–	1,000
Provisions	30	1,383	1,352
		11,687	19,383
Current liabilities			
Trade and other payables	27	11,463	10,863
Lease liabilities	16	1,297	1,170
Current tax liabilities		840	299
Borrowings	29	1,623	2,568
Provisions	30	1,131	1,100
		16,354	16,000
Total liabilities		28,041	35,383
Total equity and liabilities		36,437	36,940

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 and authorised for issue by the Board of Directors on 21 April 2023.

David Rugg
Chairman and Chief Executive

Simon Hawkins
Group Finance Director

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flow from operating activities			
Cash generated from operations	33	6,306	3,197
Interest paid		(975)	(982)
Tax (paid)/received		(200)	96
Net cash generated from operating activities		5,131	2,311
Cash flow from investing activities			
Purchase of property, plant and equipment		(334)	(147)
Proceeds from sale of property, plant and equipment		1	22
Intangible asset expenditure		(454)	(388)
Interest received		49	26
Net cash used in investing activities		(738)	(487)
Cash flow from financing activities			
Repayment of bank loan		(2,000)	(2,000)
Net drawdown of invoice finance		55	81
Repayment of lease liabilities		(925)	(1,036)
Dividends paid		(844)	(260)
Net cash used in generated financing activities		(3,714)	(3,215)
Net increase/(decrease) in cash		679	(1,391)
Cash and cash equivalents at beginning of year		8,167	9,565
Exchange gains on euro bank accounts		(7)	(7)
Cash and cash equivalents at end of year	22	8,839	8,167

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

Company statement of changes in shareholders' equity

As at 31 December 2022

	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
Other comprehensive income	–	–	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	–	3	–	3
– value of services provided	–	–	(260)	(260)
Dividends paid	–	(187)	(260)	(447)
Transactions with shareholders	–	(187)	(260)	(447)
Balance at 31 December 2021	531	3,514	4,747	8,792

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2022				
Balance at 1 January 2021	531	3,514	4,747	8,792
Profit for the year after tax	–	–	5,893	5,893
Other comprehensive income	–	–	273	273
Total comprehensive income for the year	–	–	6,166	6,166
Movement in respect of employee share scheme	–	(192)	–	(192)
Employee share option scheme	–	4	–	4
– value of services provided	–	–	(844)	(844)
Dividends paid	–	(188)	(844)	(1,032)
Transactions with shareholders	–	(188)	(844)	(1,032)
Balance at 31 December 2022	531	3,326	10,069	13,926

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

Company statement of financial position

As at 31 December 2022

	Note	2022 £'000	2021 (restated) £'000	2020 (restated) £'000
Assets				
Non-current assets				
Intangible assets		2	2	3
Right of use assets	16	1,873	2,033	2,192
Investments in subsidiaries	14	18,301	11,789	9,980
Deferred tax assets	18	5	277	400
Other receivables	19	2,811	2,555	2,263
		22,992	16,656	14,838
Current assets				
Trade and other receivables	21	10,303	14,583	15,091
Tax asset		–	–	85
Cash and cash equivalents	22	1,846	1,270	2,544
		12,149	15,853	17,720
Total assets		35,141	32,509	32,558
Equity				
Share capital	23	531	531	531
Other reserves	25	5,072	5,198	5,326
Retained earnings	26	10,069	4,747	4,007
Total equity		15,672	10,476	9,864
Liabilities				
Non-current liabilities				
Retirement benefit obligations	28	953	1,448	1,636
Lease liabilities	16	2,009	2,027	2,153
Borrowings	29	–	1,000	3,000
Provisions	30	1,128	1,128	836
		4,090	5,603	7,625
Current liabilities				
Trade and other payables	27	13,911	13,887	11,995
Lease liabilities	16	408	408	355
Current tax liability		60	135	–
Borrowings	29	1,000	2,000	2,719
		15,379	16,430	15,069
Total liabilities		19,469	22,033	22,694
Total equity and liabilities		35,141	32,509	32,558

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 £5,893,000 (2021: profit after tax of £882,000).

These Company financial statements, of Christie Group plc, registered number 01471939, have been approved and authorised for issue by the Board of Directors on 21 April 2023.

David Rugg
Chairman and Chief Executive

Simon Hawkins
Group Finance Director

Company statement of cash flows

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flow from operating activities			
Cash generated from operations	33	2,852	932
Interest paid		(454)	(367)
Tax received		–	220
Net cash generated from operating activities		2,398	785
Cash flow from investing activities			
Interest received		515	368
Dividend received		6,975	2,375
Purchase of investment in wholly owned subsidiary		(6,450)	(1,750)
Net cash generated from investing activities		1,040	993
Cash flow from financing activities			
Repayment of bank loan		(2,000)	(2,000)
Repayment of lease liabilities		(18)	(73)
Dividends paid		(844)	(260)
Net cash used in financing activities		(2,862)	(2,333)
Net increase/(decrease) in cash		576	(555)
Cash and cash equivalents at beginning of year		1,270	1,825
Cash and cash equivalents at end of year	22	1,846	1,270

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 2022

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 adopted for use in the United Kingdom ("UK adopted IFRS") and with the Companies Act 2006. 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 Group and Company's detailed budgets, projections and funding requirements to 31 December 2024, taking account of reasonable possible changes in trading performance over this period, the Directors believe they have reasonable grounds for stating that the Group and Company have 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 2022. 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 2023 or later periods and have not been early adopted.

- IFRS 17 Insurance contracts (effective 1 January 2023)
- Disclosure of Accounting Estimates – Amendments to IAS 8 (effective 1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective 1 January 2023)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective 1 January 2024)
- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 (effective 1 January 2024)

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 2022. 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 recognised in other comprehensive income and are accumulated in the foreign currency translation reserve. 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 up service, consistent with the Group's entitlement to recognise the revenue.

Valuation and Appraisal

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 and as the related expenditure is recognised in profit or loss.

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 and fittings	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 3 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 recognised initially at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less expected credit loss provision. 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 2022. The Group writes off trade receivables when in its view there is no reasonable expectation of recovery.

2.13 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.

2.14 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.

2.15 Restricted access financial assets

Restricted access financial assets are measured initially at the amount of consideration that is unconditional and are recognised where the Group 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 subsequently measured at amortised cost using the effective interest method, less loss allowance. They are included in non-current assets as management

2. Summary of significant accounting policies continued

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.

2.16 Trade and other payables

Trade and other payables are liabilities for goods and services provided to the Group prior to the end of the financial year or any other period that are unpaid. The amounts are unsecured and are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the end of the reporting period.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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. Summary of significant accounting policies continued

2.23 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.

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 profit or loss.

Interest is calculated based on the assets and liabilities of the pension and recognised immediately in profit or loss.

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.

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.

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.

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.

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 2022, 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 £110,000 higher (2021: £117,000 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 £141,000 (2021: reduction in equity of £62,000).

(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 2022 total borrowings by the Group amounted to £1,623,000 (2021: £3,568,000), with additional available unutilised credit facilities at 31 December 2022 of £5,250,000 (2021: £5,250,000). The maturity of financial liabilities is detailed in note 29.

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 2022 were £8,839,000 (2021: £8,167,000).

(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 2022, 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 £14,000 (2021: £18,000).

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 13.

(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 18.

(b) Revenue recognition

In determining the amount to be recognised on incomplete contracts it is necessary to estimate the stage of completion. 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 2022 are as follows:

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

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

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 2022 and 2021 are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
31 December 2022				
Depreciation and amortisation	683	1,036	132	1,851
31 December 2021				
Depreciation and amortisation	708	1,152	122	1,982

Notes to the consolidated financial statements continued

5. Segment information continued

The segment assets and liabilities at 31 December 2022 and capital expenditure for the year then ended are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
Assets	15,986	6,616	12,032	34,634
Deferred tax assets				1,565
Current tax assets				238
				36,437
Liabilities	15,464	3,120	6,994	25,578
Borrowings				1,623
Current tax liabilities				840
				28,041
Capital expenditure	201	583	4	788

The segment assets and liabilities at 31 December 2021 and capital expenditure for the year 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

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.

	2022 £'000	2021 £'000
Revenue		
Europe	69,176	61,202
Rest of the World	16	50
	69,192	61,252

5. Segment information continued

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

	2022 £'000	2021 £'000
Total segment assets		
Europe	36,406	36,909
Rest of the World	31	31
	36,437	36,940

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

	2022 £'000	2021 £'000
Capital expenditure		
Europe	788	535

2022	PFS £'000	SISS £'000	Other £'000	Group £'000
Analysis of revenue by category				
Sale of goods	–	16	–	16
Revenue from services	47,377	21,799	–	69,176
	47,377	21,815	–	69,192

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

6. Other income – government grants

The Group benefited from the Government support due to the Covid-19 business disruption, utilising the furlough scheme from its commencement which provided financial assistance towards employee salaries in 2021 and 2020. During 2022, £nil (2021: £2,592,000) Government grants have been recognised in the Consolidated Income Statement, under the category Other income – government grants. The Group has also benefited from research and development expenditure credits which is disclosed under this category. The amount recognised in 2022 is £34,000 (2021: £nil).

7. Employee benefit expenses

Employee costs for the Group during the year	2022 £'000	2021 £'000
Wages and salaries	41,657	38,705
Social security costs	5,136	4,476
Post-employment benefits	517	1,075
Other long-term benefits	14	14
Cost of employee share scheme	66	62
	47,390	44,332

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

	2022 Number	2021 Number
Operational	1,065	1,146
Administration and support staff	227	245
	1,292	1,391

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

	2022 Number	2021 Number
Operational	705	734
Administration and support staff	227	239
	932	973

8. Finance costs

	2022 £'000	2021 £'000
Interest payable on bank loans and overdrafts	57	64
Other interest payable	48	89
Interest payable on lease liabilities	870	917
Pension scheme finance costs	102	259
Total finance costs	1,077	1,329
Bank interest receivable	(49)	(26)
Total finance credit	(49)	(26)
Net finance costs	1,028	1,303

9. Profit before tax

	2022 £'000	2021 £'000
Profit before tax is stated after charging/(crediting):		
Depreciation of property, plant and equipment		
– owned assets	498	592
– right of use assets	965	1,007
Amortisation of intangible fixed assets	388	383
Profit on sale of property, plant and equipment	(1)	(14)
Leases with remaining lease terms of less than 12 months	290	241
Reversal of impairment of trade receivables	(221)	(14)
Loss on foreign exchange	21	11

Amounts paid to the auditor in respect to services provided has been disclosed within the Audit Committee Report, refer to page 45.

10. Taxation

	2022 £'000	2021 £'000
Current tax		
UK corporation tax at 19% (2021: 19%)	(1,129)	(156)
Foreign tax	(200)	(21)
Adjustment in respect of prior years	–	(127)
Total current tax charge	(1,329)	(304)
Deferred tax		
Origination and reversal of timing differences	116	(419)
Impact of change in UK corporation tax rate	–	407
Total deferred tax credit/(charge)	116	(12)
Tax charge on profit on ordinary activities	(1,213)	(316)

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:

	2022 £'000	2021 £'000
Profit before tax	4,424	3,891
Tax at standard rate of UK corporation tax at 19% (2021: 19%)	(841)	(739)
Effects of:		
– net income and expenses not deductible for tax purposes	(172)	(554)
– unutilised losses	–	699
– foreign tax	(200)	(2)
– tax in respect of previous years	–	(127)
– remeasurement of deferred tax due to changes in the UK corporation tax rate	–	407
Total tax charge	(1,213)	(316)

11. Dividends

A final dividend in respect of the year ended 31 December 2022 of 2.50p per share (2021: 2.00p), amounting to a payment of £663,000 (2021: £520,000) is to be proposed at the Annual General Meeting on 14 June 2023.

In the year the Group paid an interim dividend of 1.25p per share (2021: 1.00p) totalling £324,000 (2021: £260,000).

12. 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.

	2022 £'000	2021 £'000
Profit attributable to equity holders of the Company	3,211	3,575
	Thousands	Thousands
Weighted average number of ordinary shares in issue	26,062	26,071
Adjustment for share options	361	729
Weighted average number of ordinary shares for diluted earnings per share	26,423	26,800
	Pence	Pence
Basic earnings per share	12.32	13.71
Diluted earnings per share	12.15	13.34

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.

13. Intangible assets – goodwill

Group	Total £'000
Cost	
At 1 January 2022	1,800
Foreign currency translation effects	43
At 31 December 2022	1,843
Group	Total £'000
Cost	
At 1 January 2021	1,855
Foreign currency translation effects	(55)
At 31 December 2021	1,800

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 2022 are as follows:

	2022		2021	
	PFS £'000	SISS £'000	PFS £'000	SISS £'000
Goodwill	178	1,665	178	1,622

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 five 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 five-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 75% or 95% of revenue growth dependent upon the relevant CGU) and gave rise to no change in the carrying value of goodwill. There are no reasonably possible changes to any key assumptions used within the impairment reviews that would cause the carrying value of a CGU to exceed its recoverable amount.

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

	2022		2021	
	PFS %	SISS %	PFS %	SISS %
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

14. Intangible assets – other

Group	Trademarks £'000	Software £'000	Total £'000
Cost			
At 1 January 2022	99	3,439	3,538
Additions	6	448	454
Disposals	(10)	(137)	(147)
At 31 December 2022	95	3,750	3,845
Accumulated amortisation			
At 1 January 2022	45	2,450	2,495
Charge for the year	10	378	388
Depreciation on disposals	(5)	(137)	(142)
At 31 December 2022	50	2,691	2,741
Net book amount at 31 December 2022	45	1,059	1,104

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

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

Company	2022 £'000	2021 £'000
Cost		
At 1 January	3	3
At 31 December	3	3
Accumulated amortisation		
At 1 January	1	–
Charge for the year	–	1
At 31 December	1	1
Net book amount at 31 December	2	2

Intangible assets held by the Company relate to trademarks.

15. Property, plant and equipment

Group	Leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2022	51	2,298	2,858	1,090	6,297
Additions	–	20	314	–	334
Disposals	–	(113)	(143)	(30)	(286)
Foreign currency translation effect	–	8	2	1	11
At 31 December 2022	51	2,213	3,031	1,061	6,356
Accumulated depreciation					
At 1 January 2022	49	1,727	2,621	554	4,951
Charge for the year	2	133	190	173	498
Disposals	–	(111)	(143)	(26)	(280)
Foreign currency translation effect	–	7	1	1	9
At 31 December 2022	51	1,756	2,669	702	5,178
Net book amount at 31 December 2022	–	457	362	359	1,178

Group	Leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2021	51	2,235	2,828	1,140	6,254
Additions	–	16	131	–	147
Disposals	–	–	(48)	(47)	(95)
Foreign currency translation effect	–	47	(53)	(3)	(9)
At 31 December 2021	51	2,298	2,858	1,090	6,297
Accumulated depreciation					
At 1 January 2021	47	1,495	2,525	368	4,435
Charge for the year	2	182	197	211	592
Disposals	–	–	(48)	(23)	(71)
Foreign currency translation effect	–	50	(53)	(2)	(5)
At 31 December 2021	49	1,727	2,621	554	4,951
Net book amount at 31 December 2021	2	571	237	536	1,346

16. Right of use assets

Group	Leasehold property £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2022	8,440	926	9,366
Additions	1,809	486	2,295
Disposals	(289)	(490)	(779)
Foreign currency translation effect	193	29	222
At 31 December 2022	10,153	951	11,104
Accumulated depreciation			
At 1 January 2022	3,603	657	4,260
Charge for the year	742	223	965
Disposals	(269)	(482)	(751)
Foreign currency translation effect	209	24	233
At 31 December 2022	4,285	422	4,707
Net book amount at 31 December 2022	5,868	529	6,397

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

Company – leasehold property	2022 £'000	2021 £'000
Cost		
At 1 January	2,391	2,391
At 31 December	2,391	2,391
Accumulated depreciation		
At 1 January	358	199
Charge for the year	160	159
At 31 December	518	358
Net book amount at 31 December	1,873	2,033

16. Right of use assets continued

The maturity of these liabilities is as follows:

Group	2022 £'000	2021 £'000
Undiscounted lease liabilities		
Due within 1 year	2,010	1,745
Due between 1 and 5 years	12,537	5,932
Due after 5 years	2,030	6,792
Total undiscounted lease payments	16,577	14,469
Interest component	(6,549)	(5,811)
Lease liabilities	10,028	8,658
Current	1,297	1,170
Non-current	8,731	7,488

The following are the amounts recognised in the income statement:

Group	2022 £'000	2021 £'000
Depreciation expense of right of use assets	965	1,007
Interest expense on lease liabilities	870	917
Expense relating to short-term leases	290	241
Total amount recognised in the income statement	2,125	2,165

The maturity of these liabilities is as follows:

Company	2022 £'000	2021 £'000
Undiscounted lease liabilities		
Due within 1 year	408	407
Due between 1 and 5 years	1,369	1,369
Due after 5 years	1,998	2,284
Total undiscounted lease payments	3,775	4,060
Interest component	(1,358)	(1,625)
Lease liabilities	2,417	2,435
Current	408	408
Non-current	2,009	2,027

The table below shows the maturity of lease liabilities.

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Due less than one year	1,289	1,170	407	407
Due 1 – 2 years	1,239	1,128	355	355
Due 2 – 5 years	2,245	2,163	1,014	1,014
Due over 5 years	5,255	4,197	641	659
Total lease liabilities	10,028	8,658	2,417	2,435

17. Investments in subsidiaries

Company	Total €'000
Cost	
At 1 January 2022 (restated)	14,385
Additions	6,512
Disposal	(2,038)
At 31 December 2022	18,859
Provision for impairment	
At 1 January 2022	2,596
Charge for the year	–
Disposal	(2,038)
At 31 December 2022	558
Net book amount at 31 December 2022	18,301
Company	Total €'000
Cost	
At 1 January 2021 (restated)	13,576
Additions (restated)	1,809
Disposal	(1,000)
At 31 December 2021 (restated)	14,385
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 (restated)	11,789

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.

17. Investments in subsidiaries continued

Subsidiary undertakings

At 31 December 2022 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
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 Mortgages 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

Notes to the consolidated financial statements continued

17. Investments in subsidiaries continued

Company	Principal place of business and country of incorporation	Registered address (***)	Ownership	Nature of business
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
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

17. Investments in subsidiaries continued

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
Christie GSP 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 was dissolved in December 2022.

Notes to the consolidated financial statements continued

18. 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Deferred tax assets comprise:				
Decelerated capital allowances	91	9	–	–
Losses not yet utilised	65	202	–	137
Short-term timing differences	1,171	1,000	(233)	(221)
Deferred tax asset/(liability)	1,327	1,211	(233)	(84)
Deferred tax asset on pension	238	2,249	238	361
At 31 December	1,565	3,460	5	277

Movements in the deferred tax assets:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
At 1 January	3,460	5,114	277	400
Credit/(charge) to income statement	116	(12)	(149)	(211)
(Charge)/credit to other comprehensive income	(2,011)	(1,642)	(123)	88
At 31 December	1,565	3,460	5	277

Amounts charged to other comprehensive income of £2,011,000 (2021: £1,642,000) 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 2022 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.

19. Other receivables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Restricted access financial assets	2,811	2,555	2,811	2,555

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 2.15.

20. Inventories

Group	2022 £'000	2021 £'000
Finished goods and goods for resale	25	15

21. Trade and other receivables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade receivables	6,945	6,716	9	3
Less: provision for impairment of trade receivables	(454)	(667)	–	–
Amounts owed by Group undertakings	–	–	10,933	14,954
Less: provision for impairment of amounts owed by Group undertakings	–	–	(1,185)	(1,127)
Work in progress	1,364	2,040	–	–
Contract assets	198	213	–	–
Other debtors	1,296	1,225	499	459
Prepayments	3,088	2,975	47	294
	12,437	12,502	10,303	14,583

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

Notes to the consolidated financial statements continued

21. Trade and other receivables continued

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

	2022 £'000	2021 £'000
Provision at 1 January	667	681
Amounts provided in previous period not utilised	(494)	(443)
Provided in the period	281	429
Reversal recognised in the consolidated income statement	(221)	(14)
Provision at 31 December	454	667
Amounts written off in the year	11	2

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.

	2022 £'000	2021 £'000
Not overdue	3,837	3,166
Amounts past due:		
< 1 month	1,960	2,282
1 – 3 months	637	514
3 – 6 months	162	374
6 – 12 months	175	164
> 1 year	173	216
Amounts past due	3,107	3,550
Trade receivables	6,945	6,716
Provision for impairment of trade receivables	(454)	(667)
Amounts past due but not impaired	2,653	2,883

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Sterling	10,890	10,924	10,303	14,583
Euros	1,526	1,559	–	–
Other	21	19	–	–
	12,437	12,502	10,303	14,583

22. Cash and cash equivalents

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash at bank and in hand	8,839	8,167	1,846	1,270

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash and cash equivalents	8,839	8,167	1,846	1,270
	8,839	8,167	1,846	1,270

23. Share capital

	2022		2021	
	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 2022 the total payments by the Company to the ESOP to finance the purchase of ordinary shares were £3,781,000 (2021: £3,497,000). This figure is inclusive of shares purchased and subsequently issued to satisfy employee share awards. The market value at 31 December 2022 of the ordinary shares held in the ESOP was £816,000 (2021: £500,000). The investment in own shares represents 695,000 shares (2021: 513,000) with a nominal value of 2p each.

24. 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 2022.

The remaining options outstanding under approved schemes (unapproved options marked *) at 31 December 2022 are shown below:

Number of shares		Option exercise price	Date granted	Option exercise period
2022	2021			
–	9,000	67.0p	May 2012	May 2015 – May 2022
–	52,000	67.5p	Sep 2012	Sep 2015 – Sep 2022
19,500	22,833	75.0p	Oct 2013	Oct 2016 – Oct 2023
5,500	52,167	75.0p	*Oct 2013	Oct 2016 – Oct 2023
17,000	20,000	134.5p	May 2014	May 2017 – May 2024
100,000	100,000	134.5p	May 2014	May 2017 – May 2024
–	3,000	125.0p	Oct 2014	Oct 2017 – Oct 2024
118,176	125,176	127.5p	May 2015	May 2018 – May 2025
264,190	264,190	127.5p	*May 2015	May 2018 – May 2025
36,000	36,000	138.5p	*Sep 2015	Sep 2018 – Sep 2025
77,000	77,000	101.5p	May 2016	May 2019 – May 2026
42,000	42,000	101.5p	*May 2016	May 2019 – May 2026
10,000	10,000	92.5p	Oct 2016	Oct 2019 – Oct 2026
25,000	28,000	88.5p	May 2017	May 2020 – May 2027
35,070	35,070	113.5p	Oct 2017	Oct 2020 – Oct 2027
3,930	3,930	113.5p	*Oct 2017	Oct 2020 – Oct 2027
74,000	74,000	113.0p	May 2018	May 2021 – May 2028
13,000	13,000	113.0p	*May 2018	May 2021 – May 2028
9,000	9,000	106.5p	Oct 2018	Oct 2021 – Oct 2028
6,000	6,000	106.5p	*Oct 2018	Oct 2021 – Oct 2028
15,000	15,000	98.5p	Apr 2019	Apr 2022 – Oct 2029
71,000	84,000	97.5p	May 2019	May 2022 – May 2029
3,000	3,000	95.0p	Oct 2019	Oct 2022 – Oct 2029
3,000	3,000	106.50p	*Oct 2019	Oct 2022 – Oct 2029
89,000	98,000	76.0p	Nov 2020	Nov 2023 – Nov 2030
16,000	16,000	76.0p	*Nov 2020	Nov 2023 – Nov 2030
74,000	74,000	103.0p	Apr 2021	Apr 2024 – Apr 2031
27,000	27,000	103.0p	*Apr 2021	Apr 2024 – Apr 2031
51,000	54,000	105.0p	Oct 2021	Oct 2024 – Oct 2031
10,000	10,000	105.0p	*Oct 2021	Oct 2024 – Oct 2031
71,000	–	107.5p	May 2022	May 2025 – May 2032
3,000	–	107.5p	*May 2022	May 2025 – May 2032
23,000	–	111.5p	Oct 2022	Oct 2025 – Oct 2032
17,000	–	111.5p	*Oct 2022	Oct 2025 – Oct 2032
1,328,366	1,366,366			

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 based payments 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:

	2022	2021
Share price at grant date	67.0 – 138.5	67.0 – 138.5
Exercise price	67.0 – 138.5	67.0 – 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% – 4.3%	0.0% – 1.6%
Dividend yield	0.0% – 3.2%	0.0% – 3.2%
Fair value per option	10.4p – 103.1p	12.9p – 100.6p
Range of weighted average exercise price	67.0p – 138.5p	67.0p – 134.5p

The expected volatility is based on historical volatility over the last 5 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 2022 is shown below:

	2022		2021	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	1,366,366	106.81p	1,384,366	108.87p
Granted	121,000	108.82p	165,000	103.78p
Exercised	(96,000)	74.20p	(33,000)	64.98p
Forfeited	(38,000)	105.46p	(150,000)	114.10p
Expired	(25,000)	67.50p	–	–
Outstanding at 31 December	1,328,366	113.20p	1,366,366	106.81p
Exercisable at 31 December	947,366	119.45p	925,366	111.86p

Excluding SAYE schemes there were 96,000 share options exercised during the year (2021: 33,000). The total charge for the year relating to employee share-based payment plans was £66,000 (2021: £62,000), all of which related to equity-settled share-based payment transactions. The weighted average remaining contractual life of share options outstanding at 31 December 2022 was 4.77 years (2021: 6.09 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 2022	4,831	919	(514)	10	5,246
Employee share option scheme: value of services provided	–	66	–	–	66
Movement in respect of employee share scheme	–	(26)	(158)	–	(184)
At 31 December 2022	4,831	959	(672)	10	5,128

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

Company	Share premium £'000	Share-based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other £'000	Other reserves £'000
At 1 January 2022	4,831	782	(514)	10	89	5,198
Employee share option scheme: value of services provided	–	4	–	–	–	4
Employee share option scheme: value of services provided to subsidiary employees	–	62	–	–	–	62
Movement in respect of employee share scheme	–	(34)	(158)	–	–	(192)
At 31 December 2022	4,831	814	(672)	10	89	5,072

Company	Share premium £'000	Share-based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other £'000	Other reserves £'000
At 1 January 2021 (as previously stated)	4,831	(888)	(341)	10	89	3,701
Restatement (note 35)	–	1,625	–	–	–	1,625
At 1 January 2021 (restated)	4,831	737	(341)	10	89	5,326
Employee share option scheme: value of services provided	–	3	–	–	–	3
Employee share option scheme: value of services provided to subsidiary employees	–	59	–	–	–	59
Movement in respect of employee share scheme	–	(17)	(173)	–	–	(190)
At 31 December 2021 (restated)	4,831	782	(514)	10	89	5,198

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Current				
Trade payables	1,311	1,655	552	814
Amounts owed to Group undertakings	–	–	11,781	11,083
Other taxes and social security	2,729	2,838	808	961
Other creditors	639	625	81	47
Contract liabilities	217	280	–	–
Accruals	6,567	5,465	689	982
	11,463	10,863	13,911	13,887

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 £83,000 (2021: £157,000) were payable to the fund at the Statement of Financial Position date.

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Non-current				
Accruals	620	546	–	–
	620	546	–	–

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Sterling	10,943	10,080	13,911	13,887
Euros	1,098	1,299	–	–
Other	42	30	–	–
	12,083	11,409	13,911	13,887

28. Retirement benefit obligation

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

	2022 £'000	2021 £'000
As at 31 December	953	8,997

The obligation outstanding of £953,000 (2021: £8,997,000) includes £953,000 (2021: £1,312,000) payable to David Rugg by Christie Group plc, and £nil (2021: £7,685,000) 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.

	2022 £'000	2021 £'000
Present value of obligations	55,454	83,058
Fair value of plan assets	(68,397)	(75,849)
(Asset)/liability pre effect of asset ceiling	(12,943)	7,209
Effect of asset ceiling	13,896	1,788
Liability in the statement of financial position	953	8,997

The principal actuarial assumptions used were as follows:

	2022 %	2021 %
Discount rate	4.80	1.90
Inflation rate	3.15	3.40
Future salary increases	1.00 – 2.00	1.00 – 2.00
Future pension increases	1.80 – 3.45	2.25 – 3.60

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:

	2022 Years	2021 Years
Male	22.2 – 21.3	21.7 – 22.1
Female	24.3 – 23.6	23.9 – 24.1

28. Retirement benefit obligation continued

The movement in the defined benefit obligation is as follows:

	2022 £'000	2021 £'000
At 1 January	83,058	88,510
Interest cost	1,535	1,208
Current service cost	201	417
Benefits paid	(2,009)	(2,103)
Actuarial (gains) on assumption changes	(30,019)	(4,068)
Actuarial losses/(gains) on experience	2,688	(906)
At 31 December	55,454	83,058
Attributable to:		
Present value of funded obligations	55,454	75,849
Present value of unfunded obligations	–	7,209
	55,454	83,058

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

	2022 £'000	2021 £'000
At 1 January	75,849	68,374
Return on plan assets less interest income	(8,015)	8,207
Net interest income	1,433	947
Employee contributions	81	81
Employer contributions	1,083	286
Benefits paid	(2,034)	(2,046)
At 31 December	68,397	75,849

The amounts recognised in the income statement and the Statement of Comprehensive Income are as follows:

	2022 £'000	2021 £'000
Current service cost	201	417
Total included in employee benefit expenses	201	417
Net interest cost	102	259
Total included in finance costs	102	259
Actuarial gains	20,616	13,181
Effect of asset ceiling	(13,896)	(1,788)
Total included in other comprehensive income	6,720	11,393

28. Retirement benefit obligation continued

Plan assets are comprised as follows:

	2022			2021		
	Quoted* £'000	Unquoted £'000	Total £'000	Quoted* £'000	Unquoted £'000	Total £'000
Equity	53,049	–	53,049	53,149	–	53,149
Debt	–	7,824	7,824	–	11,093	11,093
Property**	–	3,278	3,278	–	3,535	3,535
Other	–	4,246	4,246	–	8,072	8,072
	53,049	15,348	68,397	53,149	22,700	75,849

* 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%	(6.0%)	6.0%
Pension growth rate	0.25%	1.7%	(1.7%)
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		2.70%	(2.70%)

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 Group contributions to UK post-retirement benefit schemes for the year ending 31 December 2022 are £150,000.

The weighted average duration of the defined benefit obligation is 15.0 years (2021: 16.5 years).

Expected maturity analysis of undiscounted pension benefits:

As at 31 December 2022	Less than 1 year £'000	Between 1-2 years £'000	Between 2-5 years £'000	Over 5 years £'000	Total £'000
Pension benefits	2,824	2,348	8,093	96,691	109,956
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:

	2022 £'000	2021 £'000
Beginning of the year	(1,448)	(1,636)
Expenses included in income statement	(10)	(10)
Employer contributions	53	111
Pension paid	57	57
Actuarial gains included in statement of comprehensive income	395	75
Effect of asset ceiling included in statement of comprehensive income	–	(45)
End of the year	(953)	(1,448)

Notes to the consolidated financial statements continued

29. Borrowings

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Non-current				
Bank loan	–	1,000	–	1,000
	–	1,000	–	1,000
Current				
Bank loan	1,000	2,000	1,000	2,000
Invoice finance (secured against debtors)	623	568	–	–
	1,623	2,568	1,000	2,000
Total borrowings	1,623	3,568	1,000	3,000

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Due less than one year	1,623	2,568	1,000	2,000
Due 1 -2 years	–	1,000	–	1,000
Due 2 – 5 years	–	–	–	–
Total borrowings	1,623	3,568	1,000	3,000

30. Provisions

Group	Employee benefits £'000	Dilapidations and other £'000	Total £'000
At 1 January 2022	1,049	1,403	2,452
Provided in the year	26	36	62
At 31 December 2022	1,075	1,439	2,514

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
Utilised in the year	(95)	–	(95)
At 31 December 2021	1,049	1,403	2,452

30. Provisions continued

Analysis of total provisions:

	2022 £'000	2021 £'000
Non-current	1,383	1,352
Current	1,131	1,100
	2,514	2,452

Company	Dilapidations and other £'000	Total £'000
At 1 January 2022	1,128	1,128
Provided in the year	–	–
At 31 December 2022	1,128	1,128

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

Analysis of total provisions:

	2022 £'000	2021 £'000
Non-current	1,128	1,128
	1,128	1,128

(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.

Notes to the consolidated financial statements continued

31. Financial instruments

The Group has the following financial instruments:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Assets				
Amortised cost				
Other receivables	2,811	2,555	2,811	2,555
Trade and other receivables	9,349	9,527	10,256	14,289
Cash and cash equivalents	8,839	8,167	1,846	1,270
	20,999	20,249	14,913	18,114
	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Liabilities				
Lease liabilities (historic discounted amounts)	10,028	8,658	2,417	2,425
Trade and other payables	4,896	8,291	13,222	12,926
Borrowings	1,623	3,568	1,000	3,000
	16,547	20,517	16,639	18,351

The carrying value of financial instruments is a reasonable approximation of fair value due to the short-term maturities of these instruments.

32. Capital management policies and procedures

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital based on the carrying amount of the equity less cash and cash equivalents as presented on the face of the consolidated statement of financial position.

	2022 £'000	2021 £'000
Capital		
Total equity	8,396	1,557
Less cash and cash equivalents	8,839	8,167
Total capital	[443]	[6,610]
Overall financing		
Total equity	8,396	1,557
Plus borrowings and other financing liabilities	11,651	12,226
Total financing	20,047	13,783

33. Notes to the cash flow statement

Cash generated from operations

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Profit for the year after tax	3,211	3,575	5,893	882
Adjustments for:				
Taxation	1,213	316	149	211
Finance costs	1,028	1,303	454	362
Interest received	–	–	(515)	(368)
Dividends received	–	–	(6,975)	(2,375)
Depreciation	1,463	1,599	160	159
Amortisation of intangible assets	388	383	–	1
Impairment of investments in subsidiaries	–	–	–	–
Profit on sale of property, plant and equipment	–	(14)	–	–
Increase in provisions	62	291	–	292
Payments to ESOT	(284)	(175)	(225)	(175)
Foreign currency translation	(437)	143	–	–
Share option charge	66	62	4	3
Movement in non-current other receivables	(256)	(292)	(256)	(292)
Movement in working capital:				
(Increase)/decrease in inventories	(10)	9	–	–
Decrease/(increase) in trade and other receivables	65	(1,878)	4,280	508
(Decrease)/increase in trade and other payables	(203)	(2,125)	(117)	1,724
Cash generated from operations	6,306	3,197	2,852	932

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 2022	–	3,000	–	568	8,658	12,226
Proceeds from borrowings	–	–	–	55	–	55
Repayment of borrowings	–	(2,000)	–	–	–	(2,000)
Leased assets acquired	–	–	–	–	2,295	2,295
Net lease liabilities movement	–	–	–	–	(925)	(925)
Total changes from financing cash flows	–	(2,000)	–	55	1,370	(575)
Liability related						
Interest expense	–	57	–	48	870	975
Interest paid	–	(57)	–	(48)	(870)	(975)
Total liability related changes	–	–	–	–	–	–
Balance at 31 December 2022	–	1,000	–	623	10,028	11,651

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 2021	719	5,000	–	487	9,295	15,501
Proceeds from borrowings	–	–	–	81	–	81
Repayment of borrowings	–	(2,000)	–	–	–	(2,000)
Leased assets acquired	–	–	–	–	399	399
Net lease liabilities movement	–	–	–	–	(1,036)	(1,036)
Total changes from financing cash flows	–	(2,000)	–	81	(637)	(2,556)
Liability related						
Change in bank overdraft	(719)	–	–	–	–	(719)
Interest expense	2	61	–	29	917	1,009
Interest paid	(2)	(61)	–	(29)	(917)	(1,009)
Total liability related changes	(719)	–	–	–	–	(719)
Balance at 31 December 2021	–	3,000	–	568	8,658	12,226

Company In £'000	Bank overdraft	Bank loan	Lease liabilities	Total
Balance at 1 January 2022	–	3,000	2,435	5,435
Repayment of borrowings	–	(2,000)	–	(2,000)
Net lease liabilities movement	–	–	(18)	(18)
Total changes from financing cash flows	–	(2,000)	(18)	(2,018)
Liability related				
Change in bank overdraft	–	–	–	–
Interest expense	–	57	216	273
Interest paid	–	(57)	(216)	(273)
Total liability related changes	–	–	–	–
Balance at 31 December 2022	–	1,000	2,417	3,417

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	62	232	296
Interest paid	(2)	(62)	(232)	(296)
Total liability related changes	(719)	–	–	(719)
Balance at 31 December 2021	–	3,000	2,435	5,435

The bank overdraft is held for cash management purposes.

Details of other loans and borrowings are set out in note 29.

34. Related-party transactions

Group

There is no controlling interest in the Group's shares.

The Group 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 Directors is included in the Directors' remuneration report on page 51.

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:

	2022 £'000	2021 £'000
Directors' remuneration per remuneration committee report	1,630	1,642
Employers' NI	232	224
Total remuneration	1,862	1,866

	2022 £'000	2021 £'000
Dividends paid to Directors	91	29

The income statement charge in respect of share options held by Directors is £4,000 (2021: £3,000).

Company

Transactions with Group undertakings:

	2022 £'000	2021 £'000
Provision of services	7,111	6,124
Purchase of services	2,033	1,530

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 21 and 27.

See note 21 for provisions against amounts due from Group undertakings.

Refer to note 28 for details of David Rugg's pension scheme.

During the period rental costs of £514,000 (2021: £485,000) 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. Prior period adjustment

Under IFRS 2, an entity should recognise an increase in investments in subsidiaries where share options are granted to employees of subsidiary undertakings and the options are settled by the parent company. There should be a corresponding increase in the share based payment reserve. Following a review of the Group's accounting policies it was identified that the additional investment had not been recognised by the parent Company. The impact of this has led to an understatement of investments and share based payment reserve since the transition to IFRS in 2005. The investment in subsidiaries and share based payment reserve as at 1 January 2021 were understated by £1,625,000. The investments and reserves increased by a further £59,000 to a £1,684,000 increase in total assets previously reported at 31 December 2021. No other balances have been impacted.

Five-year record

Consolidated income statement

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Revenue	69,192	61,252	42,224	78,041	76,090
Operating profit/(loss) before restructuring items	5,452	5,194	(4,355)	5,771	4,083
Restructuring items	–	–	(672)	–	–
Finance costs	(1,028)	(1,303)	(1,312)	(1,349)	(484)
Profit/(loss) on ordinary activities before tax	4,424	3,891	(6,339)	4,422	3,599
Taxation	(1,213)	(316)	1,277	(409)	(661)
Profit/(loss) on ordinary activities after tax	3,211	3,575	(5,062)	4,013	2,938
Non-controlling interest	–	–	–	–	(18)
Profit/(loss) attributable to equity holders of the parent	3,211	3,575	(5,062)	4,013	2,956
Earnings per share					
Basic	12.32p	13.71p	(19.32p)	15.30p	11.23p
Dividends per ordinary share (payable in respect of the year)	3.75p	3.00p	0.00p	1.25p	3.00p

Consolidated statement of financial position

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Non-current assets	14,898	15,310	17,863	15,809	11,829
Current assets	21,539	21,630	21,908	24,996	19,701
Non-current liabilities	(10,734)	(10,386)	(12,053)	(9,791)	(1,205)
Current liabilities	(16,354)	(16,000)	(18,975)	(19,037)	(18,586)
	9,349	10,554	8,743	11,977	11,739
Retirement benefit obligations	(953)	(8,997)	(20,136)	(12,011)	(14,119)
Net assets/(liabilities)	8,396	1,557	(11,393)	(34)	(2,380)

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-2022

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

Major shareholders

Information shown for major shareholders was correct as at 28 April 2023.

Philip Gwyn	27.93%
Mr J P Rugg	6.00%
Lord Lee of Trafford	4.80%
Mrs T C Rugg*	4.76%
Hwfa Gwyn	3.87%
Katie Gwyn	3.87%
Anna Ross	3.87%
Christina Bretten	3.82%
Andrew Muir	3.18%
David Rugg (Chairman and Chief Executive)	0.26%

*Mrs T C Rugg is the spouse of David Rugg.

Issued share capital

26,526,729 ordinary 2p shares

Shares not in public hands

The percentage of shares not held in public hands is 62.66%.

16,622,774 Christie Group ordinary 2p shares.

Nominated adviser and broker

Shore Capital

Auditors

MHA MacIntyre Hudson LLP

Financial calendar

Annual General Meeting

Whitefriars House	Wednesday
6 Carmelite Street	14 June 2023
London EC4Y 0BS	at 10:00am

Announcements

Half year results for 2023	September 2023
Preliminary full year results for 2023	April 2024

Dates are correct at the time of printing, but are subject to change.

Final dividend 2022

Ex-dividend	8 June 2023
Record date	9 June 2023
Payment date	7 July 2023

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 – shareholderenquiries@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 or by using the LinkVote+ app

To register, you will need your investor code, which can be found on your share certificate(s).

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 – shareholderenquiries@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.

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