

# Client centric insight



# Contents

|    |                                                           |
|----|-----------------------------------------------------------|
| 1  | Highlights of the year                                    |
| 2  | Chairman's statement                                      |
| 4  | Chief Executive's review                                  |
| 8  | Our strategy                                              |
| 10 | Our brands                                                |
| 11 | Where we are                                              |
| 12 | Diversified knowledge                                     |
| 14 | Vision & Insight                                          |
| 17 | Divisional review                                         |
| 26 | Financial review                                          |
| 27 | KPIs                                                      |
| 28 | Board of directors                                        |
| 29 | Strategic report                                          |
| 30 | Directors' report                                         |
| 31 | Corporate governance                                      |
| 34 | Remuneration report                                       |
| 36 | Statement of directors' responsibilities                  |
| 37 | Independent auditor's report                              |
| 38 | Consolidated income statement                             |
| 39 | Consolidated statement of comprehensive income            |
| 40 | Consolidated statement of changes in shareholders' equity |
| 41 | Consolidated statement of financial position              |
| 42 | Consolidated statement of cash flows                      |
| 43 | Company statement of changes in shareholders' equity      |
| 44 | Company statement of financial position                   |
| 45 | Company statement of cash flows                           |
| 46 | Notes to the consolidated financial statements            |
| 84 | Five-year record                                          |
| 85 | Shareholder information                                   |
| 87 | Directory                                                 |

## Christie Group provides a portfolio of over 70 professional business services for the leisure, retail and care 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 Business Services

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. Its scope is complemented by the comprehensive appraisal and project management services available from Pinders.

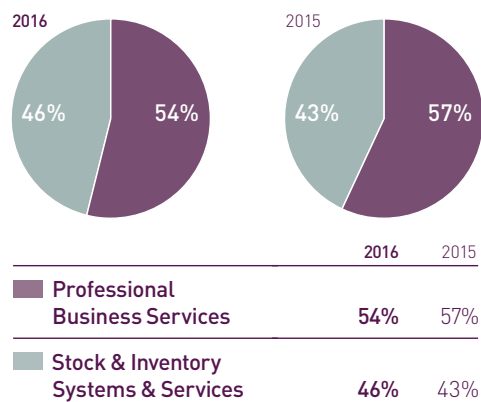
### Stock & Inventory Systems & Services

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

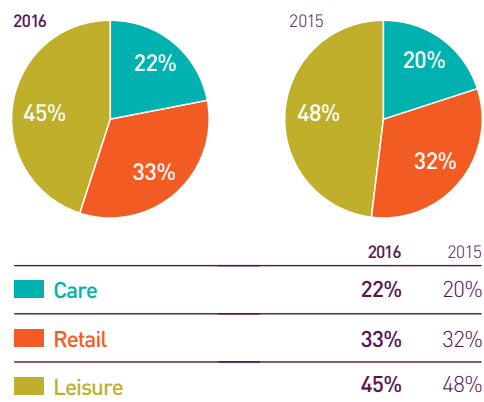
# Highlights of the year

- Revenue growth of 1.2% to £64.5m (2015: £63.7m)
- Operating profit before exceptional items of £1.0m (2015: £3.8m)
- Operating profit after exceptional items of £2.3m (2015: £3.8m)
- Earnings per share of 5.35p per share (2015: 9.73p per share)
- Proposed final dividend at 1.5p per share (2015: 1.5p per share) maintains total dividend for the year at 2.50p per share (2015: 2.50p per share)
- Significant improvement in trading in second-half of the year, following a subdued first half which was impacted by EU Referendum
- Second-half operating profit before exceptional items of £1.9m (2015: £2.0m)
- PBS division delivers second-half operating profit before exceptional items of £1.8m after first-half operating loss of £0.4m
- Progress across all businesses in the division sees SISS division reduce operating losses before exceptional items to £0.2m (2015: £1.0m)
- Christie Finance wins 'Commercial Mortgage Introducer of the Year' for the second year running at the Business MoneyFacts Awards

REVENUE BY DIVISION



REVENUE BY SECTOR



# Chairman's statement



After a subdued first half, which – as previously reported – was caused by the inertia leading up to the EU referendum, I am pleased to advise that our trading environment recovered following the summer holiday period.

We achieved full year revenue of £64.5m, and in doing so delivered a small increase on the prior year (2015: £63.7m). Our first-half operating loss before exceptionals of £0.9m was eradicated in the second half and an operating profit before exceptional items of £1.0m (2015: £3.8m) was generated for the year as a whole.

In addition, we recorded an exceptional operating profit of £1.3m (2015: £nil) as a result of introducing further inflation capping to our final salary pension schemes, both of which remain closed to new members.

As a result of all of the above, operating profit after exceptionals totalled £2.3m (2015: £3.8m). Earnings per share stood at 5.35p per share (2015: 9.73p per share). While this amounted to a decrease on the prior year, it was nonetheless reflective of an encouraging recovery after a challenging first half.

Cash flow in the year reflected capital expenditure investment in the business for the longer term of £1.3m as well as a £1.2m increase in trade receivables due to the positive second half trading. Our working capital control and bad debt experience both remain excellent and

our available cash and facilities support our aspirations for the year ahead.

## Professional Business Services

As alluded to above, it was the Corporate M&A activity which saw a lack of activity. Whilst we deliberately strive to keep a healthy balance between transactional and advisory services, it is of course a fact that most advisory work, valuations, revaluations, due diligence and consultancy work revolve around either current transactions or plans for future transactions.

Agency activity was dispersed across our trade sectors. The star sector during the year was Children's Day Care, which delivered several highlights during the year with this momentum continuing into 2017 as highlighted by its sale of Magic Nurseries to Les Petits Chaperons Rouge in January.

Helpfully, we saw an increase in transaction activity in the lesser regulated sectors such as Retail and Hospitality. This will lead to our 'deal agreed' pipeline throughput accelerating, where deals tend to conclude more quickly in these sectors so that the conversion of pipeline to recognised revenue is swifter.

Our International transactional and advisory business, combined with international trade from our UK base, ensured that these activities returned an operating profit. We did, however, experience a post-Brexit slowdown in continental Europe which we hope will be short-lived. Our Asia desk was successful in assisting sales in Europe to Chinese buyers. This activity continues, subject to the more stringent close capital constraints.

Our consultancy activities have been successfully expanded into both the

---

**“The result for the year was reflective of an encouraging recovery after a challenging first half”.**

---

“The year for both our divisions has started more strongly than in 2016. We plan for continued growth in 2017.”



dental and pharmacy sectors. Briefs included 'whole of market' reviews in order to place specific portfolio acquisition and development opportunities in context.

Valuation instructions increased by 12%. Additionally, we received instructions to assist lenders to comply with the European banking regulation which requires triennial review of the values of assets which support existing bank loans. We also assisted clients to access actual and consequential losses in instances where it is accepted that they had been wrongly deprived of trading assets.

Christie Finance enjoyed another good year with increasing involvement in higher value loans. Indeed, further to the launch of Christie Finance Corporate, the business is now mandated on a number of sizeable lending projects, illustrating its increasing ability to serve a diverse range of corporate clients, including private equity houses. Affirming its growing stature, the business won the Commercial Mortgage Introducer of the Year award at the Business MoneyFacts awards for the second successive year.

As ever, our insurance business Christie Insurance enjoyed some challenging assignments. The end product of insurance is claims and for Christie Insurance this is the acid test of the products and insurers they recommend. During the year one client suffered water damage to one of their buildings and the client had inadvertently failed to advise their insurers the buildings were unoccupied, resulting in an exclusion of the required water damage cover. Despite this, Christie Insurance was successful in persuading the insurer to pay out on a large part of the costs their client incurred.

Pinders, our business appraisal and building services business, has covered

some interesting assignments in addition to its normal business valuation work. Most notably these included an Insurance Reinstatement Assessment for a thirteenth century Grade I Listed Castle and Building and Services Condition Surveys for a tranche of ten Hilton Hotels. Alongside these successes, Pinders' renowned database and depth of knowledge has brought expert witness work where Pinders is required to establish the historic values of business when a dispute arises.

#### **Stock & Inventory Systems & Services**

As previously reported, the introduction of the National Living Wage meant that at a stroke, our retail counters were rewarded at a higher level. As a result, we increased prices, but there was a small drag effect due to timing of contractual review dates. Whilst turnover was flat in our Retail division, we have adjusted the work specification or value of counts in order to retain our margin. In fact, we are now seeing 'win backs' where customers had previously chased price over competence and have now come back to Christie.

Our supply chain service is active in growing its 'good faith receiving' audits which are becoming increasingly established practice in retail supply.

Internationally, our operations in Benelux and France have already secured sufficient assignments to underpin profitability there in 2017, whilst current work trials in Germany hold out a similar prospect for later in the year.

Our licensed trade business, Venners, continued to grow market share and existing clients awarded us work for further brands. Venners new Brand Reputation offering has been enthusiastically received by those which have or wish to franchise hospitality

brands. Venners ensures that the operator conforms to the brand service standards throughout each trading outlet through an agreed schedule of visits and, on occasion, unannounced.

Vennersys has achieved the goal of readying its SAAS ('Software As A Service') model for 'go lives' in 2017. We remain in a period of intense activity as many visitor attractions are seasonal and open at either Easter or for the summer months. Once over the 'hump' of these existing client conversions, we will be able to accommodate our new business pipeline on a more rapid basis. We anticipate, with minor exceptions, being able to switch off our legacy systems at this year end. This will reduce duplicated help desk traffic.

#### **Outlook**

The year for both our divisions has started more strongly than in 2016. We have some inflationary costs to absorb which our budgets allow for. Your management and staff alike strive to always deliver a service that is second to none, and on your behalf I thank them. We plan for continued growth in 2017. Your board's enthusiasm for the unique and logically related Group of companies that constitute your business continues unabated.

Reflecting this optimism, your directors recommend a final dividend of 1.5p per share (2015: 1.5p), maintaining a total of 2.5p for the year (2015: 2.5p). If approved the dividend will be paid on 7 July 2017 to those shareholders on the register on 9 June 2017.

**Philip Gwyn**  
Chairman  
31 March 2017

# Chief Executive's review



## **Stability and long-term growth**

Continuing geopolitical uncertainty, not least Brexit, made professional investors more cautious in 2016 and this limited liquidity in our markets. Despite these constraints, the Group managed to grow revenue slightly to £64.5m (2015: £63.7m). Operating profit before exceptional items was lower, at £1.0m (2015: £3.8m). However, our second half held up with an operating profit before exceptionals in the second six months of the year of £1.9m (2015: £2.0m).

Especially in the corporate segment, both buyers and sellers marked time in the run-up to the June referendum. In the immediate aftermath, the surprise nature of the result acted as a short-term brake, but investors adapted swiftly and soon re-engaged. Transaction volumes rebounded in the last four months of the year.

The pause in market activity in the run-up to Brexit could be anticipated; it resulted in a revenue shortfall in the first half of 2016. The board took the view that our long-term interests were better served by continuing to invest in our businesses and brands. This meant the Group operated with surplus capacity for much of the year. The resulting higher overheads had an impact on our overall profitability.

Historically, our business has prospered by focusing decision-making on medium-term outcomes and the fundamentals in our chosen sectors.

The stability of our shareholder base has played a key role in this, helping to ensure we are not deflected from our core purpose of achieving sustainable, long-term growth.

## **Focus, flexibility and resilience**

There are Christie Group services at every stage of the business lifecycle. We value businesses for prospective buyers and support acquisitions by arranging debt finance and insurance cover. Our inventory and stock planning services enhance operational efficiency. We provide expert advice and services to help those selling businesses maximise their value.

Our organisational structure underpins our resilience across the economic cycle. We derive more predictable earnings from services that enhance operational efficiency. Our transaction-related services tend to be more profitable in active markets.

Our transaction-linked business is well diversified. We engage right across our sectors, from smallest to largest, serving both private clients and the corporate market. So when professional markets were subdued in the first half of 2016 we continued to conclude transactions with private clients. It demonstrates once again the merits of a balanced group structure with a wide-ranging portfolio of interests.

Understanding our sectors in depth is key. We acquire detailed business intelligence by focusing on three broad economic sectors: Retail, Care – including Medical and Childcare & Education – and Leisure. We store and share sector-specific knowledge across the Group to optimise our services.

Business intelligence has always been at the foundation of our offering. We aim

---

**“Transactions volumes rebounded in the last four months of the year as investors re-engaged.”**

---



“We have the experience, scale and capabilities to support corporate investors and we’re finding new ways to connect with private clients.”

to deliver high-quality service and advice that commands premium pricing and is less likely to be undercut by cost-driven competitors. It is an approach that suits clients’ needs in the knowledge economy.

Our business is built around our clients. As sector specialists, we understand the dynamics of their markets and their businesses. We can propose precisely targeted, practical solutions.

#### **Professional Business Services**

One recent market dynamic is the emergence of service businesses as a popular class of alternative asset.

Alternative assets have moved into the mainstream in recent years as investors have realised that certain financial risks cannot be properly addressed using traditional assets. Institutional investors are including business assets and sector holdings in their portfolios.

In the manufacturing sector opportunities are limited. New technologies, like Artificial Intelligence, robotics and 3D printing, are radically reducing fixed costs. Smart manufacturers can grow their businesses without major capital infusions. This is freeing up capital to be invested elsewhere.

Investors are targeting businesses in our sectors. Fund managers, private equity houses and management companies are constructing sector-based portfolios. They are buying care homes, hotels, pubs and restaurants as income-generating assets with built-in inflation protection.

Take children’s day care. Christie & Co has been growing its presence here for more than a decade. The sector was once dominated by family-led start-ups. Through government funding of

childcare provision, it is now approaching critical mass. There is an influx of new capital: private equity houses are building regional and national networks.

Christie & Co has the experience, scale and capabilities to support corporate investors in this and other sectors. Our professional guidance and sector-specific expertise can add considerable value for buyers with limited operational experience. We can call on detailed knowledge to build valuations, develop acquisition strategies and launch sales campaigns. We tailor our services to each client.

We are also reaching out to private clients. First-time buyers, by definition, are less likely to have had dealings with us in the past. We are finding new ways to connect with them so we can address their requirements more effectively.

We raised our visibility in the private client market this year by listing business properties on a leading consumer-facing property search engine. We now have more business listings on rightmove.co.uk than any other agency. This generates a steady stream of enquiries.

#### **Building sector knowledge**

Knowledge is a key differentiator across the Group. We have been formalising our processes for amassing and harvesting this knowledge. Our consultancy division conducts research, prepares sector-based strategic reviews and publishes thought-leadership pieces to assist clients, while shining a light on our sectors and informing our own positioning.

In 2016, it followed up an earlier report on the UK nursing workforce by



Christie & Co’s report on the Adult Social Care sector (above) was just one of a number of research publications, sector-based strategic reviews and thought leadership pieces which demonstrate the depth of knowledge we can harness to add value for our clients.

## Chief Executive's review

continued

examining funding for care services. This analysed the funding needs for elderly and specialist care at over 200 leading operators and every local council in the UK. It also produced strategic reports identifying trends and market dynamics for hotels, pubs, restaurants and the convenience sector.

Another 2016 consultancy assignment surveyed the dental sector for a prospective investor. Its detailed intelligence on the size, dynamics and structure of the sector gave this client a solid base for assessing acquisitions.

We make use of data analytics to mine for industry-specific and wider economic data. A market-leading data analytics tool was used extensively in 2016. It yielded valuable insights into the hotel, pub and restaurant, and medical sectors.

Pinders is a hub of expertise. Its views are frequently sought out by banks, operators, developers and investors. It is regularly called on in dispute resolution cases and as an expert witness. Actual and potential lenders and owners consult it on what revenues to expect and how to develop their business.

Clients receive detailed sector and business appraisals. They can get informed, in-depth advice for all kinds of business situations, including, in 2016, managing a crematorium and maximising the use and value of an indoor bowling centre.

Christie Finance has been gaining traction as a specialist broker. Its strong sector expertise attracts independent enquiries as well as introductions through Christie & Co. Private equity houses in particular appreciate its intermediation skills. It is increasingly involved in larger transactions. Christie Insurance continues to work closely

with partner companies to forge profitable client connections and deliver bespoke insurance cover.

### Internationalisation

Christie & Co has won an international reputation for its professionalism and high-quality services. It supports international transactions through its branches across Europe in 16 cities and through the Asia desk, based in London and Shanghai. Our long-term objective is to become the leading pan-European advisor in our chosen sectors.

The post-Brexit fall in sterling has made UK companies more attractive for overseas investors. The Asia desk has been working very successfully alongside our corporate teams in advising Asian investors who want to take advantage of current preferential currency rates.

There is a two-way flow of business in the educational sector. Investors are looking at British educational institutions not just as assets, but as potential international brands. British education has a strong reputation globally. There are receptive markets in parts of the Middle East and Asia for UK educational brands and expertise.

### Stock and Inventory Systems and Services

The fallout from the Brexit vote may raise challenges for our stock and inventory businesses.

No one yet knows how the UK's immigration controls will operate in future. We currently enjoy the support of colleagues from 23 nations. We anticipate more help from non-EU countries in future.

Our stock taking businesses employ the latest technology, but they also rely

**The successful brokerage of the sale of one of Croatia's most prominent hotel complexes – the Radisson Blu Sun Gardens in Dubrovnik – by Christie & Co to a Chinese investor, highlighted the attraction of European assets to Asian investors, with whom Christie & Co's Shanghai & London based Asia desk are building increasingly successful connections.**





“The pick-up in sales towards the end of 2016 continued into the new year, though the UK and Europe are entering a complex period.”

heavily on the people in the field. We strive to both train and incentivise our colleagues to create a culture of excellence, enthusiasm and respect.

Flexible hours contracts are sometimes criticised, but in our experience these kinds of arrangements can often be very successful. Low staff turnover at Venners and Orridge suggests that this pattern of working suits people's lifestyles. Indeed, some casual counters have stayed with Orridge for more than two decades.

Counter costs rose again with the introduction of the national living wage in April. This followed minimum wage and pension legislation in previous years. We have increased our UK charge-out rates correspondingly.

The market dynamics in the retail sector present clear growth opportunities for Orridge's supply chain division. More and more physical retailers are turning themselves into bricks-and-clicks businesses. These depend on cohesive, well-ordered supply chains. To manage that effectively they need real-time information on stock availability and replenishment. Because physical checks need to be conducted on a continuous basis and the counters can be based full-time at a warehouse or supplier distribution centre, there are savings in travel time and resource management.

Equally, we are pursuing with vigour our Pharmacy stocktaking services. We have received a record of excellence since 1846, but still see growth potential.

Venners has successfully changed its culture to reflect shifting market dynamics. The big brewers are no longer dominant. The Pubs Code

regulations which came into force in May have tilted the balance of power away from the Pubcos. The sector has more diverse players and increased participation by private equity.

Venners has developed strong sales and marketing capabilities to meet the new challenges posed by this changed landscape. It has developed a broader range of services. It is no longer seen as a loss reducer, but as a business partner capable of adding value and enhancing profitability.

Brand reputation is an example of an area its activities add value. Brand owners want to be sure that franchisees are meeting their standards and guidelines. Venners compliance audits check activity against contractual requirements and brand recommendations.

Operational consultancy services at both Orridge and Venners contribute to client profitability. They prepare stock plans for retailers, licence owners and others that highlight demand for certain stock categories. They propose what should be in stock, when, where and at what price point. Invariably, businesses adopting their recommendations see measurable improvements in trading results.

Vennersys remains on track in its development of a highly scalable attractions system with global potential. Venpos Cloud went online for new users during 2016. It is now migrating major existing users to the Cloud in a programmed way to ensure all existing functionality is on the new platform. We provide an integrated on-site and online solution for the user. Our own return is based upon an attractive recurrent revenue model.

### Responding to change

Technology and competitive forces are changing market dynamics in many of our sectors. We respond to that by stressing light-touch management that retains control but encourages responsibility and self-reliance across the Group. We also need to bring new people in and get them up to speed quickly. To that end, we have enhanced our online training capabilities right across the Group. This is helping to build up our knowledge base in a more controlled fashion and in a way that recent intakes find more convenient.

### Looking ahead

The pick-up in sales towards the end of 2016 continued into the new year. We entered 2017 with a strong pipeline across our business.

As underlying market trends re-establish themselves we are poised to benefit. With capacity already in place we can take on more business without incurring significant extra costs. It means further revenue growth is likely to result in higher operating profit returns as we benefit from our operational gearing.

Yet geopolitical uncertainties remain. The UK and Europe are entering a very complex period. There will be bumps on the road. With that caveat, we anticipate improved performance in 2017.

A handwritten signature in black ink, reading 'David Rugg'.

**David Rugg**  
Chief Executive  
31 March 2017

# Our strategy

**Our strategy is to develop our businesses in ways which guarantee a resilience that will create growth and sustainable value for all our stakeholders.**

## Creating sustainable value

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

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.

## Focusing rigorously on our core sectors

We maintain a rigorous focus on strengthening our capabilities within our core sectors. This disciplined approach aligns our activities with clients' interests and creates more opportunities to extend our services and broaden our client base.

## Developing our international reach

Our divisions provide portfolios of interconnected services to facilitate our clients' business activities in the UK, Continental Europe and North America. Our risks and opportunities are increasingly diversified across economies, market sectors and the services we offer.



## Maximising our synergies

Individually, our companies acquire in-depth understanding in their chosen markets. Together, they have the resources to deliver services and skills which are highly complementary. They can add more value when they combine their strengths on behalf of our clients.

## Flexible approach

We aim for flexibility in the way we meet our clients' needs. In these changing and challenging times, we consider one of our key strengths to be the ability to adapt our resources and services to meet the ever-changing demands of the marketplace.



# Our brands

## Professional Business Services

### **CHRISTIE & CO**

Christie & Co is a leading specialist firm providing business intelligence in the hospitality, leisure, care, retail and medical sectors. A market leader in its sectors, it employs the largest teams of sector specialists in the UK providing professional agency, valuation and consultancy services.

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

### **CHRISTIE FINANCE**

Christie Finance has 40 years' experience in financing businesses in the hospitality, leisure, care, retail and medical sectors. Christie Finance prides itself on its speed of response to client opportunities and its strong relationships with finance providers.

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

### **CHRISTIE INSURANCE**

Christie Insurance, with 40 years' experience arranging business insurance in the hospitality, leisure, care, retail and medical sectors, is a leading company in its markets. It delivers and exceeds clients' expectations in terms of the cost of their insurance and the breadth of its cover.

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

### **PINDERS**

Pinders is the UK's leading specialist business appraisal, valuation and consultancy company, providing professional services to the licensed, leisure, retail and care sectors, and also the commercial and corporate business sectors. 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](http://www.pinders.co.uk)

## Stock & Inventory Systems & Services

### **ORRIDGE** the Company that Counts

Orridge is Europe's longest established stocktaking business and specialises in all fields of retail stocktaking including high street, warehousing and factory operations, as well as supply chain services. Orridge prides itself on the speed with which it supplies high-quality management information to its clients.

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

### **venners** Maximised Profits. Optimised Controls.

Venners is the leading supplier of stocktaking, inventory, consultancy services and related stock management systems to the hospitality industry. Venners is the largest and longest established stock audit company in the sector in the UK.

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

### **VENNERSYS**

Vennersys operates in the UK and North America 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 20 years' experience delivering purpose-designed solutions for clients' ticketing, admissions, EPoS and food and beverage sales requirements.

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

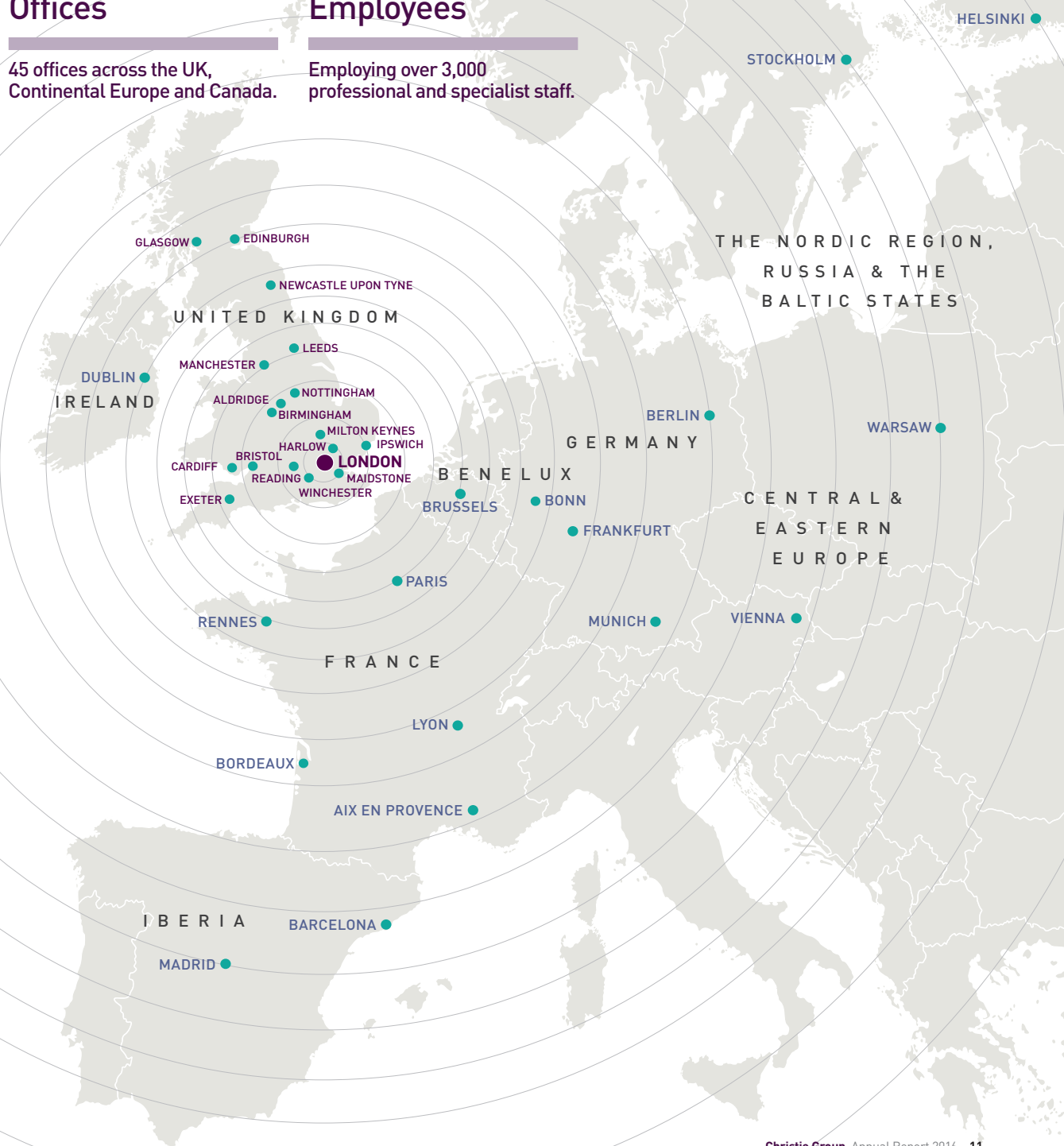
# The area we cover

## Offices

45 offices across the UK,  
Continental Europe and Canada.

## Employees

Employing over 3,000  
professional and specialist staff.



# Diversified knowledge

A balanced group with strength in depth

We have strength in depth in specific sectors. More market-sensitive sector specialisms, like Leisure and Retail, are balanced by strengths in less cyclical areas, including Childcare & Education, Medical and Care. It's a structure that protects the Group from cyclical volatility. Our diverse income streams promote resilience and provide firm foundations for sustainable growth.



45 Offices across the UK, Continental Europe and North America.

**“Understanding our key sectors in depth is key. We acquire detailed business intelligence by focusing on three broad sectors and we store and share sector specific knowledge across the Group.”**

David Rugg, Chief Executive



£7.5bn

In total, Christie & Co and Pinders valued approximately £7.5bn of assets across our sectors in 2016.

**THE PROJECT STORY:** Our knowledge is valued by clients which often helps us to build long-term relationships with them. In November 2016, Dominion Hospitality, an affiliate of Stellex Capital Management, acquired The Chapman Group, which owns and manages 28 hotels and pubs in the south of England. Christie & Co has advised and worked with the Chapman Group over the last 15 years, helping them to create a balanced estate which had previously been focused on wet-led outlets.



**THE PROJECT STORY:** Our valuation teams are adept at delivering large advisory projects in timescales to meet project demands. McColl's conditional agreement in July 2016 to acquire 298 stores from the Co-Operative Group plc required a 'Red Book' valuation to adhere to UK Listing rules, for which Christie & Co mobilised their Retail Valuation team to provide 133 inspections and valuations in less than a month.

# 8%+

Weighted average business values across our sectors increased by over 8% in 2016.



**THE PROJECT STORY:** The fundamental drivers of the UK hotel market remain positive, and the strength of the regional markets was highlighted by Christie & Co's successful brokerage of a collection of six Hilton managed properties. Christie & Co leveraged their knowledge of the sector and the players within it to run a competitive sales process, resulting in the six hotels, located across the UK, being purchased by individual buyers.



# 38

Languages spoken across the Group.

|                      |              |              |
|----------------------|--------------|--------------|
| Arabic               | German       | Romanian     |
| Bengali              | Greek        | Russian      |
| Brazilian-Portuguese | Gujarati     | Slovak       |
| Bulgarian            | Hindi        | Spanish      |
| Catalan              | Hokkien      | Swanili      |
| Cantonese            | Hungarian    | Swedish      |
| Czech                | Irish Gaelic | Swiss-German |
| Danish               | Italian      | Telugu       |
| Dutch                | Lithuanian   | Turkish      |
| English              | Mandarin     | Ukrainian    |
| Finnish              | Norwegian    | Urdu         |
| Flemish              | Polish       |              |
| French               | Portuguese   |              |
|                      | Punjabi      |              |

# 18m

We accessed over 18m data points during the year and advised on over 6,000 businesses.

# Vision & Insight

Our businesses are highly respected brands

Our businesses are highly respected brands in their chosen sectors. They can draw on extensive experience amassed across generations. They have assisted clients at every stage of the economic cycle, in good times and in bad.

The specialist knowledge that comes from this experience is priceless. Understanding a sector's dynamics and what drives its businesses supports the design and delivery of innovative services that resonate with client concerns.



**“Historically, our business has prospered by focusing decision-making on medium-term outcomes and the fundamentals in our sectors.”**

**David Rugg**, Chief Executive

# 2,000

Christie & Co have over 2,000 business properties registered for sale with them.



**THE PROJECT STORY:** Sector-specific knowledge sets our teams apart. Christie & Co's Childcare & Education team experienced a particularly exciting year, with numerous successes including brokering the sale of the UK's biggest regional childcare portfolio when Positive Steps Children's Day Nurseries Ltd – an established group of eight settings and one development site – were sold to Busy Bees Nurseries. Further consolidation across the UK nursery market is expected alongside increases in acquisitions by new entrants.

# 68%

68% of the top managed pub operators who outsource use Venners for their hospitality stock auditing, who carried out over 38,500 audits in 2016.

For the second successive year, Christie Finance was awarded 'Commercial Mortgage Introducer of the Year' at the Business MoneyFacts awards, following a successful year which saw it granted a clean bill of health from the FCA, saw its own average loan size increased by 24% and witnessed a continuing influx of new lenders applying for banking permissions.



**THE PROJECT STORY:** Orridge's ability to deliver retail and pharmacy stocktaking services in the UK and Europe continue to be supplemented by the growth of its supply chain offering. The benefits for the large retailers and supermarkets of being able to further control inventory through the use of services such as 'good faith receiving', makes Orridge's supply chain services an active growth area.



**“With access to millions of industry specific data points capturing demographic, transactional, operational and financial trends, our businesses can provide our clients with unique and highly granular insights.”**

**David Rugg**, Chief Executive

# Taking a second look

**We are intensely familiar with the sectors we serve, but we also need to guard against complacency.** What seemed obvious may turn out to be more complex on closer inspection. So we stay curious. Rather than resort to formulaic solutions, we assess each assignment on its own merits.



# Divisional review

## Professional Business Services



**“We aim to provide an all-round, bespoke service to clients, as exemplified by our brand promise, Built Around You.”**

**Chris Day**, Global Managing Director,  
Christie & Co and a Christie Group plc Director

### Christie & Co

**Christie & Co is active regionally, nationally and internationally and is an effective strategic partner for business buyers and sellers. We offer complete market coverage – from local standalone deals to major European portfolio transactions. We aim to be the most trusted expert and adviser in the retail, hospitality, leisure and care sectors.**

Global political adjustments in 2016 made for considerable volatility. For markets still grappling with the regulatory fallout from the 2008 financial crisis, the Brexit vote and Donald Trump’s unexpected victory only added to uncertainty.

There have also been significant changes within Christie & Co’s own sectors, as business owners and operators adapt to new legislation. The National Living Wage, changes to the Pubs Code and a revaluation of Business Rates all took their toll on businesses and business sales around the UK.

Even so, prices increased in all our sectors, by 8.0% on average. Leasehold and ‘goodwill’ sectors, such as dental, pharmacy, retails and restaurants, outperformed. By comparison, the UK House Price Index rose 7.2% and the Retail Price Index by 2.5% over the same period.

This was the second year in succession of strong value growth, but these price movements, as in 2015, were driven by scarcity; demand was outstripping supply. In truth, there was a lack of quality businesses on offer and this intensified interest in those that we did bring to market.

In the medical sector, there was robust demand for both pharmacies and dental practices. Existing independent and multiple operators were actively seeking to invest in further pharmacies when they came to market, but sellers were few and far between. When we brought pharmacies to market they received multiple offers and sold at a premium. The same was true for dental practices, with London and the South East experiencing frenetic bidding.

In the first part of the year, the Brexit referendum acted as a brake on market activity – professional buyers chose to await the result before engaging with markets. Some of the larger, private-equity owned platforms reviewed and rebalanced their holdings. This brought a number of smaller portfolio offerings to the market. With our extensive regional office presence, we were well placed to provide advice, guidance and brokerage expertise for the resultant single asset sales.

Investors in our sectors have varying criteria. They may be opportunistic funds focusing on turnarounds, private

equity houses building up national portfolios and international brands, traditional property investors or, most recently, financial investors valuing businesses as income-generating alternative assets. Then there are smaller investors: among them franchisees, first-time buyers and leaseholders.

Whatever their perspective, there is a shared requirement for accurate, industry-specific data and guidance. We have the breadth of service, capabilities and expertise to meet their needs. We have one of the largest teams of RICS Registered Valuers in specialist sectors, 48 in total. They valued over £6bn worth of assets in 2016.

We have extended our service lines to cover the full circle of ownership, from buying a business, to selling it, and everything a business owner might need along the way. The company is growing

**Christie & Co’s international consultancy team won a wide array of assignments during 2016, with clients ranging from single hotels to substantial pan-European portfolios. In one example, they were asked to conduct a feasibility study for a full-service hotel in Tallinn, Estonia, advising on gaps in the local market which ultimately resulted in a new hotel being built. Christie & Co then negotiated a management contract with Hilton to operate the new 202-room Hilton Tallinn Park – the first Hilton in the Baltic States.**



# Divisional review

## Professional Business Services

fee-based income with knowledge-based advisory services. We are strengthening our specialist consultancy offering. We aim to provide an all-round, bespoke service to clients, as exemplified by our brand promise, 'Built Around You'.

Our Consultancy division has continued to invest and develop bespoke business reporting. It can benefit from our extensive direct experience in chosen sectors and our regional and international presence on the ground.

Following on from our widely referenced 2015 report on nursing, we produced further groundbreaking research during the year. 'Funding, Staffing & the Bottom Line' surveyed every local authority and over 200 leading operators in both elderly and specialist care.

The report welcomed an average 4.5% increase in local authority funding, which helped to offset the negative impact of the National Living Wage. It concluded that, while the nursing shortage remained unchanged at 15,000 full-time equivalent vacancies, revised immigration rules allowing overseas nurses to study as well as qualify in the UK had a marked positive impact on recruitment.

The hotels consultancy team took on a wide variety of assignments in 2016. Its diverse clients ranged from small, single hotels in UK towns to substantial Pan-European portfolios. Research projects included assisting a European hotel chain adapt its offer to meet Chinese travellers' expectations.

Our pubs and restaurants consultancy practice gathered pace. We undertook due diligence and strategic exercises for pub chains and restaurants, as well as hotel operators who increasingly are recognising the value of their restaurant and bar takings for their overall business.

Our international advisers assisted clients looking for cross-border European opportunities. There are significant differences between territories; our ability to provide nuanced intelligence

that takes account of those differences is a key selling point.

Team members fluent in 23 languages now operate from 31 locations across Europe. They know their local markets intimately and regularly cooperate on Pan-European projects.

Our Asia desk worked in partnership with our corporate teams to service overseas investors. We are forging strategic relationships with domestic Asian chains keen to establish footholds in Europe. The desk also worked on behalf of European companies, primarily in the education and specialist care sectors, on opportunities for expansion in Asian markets.

Our retail and care businesses continue to develop. In retail, four private equity-backed 'super dealers' are reshaping the convenience market. They are investing heavily in high-quality stations and forecourts. We participated in a record number of petrol station sales during the year.

The UK continues to be seen as a low-volatility, safe-haven economy. Especially after Brexit, overseas investors, in particular, from China and Malaysia were attracted by sterling weakness to invest in the UK on attractive terms.

In care, we valued or sold well over 1,000 homes. The sale of Priory's 300 UK healthcare facilities to US mental health group Acadia was a standout transaction.

The UK childcare sector is going through a period of rapid consolidation and our experienced advisers are increasingly engaging with large value portfolios. We advised on £1.1 billion of nursery and education assets in 2016.

Our teams can draw on the significant investment that we have made in data analytics. The market-leading data analytics product we had used to analyse the care sector is being extended into other sectors, including medical, hotels, pubs and restaurants.

With access to millions of industry-specific and economic data points, many of them proprietary, capturing demographic, transactional, operational and financial trends, we can provide our clients with unique and highly granular sector insights.



**"We continued to attract larger mandates in 2016. Operators of all shapes and sizes are recognising the value of having a broker in their corner."**

Nick Baker, Managing Director,  
Christie Financial Services

## Christie Finance

**Christie Finance's detailed knowledge in our specialist sectors allows us to negotiate the best possible financing packages for our customers.**

Our regional structure focuses the business in five Christie Finance Hubs around the UK that blend local knowledge, national insight and specialist sector expertise. We work closely with Christie Group companies to identify and deliver financing structures that align with specific client needs.

An active year got off to a positive start with our first external FCA Audit in January 2016. We were awarded a Green Rating – a clean bill of health. We ended the year with improved revenue and higher income.

The lending market has continued to broaden and diversify. Challenger banks, foreign banks and a raft of specialist lenders, many of them technology-led, are active across our specialist sectors.



**“The UK continues to be seen as a low-volatility, safe-haven economy.”**

We completed on transactions with over 20 different lenders during 2016. By the year-end, approximately another 20 new lenders, their banking permission applications lodged with the regulators, were waiting in the wings.

In this crowded marketplace, it was not uncommon for lenders to agree interest margins below 2%, levels not seen since pre-2008. Lenders, old and new, were keen to assist clients seeking funding across our specialist sectors.

With base rates also historically low, borrowers could achieve highly favourable terms. We used our in-depth knowledge and experience as a specialist commercial finance broker to help clients navigate this increasingly complex terrain.

We continued to attract larger mandates in 2016. We experienced a 24% year-on-year increase in average loan size; that came after an 80% rise in 2015. Operators of all shapes and sizes are recognising the value of having a broker in their corner.

We have continued to focus on developing our positioning as a premium, ‘value-add’ advisory service. We have invested in our people and processes, while continuing to develop our relationships with lending principals.

Improved communication channels with businesses, applicants and lenders, are driving further growth. We launched a new website in March 2016 and this has proved a valuable shop window. Average monthly visitors were up 30% and we fielded five times as many web-based enquiries. We also drove traffic to our website with digital ads and produced an online promotional video introducing our services and outlining our capabilities.

We enter our fortieth year in good financial shape and with a firm basis for future growth. We are now looking to broaden our scope to further enhance revenue and profitability. We have been developing support for clients with a requirement for shorter term, often unsecured, loan facilities. Plans to deliver a more rounded service for corporate business, drawing on the strengths of Christie Group companies, are already well advanced.

**Christie Finance successfully assisted in raising refurbishment and development funds for the owners of Edgar House, a multiple award winning boutique hotel in Chester which was only recently voted number one small hotel in the world by TripAdvisor. Using their extensive contacts, the team at Christie Finance were able to negotiate a great finance package, saving their clients over £225k over the loan term.**



**“As one of the few sector-focused insurance brokers, we differentiate ourselves through our level of service and industry knowledge. We win and retain business by putting clients first.”**

**Walter Murray**, Managing Director,  
Christie Insurance

## Christie Insurance

**Christie Insurance is ideally placed to advise on commercial insurance needs for Christie & Co and Christie Finance clients. We add value by using our sector knowledge, skills and tenacity to place business quickly and efficiently.**

We work closely with Christie Group companies. Our bespoke insurance service is informed by in-depth understanding, both of particular businesses and of the issues and priorities for our specialist industry sectors.

Our interaction with Christie & Co and Christie Finance brings all-round benefits to our companies and our clients. We gain introductions and the opportunity to work with clients well in advance of their renewal date or business purchase. With time to plan and review how best to allocate costs and cover, we are able to deliver better outcomes for our clients.

We advised clients in the hospitality, care and retail sectors across the UK during the year. These included independent owners, mid-sector corporate companies and private equity investors.

As one of the few sector-focused insurance brokers, we differentiate ourselves through our level of service



# Divisional review

## Professional Business Services

“The Pinder Report has long been a byword for quality and our priority is to sustain and grow our specialist expertise.”

and industry knowledge. We win and retain business by putting clients first. We aim to devise precisely tuned insurance cover that maximises the relevant benefits and protections for each client in the most cost-effective way. We will push back on insurers who try to fit our clients into a preconceived ‘box’. We refine insurance coverage and claims by working with clients and their insurers to manage both standard insurance risks and the quirks of business that bring ‘curve ball’ claims.

Personal service is at the heart of our offering. All our clients receive an annual one-to-one review. We ensure they are never left to fend for themselves should they need to make a claim. In an increasingly commoditised industry our personalised approach is widely appreciated. This is reflected in our high client retention rates.

The care insurance market has seen many insurers come and go. We prefer to work with insurers who really understand the sector and are committed to writing long-term, profitable business. We have begun a new working relationship with a care insurer whose background and skills are opening up improved solutions for specialist and elderly care.

Over the last 12 months we have maintained our expected volume of clients and extended our product range. We launched Forecourt First, a comprehensive insurance package designed for the growing retail forecourt market. We have also developed enhanced terrorism cover that improves on traditionally available products.

Our online presence is proving an effective shop window for our services. We produce a quarterly online update on insurance market and sector trends. Our website reinforces the 2015 Built Around You rebranding, presenting the key Christie Group functions of selling, financing and insuring as part of a combined offering.



**“The strength of our reputation is founded in our ability to forensically analyse the dynamics of each business within the sectors we understand well.”**

Justin Cain, Managing Director, Pinders

## Pinders

**Pinders’ RICS-qualified surveyors provide reporting for businesses in five broad sectors: healthcare and education, licensed, retail and catering; leisure and hospitality, services and manufacturing. Our services fall into six main categories: appraisal and valuation, consultancy, dispute resolution, building surveying, project management and business recovery.**

Panel memberships are our primary source of introductions, although instructions from specialist brokers remain a very important source of business.

The EU Referendum and its aftermath brought a unique set of challenges in 2016, with the associated uncertainty leading to fewer proposals coming to market. This lack of market activity left many valuation firms with excess capacity and some competitors responded by cutting their fees. We resisted this tactic, which we considered unsustainable.

Our strong representation on panels for both mainstream and challenger banks meant we still saw a steady flow of valuation opportunities for trading businesses and development projects, although our decision not to discount inevitably capped our conversion rates

in some markets. Nonetheless, whilst our overall volume of instructions reduced in 2016, we successfully managed to trade profitably.

The Pinder Report has long been a byword for quality and our priority is to sustain and, where possible, grow, our specialist expertise. We aim to provide added value for our clients, especially in difficult market conditions, but this comes at a cost. Over the years we have sought to drive up our average fee to a more sustainable level, and we aim to strike a balance between staying competitive and maintaining fees that allow us to deliver quality reports.

To enhance our competitive edge, we are increasing operational efficiency and building more flexibility into our resourcing, whilst being careful to ensure our high standards are maintained. The quality of our service and reporting is critical in maintaining existing panel positions and securing new ones.

In healthcare, we are seen as a market leader. We have been one of the UK’s leading care home valuers for over 40 years, assessing hundreds of care homes each year. Through the in-depth insights on our appraisal reports and the expert advice available from our specialist team, we help our clients to understand the complexities of the health and social care sector.

The Pinders Healthcare Design Awards are an industry institution. Some 650 healthcare professionals gathered at our 18th annual event in London in March, to recognise the UK’s best care facilities.

Our healthcare specialists gave presentations at numerous conferences and seminars during 2016, including the Henry Stewart Conference, The Dementia Trust and the Health+Care Conference. We also delivered training sessions to share our sector knowledge with partner banks, running programmes for Lloyds, Santander, RBS and Clydesdale, as well as Handelsbanken and Charity Bank.



“Pinders professionals are able to advise on many different aspects of a transaction, using knowledge compiled over decades.”



**Pinders' range of expertise has expanded further and 2016 saw an increasing involvement in the Education sector. Among a number of instructions in the sector in 2016, Pinders were instructed by Leicester Grammar School to appraise and value Stoneysgate School, a competing independent school founded in 1957 and set in 41 acres in Great Glen, Leicestershire.**

Our retail division, which incorporates 'white coat' businesses such as dental practices and pharmacies, performed well. Instructions were up by 19% on the previous year and average fees also increased. This reflects the quality and complexity of the work we undertake, as well as greater interest in this sector.

In the leisure sector, we appraised a diverse range of projects: the more unusual ones including a woodland activity centre at a site of special scientific interest; a pleasure cruise

business; a mixed use scheme at a landfill site with a hotel and golf course; and a World War II heritage centre for International Bomber Command.

Our growing consultancy business earns fee income from advisory services that are less dependent on market activity. In 2016, this aspect saw a significant increase in expert witness work, to include several larger cases. The latter required our involvement over extended periods and generated sizeable fees in both the pre-court phase and during court proceedings.

Our building monitoring service complements our sector expertise and extends the scope for panel appointments. Pinders professionals are able to advise on many different aspects of a transaction, calling on specialist knowledge and one of the most comprehensive databases in the industry, compiled over many decades.

The strength of our reputation is founded in more than simply valuing 'bricks and mortar' – it is our ability to forensically analyse the dynamics of each business within the sectors we understand well. Going forward, we are confident that our quality-led approach will continue to prove successful and that we can grow market share through our strong relationships with the most active lenders in our field.

# Divisional review

## Stock & Inventory Systems & Services



**“Orridge continues to focus on building a firm foundation for sustained profitability and future growth by stressing operational excellence, responsiveness and high quality service.”**

**Paul Harding**, Managing Director, Orridge and a Christie Group Director

### Orridge

**Orridge is a UK stocktaking company with strong European coverage. We have a leading market position in our sectors and a reputation for consistent, high-quality service. We provide stocktaking services to pharmacies and major retail chains.**

Orridge held its own in difficult market conditions. Our 2016 revenue was broadly in line with the previous year. We gained some significant new business internationally and in the grocery sector.

Technology is reshaping retail, both in the UK and internationally. As online markets mature, physical retailers are increasingly adopting bricks-and-clicks delivery models. Stock accuracy – both in-store, at delivery centres and with suppliers – is even more mission-critical. Customers ordering online and collecting in-store expect prompt, accurate fulfilment. Bricks-and-clicks retailers need to balance the need for availability with the additional cost of storing unsold stock.

Our supply chain division was set up in early 2015 to cater to these requirements. Our solutions offer clients end-to-end stock accuracy, helping them manage their supply chains more effectively and realise large-scale efficiencies. Our focus is on primary trade sectors, including

grocery, health and beauty, pharmacy, fashion and logistics.

We are steadily increasing our visibility in the grocery and supermarkets sector; a new contract with Sainsbury's and expanded work at Tesco and Morrisons were important achievements in 2016. The big retailers in this sector generally do not favour sole-supplier arrangements (our longstanding relationship with Co-operative Food is a notable exception). We have gained traction by pivoting our positioning away from comprehensive solutions and being prepared to form part of an overall customer solution.

The responsiveness at the heart of our offer has helped us gain sole-supplier status with leading retailers in other sectors. We have been appointed sole suppliers to Euro Car Parts, servicing over 200 branches in the UK and Eire. Our willingness to stocktake manually rather than with the standard scanning-based approach was critical here. Our sole-supply agreement with Poundland came through our ability to agree demanding scheduling and budgetary criteria with a highly cost-conscious customer.

Investments in technology are helping us to reduce central costs without compromising client service. Our IT set-up is unique in the industry. Rather than rely on commercially available software our in-house software development team has built our technology from the ground up. This improves our functional reach, and enhances flexibility and responsiveness.

We have built up a strong client base over the years. Many of our customers have been with us for a decade or more. Long-term retail customers include household names like All Saints, Boots and WH Smith.

Clients greatly value our accommodating, flexible stance. We benefit too; we are often their first call, sometimes ahead of internal IT, when new capabilities are being considered.

International business now accounts for over 20% of total sector revenue. We currently operate throughout Europe from

our centres in the UK, Belgium and Germany. We can offer a consistent solution to international retailers in Europe's, still mostly untapped, £1bn marketplace.

A series of contract wins confirms the appeal of our pan-European strategy. We have gained additional work with Carrefour, Pandora and Bel & Bo. Adidas has engaged Orridge to provide in-store retail services in the UK and various countries in mainland Europe.

We have successfully tendered for a UK/EU contract with Claire's, taking on work having previously been serviced by a major competitor.

In the supermarket and grocery sector we are conducting trials with major European groups including REWE, Konsum Leipzig, Delhaize and German market leader Edeka. A trial count with Delhaize in Belgium has put us on the radar of one of the world's leading food retailers.

Orridge continues to focus on building a firm foundation for sustained profitability and future growth by stressing operational excellence, responsiveness and high quality service. We are well placed to service the international retail sector as it evolves and develops.

**In a sector where major retailers do not favour using only one supplier, Orridge's sole-supplier agreement with Poundland is testament to its ability to agree demanding scheduling and budgeting criteria, with a customer who depends on accurate stock and cost controls across a UK network of approximately 400 stores selling over 3,000 items.**





**“We are viewed by many of our clients as a strategic partner delivering added value.”**



**“We marked 120 years of service by continuing to innovate. Our brand strapline ‘Maximised profits. Operational controls.’ appeals to forward-thinking businesses.”**

**Trevor Heyburn** Managing Director, Venners

## Venners

**Venners is the UK’s leading supplier of stocktaking, inventory, consultancy services and related stock management systems to the hospitality sector.**

We marked 120 years of service to the hospitality industry in 2016 by continuing to innovate. We enjoyed another solid year, building turnover and growing income in challenging market conditions. We sold strongly in the regions and won work with major new clients, among them were Bravo Inns, Cau and Arena Leisure and in addition we extended contracts with Punch and Enterprise Inns (now EI).

The company founded in 1896 by the scion of a London brewing family is today a one-stop shop for improving food and beverage profits and controls. By staying true to our roots in the hospitality industry, we have extended our scope without diluting the Venners brand.

Our operations encompass compliance auditing, health and safety, and consultancy. We are viewed by many of our clients as a strategic partner delivering added value.

During 2016, we have been upgrading designs, outputs and delivery mechanisms across many of our services. Introducing these changes while retaining our reputation for

customer-focused service delivery has been a key management priority.

We are investing in technology. We have migrated our website and internal operational systems to cloud-based platforms. Our ‘Next Generation’ stocktaking system will be fully online in 2017.

Although technologically-led innovation is critical, our stock auditors’ industry knowledge is our key differentiator.

One customer this year asked us to perform a stock audit at a franchised site. It seemed superficially, to be a well-run business, trading results and margins were good. But for our auditor, something was not right. He had found large stocks of draught beer, yet all barrels in use were recently delivered. That did not tie up with the recorded low turnover. Further investigation uncovered a secret second cash till. The manager, who was siphoning off business, was summarily dismissed. Timely, expert interventions can be invaluable.

We undertake compliance audits that compare a company’s operations with industry best practice and identify scope for improvement. New customers in 2016 included Tortilla and Black and White Hospitality owners of the Marco Pierre White franchise.

**Venners range of services add real value to operators’ profits, whether through identifying achievable operational improvements or, as is sometime the case, by identifying fraudulent activities. In one five hour observation audit which observed transactions, methods of payment, staff working patterns and so on, Venners identified fraudulent practices by the staff which extrapolated into £45,000 of annual losses at just one site.**



Linked to these and launched during the year, our Brand Reputation Audit tests conformity with brand guidelines and standards; checking, for instance, what glassware is in use or whether table layouts are as specified. A major restaurant franchise operation has already signed up.

In an age of social media, brands are more prone to reputational damage. One poor performing branch or franchisee can easily have a spillover effect, with severe implications for the entire brand.

Our comprehensive range of health and safety services includes fire risk assessments, kitchen, food safety and full H&S audits.

With food especially, these are time-critical services. During 2016 we migrated all our health and safety provision to a cloud-based platform, allowing live data and audit information to be sent direct to the customer. The next development in early 2017 will be a platform which also links up with customers’ internal systems, meaning that the most critical data, fridge temperatures for example, can be continuously monitored by the customers using our technology.

Venners consultancy offering draws on our acknowledged expertise in the hospitality environment. We often use observational audits as part of the process. By observing a business in action over a longer period we can identify pressure points and provide customers with a more convincing narrative.

In one recent assignment, the management team commissioned an investigation into a busy bar in a UK hotel. Our auditor covertly observed transactions, service behaviour and operational controls over the course of an evening. After comparing the witnessed transactions with till reports and CCTV he identified a serious cultural issue – several members of staff were habitually colluding in fraud, theft and drinking on the job.

We also offer alert services. Alerts take a refined look at client operations and

**“It was important to bring our existing user base with us onto the cloud, testing the reliability and functionality of VenPos Cloud in real-world conditions.”**

notify management teams immediately wherever there are material failings.

Our brand strapline ‘Maximised profits. Optimised controls.’ appeals to forward-thinking businesses and encapsulates our promise to add value.

We pride ourselves on our ability to retain customers, both large and small, across the long term. We have grown our operations alongside some of the largest businesses in the UK hospitality sector. In 2017, we will continue to apply the experience we have gained in many different areas of the hospitality industry to develop and refine our services to meet our clients’ evolving requirements.



**“The launch of VenPos Enterprise in 2016 was a key event, marking the completion of our transformation into a cloud-based SAAS business.”**

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

## Vennersys

**Vennersys delivers online ticketing, specialist transaction and e-commerce systems to the UK leisure and visitor attraction market. We are a leading supplier of specialist systems and software for visitor attractions in the UK.**

Our clients include historic houses, museums and heritage sites, family entertainment centres, theme parks, zoos and aquariums.

A few years back we took the decision to make our proprietary software VenPoS available to global markets by developing it for cloud-based delivery. We rolled out our first product in 2015. VenposCloud is

a highly scalable online ticketing platform aimed primarily at small and medium-sized enterprises (SMEs).

It was important to bring our existing user base with us onto the cloud. We also wanted to test the reliability and functionality of VenposCloud in real-world conditions. We therefore focused transitioning existing VenPoS SME clients onto the new platform during 2016.

VenposCloud was then marketed to new UK-based users. Early adopters included Bristol Museum and Art Gallery and M Shed, also in Bristol, our first SME museum clients, Maize Maze, Cawdor Castle and Floors Castle. Highgate Cemetery, Glenmorangie Distillery and Houghton Festival also signed up.

The launch of Venpos Enterprise for the cloud in 2016 was a key event in the company’s development. It marked the completion of our transformation into a cloud-based, Software-As-A-Service (SAAS) business.

Both Blenheim Palace and Burghley House conducted competitive market assessments, but quickly signed up. Folly Farm Paradise and PlayfactorE were among other large users choosing to subscribe. Initial feedback has been positive.

As with Venpos Cloud, our initial focus has been migrating existing VenPoS users to the cloud. It was critical that we maintained existing functionality for every VenPoS user on the new platform. These were our larger customers; many had commissioned customised features. We had to find ways to include these in the cloud-based product. This made the migration process more technically complex, and we anticipate completion by mid-2017.

The SAAS delivery model has clear advantages for all parties. For Vennersys, subscription-based pricing simplifies support and ensures more predictable income. Clients get a convenient, capable and simple solution.

They can sign up straightaway and make full use of its capabilities without having to invest in development. No special

**Bristol Museums – a collection of six organisations – were an early adopter of VenPos Cloud when, as part of their digitisation process, they needed a turnstile and ticket solution to streamline their offering, increase revenue and cut costs. Vennersys teamed up with All Right Now, to create a digital paid exhibition entry solution with online ticketing, point of sale facilities, and a Fastlane Turnstile from the UK manufacturer IDL.**



servers or infrastructure are needed. The system is accessible to authorised users wherever they are. Upgrades are both free and automatic. Product development can be managed in the cloud.

The software is globally scalable and fully localisable with multilingual capabilities. It is also platform-agnostic, optimised for tablet, mobile and desktop viewing. System resilience is important for all users, for enterprise users it is critical.

VenposEnterprise for the Cloud does not disappoint. It operates on secure Amazon data centres with 99.999% availability. It is PCI (Payment Card Industry) compliant. It supports PayPal, ApplePay, debit and credit card payment. Robust, level-1 compliant security is included as standard.

VenposCloud and VenposEnterprise have already proved their worth. Together they offer attraction operators a highly scalable, global solution for ticketing, transactions and managing guests. In 2017, we aim to grow the user base for these products, both within the UK and internationally.



At the client's side  
– whatever the weather

**We structure our businesses  
around our clients.**

We help them make the best of prevailing conditions, with services and advice to suit the situation. As specialists, with many years' experience in our chosen sectors, we're equipped to support them in any economic climate.

# Financial review

“In a year of two halves, the ability of the business to swiftly convert improved revenues into operating profit was illustrated perfectly by the £1.8m second-half PBS operating profit before exceptional items.”

As both the Chairman and Chief Executive have reflected on, 2016 was very much a year of two halves for our Professional Business Services (“PBS”) division with second half revenues in that division of £18.6m representing a 13% increase on a Brexit-suppressed first half (£16.4m revenue) and – encouragingly in terms of outlook for the future – that second half upswing was achieved while still being able to carry a comparatively strong pipeline into 2017. Avoiding any temptation to be reactionary or short-termist and reverse the long-term strategic investment of recent years, that first half contraction then inevitably impacted our first-half operating profitability, but the ability of the business to swiftly convert improved revenues into operating profit was illustrated perfectly by the £1.8m second-half PBS operating profit before exceptional items which then followed.



**Nominal revenue growth in the year of 1.2% to £64.5m (2015: £63.7m) disguises some real progress achieved in the year across both of our divisions.**

Within the Stocktaking and Inventory Systems and Services division (“SISS”) the progress made in the year is more obvious. 2015 operating losses before exceptional items of £1.0m were reduced to £0.2m and, while still clearly short of the absolute profitability required, demonstrate that we are on-track to return the division to profit in a foreseeable timeframe.

## Cash and net debt

The group ended the year with net debt of £3.9m (2015: £0.7m). While this appeared to be a move backwards on the previous year, the cash flow in the year included £0.9m paid in the settlement of provisions relating to legacy long term incentive arrangements, took account of a £1.2m increase in trade receivables due to the stronger second half revenues, and also reflected £1.3m of capital expenditure investment in the business which we believe will yield positive returns for the business in future years. Our control of underlying working capital remains very strong, and our actual bad debt experience remains excellent as it has done for many years.

## Pension schemes

The challenges around the valuation of final salary scheme pension liabilities continue and the impact of the EU Referendum result on long-term gilt yield rates only served to exacerbate what we had hoped was already a low-point. We have reacted by introducing further restrictions on the amounts by which pensionable salaries may

be increased for the relatively small number of active members of those schemes, and the result was a £1.3m exceptional operating profit in the period reflecting the adjustment to past service costs relating to both of our final salary pension schemes. The movement in pension liability does not affect the amounts we have previously agreed to pay under our deficit repair obligations.

## Key performance indicators

In accordance with the Strategic Report we have included our main KPIs for the Group and the individual operating divisions in the table below. As a group we have a number of key areas that these indicators measure:

- **Revenue growth** – an important part of our strategy is the profitable growth of our businesses, and one measure of this is the year-on-year increase in revenue.
- **Productivity** – being in the service sector, employee costs are our largest single cost. It is important to remain competitive and continue to improve our productivity. This KPI looks at the total cost of employees (including benefits, the cost of company cars, company pension contributions and local employer taxes) required to produce £1,000 of revenue. For this KPI a reducing figure reflects an improvement.
- **Operating profit %** – this is measured as operating profit (before exceptional items) as a percentage of revenue

The deterioration in KPIs for the PBS division are all symptoms of the first half performance, which turned around in the second half of the year once activity returned to more normal

“Our control of underlying working capital remains very strong, and our actual bad debt experience remains excellent as it has done for many years.”

levels following the referendum. Our aspirations for the productivity and profitability of the division remain focused on delivering an enhancement on the KPIs seen in 2015, while at the same time growing revenues.

PBS operating profit as a percentage of revenue for H2 in isolation stood at 9.8%, compared to the full year figure of 4.0% shown above, and staff costs before exceptionals per £1,000 of revenue reduced in the second half to £580 compared to the full year equivalent of £615. The capacity in the division and the operational gearing make further improvement of all of these KPIs realistic ambitions.

For the SISS division, the progress made is illustrated by a lower cost of staff being achieved than in 2015, although the target of delivering further improvements and returning the division to an operating profit lie in improving this position further, as shown by the comparison to earlier years. Staff productivity correlates to on-the-job efficiency in our stocktaking operations which itself is a key driver of underlying profitability.



**Dan Prickett**  
Chief Financial Officer  
31 March 2017

| KPIs                                                                                |        |                                |                                      |
|-------------------------------------------------------------------------------------|--------|--------------------------------|--------------------------------------|
|                                                                                     | Group  | Professional Business Services | Stock & Inventory Systems & Services |
| <b>Revenue growth</b>                                                               |        |                                |                                      |
| 2016 on 2015                                                                        | 1.2%   | (3.4%)                         | 7.2%                                 |
| 2015 on 2014                                                                        | 4.5%   | 9.1%                           | (1.1%)                               |
| 2014 on 2013                                                                        | 12.7%  | 17.5%                          | 7.4%                                 |
| 2013 on 2012                                                                        | (3.4%) | (6.9%)                         | 0.6%                                 |
| <b>Productivity – staff costs</b><br>(before exceptionals)<br>per £1,000 of revenue |        |                                |                                      |
| 2016                                                                                | 711    | 615                            | 737                                  |
| 2015                                                                                | 673    | 546                            | 747                                  |
| 2014                                                                                | 660    | 550                            | 709                                  |
| 2013                                                                                | 675    | 605                            | 683                                  |
| <b>Operating profit/(loss)</b><br>before exceptional items<br>as % of revenue       |        |                                |                                      |
| 2016                                                                                | 1.6%   | 4.0%                           | (0.6%)                               |
| 2015                                                                                | 5.9%   | 12.8%                          | (3.5%)                               |
| 2014                                                                                | 6.1%   | 9.9%                           | 0.7%                                 |
| 2013                                                                                | 2.9%   | 3.3%                           | 4.3%                                 |

The Key Performance Indicators shown above are based on continuing activities only.

# Board of directors



**Philip Gwyn**  
**Chairman**

Philip is a barrister and merchant banker by training. He is responsible for Group strategy and planning. Philip is a non-executive Director of Alumasc plc and a Director of a number of private companies, including Chairman of Hybrid Air Vehicles.



**David Rugg**  
**Chief Executive**

David is responsible for the day-to-day operation and development of the Group, in which capacity he has been responsible for the identification and integration of its principal subsidiary business acquisitions. David either chairs or sits on the boards or management boards of Christie Group trading companies.



**Dan Prickett**  
**Chief Financial Officer**

Dan joined Christie Group in December 2007, prior to becoming Chief Financial Officer in 2010. He has responsibility for all financial and company accounting matters, as well as financial public relations. Dan, a Chartered Accountant, has previously worked for Grant Thornton, MacIntyre Hudson and Inchcape Retail.



**Chris Day**  
**Executive Director**

Chris Day joined Christie & Co in 1985 and, having worked in the Manchester, Birmingham and London Offices, was appointed Managing Director in 1993. He has overall responsibility for all Christie & Co's specialist transactional and advisory activities. Chris has overseen the successful expansion of Christie & Co into a truly global firm, which currently has 30 offices throughout Europe and an active Asian Investment team.



**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, since then, has been responsible for developing the company into a pan-European retail stocktaking business. Paul has also been a Managing Director of Vennersys since 2012.



**Tony Chambers**  
**Senior Non-executive Director**

Tony was previously Head of Banking and Director of Robert Fleming, a Director of Save and Prosper Group and Chairman of Gartmore High Income. Tony chairs the Remuneration Committee and is also a member of both the Audit and Nomination Committees.



**Pommy Sarwal**  
**Non-executive Director**

Pommy, a former corporate finance partner at Deloitte, is currently Deputy Chairman of Hybrid Air Vehicles and Chairman of Master Ropemakers. He is also a Non-executive Director of Chatham Historic Dockyard, and until recently, was a Non-executive of Hyde Housing Association. Pommy was previously a member of the board of both the Port of London Authority and British Waterways. Pommy chairs the Audit Committee and is a member of the Nomination and Remuneration Committees. He is also Chairman of Venners.

# Strategic report

for the year ended 31 December 2016

The Directors present their Strategic Report on the Group for the year ended 31 December 2016.

## Review of the business

### Principal Activities and Business Review:

Christie Group plc is the parent undertaking of a group of companies covering a range of related activities. These fall into two divisions – Professional Business Services and Stock & Inventory Systems & Services. Professional Business Services principally covers business valuation, consultancy and agency, mortgage and insurance services, and business appraisal. Stock & Inventory Systems & Services covers stock audit and counting, compliance and food safety audits, inventory preparation and valuation, hospitality and cinema software. A description of the Group's activities and a detailed business review of the year and future developments are given in the Chairman's Statement and Financial Review. In addition the Group's main Key Performance Indicators are explained in the Financial Review on page 27 and the risks and uncertainties are shown below.

### 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 service three sectors; leisure, care and retail, 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.
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 or changes in the economic or legislative environments in the countries in which we do business. In addition, such things as the psychological effect of natural disasters, terrorist attacks, banking crises, currency crises and changes in behaviour pattern due to environmental based legislation can all impact our businesses in unexpected ways. All of our activities rely on the recruitment and retention of skilled individuals. Each of our divisions, though, face certain risks that are unique to the services they provide and they are categorised under the divisional headings below.

The following can adversely affect our markets and businesses:

### Professional Business Services (PBS)

- changes in interest rates;
- lack of bank liquidity and more conservative lending criteria;
- a slow down in the residential housing market;
- collapse or fragmentation of the Euro Currency (also applicable to SISS); and
- the terms and impact of the UK's decision to leave the EU (also applicable to SISS).

### Stock & Inventory Systems & Services (SISS)

- changes in employee and business legislation;
- increase in transport costs;
- trends towards a cashless society; and
- economic slowdown and technology changes affecting the retail and hospitality sectors.

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.

### Key Performance Indicators:

For an analysis of key performance indicators see Financial Review on page 27.

### Review of strategy and business model

For a review of the Group's strategy see the Chairman's statement on page 2, for a review of the Group's business model see the Chief Executive's review on page 4.

This report was approved by the board on 31 March 2017.

### D R Prickett

Company Secretary  
Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS

Registered No. 01471939

# Directors' report

for the year ended 31 December 2016

The Directors present their report and the audited financial statements for the year ended 31 December 2016.

## Results and Dividends

The results for the year are set out in the consolidated income statement on page 38 and the consolidated statement of comprehensive income on page 39. The Directors recommend the payment of a final dividend of 1.5p (2015: 1.5p) per share which together with the interim dividend of 1.0p (2015: 1.0p) per share, makes a total of 2.5p (2015: 2.5p) per share totalling £663,000 (2015: £663,000) for the year. The profit for the year before tax and before other comprehensive income was £478,000 (2015: £3,161,000) and the losses attributable to equity holders of the Company for the financial year, after taxation and including other comprehensive losses, was £5,158,000 (2015: £3,981,000 income).

## Future developments

For information on future developments see the Chairman's Statement on page 2 and the Chief Executive's Review on page 4.

## Directors

The Directors of the Company in office at the date of this report, together with their biographical details, are shown on page 28. All these Directors served throughout the year. David Rugg and Tony Chambers retire in accordance with the Company's Articles of Association. David Rugg and Tony Chambers, 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.

## Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Group's performance. Each individual operating company adopts employee consultation as appropriate. The Company is committed to providing equality of opportunity to all staff and workers regardless of their nationality, ethnic origin, age, sex or sexual orientation and continues to be supportive of the employment and advancement of disabled persons.

## Acquisition of Own Shares

During the year the Company funded the purchase of 184,000 (2015: 337,000) of its own ordinary shares, through an Employee Share Ownership Trust, for a consideration of £181,000 (2015: £274,000). To enable it to meet awards under its SAYE and other share schemes, during the year the Company also sold 237,000 (2015: 634,000) of its own ordinary shares, through an Employee Share Ownership Trust, for a consideration of £313,000 (2015: £752,000). The total holding of the Employee Share Ownership Trust as at 31 December 2016 was 182,000 shares (2015: 235,000 shares), which represents 0.68% (2015: 0.88%) 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 on page 51.

## 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

After making enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements, which appear on pages 38 to 84.

## Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that Nexia Smith & Williamson be re-appointed as auditors of the Company will be put to the Annual General Meeting.

## Disclosure of Information to Auditors

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 auditors were 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 auditors were 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 31 March 2017.

## D R Prickett

Company Secretary  
Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS

Registered No. 01471939

# Corporate governance

The Directors consider that full compliance with the UK Corporate Governance Code would be too onerous, but nevertheless, the company acts with regard to its main provisions as far as is practicable and appropriate for a public company of its size. The Quoted Companies Alliance has published a Corporate Governance Code for Small and Mid-Size Quoted Companies (QCA Code). The Company is committed to incorporating its recommendations and guidelines where it considers appropriate to do so.

The Directors are committed to delivering high standards of corporate governance to the Company's shareholders and other stakeholders including employees, suppliers and the wider community. The Board of Directors operates within the framework described below.

## 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.

Whilst the Board has delegated the normal operational 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 executives present. The senior Non-executive Director also discusses matters with the other Non-executive Director without the Chairman being 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.

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.

## Organisational structure and control environment

The Board of Directors meets at least five times a year to review the performance of the Group. It seeks to foster a strong ethical climate across the Group. There are clearly defined

lines of responsibility and delegation of authority from the Board to the operating subsidiaries. The Directors of each trading subsidiary meet on a monthly basis with normally at least two members of the Group Board in attendance.

## 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 below);
- 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 page 32);
- An Audit Committee of the Board, comprising Non-executive Directors, which considers significant financial control matters as appropriate; and
- Documented whistle-blowing policies and procedures.

In 2012 the Board agreed to implement a formal Internal Audit function and in doing so appointed an Internal Auditor. The Internal Auditor is mandated to perform their duties under the direct authority from the Group Chief Executive to examine all areas of compliance across the Group as he may consider appropriate or necessary from time to time.

## 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. The focus of the 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.

### 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 their assessment by reference to five-year plans relating to each of the trading subsidiaries of the Group and in doing so considered the following:

- The achievability of those five 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.
- 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.
- Investment in research & development resulting in the launch of new products & services.
- The policy of incurring generally short term leasing commitments.
- The performance and productivity link to variable commission and bonus payments.
- Our protection of Copyright & Trademarks & our retention of IPR.
- The maintenance of our operational policies, procedures & protocols.

### 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.

### 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 senior Non-executive Director is Tony Chambers.

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

| Question                                                                                                                                                                                                                    | Tony Chambers | Pommy Sarwal |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| Has been an employee of the Company or Group within the last five years?                                                                                                                                                    | 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           |
| 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           |
| Has close family ties with any of the Company's Directors, senior employees or advisers?                                                                                                                                    | No            | No           |
| Holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies?                                                                                                   | No            | Yes          |
| Represents or is a significant shareholder?                                                                                                                                                                                 | No            | No           |
| Has served on the Board for more than nine years from the date of their first election?                                                                                                                                     | Yes           | Yes          |

The Non-executive Directors are considered by the Board to be independent in both character and judgement and have no relationships or any circumstances that are likely to affect their judgement as Directors of the Company.

Tony Chambers was appointed to the Board on 24 February 2004 and therefore reached nine years' service with effect from 24 February 2013. Taking into consideration all other tests of independence, the Board do not consider this to impair Mr Chamber's independence or his ability to fulfil his role with impartiality.

Pommy Sarwal sits on the board of Hybrid Air Vehicles Limited, a UK incorporated company, as Deputy Chairman. Mr Sarwal also sits on the Board of Venners Limited as Non-executive Chairman, but the day-to-day management of that company is conducted by its executive directors. Neither of these roles are considered to impair his judgement or character in relation to his directorship of Christie Group plc. Mr Sarwal was originally appointed to the Board of Christie Group plc on 3 July 2006 and therefore reached nine years' service with effect from 3 July 2015.

#### **Audit Committee**

The Audit Committee meets no less than twice a year with the auditors in attendance. It 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 auditors. 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 auditors unless there are clear efficiencies and value added benefits to the Company. Additionally the auditors confirm their independence in writing each year. The Committee also monitors the level of non-audit fees paid to the external auditors. The Audit Committee consists of Tony Chambers and Pommy Sarwal as Chairman.

#### **Remuneration Committee**

The Remuneration Committee meets no less than twice a year and is responsible for determining main Board Directors' and subsidiary company Managing Directors' remuneration together with the terms and conditions of their service contracts. It has access to relevant comparable information in respect of similar businesses. The Committee is also responsible for the allocation of options under the Company's executive share option scheme. The Committee also maintains a watching brief over the general employment terms and pay structures, existing or proposed, for the subsidiary trading companies. The Remuneration Committee consists of the Non-executive Directors with Tony Chambers as Chairman.

#### **Nomination Committee**

The Nomination Committee meets as required to select and propose suitable candidates for the approval of the Board to fill vacancies or new positions and to make recommendations to the Board on its composition. The Nomination Committee consists of the Non-executive Directors and Philip Gwyn as Chairman.

#### **Risks and Uncertainties**

See the Strategic Report on page 29.

#### **Dialogue with Institutional Shareholders**

The Directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders. This is done through meetings following the publication of the year-end and interim results.

#### **Shares and Shareholdings**

The interests of Directors are set out on page 35.

# Remuneration report

Part 1 of this report sets out the Company's remuneration policies for the Directors for the year ended 31 December 2016. 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 2016.

## Part 1. Remuneration Committee (not subject to audit)

The Remuneration Committee, which consists solely of Non-executive Directors, makes recommendations to the Board on the framework of executive remuneration and determines specific remuneration packages on their behalf. The Chairman and Chief Executive attend the Remuneration Committee meetings. The Chairman and Chief Executive are not present when their own remuneration is being considered by the Committee.

The Committee's policy is to provide a remuneration package which will attract and retain Directors with the ability and experience required to manage the Company and to provide superior long term performance. It is the aim of the Committee to reward Directors competitively and on the broad principle that their remuneration should be in line with the remuneration paid to senior management of comparable companies. There are four main elements of the remuneration package for Executive Directors: base salary, annual bonus, benefits and share options.

- Base salary is reviewed annually and in setting salary levels the Remuneration Committee considers the experience and responsibilities of the Executive Directors and their personal performance during the previous year. The Committee also takes account of external market data, as well as the rates of increases for other employees within the Company. Base salary going forward is the only element of the package to determine future pensionable earnings.
- Annual bonuses are calculated as a percentage of pre-tax profits in excess of a threshold. Bonuses are designed to contribute approximately 25% of total earnings, but they are normally uncapped.
- Benefits are primarily the provision of cars 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 increase in the value of the Group.

## 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 6 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 taken into account.

### Non-executive Directors

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

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

### Outside directorships

Other than the Chairman, none of the Executive Directors hold external Non-executive directorship positions. The Chairman has no commitments that impact adversely on his role as Chairman.

Information required to be audited.

## PART 2. Directors' Emoluments

|               | Salary,<br>Commissions<br>& Fees<br>£'000 | Long Term<br>Share<br>Schemes<br>£'000 | Bonus<br>£'000 | Benefits<br>£'000 | Pensions<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
|---------------|-------------------------------------------|----------------------------------------|----------------|-------------------|-------------------|---------------|---------------|
| Philip Gwyn   | 171                                       | –                                      | –              | 21                | –                 | 192           | 194           |
| David Rugg    | 400                                       | –                                      | 23             | 50                | –                 | 473           | 441           |
| Chris Day     | 340                                       | –                                      | 18             | 25                | 32                | 415           | 446           |
| Dan Prickett  | 175                                       | –                                      | 22             | 12                | 10                | 219           | 206           |
| Paul Harding  | 256                                       | 142                                    | 4              | 18                | 2                 | 422           | 283           |
| Tony Chambers | 32                                        | –                                      | –              | –                 | –                 | 32            | 32            |
| Pommy Sarwal  | 57                                        | –                                      | –              | –                 | –                 | 57            | 57            |
|               | 1,431                                     | 142                                    | 67             | 126               | 44                | 1,810         | 1,659         |

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

|                                | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------|---------------|---------------|
| Defined benefit arrangement:   |               |               |
| Accrued pension at end of year | 50            | 127           |

The highest paid director did not exercise any share options during the year.

### Directors' pension entitlements

Chris Day is a member of the Christie Group plc Pension & Assurance Scheme managed by Hanover Pensions Limited. Dan Prickett receives employer contributions as a member of the Group defined contribution scheme. Paul Harding receives salary in lieu of pension contributions.

### Directors' interests

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

|               | 31 Mar 2017 | 31 Dec 2016 | 31 Dec 2015 |
|---------------|-------------|-------------|-------------|
| Philip Gwyn   | 11,515,961  | 11,515,961  | 11,515,961  |
| David Rugg    | 2,811,046   | 2,811,046   | 2,796,046   |
| Chris Day     | 712,847     | 712,847     | 712,847     |
| Paul Harding  | 312,870     | 312,870     | 212,870     |
| Tony Chambers | 131,975     | 131,975     | 131,975     |
| Pommy Sarwal  | –           | –           | –           |
| Dan Prickett  | –           | –           | –           |

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

Dan Prickett holds 150,000 share options, granted in October 2013 and May 2015 exercisable between October 2016 and May 2025.

Paul Harding holds 125,000 share options, granted in May 2009 and May 2014 exercisable between May 2012 and May 2024.

Chris Day holds 50,000 share options, granted in May 2009 exercisable between May 2012 and May 2019.

The market price of the shares at 31 December 2016 was 83.0p (31 December 2015: 127.5p) and the range during the year was 75.0p to 152.5p (year to 31 December 2015: 120.0p to 157.0p).

During the year Paul Harding was paid a bonus of £142,000 under a long term incentive arrangement. Paul Harding exercised 100,000 options awarded under the same long-term incentive plan during the year. The aggregate of the gains made on these exercises, calculated on the difference between the option and mid-market price on the date of option maturity, was £14,500 (2015: £39,000), of which £nil (2015: £nil) related to the highest paid Director.

# Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 IFRSs as adopted by the European Union; 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

We have audited the financial statements of Christie Group plc for the year ended 31 December 2016 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Shareholders' Equity and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 36, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on financial statements

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 2016 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those 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 company and its 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

## Sancho Simmonds

Senior Statutory Auditor, for and on behalf of

## Nexia Smith & Williamson

Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

31 March 2017

# Consolidated income statement

For the year ended 31 December 2016

|                                                                  | Note | 2016<br>Total<br>£'000 | 2015<br>Total<br>£'000 |
|------------------------------------------------------------------|------|------------------------|------------------------|
| Revenue                                                          | 6    | 64,488                 | 63,743                 |
| Employee benefit expenses                                        | 7    | (45,866)               | (42,888)               |
|                                                                  |      | 18,622                 | 20,855                 |
| Depreciation and amortisation                                    | 6    | (757)                  | (576)                  |
| Impairment (charge)/credit                                       | 21   | (194)                  | 143                    |
| Other operating expenses                                         |      | (16,651)               | (16,659)               |
| <b>Operating profit before exceptional items</b>                 |      | <b>1,020</b>           | <b>3,763</b>           |
| Exceptional items                                                | 5    | 1,328                  | –                      |
| <b>Operating profit after exceptional items</b>                  |      | <b>2,348</b>           | <b>3,763</b>           |
| Finance costs                                                    | 8    | (111)                  | (91)                   |
| Finance income                                                   | 8    | –                      | –                      |
| Pension scheme finance costs                                     | 8    | (432)                  | (511)                  |
| Total finance costs                                              | 8    | (543)                  | (602)                  |
| <b>Profit before tax</b>                                         | 9    | <b>1,805</b>           | <b>3,161</b>           |
| Taxation                                                         | 10   | (516)                  | (614)                  |
| <b>Profit after tax</b>                                          |      | <b>1,289</b>           | <b>2,547</b>           |
| <b>Profit for the period after tax attributable to:</b>          |      |                        |                        |
| Equity shareholders of the parent                                |      | 1,405                  | 2,712                  |
| Non-controlling interest                                         |      | (116)                  | (165)                  |
|                                                                  |      | 1,289                  | 2,547                  |
| <b>Earnings per share attributable to equity holders – pence</b> |      |                        |                        |
| Profit attributable to the equity holders of the Company         |      |                        |                        |
| – Basic                                                          | 12   | 5.35                   | 9.73                   |
| – Fully diluted                                                  | 12   | 5.25                   | 9.47                   |

All amounts derive from continuing activities.

# Consolidated statement of comprehensive income

For the year ended 31 December 2016

|                                                                                                               | 2016<br>Total<br>£'000 | 2015<br>Total<br>£'000 |
|---------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Profit after tax</b>                                                                                       | <b>1,289</b>           | <b>2,547</b>           |
| <b>Other comprehensive income/(losses):</b>                                                                   |                        |                        |
| Items that may be reclassified subsequently to profit or loss:                                                |                        |                        |
| Exchange differences on translating foreign operations                                                        | 184                    | [72]                   |
| <b>Net other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods</b>     | <b>184</b>             | <b>[72]</b>            |
| Items that will not be reclassified subsequently to profit or loss:                                           |                        |                        |
| Actuarial (losses)/gains on defined benefit plans                                                             | (8,054)                | 1,676                  |
| Income tax effect                                                                                             | 1,011                  | [335]                  |
| <b>Net other comprehensive (losses)/income not being reclassified to profit or loss in subsequent periods</b> | <b>[7,043]</b>         | <b>1,341</b>           |
| <b>Other comprehensive (losses)/income for the period, net of tax</b>                                         | <b>[6,859]</b>         | <b>1,269</b>           |
| <b>Total comprehensive (losses)/income for the period</b>                                                     | <b>[5,570]</b>         | <b>3,816</b>           |
| <b>Total comprehensive (losses)/income attributable to:</b>                                                   |                        |                        |
| Equity shareholders of the parent                                                                             | (5,454)                | 3,981                  |
| Non-controlling interest                                                                                      | (116)                  | [165]                  |
|                                                                                                               | <b>[5,570]</b>         | <b>3,816</b>           |

# Consolidated statement of changes in shareholders' equity

As at 31 December 2016

|                                                                    | Attributable to the Equity Holders of the Company |                                                     |                                         |                            |                                   |                       |
|--------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|-----------------------------------------|----------------------------|-----------------------------------|-----------------------|
|                                                                    | Share capital<br>£'000                            | Fair value and other reserves<br>(Note 23)<br>£'000 | Cumulative translation reserve<br>£'000 | Retained earnings<br>£'000 | Non-controlling interest<br>£'000 | Total equity<br>£'000 |
| <b>For the year ended 31 December 2015</b>                         |                                                   |                                                     |                                         |                            |                                   |                       |
| Balance at 1 January 2015                                          | 531                                               | 4,954                                               | 544                                     | (12,473)                   | (289)                             | (6,733)               |
| Profit/(loss) for the year after tax                               | –                                                 | –                                                   | –                                       | 2,712                      | (165)                             | 2,547                 |
| Items that will not be reclassified subsequently to profit or loss | –                                                 | –                                                   | –                                       | 1,341                      | –                                 | 1,341                 |
| Items that may be reclassified subsequently to profit or loss      | –                                                 | –                                                   | (72)                                    | –                          | –                                 | (72)                  |
| <b>Total comprehensive income/(losses) for the period</b>          | –                                                 | –                                                   | (72)                                    | 4,053                      | (165)                             | 3,816                 |
| Movement in respect of employee share scheme                       | –                                                 | 69                                                  | –                                       | –                          | –                                 | 69                    |
| Employee share option scheme:                                      |                                                   |                                                     |                                         |                            |                                   |                       |
| – value of services provided                                       | –                                                 | 184                                                 | –                                       | –                          | –                                 | 184                   |
| Dividends paid                                                     | –                                                 | –                                                   | –                                       | (653)                      | –                                 | (653)                 |
| <b>Balance at 31 December 2015</b>                                 | 531                                               | 5,207                                               | 472                                     | (9,073)                    | (454)                             | (3,317)               |

|                                                                    | Attributable to the Equity Holders of the Company |                                                     |                                         |                            |                                   |                       |
|--------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|-----------------------------------------|----------------------------|-----------------------------------|-----------------------|
|                                                                    | Share capital<br>£'000                            | Fair value and other reserves<br>(Note 23)<br>£'000 | Cumulative translation reserve<br>£'000 | Retained earnings<br>£'000 | Non-controlling interest<br>£'000 | Total equity<br>£'000 |
| <b>For the year ended 31 December 2016</b>                         |                                                   |                                                     |                                         |                            |                                   |                       |
| <b>Balance at 1 January 2016</b>                                   | 531                                               | 5,207                                               | 472                                     | (9,073)                    | (454)                             | (3,317)               |
| Profit/(loss) for the year after tax                               | –                                                 | –                                                   | –                                       | 1,405                      | (116)                             | 1,289                 |
| Items that will not be reclassified subsequently to profit or loss | –                                                 | –                                                   | –                                       | (7,043)                    | –                                 | (7,043)               |
| Items that may be reclassified subsequently to profit or loss      | –                                                 | –                                                   | 184                                     | –                          | –                                 | 184                   |
| <b>Total comprehensive (losses)/income for the period</b>          | –                                                 | –                                                   | 184                                     | (5,638)                    | (116)                             | (5,570)               |
| Movement in respect of employee share scheme                       | –                                                 | 20                                                  | –                                       | –                          | –                                 | 20                    |
| Employee share option scheme:                                      |                                                   |                                                     |                                         |                            |                                   |                       |
| – value of services provided                                       | –                                                 | 238                                                 | –                                       | –                          | –                                 | 238                   |
| Acquisition of non controlling interest                            | –                                                 | –                                                   | –                                       | (241)                      | 241                               | –                     |
| Dividends paid                                                     | –                                                 | –                                                   | –                                       | (657)                      | –                                 | (657)                 |
| <b>Balance at 31 December 2016</b>                                 | 531                                               | 5,465                                               | 656                                     | (15,609)                   | (329)                             | (9,286)               |

# Consolidated statement of financial position

At 31 December 2016

|                                     | Note | 2016<br>£'000  | 2015<br>£'000  |
|-------------------------------------|------|----------------|----------------|
| <b>Assets</b>                       |      |                |                |
| <b>Non-current assets</b>           |      |                |                |
| Intangible assets – Goodwill        | 13   | 1,812          | 1,703          |
| Intangible assets – Other           | 14   | 1,241          | 1,066          |
| Property, plant and equipment       | 15   | 1,468          | 1,095          |
| Deferred tax assets                 | 16   | 3,901          | 3,266          |
| Available-for-sale financial assets | 17a  | 635            | 635            |
| Other receivables                   | 18   | 451            | 451            |
|                                     |      | 9,508          | 8,216          |
| <b>Current assets</b>               |      |                |                |
| Inventories                         | 19   | 29             | 6              |
| Trade and other receivables         | 21   | 13,226         | 12,007         |
| Current tax assets                  |      | 357            | 45             |
| Cash and cash equivalents           | 20   | 1,637          | 3,621          |
|                                     |      | 15,249         | 15,679         |
| <b>Total assets</b>                 |      | <b>24,757</b>  | <b>23,895</b>  |
| <b>Equity</b>                       |      |                |                |
| Share capital                       | 22   | 531            | 531            |
| Fair value and other reserves       | 23   | 5,465          | 5,207          |
| Cumulative translation reserve      |      | 656            | 472            |
| Retained earnings                   |      | (15,609)       | (9,073)        |
|                                     |      | (8,957)        | (2,863)        |
| Non-controlling interest            |      | (329)          | (454)          |
| <b>Total equity</b>                 |      | <b>(9,286)</b> | <b>(3,317)</b> |
| <b>Liabilities</b>                  |      |                |                |
| <b>Non-current liabilities</b>      |      |                |                |
| Trade and other payables            | 25   | 249            | –              |
| Retirement benefit obligations      | 24   | 18,106         | 11,958         |
| Borrowings                          | 26   | 1              | 7              |
| Provisions                          | 27   | 167            | 155            |
|                                     |      | 18,523         | 12,120         |
| <b>Current liabilities</b>          |      |                |                |
| Trade and other payables            | 25   | 8,883          | 9,052          |
| Current tax liabilities             |      | 152            | –              |
| Borrowings                          | 26   | 5,624          | 4,288          |
| Provisions                          | 27   | 861            | 1,752          |
|                                     |      | 15,520         | 15,092         |
| <b>Total liabilities</b>            |      | <b>34,043</b>  | <b>27,212</b>  |
| <b>Total equity and liabilities</b> |      | <b>24,757</b>  | <b>23,895</b>  |

These consolidated financial statements have been approved for issue by the Board of Directors on 31 March 2017.

**D B Rugg**  
Chief Executive

**D R Prickett**  
Chief Financial Officer

# Consolidated statement of cash flows

For the year ended 31 December 2016

|                                                        | Note | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------------------------|------|---------------|---------------|
| <b>Cash flow from operating activities</b>             |      |               |               |
| Cash (used in)/generated from operations               | 28   | (1,016)       | 2,681         |
| Interest paid                                          |      | (111)         | (91)          |
| Tax paid                                               |      | (213)         | (831)         |
| Net cash (used in)/generated from operating activities |      | (1,340)       | 1,759         |
| <b>Cash flow from investing activities</b>             |      |               |               |
| Purchase of property, plant and equipment (PPE)        |      | (855)         | (571)         |
| Proceeds from sale of PPE                              |      | 16            | 21            |
| Intangible asset expenditure – software                |      | (453)         | (574)         |
| Net cash used in investing activities                  |      | (1,292)       | (1,124)       |
| <b>Cash flow from financing activities</b>             |      |               |               |
| Proceeds from invoice finance                          |      | 363           | 56            |
| Payment of finance lease liabilities                   |      | (6)           | (10)          |
| Dividends paid                                         |      | (657)         | (653)         |
| Net cash used in financing activities                  |      | (300)         | (607)         |
| <b>Net (decrease)/increase in cash</b>                 |      | (2,932)       | 28            |
| Cash and cash equivalents at beginning of year         |      | 17            | 6             |
| Exchange losses on euro bank accounts                  |      | (18)          | (17)          |
| <b>Cash and cash equivalents at end of year</b>        | 20   | (2,933)       | 17            |

# Company statement of changes in shareholders' equity

As at 31 December 2016

|                                                                    | Attributable to the Equity Holders of the Company |                                                     |                            | Total equity<br>£'000 |
|--------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|----------------------------|-----------------------|
|                                                                    | Share capital<br>£'000                            | Fair value and other reserves<br>(Note 23)<br>£'000 | Retained earnings<br>£'000 |                       |
| <b>For the year ended 31 December 2015</b>                         |                                                   |                                                     |                            |                       |
| <b>Balance at 1 January 2015</b>                                   | 531                                               | 4,137                                               | 1,392                      | 6,060                 |
| Profit/(loss) for the year after tax                               | –                                                 | –                                                   | 472                        | 472                   |
| Items that will not be reclassified subsequently to profit or loss | –                                                 | –                                                   | –                          | –                     |
| <b>Total comprehensive income for the period</b>                   | –                                                 | –                                                   | 472                        | 472                   |
| Movement in respect of employee share scheme                       | –                                                 | 70                                                  | –                          | 70                    |
| Dividends paid                                                     | –                                                 | –                                                   | (653)                      | (653)                 |
| <b>Balance at 31 December 2015</b>                                 | 531                                               | 4,207                                               | 1,211                      | 5,949                 |

|                                                                    | Attributable to the Equity Holders of the Company |                                                     |                            | Total equity<br>£'000 |
|--------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|----------------------------|-----------------------|
|                                                                    | Share capital<br>£'000                            | Fair value and other reserves<br>(Note 23)<br>£'000 | Retained earnings<br>£'000 |                       |
| <b>For the year ended 31 December 2016</b>                         |                                                   |                                                     |                            |                       |
| <b>Balance at 1 January 2016</b>                                   | 531                                               | 4,207                                               | 1,211                      | 5,949                 |
| Profit/(loss) for the year after tax                               | –                                                 | –                                                   | 1,082                      | 1,082                 |
| Items that will not be reclassified subsequently to profit or loss | –                                                 | –                                                   | (227)                      | (227)                 |
| <b>Total comprehensive income for the period</b>                   | –                                                 | –                                                   | 855                        | 855                   |
| Movement in respect of employee share scheme                       | –                                                 | 20                                                  | –                          | 20                    |
| Employee share option scheme:                                      |                                                   |                                                     |                            |                       |
| – Value of services provided                                       | –                                                 | 23                                                  | –                          | 23                    |
| Dividends paid                                                     | –                                                 | –                                                   | (657)                      | (657)                 |
| <b>Balance at 31 December 2016</b>                                 | 531                                               | 4,250                                               | 1,409                      | 6,190                 |

# Company statement of financial position

As at 31 December 2016

|                                     | Note | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------|------|---------------|---------------|
| <b>Assets</b>                       |      |               |               |
| <b>Non-current assets</b>           |      |               |               |
| Investments in subsidiaries         | 17   | 2,463         | 2,563         |
| Deferred tax assets                 | 16   | 272           | 300           |
| Available-for-sale financial assets | 17a  | 635           | 635           |
| Other receivables                   | 18   | 451           | 451           |
|                                     |      | <b>3,821</b>  | <b>3,949</b>  |
| <b>Current assets</b>               |      |               |               |
| Trade and other receivables         | 21   | 14,830        | 12,211        |
| Current tax assets                  |      | –             | 29            |
| Cash and cash equivalents           | 20   | 5             | 5             |
|                                     |      | <b>14,835</b> | <b>12,245</b> |
| <b>Total assets</b>                 |      | <b>18,656</b> | <b>16,194</b> |
| <b>Equity</b>                       |      |               |               |
| Share capital                       | 22   | 531           | 531           |
| Fair value and other reserves       | 23   | 4,250         | 4,207         |
| Retained earnings                   |      | 1,409         | 1,211         |
| Total equity                        |      | <b>6,190</b>  | <b>5,949</b>  |
| <b>Liabilities</b>                  |      |               |               |
| <b>Non-current liabilities</b>      |      |               |               |
| Retirement benefit obligations      | 24   | 1,365         | 1,202         |
|                                     |      | <b>1,365</b>  | <b>1,202</b>  |
| <b>Current liabilities</b>          |      |               |               |
| Trade and other payables            | 25   | 6,531         | 5,450         |
| Current tax liabilities             |      | –             | –             |
| Borrowings                          | 26   | 4,570         | 3,593         |
|                                     |      | <b>11,101</b> | <b>9,043</b>  |
| <b>Total liabilities</b>            |      | <b>12,466</b> | <b>10,245</b> |
| <b>Total equity and liabilities</b> |      | <b>18,656</b> | <b>16,194</b> |

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 £1,082,000 (2015: £472,000).

These Company financial statements have been approved for issue by the Board of Directors on 31 March 2017.

**D B Rugg**  
Chief Executive

**D R Prickett**  
Chief Financial Officer

# Company statement of cash flows

For the year ended 31 December 2016

|                                                        | Note | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------------------------|------|---------------|---------------|
| <b>Cash flow from operating activities</b>             |      |               |               |
| Cash (used in)/generated from operations               | 28   | (1,793)       | 520           |
| Interest paid                                          |      | (172)         | (149)         |
| Tax received/(paid)                                    |      | 27            | (17)          |
| Net cash (used in)/generated from operating activities |      | (1,938)       | 354           |
| <b>Cash flow from investing activities</b>             |      |               |               |
| Interest received                                      |      | 268           | 273           |
| Dividend received                                      |      | 1,350         | –             |
| Net cash generated from investing activities           |      | 1,618         | 273           |
| <b>Cash flow from financing activities</b>             |      |               |               |
| Dividends paid                                         |      | (657)         | (653)         |
| Net cash used in financing activities                  |      | (657)         | (653)         |
| <b>Net decrease in cash</b>                            |      | (977)         | (26)          |
| Cash and cash equivalents at beginning of year         |      | (3,588)       | (3,562)       |
| <b>Cash and cash equivalents at end of year</b>        | 20   | (4,565)       | (3,588)       |

# Notes to the consolidated financial statements

## 1. GENERAL INFORMATION

Christie Group plc is the parent undertaking of a group of companies covering a range of related activities. These fall into two divisions – Professional Business Services and Stock & Inventory Systems & Services. Professional Business Services principally covers business valuation, consultancy

and agency, mortgage and insurance services, and business appraisal. Stock & Inventory Systems & Services covers stock audit and counting, compliance and food safety audits and inventory preparation and valuation, hospitality and cinema software.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Accounting policies for the year ended 31 December 2016

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

#### 2.1 Basis of preparation

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

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

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

#### New and amended standards adopted by the Group

Several new standards and amendments apply for the first time in 2016. 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 2017 or later periods and have not been early adopted. 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, except for IFRS 15 Revenue from Contracts with Customers becomes mandatory for the Group's 2018 consolidated financial statements and IFRS 16 Leases' which becomes mandatory for the Group's 2019 consolidated financial statements.

IFRS 16, 'Leases' was issued in January 2016. The impact on the Group will be as follows: it eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases. Leases will be 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. Where lease payments are made over time, the Group will also recognise a financial liability representing its obligation to make future lease payments. The most significant effect of the new requirements in IFRS 16 will be an increase in lease assets and financial liabilities. The Group does not plan to adopt this standard early and the extent of the impact will be assessed when the standard becomes effective.

IFRS 9, 'Financial Instruments'. This is part of a project to replace IAS 39 Financial Instruments: Recognition and Measurement and deals with the classification and measurement of financial assets and financial liabilities. In November 2009, the IASB published IFRS 9 Financial Instruments which covered the classification and measurement of financial assets. In October 2010 the requirements for classifying and measuring financial liabilities were added to IFRS 9.

IFRS 15: Revenue from Contracts with Customers. The standard represents a single revenue recognition standard to be applied across various industries. The standard replaces IAS 11 Construction Contracts and IAS 18 Revenue.

The core principle of the Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The Standard also requires enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improves guidance for multiple-element arrangements.

## 2. Summary of significant accounting policies continued

Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.

On 22 July 2015, The International Accounting Standards Board (IASB) confirmed a one-year deferral of the effective date of the revenue Standard, IFRS 15 Revenue from Contracts with Customers, to 1 January 2018.

### 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 2016. 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 income statement.

### Non controlling interests

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

### 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 functional and 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 income statement.

#### 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 income statement are translated at average exchange rates; and
- c) all resulting exchange differences are recognised as a separate component of equity, the cumulative translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement 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

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

#### Agency, consultancy and valuations

Net agency fees are recognised as income on exchange of contracts at which point the Group becomes contractually entitled to its agency fee. 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 services provided. In respect of valuations, turnover is recognised once the property or business has been inspected. Appraisal 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 services to be provided.

#### Business mortgage broking

Fee income is taken either when a loan offer is secured or when the loan is drawn down.

#### Insurance broking

Insurance brokerage is accounted for when the insurance policy commences.

#### Software solutions

Hardware revenues are recognised on installation or as otherwise specified in the terms of the contract. Software revenues are recognised on delivery or as otherwise specified

## 2. Summary of significant accounting policies continued

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.

Other income is recognised as follows:

### Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

### Dividend income

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

### Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

### 2.5 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

### 2.6 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 Business Services, Stock & Inventory Systems & Services, and Other. 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.

### 2.7 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 such as software are stated at cost, 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. The expected useful lives are between one and ten years.

### 2.8 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 of all tangible fixed assets to estimated residual value by equal annual instalments over their expected useful lives as follows:

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

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

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

### 2.9 Leases

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Rentals under operating leases (net of any incentives received) are charged to the income statement on a straight-line basis over the period of the lease.

## 2. Summary of significant accounting policies continued

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

### 2.10 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 5 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.

### 2.11 Investments

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

#### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Purchases and sales of investments held as available for sale financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques.

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 equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired.

### 2.12 Inventories

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

### 2.13 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the income statement.

### 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 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 income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

### 2. Summary of significant accounting policies continued

#### 2.16 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.

#### 2.17 Share capital and share premium

Ordinary shares are classified as equity.

Where any Group company or the Employee Share Ownership Plan (ESOP) trust 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. 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.

#### 2.18 Dividend distribution

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

#### 2.19 Invoice finance

Trade receivables are subject to an invoice finance facility whereby an advance is received based upon and secured upon trade receivables. The carrying value is stated at the fair value of the amount repayable at the date of the statement of financial position. Trade receivables are not derecognised until payment is received from the customer.

#### 2.20 Employee benefits

##### Pension obligations

The Group has both defined benefit and defined contribution schemes. A defined benefit scheme is a pension scheme that

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

##### 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 22a. 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

## 2. Summary of significant accounting policies continued

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 income statement, 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.

### 2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the 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.

## 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. The Group does not trade in financial instruments.

### 3.1 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) Market risk

##### 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 2016, 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 £48,000 lower (2015: £31,000 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 £61,000 (2015: £43,000).

#### b) Credit risk

The Group has no significant concentrations of credit risk and has policies in place to ensure that sales are made to customers with an appropriate credit history.

#### 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 2016 total borrowings by the Group amounted to £5,624,000 (2015: £4,295,000), with additional available unutilised credit facilities at 31 December 2016 of £680,000 (2015: £1,657,000).

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 2016 were £1,637,000 (2015: £3,621,000).

#### 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 2016, assuming all other variables remained equal but interest rates were 0.25% higher or lower throughout the year, the impact on post tax losses would be a maximum increase or decrease of £5,000 (2015: £1,000).

## 3. Financial risk management continued

### 3.2 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.

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, investments and amounts owed by group undertakings.

Goodwill, investments and amounts owed by group undertakings 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 2.7 and 2.10. 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 two 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 24, 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.

#### (c) 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.

## 5. Exceptional items

|                                                                             | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------------------------------------------------------------|---------------|---------------|
| Reduction in past service costs relating to defined benefit pension schemes | 1,328         | –             |
|                                                                             | 1,328         | –             |

In relation to both of its defined benefit pension schemes the Group has completed consultations relating to the indexation increases which may be applied to future increases in pensionable salary for active members of both schemes. The result is a reduction in aggregated scheme liabilities of £1,328,000.

## 6. Segment information

The Group is organised into two main operating segments: Professional Business Services and Stock & Inventory Systems & Services.

The segment results for the year ended 31 December 2016 are as follows:

|                                                         | Professional<br>Business<br>Services<br>£'000 | Stock &<br>Inventory<br>Systems<br>& Services<br>£'000 | Other<br>£'000 | Group<br>£'000 |
|---------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------|----------------|----------------|
| Total gross segment sales                               | 35,139                                        | 29,455                                                 | 3,533          | 68,127         |
| Inter-segment sales                                     | (106)                                         | –                                                      | (3,533)        | (3,639)        |
| <b>Revenue</b>                                          | <b>35,033</b>                                 | <b>29,455</b>                                          | <b>–</b>       | <b>64,488</b>  |
| <b>Operating profit/(loss) before exceptional items</b> | <b>1,407</b>                                  | <b>(165)</b>                                           | <b>(222)</b>   | <b>1,020</b>   |
| Exceptional items                                       | 973                                           | 286                                                    | 69             | 1,328          |
| <b>Operating profit/(loss) after exceptional items</b>  | <b>2,380</b>                                  | <b>121</b>                                             | <b>(153)</b>   | <b>2,348</b>   |
| Finance costs                                           | (314)                                         | (142)                                                  | (87)           | (543)          |
| <b>Profit before tax</b>                                |                                               |                                                        |                | <b>1,805</b>   |
| Taxation                                                |                                               |                                                        |                | (516)          |
| <b>Profit for the year after tax</b>                    |                                               |                                                        |                | <b>1,289</b>   |

The segment results for the year ended 31 December 2015 are as follows:

|                                      | Professional<br>Business<br>Services<br>£'000 | Stock &<br>Inventory<br>Systems<br>& Services<br>£'000 | Other*<br>£'000 | Group<br>£'000 |
|--------------------------------------|-----------------------------------------------|--------------------------------------------------------|-----------------|----------------|
| Total gross segment sales            | 36,369                                        | 27,478                                                 | 4,312           | 68,159         |
| Inter-segment sales                  | (104)                                         | –                                                      | (4,312)         | (4,416)        |
| <b>Revenue</b>                       | <b>36,265</b>                                 | <b>27,478</b>                                          | <b>–</b>        | <b>63,743</b>  |
| <b>Operating profit/(loss)</b>       | <b>4,646</b>                                  | <b>(953)</b>                                           | <b>70</b>       | <b>3,763</b>   |
| Finance costs                        | (353)                                         | (179)                                                  | (70)            | (602)          |
| <b>Profit before tax</b>             |                                               |                                                        |                 | <b>3,161</b>   |
| Taxation                             |                                               |                                                        |                 | (614)          |
| <b>Profit for the year after tax</b> |                                               |                                                        |                 | <b>2,547</b>   |

Other segment items included in the income statements for the years ended 31 December 2016 and 2015 are as follows:

|                                               | Professional<br>Business<br>Services<br>£'000 | Stock &<br>Inventory<br>Systems &<br>Services<br>£'000 | Other<br>£'000 | Group<br>£'000 |
|-----------------------------------------------|-----------------------------------------------|--------------------------------------------------------|----------------|----------------|
| <b>31 December 2016</b>                       |                                               |                                                        |                |                |
| Depreciation and amortisation                 | 332                                           | 394                                                    | 31             | 757            |
| Impairment of trade receivables               | 112                                           | 82                                                     | –              | 194            |
| <b>31 December 2015</b>                       |                                               |                                                        |                |                |
| Depreciation and amortisation                 | 239                                           | 326                                                    | 11             | 576            |
| (Reversal of)/impairment of trade receivables | (192)                                         | 49                                                     | –              | (143)          |

## Notes to the consolidated financial statements continued

### 6. Segment information continued

The segment assets and liabilities at 31 December 2016 and capital expenditure for the year then ended are as follows:

|                         | Professional<br>Business<br>Services<br>£'000 | Stock &<br>Inventory<br>Systems &<br>Services<br>£'000 | Other<br>£'000 | Group<br>£'000 |
|-------------------------|-----------------------------------------------|--------------------------------------------------------|----------------|----------------|
| Assets                  | 9,088                                         | 7,571                                                  | 3,840          | 20,499         |
| Deferred tax assets     |                                               |                                                        |                | 3,901          |
| Current tax assets      |                                               |                                                        |                | 357            |
|                         |                                               |                                                        |                | 24,757         |
| Liabilities             | 17,429                                        | 7,331                                                  | 3,506          | 28,266         |
| Borrowings              |                                               |                                                        |                | 5,625          |
| Current tax liabilities |                                               |                                                        |                | 152            |
|                         |                                               |                                                        |                | 34,043         |
| Capital expenditure     | 799                                           | 492                                                    | 17             | 1,308          |

The segment assets and liabilities at 31 December 2015 and capital expenditure for the year are as follows:

|                         | Professional<br>Business<br>Services<br>£'000 | Stock &<br>Inventory<br>Systems<br>& Services<br>£'000 | Other<br>£'000 | Group<br>£'000 |
|-------------------------|-----------------------------------------------|--------------------------------------------------------|----------------|----------------|
| Assets                  | 10,147                                        | 7,069                                                  | 3,368          | 20,584         |
| Deferred tax assets     |                                               |                                                        |                | 3,266          |
| Current tax assets      |                                               |                                                        |                | 45             |
|                         |                                               |                                                        |                | 23,895         |
| Liabilities             | 14,189                                        | 7,024                                                  | 1,704          | 22,917         |
| Borrowings              |                                               |                                                        |                | 4,295          |
| Current tax liabilities |                                               |                                                        |                | -              |
|                         |                                               |                                                        |                | 27,212         |
| Capital expenditure     | 270                                           | 441                                                    | 454            | 1,165          |

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 and intangible 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.

## 6. Segment information continued

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

|                   | 2016<br>£'000 | 2015<br>£'000 |
|-------------------|---------------|---------------|
| <b>Revenue</b>    |               |               |
| Europe            | 64,122        | 63,444        |
| Rest of the World | 366           | 299           |
|                   | <b>64,488</b> | <b>63,743</b> |

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

|                             | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------------|---------------|---------------|
| <b>Total segment assets</b> |               |               |
| Europe                      | 20,325        | 20,529        |
| Rest of the World           | 174           | 55            |
|                             | <b>20,499</b> | <b>20,584</b> |

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

|                            | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------|---------------|---------------|
| <b>Capital expenditure</b> |               |               |
| Europe                     | 1,308         | 1,165         |
| Rest of World              | –             | –             |
|                            | <b>1,308</b>  | <b>1,165</b>  |

|                                        | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------------------|---------------|---------------|
| <b>Analysis of revenue by category</b> |               |               |
| Sale of goods                          | 148           | 95            |
| Revenue from services                  | 64,340        | 63,648        |
|                                        | <b>64,488</b> | <b>63,743</b> |

## 7. Employee benefit expenses

| Staff costs for the Group during the year | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------------|---------------|---------------|
| Wages and salaries                        | 39,340        | 37,276        |
| Social security costs                     | 4,210         | 3,902         |
| Pension costs                             | 1,879         | 1,280         |
| Post employment benefits                  | 143           | 113           |
| Other long-term benefits                  | 55            | 133           |
| Cost of employee share scheme             | 239           | 184           |
|                                           | 45,866        | 42,888        |

### Average actual number of people (including executive directors) employed by the Group during the year was

|                                  | 2016<br>Number | 2015<br>Number |
|----------------------------------|----------------|----------------|
| Operational                      | 2,820          | 3,323          |
| Administration and support staff | 268            | 259            |
|                                  | 3,088          | 3,582          |

### Average full time equivalent number of people (including executive directors) employed by the Group during the year was

|                                  | 2016<br>Number | 2015<br>Number |
|----------------------------------|----------------|----------------|
| Operational                      | 935            | 902            |
| Administration and support staff | 262            | 259            |
|                                  | 1,197          | 1,161          |

## 8. Finance costs

|                                               | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------------------------------|---------------|---------------|
| Interest payable on bank loans and overdrafts | 71            | 58            |
| Other interest payable                        | 40            | 33            |
| Pension scheme finance costs                  | 432           | 511           |
| Total finance costs                           | 543           | 602           |
| Bank interest receivable                      | –             | –             |
| Total finance credit                          | –             | –             |
| <b>Net finance costs</b>                      | <b>543</b>    | <b>602</b>    |

## 9. Profit before tax

|                                                         | Group         |               |
|---------------------------------------------------------|---------------|---------------|
|                                                         | 2016<br>£'000 | 2015<br>£'000 |
| Profit before tax is stated after charging/(crediting): |               |               |
| Depreciation of property, plant and equipment           |               |               |
| – owned assets                                          | 473           | 365           |
| – hire purchases                                        | 7             | 6             |
| Amortisation of intangible fixed assets                 | 277           | 205           |
| (Profit)/loss on sale of property, plant and equipment  | (10)          | (6)           |
| Operating lease charges                                 |               |               |
| – buildings                                             | 1,313         | 1,057         |
| – other                                                 | 817           | 815           |
| Impairment of trade receivables (see note 21)           | 194           | (143)         |
| (Gain)/loss on foreign exchange                         | (19)          | 17            |

### 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       |               |
|---------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                     | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Audit services                                                      |               |               |               |               |
| – audit of the parent company and consolidated financial statements | 19            | 19            | 19            | 19            |
| – audit of the subsidiary company financial statements              | 115           | 111           | –             | –             |
| Total audit fees                                                    | 134           | 130           | 19            | 19            |
| Group pension scheme audit fees                                     | 17            | 14            | –             | –             |
| Other services                                                      |               |               |               |               |
| – other services                                                    | 8             | 8             | 8             | 8             |

## Notes to the consolidated financial statements continued

### 10. Taxation

|                                                    | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------------------------------|---------------|---------------|
| <b>Current tax</b>                                 |               |               |
| UK Corporation tax at 20% (2015: 20.25%)           | –             | (417)         |
| Foreign tax                                        | (163)         | (22)          |
| Adjustment in respect of prior years               | 23            | 41            |
| <b>Total current tax charge</b>                    | <b>(140)</b>  | <b>(398)</b>  |
| <b>Deferred tax</b>                                |               |               |
| Origination and reversal of timing differences     | (332)         | (216)         |
| Impact of change in the UK corporation tax rate    | (44)          | –             |
| <b>Total deferred tax charge</b>                   | <b>(376)</b>  | <b>(216)</b>  |
| <b>Tax charge on profit on ordinary activities</b> | <b>(516)</b>  | <b>(614)</b>  |

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 20.0% as follows:

|                                                                                    | 2016<br>£'000 | 2015<br>£'000 |
|------------------------------------------------------------------------------------|---------------|---------------|
| Profit before tax                                                                  | 1,805         | 3,161         |
| Tax at standard rate of UK corporation tax at 20% (2015: 20.25%)                   | (361)         | (638)         |
| Effects of:                                                                        |               |               |
| – expenses not deductible for tax purposes                                         | (134)         | (19)          |
| – adjustment in respect of prior years                                             | 23            | 41            |
| – tax losses for which no deferred tax asset has been previously recognised        | –             | 2             |
| Re-measurement of deferred tax asset due to changes in the UK corporation tax rate | (44)          | –             |
| <b>Total tax charge</b>                                                            | <b>(516)</b>  | <b>(614)</b>  |

### 11. Dividends

A dividend in respect of the year ended 31 December 2016 of 1.5p per share, amounting to a total dividend of £398,000 is to be proposed at the Annual General Meeting on 14 June 2017. These financial statements do not reflect this proposed dividend.

## 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.

|                                                      | 2016<br>£'000 | 2015<br>£'000 |
|------------------------------------------------------|---------------|---------------|
| Profit attributable to equity holders of the Company | 1,405         | 2,712         |

|                                                                           | 2016<br>Thousands | 2015<br>Thousands |
|---------------------------------------------------------------------------|-------------------|-------------------|
| Weighted average number of ordinary shares in issue                       | 26,295            | 26,171            |
| Adjustment for share options                                              | 472               | 714               |
| Weighted average number of ordinary shares for diluted earnings per share | 26,767            | 26,885            |

|                                  | 2016<br>Pence | 2015<br>Pence |
|----------------------------------|---------------|---------------|
| Basic earnings per share         | 5.35          | 9.73          |
| Fully diluted earnings per share | 5.25          | 9.47          |

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<br>£'000 |
|--------------------------------------|----------------|
| <b>Cost</b>                          |                |
| At 1 January 2016                    | 1,703          |
| Foreign currency translation effects | 109            |
| <b>At 31 December 2016</b>           | <b>1,812</b>   |
| <b>Cost</b>                          |                |
| At 1 January 2015                    | 1,740          |
| Foreign currency translation effects | (37)           |
| <b>At 31 December 2015</b>           | <b>1,703</b>   |

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 2016 are as follows:

|          | Professional<br>Business Services<br>£'000 | Stock & Inventory<br>Systems & Services<br>£'000 |
|----------|--------------------------------------------|--------------------------------------------------|
| Goodwill | 178                                        | 1,634                                            |

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 and long-term growth rates over a period of 5 years from the statement of financial position date. Management determined budgeted revenue growth based on past performance and its expectations for the market development. Discount rates were determined using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Cash flows beyond the five-year period are extrapolated using estimated long term growth rates obtained from HM Treasury for both the UK and Continental Europe.

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

|                        | Professional<br>Business Services<br>% | Stock & Inventory<br>Systems & Services<br>% |
|------------------------|----------------------------------------|----------------------------------------------|
| Discount rates         | 10.0                                   | 10.0                                         |
| Long-term growth rates | 2.5                                    | 2.5                                          |

## 14. Intangible assets – other

| Group                                          | Trademarks<br>£'000 | Software<br>£'000 | Total<br>£'000 |
|------------------------------------------------|---------------------|-------------------|----------------|
| <b>Cost</b>                                    |                     |                   |                |
| At 1 January 2016                              | 38                  | 1,362             | 1,400          |
| Additions                                      | 12                  | 441               | 453            |
| Disposals                                      | (1)                 | (3)               | (4)            |
| <b>At 31 December 2016</b>                     | <b>49</b>           | <b>1,800</b>      | <b>1,849</b>   |
| <b>Accumulated amortisation and impairment</b> |                     |                   |                |
| At 1 January 2016                              | 2                   | 332               | 334            |
| Charge for the year                            | 2                   | 275               | 277            |
| Disposals                                      | –                   | (3)               | (3)            |
| <b>At 31 December 2016</b>                     | <b>4</b>            | <b>604</b>        | <b>608</b>     |
| <b>Net book amount at 31 December 2016</b>     | <b>45</b>           | <b>1,196</b>      | <b>1,241</b>   |

| Group                                          | Trademarks<br>£'000 | Software<br>£'000 | Total<br>£'000 |
|------------------------------------------------|---------------------|-------------------|----------------|
| <b>Cost</b>                                    |                     |                   |                |
| At 1 January 2015                              | –                   | 838               | 838            |
| Additions                                      | 38                  | 536               | 574            |
| Disposals                                      | –                   | (11)              | (11)           |
| Foreign currency translation effects           | –                   | (1)               | (1)            |
| <b>At 31 December 2015</b>                     | <b>38</b>           | <b>1,362</b>      | <b>1,400</b>   |
| <b>Accumulated amortisation and impairment</b> |                     |                   |                |
| At 1 January 2015                              | –                   | 141               | 141            |
| Charge for the year                            | 2                   | 203               | 205            |
| Disposals                                      | –                   | (11)              | (11)           |
| <b>At 31 December 2015</b>                     | <b>–</b>            | <b>(1)</b>        | <b>(1)</b>     |
| <b>Net book amount at 31 December 2015</b>     | <b>2</b>            | <b>332</b>        | <b>334</b>     |
|                                                | 36                  | 1,030             | 1,066          |

## 15. Property, plant and equipment

| Group                                      | Short leasehold<br>property<br>£'000 | Fixtures, fittings,<br>computer equipment<br>and motor vehicles<br>£'000 | Total<br>£'000 |
|--------------------------------------------|--------------------------------------|--------------------------------------------------------------------------|----------------|
| <b>Cost</b>                                |                                      |                                                                          |                |
| At 1 January 2016                          | 33                                   | 3,686                                                                    | 3,719          |
| Additions                                  | 18                                   | 837                                                                      | 855            |
| Disposals                                  | –                                    | (60)                                                                     | (60)           |
| Foreign currency translation effects       | –                                    | 42                                                                       | 42             |
| <b>At 31 December 2016</b>                 | <b>51</b>                            | <b>4,505</b>                                                             | <b>4,556</b>   |
| <b>Accumulated depreciation</b>            |                                      |                                                                          |                |
| At 1 January 2016                          | 33                                   | 2,591                                                                    | 2,624          |
| Charge for the year                        | 1                                    | 479                                                                      | 480            |
| Disposals                                  | –                                    | (53)                                                                     | (53)           |
| Foreign currency translation effects       | –                                    | 37                                                                       | 37             |
| <b>At 31 December 2016</b>                 | <b>34</b>                            | <b>3,054</b>                                                             | <b>3,088</b>   |
| <b>Net book amount at 31 December 2016</b> | <b>17</b>                            | <b>1,451</b>                                                             | <b>1,468</b>   |

| Group                                      | Short leasehold<br>property<br>£'000 | Fixtures, fittings,<br>computer equipment<br>and motor vehicles<br>£'000 | Total<br>£'000 |
|--------------------------------------------|--------------------------------------|--------------------------------------------------------------------------|----------------|
| <b>Cost</b>                                |                                      |                                                                          |                |
| At 1 January 2015                          | 39                                   | 3,292                                                                    | 3,331          |
| Additions                                  | –                                    | 591                                                                      | 591            |
| Disposals                                  | (6)                                  | (183)                                                                    | (189)          |
| Foreign currency translation effects       | –                                    | (14)                                                                     | (14)           |
| <b>At 31 December 2015</b>                 | <b>33</b>                            | <b>3,686</b>                                                             | <b>3,719</b>   |
| <b>Accumulated depreciation</b>            |                                      |                                                                          |                |
| At 1 January 2015                          | 39                                   | 2,399                                                                    | 2,438          |
| Charge for the year                        | –                                    | 371                                                                      | 371            |
| Disposals                                  | (6)                                  | (167)                                                                    | (173)          |
| Foreign currency translation effects       | –                                    | (12)                                                                     | (12)           |
| <b>At 31 December 2015</b>                 | <b>33</b>                            | <b>2,591</b>                                                             | <b>2,624</b>   |
| <b>Net book amount at 31 December 2015</b> | <b>–</b>                             | <b>1,095</b>                                                             | <b>1,095</b>   |

## 16. 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 the 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       |               |
|--------------------------------|---------------|---------------|---------------|---------------|
|                                | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Deferred tax assets comprises: |               |               |               |               |
| Decelerated capital allowances | 158           | 245           | –             | –             |
| Losses not yet utilised        | 335           | 189           | 104           | 120           |
| Short-term timing differences  | 330           | 440           | (64)          | (60)          |
| Deferred tax asset             | 823           | 874           | 40            | 60            |
| Deferred tax asset on pension  | 3,078         | 2,392         | 232           | 240           |
| <b>At 31 December</b>          | <b>3,901</b>  | <b>3,266</b>  | <b>272</b>    | <b>300</b>    |

Movements in the deferred tax asset:

|                                                  | Group         |               | Company       |               |
|--------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                  | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| At 1 January                                     | 3,266         | 3,817         | 300           | 412           |
| Charged to income statement                      | (376)         | (216)         | (28)          | (112)         |
| Credited/(charged) to other comprehensive income | 1,011         | (335)         | –             | –             |
| <b>At 31 December</b>                            | <b>3,901</b>  | <b>3,266</b>  | <b>272</b>    | <b>300</b>    |

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 considered probable. The deferred tax asset of £335,000 (2015: £189,000) relating to losses not yet utilised is derived from unutilised tax losses of £1,762,000 (2015: £950,000). In considering the future probability that these losses will be fully utilised, the directors make reference to i) the past performance of individual subsidiary entities and the sectors and markets within which they operate as an indicator of future trading potential, particularly for those entities which are more subject to cyclical economic factors, ii) the budgeted performance of each entity and its ability to trade profitably and so utilise losses, iii) the medium and long term strategy for profit generation applicable to each entity and iv) the circumstances which have given rise to the losses in the first instance. Where the directors are satisfied that these loss-making circumstances no longer prevail and, having considered both previous actual and future anticipated performance, that the future profitability of the operations from which the losses are derived will be sufficient to allow for the full utilisation of these losses, the directors are satisfied that a deferred tax asset should be recognised accordingly.

The Group did not recognise deferred tax assets of £nil (2015: £95,000) in respect of losses amounting to £nil (2015: £477,000) that can be carried forward against future taxable income as the realisation of the benefit cannot be assessed as probable as at 31 December 2016.

The UK Government has announced future tax changes to corporation tax rate. These changes resulted in a decrease in the standard rate of corporation of 20% for both the 2015/16 and 2016/17 tax years, falling to a rate of 19% for the 2017/18, 2018/19 and 2019/20 tax years and eventually culminating in a rate of 17% by 2020/21.

As at 31 December 2016 all such changes have been substantively enacted and have therefore been reflected in the calculation of deferred tax for the year ended 31 December 2016.

## Notes to the consolidated financial statements continued

### 17. Investments in subsidiaries

| Company                                    | Total<br>€'000 |
|--------------------------------------------|----------------|
| <b>Cost</b>                                |                |
| At 1 January 2016                          | 6,149          |
| Additions                                  | –              |
| Disposals                                  | (100)          |
| <b>At 31 December 2016</b>                 | <b>6,049</b>   |
| <b>Provision for impairment</b>            |                |
| At 1 January 2016 and 31 December 2016     | 3,586          |
| <b>Net book amount at 31 December 2016</b> | <b>2,463</b>   |

| Company                                    | Total<br>€'000 |
|--------------------------------------------|----------------|
| <b>Cost</b>                                |                |
| At 1 January 2015 and 31 December 2015     | 6,149          |
| <b>Provision for impairment</b>            |                |
| At 1 January 2015 and 31 December 2015     | 3,586          |
| <b>Net book amount at 31 December 2015</b> | <b>2,563</b>   |

### Subsidiary undertakings

At 31 December 2016 the subsidiaries were as follows:

| Company                                                    | Principal place of<br>business and country<br>of incorporation | Registered Address                                            | Ownership | Nature of business                        |
|------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|-----------|-------------------------------------------|
| <b>Operating subsidiaries</b>                              |                                                                |                                                               |           |                                           |
| Christie, Owen & Davies Ltd<br>(trading as Christie & Co)* | UK                                                             | Whitefriars House,<br>6 Carmelite Street,<br>London, EC4Y 0BS | 100%      | Business valuers, surveyors<br>and agents |
| Christie & Co (Holdings) Limited                           | UK                                                             | 65 Carter Lane,<br>London, EC4V 5HF                           | 100%      | Holding company                           |
| Christie & Co SAS*                                         | France                                                         | 5 Rue Meyerbeer,<br>75009 Paris                               | 100%      | Business valuers, surveyors<br>and agents |
| Christie & Co GmbH*                                        | Germany                                                        | 17, 60313 Frankfurt                                           | 100%      | Business valuers, surveyors<br>and agents |
| Christie, Owen & Davies SL*                                | Spain                                                          | Paseo de Gracia 11, Esc B,<br>4* 3a, 08007 Barcelona          | 100%      | Business valuers, surveyors<br>and agents |
| Christie & Co Oy*                                          | Finland                                                        | Technopolis Ruoholahti 2/<br>Energiakuja 3, 00180<br>Helsinki | 100%      | Business valuers, surveyors<br>and agents |
| Christie & Co Austria GMBH*                                | Austria                                                        | Stallburggasse 2/3a,<br>1010 Vienna                           | 100%      | Business valuers, surveyors<br>and agents |
| Christie Business Property<br>Advisers (Ireland) Ltd*      | Republic of<br>Ireland                                         | 51a Dawson Street,<br>Dublin                                  | 100%      | Business valuers, surveyors<br>and agents |

## 17. Investments in subsidiaries continued

| Company                                                         | Principal place of business and country of incorporation | Registered Address                                                            | Ownership | Nature of business                                    |
|-----------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------|-----------|-------------------------------------------------------|
| Christie Group Central Services Limited                         | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Other professional activities                         |
| Pinders Professional & Consultancy Services Ltd                 | UK                                                       | Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS | 100%      | Business appraisers                                   |
| RCC Business Mortgage Brokers Ltd (trading as Christie Finance) | UK                                                       | Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS                       | 100%      | Business mortgage brokers                             |
| RCC Insurance Brokers Ltd* (trading as Christie Insurance)      | UK                                                       | Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS                       | 100%      | Insurance brokers                                     |
| Orridge Holdings Ltd                                            | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Holding company                                       |
| Orridge & Co Ltd*                                               | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Stocktaking and inventory management services         |
| Reedwall Limited*                                               | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Holding company                                       |
| Orridge Inventory Service GmbH*                                 | Germany                                                  | Godesberger Allee 189, 53175 Bonn, Germany                                    | 87.5%     | Stocktaking and inventory management services         |
| Inventory Service Austria GmbH*                                 | Austria                                                  | Karl Waldbrunner Platz 1, 1210 Vienna, Austria                                | 87.5%     | Stocktaking and inventory management services         |
| Inventory Service Iberia SL*                                    | Spain                                                    | c/ Diego de Leon 47, 28100 Madrid, Spain                                      | 87.5%     | 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                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Licensed stock and inventory auditors and valuers     |
| Vennersys Ltd (formerly Venners Systems & Services Ltd)         | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 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                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Renting and leasing of office machinery and equipment |

## 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 |
|-------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------|-----------|--------------------|
| <b>Non trading subsidiaries</b>           |                                                          |                                                                               |           |                    |
| Venners Retail Systems (Holdings) Limited | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Flintshell Limited*                       | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Orridge Business Sales Limited*           | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| West London Estates Limited*              | UK                                                       | Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS | 100%      | Dormant            |
| Christie First Limited                    | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Pinderpack Limited                        | UK                                                       | Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS | 100%      | Dormant            |
| Christie Consulting International Limited | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Christie Insurance Services Limited       | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Venners Computer Systems Limited          | UK                                                       | Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS | 100%      | Dormant            |
| Venners Computer Systems (R & D) Limited  | UK                                                       | Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS | 100%      | Dormant            |
| Fourdean Limited                          | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Guardlevel Limited                        | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Quest for Quality Limited                 | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Nashdome Limited                          | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |

## 17. Investments in subsidiaries continued

| Company                            | Principal place of business and country of incorporation | Registered Address                                                            | Ownership | Nature of business |
|------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------|-----------|--------------------|
| Courtmist Limited                  | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Chewil Limited                     | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| VCS Epos Limited                   | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Orridge BV                         | Holland                                                  | Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS | 100%      | Dormant            |
| Christie Corporate Finance Limited | UK                                                       | Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS                       | 100%      | Dormant            |
| VCS Holdings Limited               | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Orridge Supply Chain Services Ltd  | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |
| Orridge PS Ltd                     | UK                                                       | 65 Carter Lane, London, EC4V 5HF                                              | 100%      | Dormant            |

\* 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 Ridgescop Limited is Belgium.

### 17a. Available-for-sale financial assets

|                           | Group         |               | Company       |               |
|---------------------------|---------------|---------------|---------------|---------------|
|                           | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Non-current assets</b> |               |               |               |               |
| <b>Cost</b>               |               |               |               |               |
| <b>At 1 January</b>       | 635           | 635           | 635           | 635           |
| Additions                 | –             | –             | –             | –             |
| <b>At 31 December</b>     | 635           | 635           | 635           | 635           |

The available-for-sale financial assets are all denominated in sterling.

The available-for-sale financial asset represents an unquoted investment. The asset is held at fair value, which the Directors consider to not be materially different from its cost. The asset is classified as an available-for-sale asset by virtue of its non-classification in any other asset category. Under IFRS 13 Fair Value Measurement, the carrying value of the asset is classified under the fair value hierarchy as Level 3.

## Notes to the consolidated financial statements continued

### 18. Other receivables

|                           | Group         |               | Company       |               |
|---------------------------|---------------|---------------|---------------|---------------|
|                           | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Non-current assets</b> |               |               |               |               |
| Other debtors             | 451           | 451           | 451           | 451           |
| Other receivables         | 451           | 451           | 451           | 451           |

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

Other debtors represent loans in respect of the Group's share schemes and deposits with third parties repayable after more than one year, none of which are impaired.

### 19. Inventories

|                                     | Group         |               |
|-------------------------------------|---------------|---------------|
|                                     | 2016<br>£'000 | 2015<br>£'000 |
| Finished goods and goods for resale | 29            | 6             |

### 20. Cash and cash equivalents

|                          | Group         |               | Company       |               |
|--------------------------|---------------|---------------|---------------|---------------|
|                          | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Cash at bank and in hand | 1,637         | 3,621         | 5             | 5             |

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

|                           | Group         |               | Company       |               |
|---------------------------|---------------|---------------|---------------|---------------|
|                           | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Cash and cash equivalents | 1,637         | 3,621         | 5             | 5             |
| Bank overdrafts (note 26) | (4,570)       | (3,604)       | (4,570)       | (3,593)       |
|                           | (2,933)       | 17            | (4,565)       | (3,588)       |

The Group operates a centrally-controlled treasury function where the use of overdraft facilities is concentrated with the ultimate parent company. As a result at 31 December 2016 the ultimate parent undertaking had utilised bank overdrafts to the value of £4,570,000 (2015: £3,593,000).

## 21. Trade and other receivables

|                                                                      | Group         |               | Company       |               |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                      | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Trade receivables                                                    | 9,685         | 8,105         | 5             | –             |
| Less: provision for impairment of receivables                        | (617)         | (423)         | –             | –             |
| Amounts owed by group undertakings                                   | –             | –             | 14,573        | 10,817        |
| Less: provision for impairment of amounts owed by group undertakings | –             | –             | (747)         | (625)         |
| Other debtors                                                        | 1,287         | 1,732         | 287           | 401           |
| Prepayments                                                          | 2,528         | 2,483         | 712           | 1,618         |
| Accrued income                                                       | 343           | 110           | –             | –             |
|                                                                      | 13,226        | 12,007        | 14,830        | 12,211        |

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

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

|                                                                           | Group         |               |
|---------------------------------------------------------------------------|---------------|---------------|
|                                                                           | 2016<br>£'000 | 2015<br>£'000 |
| Provision at 1 January                                                    | 423           | 620           |
| Amounts provided in previous period not utilised                          | (234)         | (147)         |
| Provided in the period                                                    | 428           | 4             |
| Impairment of receivables recognised in the Consolidated Income Statement | 194           | (143)         |
| Amounts written off in the year                                           | –             | (54)          |
| Provision at 31 December                                                  | 617           | 423           |

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

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

|                                               | Group         |               |
|-----------------------------------------------|---------------|---------------|
|                                               | 2016<br>£'000 | 2015<br>£'000 |
| Not overdue                                   | 5,123         | 4,568         |
| Amounts past due:                             |               |               |
| ← 1 month                                     | 2,416         | 2,029         |
| 1 – 3 months                                  | 1,331         | 543           |
| 3 – 6 months                                  | 317           | 446           |
| 6 – 12 months                                 | 194           | 271           |
| → 1 year                                      | 304           | 248           |
| Provision for impairment of trade receivables | (617)         | (423)         |
| Amounts past due but not impaired             | 3,945         | 3,114         |

## 21. Trade and other receivables continued

The carrying value of trade receivables is reviewed and amounts not provided for are considered recoverable. 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       |               |
|------------------|---------------|---------------|---------------|---------------|
|                  | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Sterling         | 11,366        | 10,887        | 14,830        | 12,211        |
| Euros            | 1,709         | 1,088         | –             | –             |
| Canadian Dollars | 151           | 32            | –             | –             |
|                  | 13,226        | 12,007        | 14,830        | 12,211        |

## 22. Share capital

| Ordinary shares of 2p each                               | 2016       |       | 2015       |       |
|----------------------------------------------------------|------------|-------|------------|-------|
|                                                          | Number     | £'000 | Number     | £'000 |
| Allotted and fully paid:<br>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 2016 the total payments by the Company to the ESOP to finance the purchase of ordinary shares were £2,639,000 (2015: £2,643,000). This figure is inclusive of shares purchased and subsequently issued to satisfy employee share awards. The market value at 31 December 2016 of the ordinary shares held in the ESOP was £151,000 (2015: £299,000). The investment in own shares represents 182,000 shares (2015: 235,000) with a nominal value of 2p each.

## 22. Share capital continued

### 22a. Share based payments

Certain employees hold options to subscribe for shares in the Company at prices ranging from 39.5p to 251.5p under share option schemes for the period from March 2007 to October 2016.

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

| Number of shares |           | Option exercise price | Date granted | Option exercise period |
|------------------|-----------|-----------------------|--------------|------------------------|
| 2016             | 2015      |                       |              |                        |
| –                | 3,000     | 130.5p                | Apr 2006     | Apr 2009 – Apr 2016    |
| 3,000            | 3,000     | 251.5p                | Mar 2007     | Mar 2010 – Mar 2017    |
| 20,000           | 20,000    | 39.5p                 | May 2009     | May 2012 – May 2019    |
| 410,634          | 445,634   | 45.0p                 | May 2009     | May 2012 – May 2019    |
| 6,000            | 6,000     | 45.0p                 | Jun 2009     | Jun 2012 – Jun 2019    |
| 60,000           | 60,000    | 57.5p                 | Sep 2009     | Sep 2012 – Sep 2019    |
| 44,000           | 47,000    | 46.5p                 | May 2010     | May 2013 – May 2020    |
| 34,000           | 34,000    | 58.5p                 | Sep 2011     | Sep 2014 – Sep 2021    |
| 26,000           | 26,000    | 67.0p                 | May 2012     | May 2015 – May 2022    |
| 52,000           | 62,000    | 67.5p                 | Sep 2012     | Sep 2015 – Sep 2022    |
| 58,333           | 93,833    | 75.0p                 | Oct 2013     | Oct 2016 – Oct 2023    |
| 52,167           | 127,167   | 75.0p                 | *Oct 2013    | Oct 2016 – Oct 2023    |
| 48,959           | 48,959    | 134.5p                | May 2014     | May 2017 – May 2024    |
| 121,041          | 121,041   | 134.5p                | *May 2014    | May 2017 – May 2024    |
| 36,000           | 36,000    | 125.0p                | Oct 2014     | Oct 2017 – Oct 2024    |
| 185,176          | 188,176   | 127.5p                | May 2015     | May 2018 – May 2025    |
| 264,190          | 264,190   | 127.5p                | *May 2015    | May 2018 – May 2025    |
| 78,635           | 78,635    | 138.5p                | Sep 2015     | Sep 2018 – Sep 2025    |
| 87,365           | 87,365    | 138.5p                | *Sep 2015    | Sep 2018 – Sep 2025    |
| 105,000          | –         | 101.5p                | May 2016     | May 2019 – May 2026    |
| 42,000           | –         | 101.5p                | *May 2016    | May 2019 – May 2026    |
| 10,000           | –         | 92.5p                 | Oct 2016     | Oct 2019 – Oct 2026    |
| 1,745,000        | 1,752,000 |                       |              |                        |

Under the Share Option Scheme the 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 and 81 employees are currently participating. The Company has made grants at least annually. 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 achievement of a performance target, linked directly to Christie Group plc earnings per share (eps).

The Group also operates a Save As You Earn (SAYE) scheme which was introduced in 2002. Under the SAYE scheme eligible employees can save up to £250 per month over a three or five year period and use the savings to exercise options granted between 61.0p to 127.5p. There were 439,319 (2015: 442,000) remaining options outstanding under the SAYE scheme at 31 December 2016.

## 22. Share capital continued

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

|                           | 2016           | 2015           |
|---------------------------|----------------|----------------|
| Share price at grant date | 39.5p – 251.5p | 39.5p – 251.5p |
| Exercise price            | 39.5p – 251.5p | 39.5p – 251.5p |
| Expected volatility       | 34.4% – 82.9%  | 34.4% – 82.9%  |
| Expected life (years)     | 3 – 5 years    | 3 – 5 years    |
| Risk free rate            | 0.6% – 5.1%    | 0.7% – 5.1%    |
| Dividend yield            | 0.0% – 3.7%    | 0.0% – 3.7%    |
| Fair value per option     | 17.4p – 103.2p | 17.4p – 103.2p |

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 (excluding SAYE schemes) over the year to 31 December is shown below:

|                            | 2016      |                                 | 2015      |                                 |
|----------------------------|-----------|---------------------------------|-----------|---------------------------------|
|                            | Number    | Weighted average exercise price | Number    | Weighted average exercise price |
| Outstanding at 1 January   | 1,752,000 | 103.49p                         | 1,564,634 | 66.16p                          |
| Granted                    | 157,000   | 100.93p                         | 618,366   | 131.74p                         |
| Exercised                  | (142,000) | 68.24p                          | 358,000   | 55.06p                          |
| Forfeited                  | (19,000)  | 70.11p                          | (70,000)  | 52.29p                          |
| Expired                    | (3,000)   | 130.50p                         | (3,000)   | 100.00p                         |
| Outstanding at 31 December | 1,745,000 | 94.47p                          | 1,752,000 | 103.49p                         |
| Exercisable at 31 December | 766,634   | 53.94p                          | 618,634   | 48.31p                          |

Excluding SAYE schemes there were 142,000 share options exercised during the year (2015: 358,000). The weighted average share price at the date of exercise of these options was 93.80p (2015: 132.45p). The total charge for the year relating to employee share based payment plans was £238,000 (2015: £184,000), all of which related to equity-settled share based payment transactions. The weighted average remaining contractual life of share options outstanding at 31 December 2016 was 6.25 years (2015: 6.92 years).

## 23. Fair value and other reserves

| Group                                                       | Share premium<br>£'000 | Share based payments<br>£'000 | Own shares<br>£'000 | Capital redemption reserve<br>£'000 | Fair value and other reserves<br>£'000 |
|-------------------------------------------------------------|------------------------|-------------------------------|---------------------|-------------------------------------|----------------------------------------|
| At 1 January 2016                                           | 4,831                  | 675                           | (309)               | 10                                  | 5,207                                  |
| Employee share option scheme:<br>value of services provided | –                      | 238                           | –                   | –                                   | 238                                    |
| Movement in respect of employee share scheme                | –                      | (112)                         | 132                 | –                                   | 20                                     |
| <b>At 31 December 2016</b>                                  | <b>4,831</b>           | <b>801</b>                    | <b>(177)</b>        | <b>10</b>                           | <b>5,465</b>                           |

| Group                                                       | Share premium<br>£'000 | Share based payments<br>£'000 | Own shares<br>£'000 | Capital redemption reserve<br>£'000 | Fair value and other reserves<br>£'000 |
|-------------------------------------------------------------|------------------------|-------------------------------|---------------------|-------------------------------------|----------------------------------------|
| At 1 January 2015                                           | 4,831                  | 900                           | (787)               | 10                                  | 4,954                                  |
| Employee share option scheme:<br>value of services provided | –                      | 184                           | –                   | –                                   | 184                                    |
| Movement in respect of employee share scheme                | –                      | (409)                         | 478                 | –                                   | 69                                     |
| <b>At 31 December 2015</b>                                  | <b>4,831</b>           | <b>675</b>                    | <b>(309)</b>        | <b>10</b>                           | <b>5,207</b>                           |

| Company                                                     | Share premium<br>£'000 | Share based payments<br>£'000 | Own shares<br>£'000 | Capital redemption reserve<br>£'000 | Other reserves<br>£'000 | Fair value and other reserves<br>£'000 |
|-------------------------------------------------------------|------------------------|-------------------------------|---------------------|-------------------------------------|-------------------------|----------------------------------------|
| At 1 January 2016                                           | 4,831                  | (414)                         | (309)               | 10                                  | 89                      | 4,207                                  |
| Employee share option scheme:<br>value of services provided | –                      | 23                            | –                   | –                                   | –                       | 23                                     |
| Movement in respect of employee share scheme                | –                      | (112)                         | 132                 | –                                   | –                       | 20                                     |
| <b>At 31 December 2016</b>                                  | <b>4,831</b>           | <b>(503)</b>                  | <b>(177)</b>        | <b>10</b>                           | <b>89</b>               | <b>4,250</b>                           |

| Company                                      | Share premium<br>£'000 | Share based payments<br>£'000 | Own shares<br>£'000 | Capital redemption reserve<br>£'000 | Other reserves<br>£'000 | Fair value and other reserves<br>£'000 |
|----------------------------------------------|------------------------|-------------------------------|---------------------|-------------------------------------|-------------------------|----------------------------------------|
| At 1 January 2015                            | 4,831                  | (6)                           | (787)               | 10                                  | 89                      | 4,137                                  |
| Movement in respect of employee share scheme | –                      | (408)                         | 478                 | –                                   | –                       | 70                                     |
| <b>At 31 December 2015</b>                   | <b>4,831</b>           | <b>(414)</b>                  | <b>(309)</b>        | <b>10</b>                           | <b>89</b>               | <b>4,207</b>                           |

**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.

## 24. Group retirement benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

|                | 2016<br>£'000 | 2015<br>£'000 |
|----------------|---------------|---------------|
| United Kingdom | 18,106        | 11,958        |

### United Kingdom

The obligation outstanding of £18,106,000 (2015: £11,958,000) includes £990,000 (2015: £986,000) payable to David Rugg by Christie Group plc, and £17,116,000 (2015: £10,972,000) relating to pension benefits payable to members of the Christie Group Pension and Assurance Scheme and the Venners Retirement Benefits Scheme.

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 on the basis of triennial valuations using the projected unit 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.

The amounts recognised in the statement of financial position are determined as follows:

|                                                  | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------------------|---------------|---------------|
| Present value of obligations                     | 71,430        | 58,106        |
| Fair value of plan assets                        | (53,324)      | (46,148)      |
| Liability in the statement of financial position | 18,106        | 11,958        |

The principal actuarial assumptions used were as follows:

|                          | 2016<br>% | 2015<br>% |
|--------------------------|-----------|-----------|
| Discount rate            | 2.80      | 4.00      |
| Inflation rate           | 3.30      | 3.00      |
| Future salary increases  | 1.00-2.00 | 3.00-3.10 |
| Future pension increases | 2.30-3.50 | 2.20-3.40 |

Assumptions regarding future mortality experience are set based on advice from published statistics and experience.

The average life expectancy in years of a pensioner retiring at age 65 is as follows:

|        | 2016<br>Years | 2015<br>Years |
|--------|---------------|---------------|
| Male   | 21.9-22.3     | 21.9-22.5     |
| Female | 23.9          | 23.8-24.1     |

## 24. Group retirement benefit obligations continued

The movement in the defined benefit obligation is as follows:

|                                          | 2016<br>£'000 | 2015<br>£'000 |
|------------------------------------------|---------------|---------------|
| At 1 January                             | 58,106        | 57,606        |
| Annuity policies assigned to individuals | (1,201)       | –             |
| Interest cost                            | 2,227         | 2,264         |
| Current service cost                     | 587           | 657           |
| Past service cost                        | (1,328)       | –             |
| Benefits paid                            | (1,676)       | (3,388)       |
| Actuarial losses on assumption changes   | 14,998        | 1,145         |
| Actuarial (gains)/losses on experience   | (283)         | (178)         |
| <b>At 31 December</b>                    | <b>71,430</b> | <b>58,106</b> |
| Attributable to:                         |               |               |
| Present value of funded obligations      | 53,324        | 46,148        |
| Present value of unfunded obligations    | 18,106        | 11,958        |
|                                          | <b>71,430</b> | <b>58,106</b> |

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

|                                            | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------------|---------------|---------------|
| At 1 January                               | 46,148        | 43,636        |
| Annuity policies assigned to individuals   | (1,201)       | –             |
| Return on plan assets less interest income | 6,393         | 1,148         |
| Net interest income                        | 1,795         | 1,753         |
| Employee Contributions                     | 160           | 165           |
| Employer Contributions                     | 1,387         | 1,303         |
| Benefits paid                              | (1,627)       | (3,352)       |
| Actuarial gains                            | 269           | 1,495         |
| <b>At 31 December</b>                      | <b>53,324</b> | <b>46,148</b> |

## 24. Group retirement benefit obligations continued

The amounts recognised in the income statement and statement of comprehensive income are as follows:

|                                                       | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------------------------|---------------|---------------|
| Current service cost                                  | 587           | 657           |
| Total included in employee benefit expenses           | 587           | 657           |
| Past service costs                                    | (1,328)       | –             |
| Total included in exceptional items                   | (1,328)       | –             |
| Net interest cost                                     | 432           | 511           |
| Total included in finance costs                       | 432           | 511           |
| Actuarial losses/(gains)                              | 8,054         | (1,676)       |
| Total included in other comprehensive (losses)/income | 8,054         | (1,676)       |

Plan assets are comprised as follows:

|            | 2016             |                   |                | 2015             |                   |                |
|------------|------------------|-------------------|----------------|------------------|-------------------|----------------|
|            | Quoted*<br>£'000 | Unquoted<br>£'000 | Total<br>£'000 | Quoted*<br>£'000 | Unquoted<br>£'000 | Total<br>£'000 |
| Equity     | –                | 39,973            | 39,973         | –                | 32,089            | 32,089         |
| Debt       | –                | 7,883             | 7,883          | –                | 7,237             | 7,237          |
| Property** | –                | 2,694             | 2,694          | –                | 2,439             | 2,439          |
| Other      | –                | 2,774             | 2,774          | –                | 4,383             | 4,383          |
|            | –                | 53,324            | 53,324         | –                | 46,148            | 46,148         |

\* Plan assets are held in unit trusts.

\*\* Property assets include Whitefriars House, a leasehold property owned by Carmelite Property Ltd [see note 31].

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.

## 24. Group retirement benefit obligations continued

**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 macro economic 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.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

|                     | Impact on defined benefit obligation |                                  |                                  |
|---------------------|--------------------------------------|----------------------------------|----------------------------------|
|                     | Change in assumption                 | Increase in assumption           | Decrease in assumption           |
| Discount rate       | 0.50%                                | (7.4)%                           | 8.1%                             |
| Salary growth rate  | 0.50%                                | 0.0%                             | (0.5)%                           |
| Pension growth rate | 0.25%                                | 1.0%                             | (1.0)%                           |
|                     |                                      | Increase by 1 year in assumption | Decrease by 1 year in assumption |
| Life expectancy     |                                      | 2.8%                             | (2.8)%                           |

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 contributions to UK post retirement benefit schemes for the year ending 31 December 2017 are £1,363,000.

The weighted average duration of the defined benefit obligation is 18.7 years (2015: 17.6 years)

Expected maturity analysis of undiscounted pension benefits:

| As at 31 December 2016 | Less than a year<br>£'000 | Between 1-2 years<br>£'000 | Between 2-5 years<br>£'000 | Over 5 years<br>£'000 | Total<br>£'000 |
|------------------------|---------------------------|----------------------------|----------------------------|-----------------------|----------------|
| Pension benefits       | 1,332                     | 2,515                      | 5,705                      | 109,669               | 119,221        |

## Notes to the consolidated financial statements continued

### 24. Group retirement benefit obligations continued

#### Company

The movement in the liability recognised in the Company statement of financial position for the Group scheme is as follows:

|                                       | 2016<br>£'000  | 2015<br>£'000  |
|---------------------------------------|----------------|----------------|
| Beginning of the year                 | (1,202)        | (1,238)        |
| Income included in income statement * | (65)           | (80)           |
| Employer Contributions                | 82             | 80             |
| Pension paid                          | 49             | 36             |
| Actuarial (losses)/ gains             | (229)          | –              |
| <b>At 31 December</b>                 | <b>(1,365)</b> | <b>(1,202)</b> |

\*This figure includes an exceptional item (see note 5).

The amounts recognised by the Company in relation to the Christie Group defined benefit scheme has been allocated on the basis of actuary data.

### 25. Trade and other payables

|                                    | Group         |               | Company       |               |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Current</b>                     |               |               |               |               |
| Trade payables                     | 1,485         | 1,861         | 199           | 540           |
| Amounts owed to group undertakings | –             | –             | 4,907         | 3,563         |
| Other taxes and social security    | 2,709         | 2,285         | 872           | 653           |
| Other creditors                    | 795           | 704           | 287           | 315           |
| Accruals                           | 3,287         | 3,854         | 266           | 379           |
| Deferred income                    | 607           | 348           | –             | –             |
|                                    | <b>8,883</b>  | <b>9,052</b>  | <b>6,531</b>  | <b>5,450</b>  |
|                                    |               |               |               |               |
|                                    | Group         |               | Company       |               |
|                                    | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Non-current</b>                 |               |               |               |               |
| Accruals                           | 249           | –             | –             | –             |
|                                    | <b>249</b>    | <b>–</b>      | <b>–</b>      | <b>–</b>      |

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

## 25. Trade and other payables continued

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

|                  | Group         |               | Company       |               |
|------------------|---------------|---------------|---------------|---------------|
|                  | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Sterling         | 7,769         | 8,077         | 6,531         | 5,450         |
| Euros            | 1,187         | 902           | –             | –             |
| Canadian Dollars | 168           | 57            | –             | –             |
| Swiss Francs     | 8             | 15            | –             | –             |
| Czech Korunas    | –             | 1             | –             | –             |
|                  | 9,132         | 9,052         | 6,531         | 5,450         |

## 26. Borrowings

|                                           | Group         |               | Company       |               |
|-------------------------------------------|---------------|---------------|---------------|---------------|
|                                           | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Non-current</b>                        |               |               |               |               |
| Finance lease liabilities                 | 1             | 7             | –             | –             |
|                                           | 1             | 7             | –             | –             |
| <b>Current</b>                            |               |               |               |               |
| Bank overdrafts                           | 4,570         | 3,604         | 4,570         | 3,593         |
| Invoice finance (secured against debtors) | 1,048         | 677           | –             | –             |
| Finance lease liabilities                 | 6             | 7             | –             | –             |
|                                           | 5,624         | 4,288         | 4,570         | 3,593         |
| <b>Total borrowings</b>                   | <b>5,625</b>  | <b>4,295</b>  | <b>4,570</b>  | <b>3,593</b>  |

The Group is not subject to any contractual repricing.

The carrying amounts of current borrowings approximate to their fair value.

## Notes to the consolidated financial statements continued

### 27. Provisions

|                                 | Vacant leasehold provisions<br>£'000 | Long-term benefits due to employees<br>£'000 | Dilapidations<br>£'000 | Total<br>£'000 |
|---------------------------------|--------------------------------------|----------------------------------------------|------------------------|----------------|
| At 1 January 2016               | –                                    | 1,756                                        | 151                    | 1,907          |
| Charged to the income statement |                                      |                                              |                        |                |
| – Additional provision          | –                                    | 116                                          | 96                     | 212            |
| – Provision released            | –                                    | (41)                                         | (29)                   | (70)           |
| Utilised during the year        | –                                    | (1,008)                                      | (13)                   | (1,021)        |
| <b>At 31 December 2016</b>      | <b>–</b>                             | <b>823</b>                                   | <b>205</b>             | <b>1,028</b>   |

|                                 | Vacant leasehold provisions<br>£'000 | Long-term benefits due to employees<br>£'000 | Dilapidations<br>£'000 | Total<br>£'000 |
|---------------------------------|--------------------------------------|----------------------------------------------|------------------------|----------------|
| At 1 January 2015               | 37                                   | 1,991                                        | 263                    | 2,291          |
| Charged to the income statement |                                      |                                              |                        |                |
| – Additional provision          | –                                    | 128                                          | 66                     | 194            |
| – Provision released            | (37)                                 | (189)                                        | (86)                   | (312)          |
| Utilised during the year        | –                                    | (174)                                        | (92)                   | (266)          |
| <b>At 31 December 2015</b>      | <b>–</b>                             | <b>1,756</b>                                 | <b>151</b>             | <b>1,907</b>   |

Analysis of total provisions:

|             | 2016<br>£'000 | 2015<br>£'000 |
|-------------|---------------|---------------|
| Non-current | 167           | 155           |
| Current     | 861           | 1,752         |
|             | <b>1,028</b>  | <b>1,907</b>  |

#### a. Long-term benefits due to employees

Provisions for long-term benefits to employees do not comprise of any incentives in excess of one year's duration. These are determined in line with the projected unit credit method.

#### b. Dilapidations

Provision is held in respect of dilapidations arising on leasehold premises over the length of the lease in accordance with the lease terms.

The non-current liabilities are estimated to be payable over periods from one to fifteen years.

#### c. Vacant leasehold provisions

Provisions are held for rental costs and related premises charges on leasehold commitments for excess or unutilised space, net of expected income from anticipated sub-lease arrangements. All provisions are carried at present value after applying an appropriate discount rate.

## 28. Notes to the cash flow statement

### Cash generated from/(used in) operations

|                                                                                              | Group          |               | Company        |               |
|----------------------------------------------------------------------------------------------|----------------|---------------|----------------|---------------|
|                                                                                              | 2016<br>£'000  | 2015<br>£'000 | 2016<br>£'000  | 2015<br>£'000 |
| Profit for the year after tax                                                                | 1,289          | 2,547         | 1,082          | 472           |
| Adjustments for:                                                                             |                |               |                |               |
| – Taxation                                                                                   | 516            | 614           | 32             | 82            |
| – Finance costs                                                                              | 111            | 91            | 172            | 149           |
| – Interest received                                                                          | –              | –             | (268)          | (273)         |
| – Dividends received                                                                         | –              | –             | (1,350)        | –             |
| – Past service costs                                                                         | (1,328)        | –             | (30)           | –             |
| – Depreciation                                                                               | 480            | 371           | –              | –             |
| – Amortisation of intangible assets                                                          | 277            | 205           | –              | –             |
| – Impairment of investments in subsidiaries                                                  | –              | –             | 43             | 41            |
| – (Profit)/loss on sale of property, plant and equipment                                     | (10)           | (6)           | –              | –             |
| – Foreign currency translation                                                               | 18             | (55)          | (1)            | –             |
| – (Decrease)/increase in provisions                                                          | (879)          | (384)         | –              | –             |
| – Share option charge                                                                        | 238            | 184           | 23             | 1             |
| – Movement in retirement benefit obligation                                                  | (578)          | (336)         | (37)           | (36)          |
| – Decrease in non-current other receivables                                                  | –              | 14            | –              | 8,102         |
| Changes in working capital (excluding the effects of exchange differences on consolidation): |                |               |                |               |
| – Increase in inventories                                                                    | (23)           | (4)           | –              | –             |
| – Increase in trade and other receivables                                                    | (1,203)        | (970)         | (2,543)        | (9,144)       |
| – Increase in trade and other payables                                                       | 76             | 410           | 1,084          | 1,126         |
| <b>Cash (used in)/generated from operations</b>                                              | <b>(1,016)</b> | <b>2,681</b>  | <b>(1,793)</b> | <b>520</b>    |

## Notes to the consolidated financial statements continued

### 29. Financial assets & liabilities

The carrying value of financial assets and liabilities, which are principally denominated in Sterling, Euros, Canadian dollars, Swiss Francs or Czech Korunas were as follows:

|                                     | Group         |               | Company       |               |
|-------------------------------------|---------------|---------------|---------------|---------------|
|                                     | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Assets</b>                       |               |               |               |               |
| Available-for-sale financial assets | 635           | 635           | 635           | 635           |
| Trade and other receivables         | 11,149        | 9,975         | 14,569        | 11,044        |
| Cash and cash equivalents           | 1,637         | 3,621         | 5             | 5             |
|                                     | <b>13,421</b> | <b>14,231</b> | <b>15,209</b> | <b>11,684</b> |
|                                     |               |               |               |               |
|                                     | Group         |               | Company       |               |
|                                     | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Liabilities</b>                  |               |               |               |               |
| Retirement benefit obligations      | 18,106        | 11,958        | 1,365         | 1,202         |
| Provisions                          | 1,028         | 1,907         | –             | –             |
| Trade and other payables            | 8,525         | 8,704         | 6,531         | 5,450         |
| Borrowings                          | 5,625         | 4,295         | 4,570         | 3,593         |
|                                     | <b>33,284</b> | <b>26,864</b> | <b>12,466</b> | <b>10,245</b> |

### 30. Commitments

#### a. Operating lease commitments

At 31 December 2016 the Group has lease agreements in respect of properties, vehicles, plant and equipment, for which the payments extend over a number of years.

|                                                                | 2016              |                                    | 2015              |                                    |
|----------------------------------------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|
|                                                                | Property<br>£'000 | Vehicles and<br>equipment<br>£'000 | Property<br>£'000 | Vehicles and<br>equipment<br>£'000 |
| <b>Commitments under non-cancellable operating leases due:</b> |                   |                                    |                   |                                    |
| Within one year                                                | 1,303             | 744                                | 1,066             | 515                                |
| Within two to five years                                       | 4,194             | 1,154                              | 3,342             | 630                                |
| After five years                                               | 9,033             | –                                  | 7,128             | –                                  |
|                                                                | <b>14,530</b>     | <b>1,898</b>                       | <b>11,536</b>     | <b>1,145</b>                       |

Operating lease payments represent:

- rentals payable by the Group for certain of its office properties. The leases have varying terms, break clauses and renewal rights.
- rentals for vehicles and equipment under non-cancellable operating lease agreements.

### 31. Related-party transactions

#### Group

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

The Group Executive Directors are considered to be the persons who have the authority and responsibility for planning, directing and controlling the Group. Details of the remuneration of the Group Executive Directors is included in the Directors' remuneration report on page 35, along with details of remuneration for Non-executive Directors.

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. In the opinion of the board, the company's key management comprises the directors and information regarding their emoluments stated in accordance with IFRS is set out below:

|                                               | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------------------------------|---------------|---------------|
| Directors' remuneration per Directors' report | 1,810         | 1,659         |
| Employers' NI                                 | 235           | 211           |
| Total remuneration                            | 2,045         | 1,870         |

|                             | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------------|---------------|---------------|
| Dividends paid to Directors | 384           | 384           |

The Income Statement charge in respect of share options held by directors is £46,000 (2015: £48,000).

#### Company

Transactions with Group undertakings:

|                       | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------|---------------|---------------|
| Provision of services | 5,780         | 6,079         |
| Purchase of services  | 1,089         | 876           |

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 25.

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

During the period rentals of £287,000 (2015: £325,000) were paid 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.

### 32. Post balance sheet events

Following the year end, the Board of Christie Group plc agreed to amend the repayment terms of amounts loaned to Vennersys Ltd, which at 31 December 2016 amounted to £1,100,000, converting all amounts payable to be due no earlier than twelve months from the date of signing these accounts. There are no other changes to the terms and conditions of the loan and all amounts loaned to Vennersys Ltd remain interest bearing.

# Five-year record

## Consolidated income statement

|                                                               | 2016<br>£'000 | 2015<br>£'000 | 2014<br>£'000 | 2013<br>£'000 | 2012<br>(Restated)<br>£'000 |
|---------------------------------------------------------------|---------------|---------------|---------------|---------------|-----------------------------|
| <b>Revenue</b>                                                | <b>64,488</b> | <b>63,743</b> | <b>61,011</b> | <b>54,154</b> | <b>56,087</b>               |
| Operating profit before exceptional items                     | 1,020         | 3,763         | 3,706         | 1,567         | 1,404                       |
| Exceptional items                                             | 1,328         | –             | –             | (442)         | –                           |
| Finance costs                                                 | (543)         | (602)         | (347)         | (584)         | (333)                       |
| <b>Profit on ordinary activities before tax</b>               | <b>1,805</b>  | <b>3,161</b>  | <b>3,359</b>  | <b>541</b>    | <b>1,071</b>                |
| Taxation                                                      | (516)         | (614)         | (1,142)       | (351)         | (386)                       |
| <b>Profit on ordinary activities after tax</b>                | <b>1,289</b>  | <b>2,547</b>  | <b>2,217</b>  | <b>190</b>    | <b>685</b>                  |
| Non-controlling interest                                      | 116           | 165           | 238           | 51            | 40                          |
| <b>Profit attributable to equity holders of the parent</b>    | <b>1,405</b>  | <b>2,712</b>  | <b>2,455</b>  | <b>241</b>    | <b>725</b>                  |
| <b>Earnings per share</b>                                     |               |               |               |               |                             |
| – basic                                                       | 5.35p         | 9.73p         | 9.34p         | 0.81p         | 2.89p                       |
| Dividends per ordinary share (payable in respect of the year) | 2.50p         | 2.50p         | 2.25p         | 1.50p         | 1.00p                       |

## Consolidated statement of financial position

|                                | 2016<br>£'000  | 2015<br>£'000  | 2014<br>£'000  | 2013<br>£'000 | 2012<br>(Restated)<br>£'000 |
|--------------------------------|----------------|----------------|----------------|---------------|-----------------------------|
| Non-current assets             | 9,508          | 8,216          | 8,247          | 7,001         | 7,663                       |
| Current assets                 | 15,249         | 15,679         | 14,873         | 12,756        | 12,162                      |
| Non-current liabilities        | (417)          | (162)          | (258)          | (561)         | (734)                       |
| Current liabilities            | (15,520)       | (15,092)       | (15,625)       | (14,491)      | (13,629)                    |
| Retirement benefit obligations | 8,820          | 8,641          | 7,237          | 4,705         | 5,462                       |
|                                | (18,106)       | (11,958)       | (13,970)       | (4,796)       | (10,000)                    |
| <b>Net liabilities</b>         | <b>(9,286)</b> | <b>(3,317)</b> | <b>(6,733)</b> | <b>(91)</b>   | <b>(4,538)</b>              |

# Shareholder information

## Company information

Investor and shareholder-related information can be found on our website at: [www.christiegroup.com](http://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/cgroup/en/investors/reports](http://www.christiegroup.com/cgroup/en/investors/reports)

## Board of directors

|               |                               |
|---------------|-------------------------------|
| Philip Gwyn   | Chairman                      |
| David Rugg    | Chief Executive               |
| Dan Prickett  | Chief Financial Officer       |
| Chris Day     | Executive Director            |
| Paul Harding  | Executive Director            |
| Tony Chambers | Senior Non-executive Director |
| Pommy Sarwal  | Non-executive Director        |

## Secretary

Dan Prickett FCA

## Registered office

Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS

## Registered number

01471939

## Nominated adviser and broker

Panmure Gordon (UK) Limited

## Principal solicitors

Royds  
SNR Denton

## Auditors

Nexia Smith & Williamson Audit

## Financial calendar

### Annual General Meeting

|                                                            |                                         |
|------------------------------------------------------------|-----------------------------------------|
| Whitefriars House<br>6 Carmelite Street<br>London EC4Y 0BS | Wednesday<br>14 June 2017<br>at 10.30am |
|------------------------------------------------------------|-----------------------------------------|

### Announcements

|                                        |                |
|----------------------------------------|----------------|
| Half-year results for 2017             | September 2017 |
| Preliminary full-year results for 2017 | April 2018     |

### Final dividend 2016

|              |             |
|--------------|-------------|
| Ex-dividend  | 7 June 2017 |
| Record date  | 9 June 2017 |
| Payment date | 7 July 2017 |

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 e-mail should, in the first instance, be directed to:

### Capita Asset Services

The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

0871 664 0300 from the UK and +44 (0) 371 664 0300 from overseas. (Calls cost 12 pence per minute plus network extras. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 9am to 5:30pm Mon – Fri, excluding public holidays in England and Wales).

[shareholderenquiries@capita.co.uk](mailto:shareholderenquiries@capita.co.uk)

Shareholders who receive duplicate sets of company mailings because they have multiple accounts should write to Capita Asset Services to have their accounts amalgamated.

### Voting online and the shareholder portal – [www.signalshares.com](http://www.signalshares.com)

You will need your investor code, which can be found on your share certificate(s) to register for the shareholder portal.

Once you have registered, you can immediately:

- Cast your proxy vote online.
- 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 Capita Asset Services Shareholders Helpline, either:

- by phone on 0871 664 0300 from the UK and +44 (0) 371 664 0300 from overseas. (Calls cost 12 pence per minute plus network extras. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 9am to 5:30pm Mon – Fri, excluding public holidays in England and Wales) OR
- by e-mail at [shareholderenquiries@capita.co.uk](mailto:shareholderenquiries@capita.co.uk)

### 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](http://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: [www.register.fca.org.uk](http://www.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 Capita in a safe place and destroy any unwanted correspondence by shredding.
- If you change address, inform Capita in writing or update your address online via the shareholder portal. If you receive a letter from Capita 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 Capita 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 Capita asking you to confirm personal details or details of your investment in our shares. Neither we nor Capita will ever ask you to provide information in this way.

# Directory

## Christie Group plc

Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS  
T: +44 (0) 207 227 0707  
E: executive@christiegroup.com  
W: www.christiegroup.com

## Christie & Co

### Head Office & London International

Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS  
T: +44 (0) 207 227 0700  
E: enquiries@christie.com  
W: www.christie.com

### Austria – Vienna

Stallburggasse 2/3a  
1010 Vienna  
T: +43 (0) 18 90 53 570  
E: vienna@christie.com

### Finland – Helsinki

Technopolis Ruoholahti 2  
Energiakuja 3  
00180 Helsinki  
T: +358 (0) 9 41 37 85 00  
E: helsinki@christie.com

### France – Bordeaux

Cours du 30 juillet  
33064 Bordeaux Cedex  
T: +33 (0) 5 56 00 95 09  
E: bordeaux@christie.com

### France – Paris

5 rue Meyerbeer  
75009 Paris  
T: +33 (0) 1 53 96 72 72  
E: paris@christie.com

### France – Lyon

Immeuble Danica B  
21 Avenue Georges Pompidou  
69486 Lyon Cedex 03  
T: +33 (0) 4 72 91 30 50  
E: lyon@christie.com

### France – Aix en Provence

31 Parc du Golf  
CS 90519  
13593 Aix en Provence  
T: +33 (0) 4 88 78 21 76  
E: Aix-en-provence@christie.com

### France – Rennes

Immeuble "Artemis"  
Parc Monier  
167 Route de Lorient  
35000 Rennes  
T: +33 (0) 2 99 59 83 30  
E: rennes@christie.com

### Germany – Berlin

Kurfürstendamm 182  
10707 Berlin  
T: +49 (0) 3020 00960  
E: berlin@christie.com

### Germany – Frankfurt

Hochstraße 17  
60313 Frankfurt  
T: +49 (0) 6990 74 570  
E: frankfurt@christie.com

### Germany – Munich

Pfisterstraße 6  
80331 Munich  
T: +49 (0) 892 00 00 070  
E: munich@christie.com

### Ireland – Dublin

The Merrion Buildings  
20 Merrion Street Upper  
Dublin 2  
T: +353 (0) 1 618 2000  
E: dublin@christie.com

### Poland – Warsaw

Warsaw Trade Tower  
Dago Centrum, 36. Pietro  
Ul. Chłodna 51  
00-867 Warsaw  
T: +48(0) 501 522 913  
E: warsaw@christie.com

### Spain – Barcelona

Paseo de Gracia 11  
Escalera B, 4º 3ª  
08007 Barcelona  
T: +34 93 34 361 61  
E: barcelona@christie.com

### Spain – Madrid

Regus Colón  
Paseo de la Castellana 18, 7º planta  
28046 Madrid  
T: +34 91 794 26 40  
E: madrid@christie.com

### Sweden – Stockholm

Nybrogatan 34  
Box 5216  
102 45 Stockholm  
T: +46 70 558 98 93  
E: stockholm@christie.com

## OTHER UNITED KINGDOM OFFICES

### Birmingham

13th Floor Bank House  
8 Cherry Street  
Birmingham B2 5AL  
T: +44 (0) 121 456 1222  
E: birmingham@christie.com

### Bristol

Embassy House  
Queens Avenue  
Clifton  
Bristol BS8 1SB  
T: +44 (0) 117 946 8500  
E: bristol@christie.com

### Cardiff

Brunel House  
2 Fitzalan Road  
Cardiff CF24 0EB  
T: +44 (0) 29 2002 3123  
E: cardiff@christie.com

### Edinburgh

Miller House  
6th Floor  
18 George Street  
Edinburgh EH2 2QU  
T: +44 (0) 131 557 6666  
E: edinburgh@christie.com

### Exeter

Kings Wharf  
The Quay  
Exeter EX2 4AN  
T: +44 (0) 1392 285 600  
E: exeter@christie.com

### Glasgow

4th Floor, 46 Gordon Street  
Glasgow G1 3PU  
T: +44 (0) 141 352 7300  
E: glasgow@christie.com

### Ipswich

Hyde Park House  
Crown Street  
Ipswich IP1 3LG  
T: +44 (0) 1473 256 588  
E: ipswich@christie.com

### Leeds

Aquis House  
12 Greek Street  
Leeds LS1 5RU  
T: +44 (0) 113 389 2700  
E: leeds@christie.com

## London

Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS  
T: +44 (0) 208 370 3100  
E: london@christie.com

## Maidstone

Vaughan Chambers  
4 Tonbridge Road  
Maidstone ME16 8RP  
T: +44 (0) 1622 656 000  
E: maidstone@christie.com

## Manchester

2nd Floor, Acresfield  
St Ann's Square  
Manchester M2 7HA  
T: +44 (0) 161 833 3311  
E: manchester@christie.com

## Newcastle Upon Tyne

Shakespeare House  
18 Shakespeare Street  
Newcastle upon Tyne NE1 6AQ  
T: +44 (0) 191 222 1740  
E: newcastle@christie.com

## Nottingham

Suite 402, Bridlesmith House  
38 Bridlesmith Gate  
Nottingham NG1 2GQ  
T: +44 (0) 115 948 3100  
E: nottingham@christie.com

## Reading

200 Brook Drive  
Green Park  
Reading RG2 6UB  
T: +44 (0) 118 402 1650  
E: reading@christie.com

## Winchester

Star Lane House  
Staple Gardens  
Winchester SO23 8SR  
T: +44 (0) 1962 844 455  
E: winchester@christie.com

## Christie Finance

The addresses are the same as  
Christie & Co in each case:

## Head Office

T: +44 (0)207 227 0774  
E: enquiries@christiefinance.com  
W: www.christiefinance.com

## Birmingham

T: +44 (0) 121 452 3717  
E: birmingham@christiefinance.com

## Bristol

T: +44 (0) 117 946 8502  
E: bristol@christiefinance.com

## Edinburgh

T: +44 (0) 131 524 3417  
E: edinburgh@christiefinance.com

## Exeter

T: +44 (0) 1392 285 600  
E: exeter@christiefinance.com

## Glasgow

T: +44 (0) 141 352 7300  
E: glasgow@christiefinance.com

## Ipswich

T: +44 (0) 1473 256 588  
E: ipswich@christiefinance.com

## Leeds

T: +44 (0) 113 389 2700  
E: leeds@christiefinance.com

## London

T: +44 (0) 207 227 0745  
E: london@christiefinance.com

## Maidstone

T: +44 (0) 1622 656 000  
E: maidstone@christiefinance.com

## Manchester

T: +44 (0) 161 833 6902  
E: manchester@christiefinance.com

## Newcastle

T: +44 (0) 191 222 1740  
E: newcastle@christiefinance.com

## Nottingham

T: +44 (0) 115 945 4712  
E: nottingham@christiefinance.com

## Winchester

T: +44 (0) 1962 844 455  
E: winchester@christiefinance.com

## Christie Insurance

Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS  
T: +44 (0) 207 448 8820  
E: enquiries@christieinsurance.com  
W: www.christieinsurance.com

## Brierly Hill

Admiral House  
Waterfront East  
Brierly Hill  
West Midlands DY5 1XG  
T: +44 (0) 207 444 0030  
E: enquiries@christieinsurance.com

## Orridge

Suite A  
Equity House  
Market Street  
Harlow CM17 0AH  
T: +44 (0) 1279 775 600  
E: contact@orridge.co.uk  
W: www.orridge.co.uk

## Aldridge

Centre House  
Court Parade  
Aldridge WS9 8LT  
T: +44 (0) 1922 472 000  
E: contact@orridge.co.uk

## Europe

100 Avenue du Port  
1000 Brussels  
T: +32 (0) 26 46 25 47  
E: contact@orridge.eu  
W: www.orridge.eu

## Germany

Inventory Service GmbH  
Godesberger Allee 189  
53175 Bonn  
T: +49 (0) 228 88 60 65 40  
E: sales@orridge.de  
W: www.orridge.de

## Pinders

Pinder House  
249 Upper Third Street  
Milton Keynes MK9 1DS  
T: +44 (0) 1908 350 500  
E: info@pinders.co.uk  
W: www.pinders.co.uk

## Venners

Essex House  
Astra Centre  
Edinburgh Way  
Harlow CM20 2BN  
T: +44 (0) 1279 620 820  
E: enquiries@venners.co.uk  
W: www.venners.co.uk

## Vennersys

Pinder House  
249 Upper Third Street  
Milton Keynes MK9 1DS  
T: +44 (0) 1908 350 650  
E: contact@vennersys.com  
W: www.vennersys.co.uk

## North America

200 – 1920 Yonge Street  
Toronto, Ontario  
Canada M4S 3E2  
T: +1 416 572 7784  
E: contact@vennersys.ca  
W: www.vennersys.ca



The paper used in this document contains materials sourced from responsibly managed and sustainable commercial forests, certified in accordance with the FSC® (Forest Stewardship Council).

**Christie Group plc**

Whitefriars House  
6 Carmelite Street  
London EC4Y 0BS  
United Kingdom

T: +44 (0) 20 7227 0707

F: +44 (0) 20 7227 0708

E: [executive@christiegroup.com](mailto:executive@christiegroup.com)

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

