

The right team... generating sustainable value
for shareholders, employees and clients



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About us

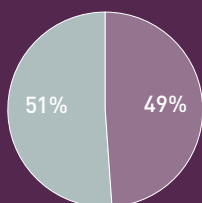
Christie Group offers a portfolio of professional business services for the leisure, retail and care sectors.

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.

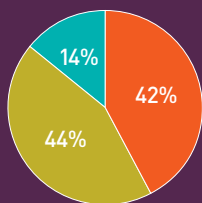
Highlights of the year

REVENUE BY DIVISION 2009



	2009	2008
Professional Business Services	£23.3m 49%	£36.9m 58%
Stock & Inventory Systems & Services	£23.8m 51%	£26.5m 42%

REVENUE BY SECTOR 2009



	2009	2008
Retail	£20.0m 42%	£22.8m 36%
Leisure	£20.5m 44%	£27.8m 44%
Care	£6.6m 14%	£12.8m 20%

- Improved trading environment.
- Agency business seeing stabilisation of asset prices and re-engagement of purchasers.
- Resilient care business reflecting attraction of long-term Government revenue stream.
- Stock & Inventory Systems & Services increasingly called on to aid cash flow management through minimising cash tied up in stock.

Our divisions

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. Employing up-to-date technologies, the division operates in Europe and North America.

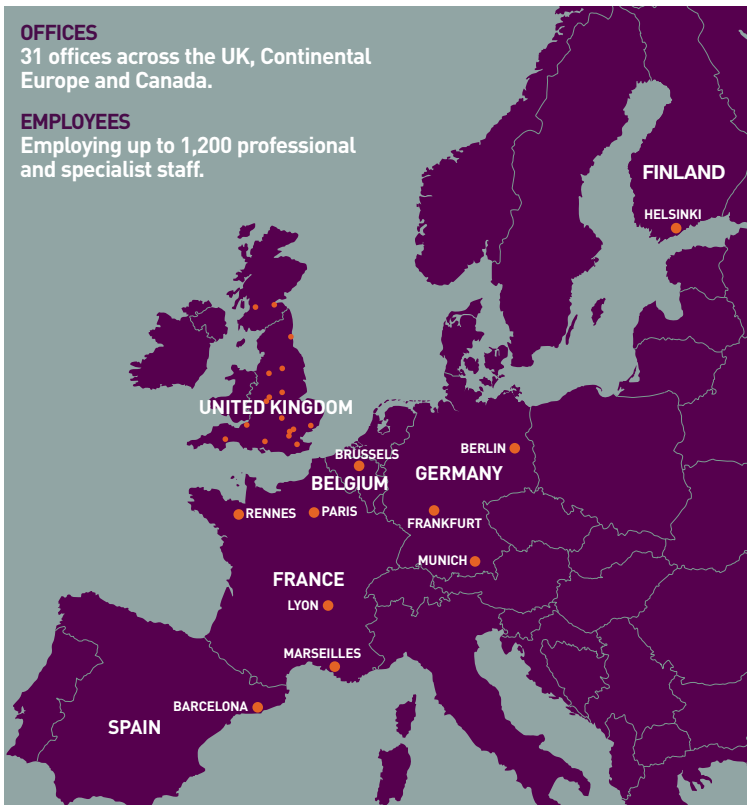
Our sectors



Our core capabilities

The Group provides over 40 individual services across its two divisions. These are the main ones:

	Christie + Co	Christie Finance	Christie Insurance	Pinders	Venners	Orridge	Vennersys
Agency	●						
Funding		●					
Appraisal				●			
Building Services				●			
Software and Support							●
Valuation	●			●			
Insurance			●				
Consultancy	●			●	●		
Stock Audit					●	●	
Inventory					●		
Health & Safety					●		



OFFICES
31 offices across the UK, Continental Europe and Canada.

EMPLOYEES
Employing up to 1,200 professional and specialist staff.

Our brands

Professional Business Services



Christie + Co www.christie.com www.christiecorporate.com
Christie + Co is the leading specialist firm providing business intelligence in the hospitality, leisure, care and retail sectors. With offices across the UK, it focuses on agency, valuation services, investment and consultancy activity in its key sectors. Internationally, it operates from offices in the UK, Finland, France, Germany and Spain.

Market leaders in its sectors, employing the largest teams of sector specialists in the UK providing professional agency and advisory services.

15,000 UK businesses inspected in 2009
Offices across Europe.



Christie Finance www.christiefinance.com
Christie Finance has over 30 years' experience in financing businesses in the hospitality, leisure, care and retail sectors. Its excellent relationships with the clearing banks, centralised lenders, finance houses and building societies make it the market leader in providing finance solutions for purchase or refinancing in its specialist sectors.

Prides itself on its speed of response to client opportunities and its strong relationships with finance providers.

Over 30 years' experience
Providing independent business mortgage advice.



Christie Insurance www.christieinsurance.com
With over 30 years' experience arranging business insurance in the hospitality, leisure, care and retail sectors, Christie Insurance is a leading company in its markets. Its excellent contacts with the UK's leading insurers enable it to provide a premier service including tailored insurance schemes.

Delivering and exceeding clients' expectations in terms of the cost of their insurance and the breadth of its cover.

90% client retention
Strong customer relationships.



Pinders www.pinders.co.uk www.pinderpack.com
Pinders is the UK's leading specialist business appraisal, valuation and consultancy company, providing professional services to the licensed leisure, retail and care sectors, and also the commercial and corporate business sectors. Its Building Consultancy Division offers a full range of project management, building monitoring and building surveying services.

Looking at the detail of businesses to arrive at accurate assessments of their trading potential and value through business analysis and surveying skills.

Property database built up over 40 years
Detailed analyses of over 180,000 businesses.

Stock & Inventory Systems & Services



Venners www.venners.com
The leading supplier of stocktaking, inventory, consultancy services and related stock management systems to the hospitality sector. Consultancy services include control audits, 'live' event stocktaking and Health & Safety implementation and control. Bespoke software and systems enable real-time management reporting to customers using the best available technologies.

The largest and longest established stock audit company in the hospitality sector in the UK and growing in mainland Europe.

100 visits per day in 2009
Counting over four million stock lines for clients.



Orridge www.orridge.co.uk www.orridge.eu
Europe's longest established stocktaking business specialising in all fields of retail stocktaking including high street, warehousing and factory operations. It also has a specialised pharmacy division providing valuation and stocktaking services. A full range of stocktaking and inventory management solutions is provided for a wide range of clients in the UK and Europe.

Priding itself on the speed with which it supplies high-quality management information to clients.

400 million household items counted in 2009
Pan-European reach with major international clients.



Vennersys www.vennersys.com
Vennersys operates in the UK and North America and delivers turnkey EPoS and ticketing systems to visitor attractions such as historic houses and estates, museums, zoos, safari parks, aquaria and cinemas.

Over 20 years' experience of delivering purpose-designed solutions for clients' ticketing, admissions, EPoS and food and beverage sales requirements.

24 hours a day, seven days a week
VENPoS Online e-commerce platform always at work, selling for its clients.

Chairman's statement



Recovery in sight

I am pleased to present our full year results to 31 December 2009 against the backdrop of an economic outlook that is undoubtedly more buoyant than when I posted our interim results in August 2009. The first quarter of 2010 has started positively and we expect to see that momentum building throughout the year.

As a result of prompt management action and cost management measures put in place by the Board, the operating loss for our second half to 31 December 2009 has reduced to £0.9m against a first half loss of £2.7m. This makes a post tax loss for the year of £1.9m on turnover of £47.1m (2008: £63.4m for continuing businesses). The losses were funded from our own cash resources, as a result of which, we finished the year with no net borrowings and cash of £1.7m.

Our operating costs for the year amounted to £50.7m, (prior year £68.1m). Of this reduction, £15.1m was saved by our Professional Business Services Division, which reduced costs by 35.7% over the prior year. Of the operating costs, £0.9m of the 2009 costs relate to depreciation (net of capital expenditure), amortisation, share schemes and other non-cash charges.

An achievement for which I think we can be justifiably proud is to have traded through the recession while incurring no net debt. There has been no requirement therefore for fund raising or other measures.

There are certain benefits to be gained from a recession, one of which is that other firms go back to their areas of traditional competence. Ours is the only firm with 24 offices specialising in business sales (hospitality, retail, care) and we now find that from a competitive viewpoint we are trading in a less crowded marketplace. Our valuations benefit from an in-depth knowledge of market and price trends achieved through combining our extensive transaction data on completed sales with our visibility of current offers and acceptances in our transaction pipeline.

We believe that, for us, a year of recession bottomed in May 2009, since which point we have seen stable income. It is rare for transactions to be fully cash funded and therefore the availability of credit on commercial terms is a crucial driver for many of the transactions that we are engaged with. Initiatives are in place through a number of the commercial lenders to bolster the supply of credit to smaller businesses through the Enterprise Finance Guarantee Scheme and by providing access to European Investment Bank funding.

2010 has started positively. Activity levels have been good, since we emerged from the snow and ice early in the New Year, and margins have held up well. Our market position is strong as are our relationships with the banks and business introducers.

I believe that once the general election is behind us, we will experience a continuing recovery supported by an improved broader economic sentiment. Reflecting our confidence in the future it is our intention to resume dividend payments assuming a sustained recovery.

I extend my thanks particularly to our Finance Director, Robert Zenker, who has been our capable financial

steward for the past 16 years. We wish him well for the future. I would like to thank all our staff who have risen magnificently to a challenging market.

Philip Gwyn
26 March 2010

Nick Holland-Brown

We were saddened to learn of the recent death of Nick Holland-Brown, former Chairman of Orridge. Nick joined the family business at the age of 22 and developed the Orridge pharmaceutical stocktaking practice into the UK's premier retail stocktaking business, which Nick afforded us the opportunity to acquire as he felt we were the right home. Nick retained ownership of Orridge Business Sales, specialising in pharmacy sales, which is still operated by his son, Simon. Nick was a charming bon viveur, raconteur and gentleman whom we shall miss.

Key drivers

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 in Europe

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

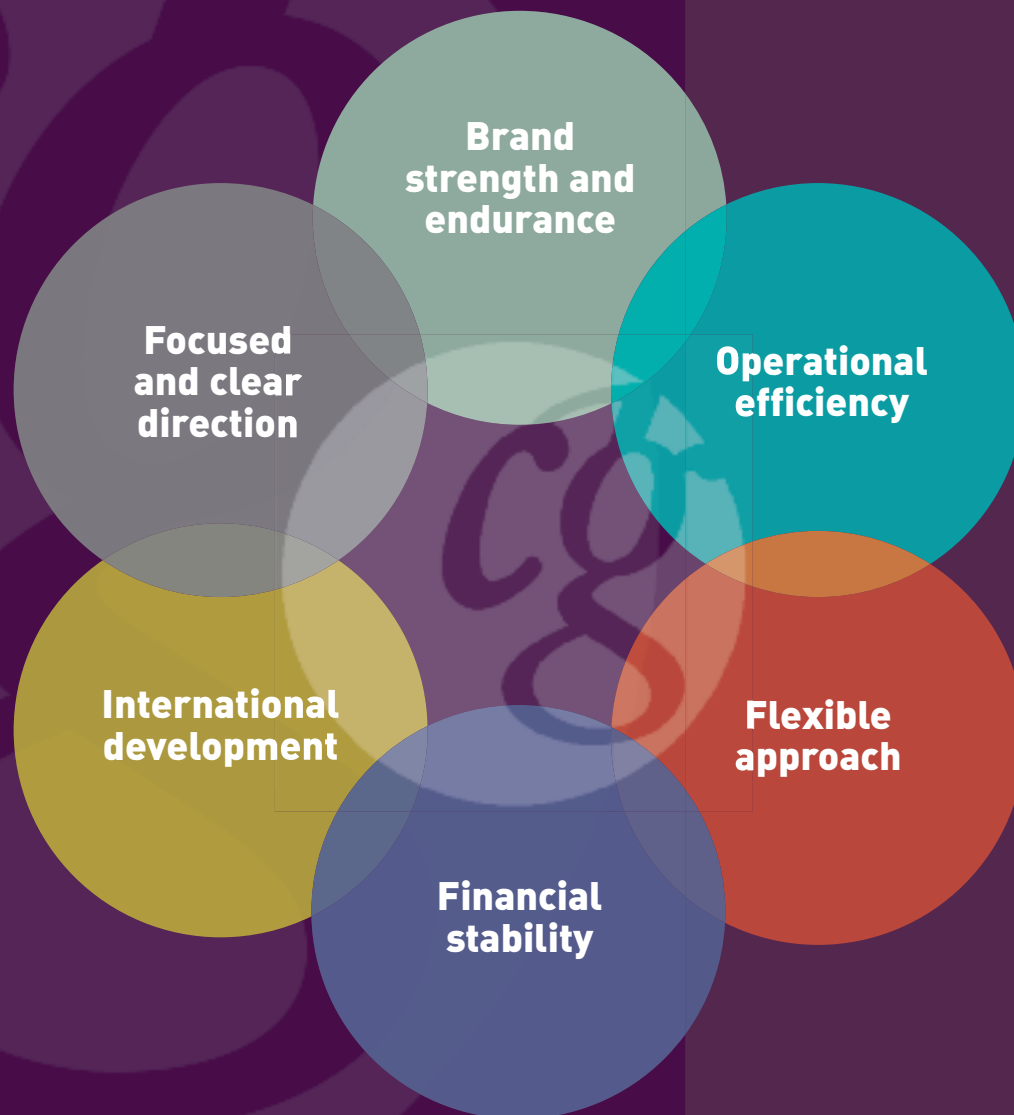
Maximising our synergies

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 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 "core competencies" to be the ability to flex our resources to meet the varying levels of demand in the marketplace.

Our strategy for resilience



Chief Executive's statement



We entered 2010 in good shape with the upturn in activity maintained and with the full benefit of the cost reductions implemented during the first half of 2009. Time will tell whether the momentum of recovery will be sustained, but the outlook today is certainly a good deal more positive than at this time last year. We are well positioned to take full advantage of the recovery.

Our markets

Our client base is largely the same across each of our sectors – leisure, retail and care – and our ability to take advantage of the synergy benefits of cross-selling more than one Group service to each of our businesses' clients has a marked positive effect on revenues and profitability. There are approximately a quarter of a million businesses in Christie Group's specialist sectors in the UK. Our aim is to create value for shareholders from each stage in the cycle of small and medium-sized enterprise (SME) ownership; represented by acquisition, funding, business development, stock control, insurance and disposal. The services offered by the Group touch each of these vital business disciplines and our success over the years is demonstrated by both the overall size of our client base and the substantial proportion of repeat business from entrepreneurs, funders and advisers.

We own perhaps the best known brands in our chosen sectors for the size of the businesses we target. This means that we are almost always considered for

appointment when a suitable business requires one of the services we provide. The resulting active client base is diversified by geography, sector, stage of development and thus by risk.

Our businesses

Against the economic background outlined above, the Group's financial performance in 2009 represented a creditable achievement. Costs were contained or reduced across the board and a renewed emphasis on gaining new and realistic mandates instilled. Two of our three core sectors – leisure and retail – were hit hard by the downturn in consumer spending and it was only in the last quarter of the year that prices of businesses in these areas reduced sufficiently to tempt in opportunistic buyers. Our third sector, care, stood up much better in terms of prices as a result of its longer term revenues from government but even here, transaction levels reduced substantially, largely as a result of the restricted availability of bank financing, a factor which continues to affect SMEs in the UK economy.

Professional Business Services

This division had to cope with a precipitous fall in transaction prices. Depending on the sector, we calculate this to have been between 16% and 34% (average of 27% across our sectors) from peak to trough in early 2009 and an almost complete cessation of voluntary transactions; that is now beginning to recover. The first signs of this recovery became apparent at the end of 2009 when the first distressed sales of assets and businesses by corporates came on to the market. The response was surprisingly quick. Buyers with cash or access to cash took advantage of low prices and began to compete for assets, having apparently waited on the sidelines for purchases to become available at prices they considered reasonable.

The absence of pre-credit crunch levels of debt availability has led to a much stronger equity base – some 60% – behind property-based business acquisitions. We believe funding will remain in short supply as the heavy schedule of loan maturities for banks begins to bite. There are, however, new lenders beginning to take up some of the demand and this, together with an increase in the number of enquiries from potential buyers, is a positive sign.

Stock & Inventory Systems & Services

The trading environment has presented opportunities as well as issues for the businesses in this division. With working capital facilities under pressure, tight control of stock has become vital. Retailers now operate seven days a week on an efficient staff headcount. As a result, more and more functions are outsourced and our businesses in this area have benefited accordingly. Lower consumer spend, leading to pressure on margins, has also focused retailers' attention on 'just-in-time' availability counts to reduce stock levels and on the services we offer to control fraud, theft and shrinkage.

Consequently, we plan to raise capital expenditure in this division in 2010 to take advantage of these trends and to capitalise on the increased operating margins now available to us. We currently have a significant pipeline of new work and, given the current economic environment, a ready supply of potential staff.

With key software developments completed in 2009, including on-line ticketing, Vennersys now offers the leading system for visitor attractions in the UK.

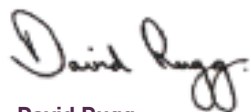
Well positioned for the future

During what proved to be a difficult 2009, the business demonstrated both its resilience and financial strength. Resilience because of our volume of customers and

clients across our markets and strength by the fact that we are one of the very few companies in the property services sector that has not had to call on its shareholders to provide additional equity funds.

The breadth, depth and longevity of the Group demonstrates to clients and potential clients that we represent a skilled and experienced practitioner that can be trusted to help them realise value from their businesses at every stage of the business cycle. We have reduced costs, improved efficiency and focused on our cross-selling activity during the last year. Clients enjoy access to senior, experienced practitioners, which provides us with both a competitive advantage and client loyalty.

Distressed businesses are providing much of our current pipeline of activity and are creating almost unprecedented opportunities for entrepreneurs. We believe the normal cycle is restarting – but this time from a more financially sound base after business owners have deleveraged. We are confident that 2010 will mark a return to growth for the Group.



David Rugg
26 March 2010

Our specialist market sectors



Brand strength and endurance...
the result of long experience and
market leadership.





Park Inn London

Acting on behalf of Administrators Ernst & Young, Christie + Co sold the Park Inn London, Russell Square, to Crimson Hotels Group, the privately-owned, UK-based company, for an undisclosed sum. More than 50 accompanied formal tours of the hotel in just over a month culminated in a multi-stage competitive bidding process, which attracted a combined £1 billion-worth of funded offers.



First Quench Retailing

Christie + Co was appointed by the Joint Administrators of First Quench Retailing (FQR) Limited to advise on the disposal of approximately 750 former FQR stores, after it was placed in administration. After marketing the properties for just one week, Christie + Co received over 1,000 offers and was later instructed to market a further 500-plus stores from the former FQR estate.

Divisional review

Professional Business Services



Chris Day MD Christie + Co and a Christie Group Director

CHRISTIE + CO

Christie + Co is Europe's largest specialist business broker, focusing on the hospitality, leisure, care, education and retail sectors with offices throughout the UK and across Continental Europe – four in France, three in Germany and one each in Spain and Finland.

We are market leaders in our sectors, employing around 230 skilled and experienced specialists to provide professional agency and advisory services. In 2009, we inspected almost 15,000 businesses for sale or valuation purposes.

All businesses continued to take a critical look at overheads and efficiency during 2009 as they sought to minimise the effects of the downturn and position themselves for a return to growth. We were no exception. We consolidated our operations but maintained our geographical network and expanded our sector coverage and range of services. Operationally, we focused on growing our business where possible and committed additional resource to our Bank Support and Business Recovery Unit, which during the year handled more than 350 distressed cases, involving over 1,600 assets.

Transaction volumes in our markets bottomed out in the first half of 2009 and finally began to pick up during the second half. This upturn has been maintained during the first few months of 2010, driven principally by asset and business disposals from distressed owners, both corporate and individual. Prices reduced significantly during 2009 across all our sectors and, with corporate buyers largely absent, individual entrepreneurs took, and are taking, advantage of lower prices to acquire what they believe to be good value businesses and assets.

Our published average price indices for business property in our sectors in 2009 (based on businesses sold by Christie + Co) illustrate this decline, with falls of



Simon Hughes MD Christie + Co UK

around 20% being recorded for hotels, restaurants and pubs and around 10% for the care and retail sectors. Putting this in the context of recent economic and market performance, hotel prices have fallen by some 34% from their pre-credit crunch peaks with pubs and restaurants down by 30% and 29% respectively. Care assets fared slightly better with a decline of 26% whilst retail did better still with a 16% fall in property prices from the peaks seen in late 2007 and early 2008. Against this background, it is easy to see why value-conscious individual buyers have returned to the market.

Individuals with high levels of available equity have replaced corporate buyers, many of which in the run-up to the credit crunch were highly leveraged. This over-leverage resulted in a number of basically sound businesses being put into administration as their revenues fell and they were unable to comply with lending covenants. The sale of these distressed businesses and assets is currently the principal driver of volumes and we expect this to remain so for the balance of 2010.

At one point, new bank funding was limited within our sectors to the extent that, amongst other things, many corporate buyers withdrew from the market, with many of them becoming sellers paying down debt and repairing balance sheets. There are signs emerging, however, that new-to-sector lenders, without legacy loan books, are beginning to target our markets. If this trend is confirmed, we may see transaction volumes benefiting from the return of corporate buyers. Any pick-up in activity levels will produce a materially positive effect on our bottom line results as we have reduced both our fixed and variable costs. We are with good reason cautiously optimistic about the outlook for Christie + Co in 2010.



Operational efficiency...
vital in difficult economic
circumstances.



Arlington House

Christie Finance provided refinancing on two learning disability homes in Brighton for a local couple who planned to expand their portfolio, and then introduced them to Arlington House, a residential care home in Hove. Christie Finance commissioned an independent valuation on Arlington House from Pinders and subsequently provided a further loan for its purchase. Christie + Co sold the business to the couple and was also asked by Christie Finance and Abbey to revalue the two original homes for loan security purposes. Christie Insurance provided business insurance for Arlington House and life assurance for its new owners.



The Grand Union Group

The Grand Union Group is an independent chain of bar-grill venues and a pub-restaurant situated in London and the Home Counties. Historically, each venue had been insured separately with the insurance arrangements spread across several different insurers and handled by more than one broker. Christie Insurance established a group policy covering all the venues, resulting in both a premium reduction of about 40% and significant administrative efficiencies. The group has subsequently added two venues to the policy and hopes to add three more, bringing the total to twelve.

Divisional review

Professional Business Services



David Grant Head of Business Mortgages Christie Finance

CHRISTIE FINANCE

Christie Finance is an independent business mortgage broker specialising in the provision of funding for hospitality, leisure, care, education and retail assets. Through our relationship with Christie + Co, we offer a nationwide service in the UK and have built up over 30 years' experience in our specialist sectors. We pride ourselves on the speed of our response to client opportunities.

During 2009, there were new sources of funds available and we were also able to take advantage of the Government-supported Enterprise Finance Guarantee Scheme to mitigate the effect of reduced property values on small businesses. As a result, activity levels and, more importantly, deal completions increased markedly during the second half of the year.

We are particularly proud of our track record in bringing together the services provided by our sister companies in Christie Group, to benefit our clients. We worked on a number of transactions in the care and hospitality sectors where the asset, funding, professional valuation and insurance services were provided by Christie Group companies.

Our highlight of the year was successfully arranging funding facilities for Moorfield Group for the refurbishment of four hotels operated by Shearings, the coach tour company. We successfully negotiated these funds in competition with some much larger corporate banking teams in the City of London.

Now, more than ever before, borrowers need professional help arranging loans. Experienced input ensures not only the best price but also that the funding suits the individual's requirements and includes, for example, balanced terms and conditions that allow for changing circumstances throughout the loan term.

In the remainder of 2010, we anticipate making progress and very much hope that this can be accelerated by increased activity levels and easier availability of debt.



Walter Murray MD Christie Insurance

CHRISTIE INSURANCE

Christie Insurance is an independent intermediary, not tied to any insurer, with an absolute priority to deliver the best option for its customers. We are specialists in the hospitality, leisure, care, education and retail sectors and have built up a comprehensive knowledge in these areas, understanding in detail the insurance needs of our clients.

The combination of competition between insurers and the excess capacity within the overall insurance market continued to drive premiums downwards in 2009. We operated in a challenging environment with many premiums either remaining the same or reducing on the previous year. Despite this, we ended 2009 in a profitable position, having met our goal to deliver and exceed our clients' expectations in terms of the cost of their insurance and the breadth of the cover we arrange for them.

Whilst we are both pleased and equipped to deal with our clients electronically, we firmly believe that insuring trading businesses is better conducted in person. This allows us to discuss and understand our customers' specific needs and to ensure that the cover we provide is the best fit available. Similarly, to achieve a successful outcome to a claim entails us knowing both our clients' cover and rights, and bringing this understanding to bear for their benefit.

During 2009, there was significant growth in our Business Protection Division and a continuing strong performance from our Existing Business Team, with a retention rate of over 90%.

We continue to enjoy excellent working relationships within the Group. Christie + Co and Christie Finance remain the main source of our lead generation for new business but we continue to actively broaden our referral network.



Flexible approach...

key to providing end-to-end
solutions that add real value.



Airline catering

A Pinders valuation was required regarding a proposed share purchase of a business supplying food to the airline industry. The factors considered were: whether any personal goodwill rested with the MD; the sustainability of the business considering the pressures faced by the airline industry and the pressures placed on its suppliers; the fact that there were no formal contracts; the specialist nature of the business and the fact that demand would be limited if the business were brought to the market.



Isle of Wight care home

A care home was bought with the benefit of planning permission resulting from plans drawn up by local architects. The owner intended to develop the building with funding from Abbey (Pinders' client) before the permission lapsed. Fortunately, the Pinders' valuer noticed that the plans did not meet the national CQC standards, thereby giving the owner the opportunity to reconfigure the plans to ensure full compliance. As a result, Pinders' specialist knowledge of the sector prevented the bank's customer from proceeding with a costly development that was flawed.

Divisional review

Professional Business Services



Justin Cain MD Pinders

PINDERS

Pinders is a leading business valuation provider that looks at the detail of businesses to arrive at accurate assessments of their trading potential and value using a combination of business analysis and surveying skills. Our work is a mix of transactional and consultancy assignments. We have national coverage throughout the UK and a database, built up over 40 years, containing detailed analyses of over 180,000 businesses.

Our valuers are all RICS qualified and their commercially sensitive and often confidential work is provided across five sectors – healthcare & education, licensed trade, retail & catering, leisure & hospitality and service & manufacturing. Services provided to these sectors fall into six broad categories – appraisal & valuation, consultancy, dispute resolution, building surveying, project management and business recovery.

We continued to make progress in 2009 towards our strategic goals of broadening our client base and increasing the proportion of consultancy (as against transactional) work undertaken by the company. In 2009, transactional work in our markets reduced on an absolute basis as the economic environment remained resolutely negative. However, we believe that we grew market share as a result of the successful outcome of a programme to increase our presence on the provider panels organised by almost all of the lending banks and by most local authorities.

In common with almost all service providers, we took the opportunity in 2009 to streamline our operational systems to increase efficiency and reduce costs. Central costs were reduced by combining roles and by transferring, where possible, support staff to fee-earning positions. We also took initiatives to increase our visibility with clients and potential clients. These included the

appointment of Regional Marketing Managers in order to maximise our profile with local lenders, the increased use of e-mail marketing to maintain profile with existing clients and develop links with new ones and the introduction of internet-based marketing materials to save money on print and production. All marketing expenditure was carefully monitored and controlled throughout the year to derive the maximum benefit from the minimum cost.

Changes in marketing activity largely reflected the changing market conditions. For example, we focused on developing stronger relationships with insolvency practitioners as well as the lending, debt and debt recovery teams at our business providers in banking. We also developed an increasing revenue stream from services supplied to not-for-profit organisations as they sought to raise funds or save money from strategic disposals, partnering arrangements, acquisitions and turn-arounds.

A number of new consultancy services were launched in 2009, including a Business Support & Recovery Service, as a specific response to the economic downturn. Other new services were a Sequential Site Appraisal Report launched in association with our Planning Consultancy Service and a 'Property Healthcheck' Report – effectively a reduced Building Survey and Fire Risk Assessment.

The first quarter of 2010 has seen a continuation of the recovery in transaction volumes. We are holding our increased market share of transactional business and building our consultancy offering with new clients being won on both sides. Our increased operational efficiency, client focus and reduced cost base stands us in good stead to benefit financially from the increased flow of business we are seeing in the current year.



Financial stability...
planning a balanced approach
for the long-term.



Make your 'Score on the Door' work for you

A small struggling West Midlands' inn had a zero 'Scores on the Doors' rating before Venners became involved. After much hard work, training and dedication, the business was later awarded 5 stars. This excellent result is now used in all the inn's marketing and public relations such as adverts, menus, business cards and website, etc. Business is now booming and the sensible, proactive and cost-controlled investment in Venners is paying dividends.



InterContinental Hotels Group

Since May 2008, IHG has been working with Venners across its European managed estate. The service offering provided by Venners includes inventory counting, potential variance analysis, stock control and an advisory service for procedure reviews. All the services delivered by Venners have proved to be effective and, as a result of this successful partnership, IHG has developed a preferred supplier relationship with Venners.

Divisional review

Stock & Inventory Systems & Services



Trevor Heyburn MD Venners

VENNERS

Venners is the largest and longest established stock audit company in the hospitality sector, with full nationwide coverage in the UK and a growing presence across Europe. As well as stock audit services, we also offer food safety consultancy through our Health & Safety Division. We use only our own full-time auditors, all of whom are trained to a BII accredited standard.

With up to 100 visits per day, we completed over 22,000 stock audits and over 575 compliance audits in 2009, counting over four million stock lines for our clients and monitoring the consumption of over 16 million gallons of draught beer and more than one and a quarter million bottles of spirits.

2009 was an extremely difficult year in the hospitality sector. Despite this, we made real progress in terms of efficiency gains from the roll-out of new bespoke IT systems and the adoption of new working practices. We also instituted a renewed emphasis on client recruitment, retention and development.

We have taken a number of initiatives to improve operational efficiency and financial performance. The stock audit side of the business has successfully completed the migration to our latest bespoke software, VenComm. In the Health & Safety Division, we have revised and updated all our documentation for both our own and our clients' benefit. In addition, we have streamlined the management reporting functions and improved our training with the introduction for the first time of CAM Studio DVDs. The introduction of discounted fuel cards (fuel for our auditors and consultants represents a significant cost for us) and an on-line payments system for clients will together improve cash flow and reduce costs.

Our focus on clients has resulted in work from new sectors for us, including the tenancy and leased markets,

and from sectors which have been quiet for us until this point in the cycle, such as administration and distressed businesses.

The addition of new clients has been supported by very active marketing campaigns, which have included the introduction of a tele-sales function, the provision of training in selling skills and a new platform for our marketing database. We have increased our visibility with a programme to improve networking – one of our best sources of referral remains satisfied clients talking to potential clients – and improvements to our website to attract more traffic.

For Stock Audit, new clients included Autogrill Catering UK and von Essen hotels (one of the market leaders in the country house hotel market). For Health & Safety, new clients included Orange Sun Services (a predominantly London-based pub group operating 30 leased premises), Sphere Leisure (which operates the catering outlets for South Gloucestershire Council) and BrewKitchen (an award-winning group of restaurants operated by well-known chef, Robert Smith, in the Sheffield/Yorkshire area).

In 2010, we should reap the full benefits of the work undertaken to increase efficiency and reduce costs as well as the momentum established by our marketing campaigns. Our new dedicated business unit, Venners Event Consultancy, which was established in 2009, should continue to add clients but has already started well with the provision of 'live stocktaking' at Wembley Stadium and at Twickenham. Drawing on the experience of our new Non-executive Chairman, Pommy Sarwal, we will continue to build on cross-selling our services with other Group companies. This will follow a good year in 2009 in this respect, with joint work being undertaken for Real Hotels, The Crown Estate and Brentwood Hotels.

We look forward to the rest of 2010 with a degree of confidence.

International development...
bringing our skills to a wider
marketplace.





Calvin Klein reduces shrinkage through outsourced stocktakes

Calvin Klein Jeans/Calvin Klein Underwear provides a multi-channel distribution platform to over 900 Calvin Klein retail stores. Orridge has been the iconic brand's partner for 4 years – a long term relationship based on success. Orridge provides a flexible service and efficient planning to relieve operational pressure and identify true shrinkage rates, enabling CK to determine the worst affected stores. These factors ensure a smooth audit process, product file maintenance and system reporting reliability during the retailer's continued growth.



Boots and Orridge teams work as one

Alliance Boots is a leading international pharmacy-led group providing a range of products and services to customers. Boots has around 2,600 stores in the UK ranging from local pharmacies to large health and beauty retail outlets. Orridge has been Boots' chosen partner for six years, completing in excess of 1,250 store counts per annum. Cost and value for money are key objectives for Boots and, by building strong working relationships over time, Orridge both understands Boots' core business needs and succeeds in delivering the customer's requirements year on year.

Divisional review

Stock & Inventory Systems & Services



Paul Harding MD Orridge

ORRIDGE

Orridge is a leading retail stocktaking services provider with a pan-European reach and the ability to provide a cost effective and consistent service to our major international clients throughout Europe. Our client base is large and diversified. We pride ourselves on operational excellence, flexibility and the speed with which we can supply high-quality management information to our clients.

In difficult business environments, accurate stocktaking becomes even more important as businesses seek to preserve margins in the face of lower consumer spending. This means even more attention is focused on supply chains, leakage and fraud. Our long experience and scale makes us a trusted supplier of the vital information retailers need to run their operations efficiently. On an average working day, we carry out more than 100 stocktakes.

During 2009, we counted:

- In excess of 400 million items that are used in the home, including groceries, stationery and household products.
- More than 90 million items of clothing – more than one for every man, woman and child in the UK.
- Dispensary stock in excess of £300 million.
- More than 40 million books and magazines.

Our continuing adoption of the latest technology has enabled us to grow gross contribution as a result of de-skilling operations and thus reducing our costs. In addition, we restructured our European operations during 2009 to instil more focus on retaining and growing the work we do for clients as well as winning new accounts. Examples of this are the increasing use of web-based delivery – with Dutch and French websites up and running – and further increased use of Denso handheld technology, particularly in the pharmacy sector.

Our focus on clients is paying off. We added 23 new clients during 2009 and we now operate in 18 countries throughout Europe. We are proud to be able to provide English, French, Dutch, Spanish, German and Flemish speakers as part of our strategy to provide complete stocktaking solutions to meet our clients' requirements.

We are promoting our leading position in our field to both clients and potential clients through our sponsorship of the Taking Stock Forum. Driven by contributions from major UK retailers, the Retail Loss Prevention Forum allows retail professionals to come together and share best practices and experiences on-line with industry colleagues.

Winning new business together with other Group companies remains a priority. In 2009, we worked with Christie + Co on some 20 business transfers. In conjunction with Venners, we are beginning work for Compass Group, one of the UK's leading outsourced hospitality groups with over 50,000 staff in more than 7,000 locations. Our colleagues at Venners will carry out liquor counts at a substantial number of Compass operations including racecourses, while we at Orridge are carrying out counts at its convenience stores within hospital sites.

Looking forward to the rest of 2010, we expect to maintain our momentum, both in terms of winning new clients and doing more work for existing clients. For example, following the acquisition of the Somerfield supermarket chain by the Co-op, we are expecting a substantial increase in business from the combined entity during the course of this year.

Orridge is in good shape for the future with a leaner cost base and the systems and technology in place to grow profitably in 2010.

Focused and clear direction...
high quality businesses working with
each other for our stakeholders.





Wales' premier theme park chooses Vennersys

Vennersys installed the VENPoS ticketing and admissions system at Pembrokeshire's Oakwood Theme Park, which attracts hundreds of thousands of visitors each year. Vennersys managed all aspects of the complex project, including the hardware, software installation, user training and go-live support. The new system has cut queue times and has improved the overall visitor experience. The whole project was delivered in record time, ensuring that the park was ready for the start of the new season and the Easter holidays.



VENPoS Online e-commerce solution

After consultation with its customers, Vennersys has launched VENPoS Online to replace its e-ticketing module. A comprehensive e-commerce platform, VENPoS Online is quick and easy to implement and adopts the style of the client's own website to provide a seamless end-user experience when buying tickets, merchandise and experiences over the web. VENPoS Online is an integral part of the VENPoS application suite and uses the same back-end database, which enables comprehensive reporting across all sales channels and ensures data integrity and accuracy. Blenheim Palace is the first customer to implement VENPoS Online and further developments and enhancements will be delivered during 2010.

Divisional review

Stock & Inventory Systems & Services



Kerry Lee Executive Director Vennersys

VENNERSYS

Vennersys is a market leader in the supply of multi-functional trading systems and on-line ticketing services to the leisure and visitor attraction sectors in the UK and in Canada. We have a strong presence in the cinema market in both territories and deliver end-to-end maintenance and support services, following sale and installation, to some of the leading chains – generating a high quality repeat revenue stream.

We have over 20 years' experience of delivering purpose-designed solutions for ticketing and admissions, EPoS and catering to customers in the following sectors:

- Visitor attractions.
- Museums.
- Historic houses and estates.
- Theme parks.
- Aquariums.
- Zoos and botanical gardens.
- Cinemas.

Our proprietary software platform, VENPoS, has been developed in-house as an integrated solution set specifically designed for the leisure and visitor attractions industry. We are continually adding functionality and features to the system.

VENPoS can provide real-time, precision management of all the client's trading activities, including ticketing and admissions, general merchandise and food and beverage sales. The application suite includes VENPoS Online, a powerful e-commerce platform which enables our customers to sell tickets, merchandise and experiences on-line, 24 hours a day, 7 days a week.

The VENPoS solution is complemented by exceptional professional services which have been honed during our 20 years' experience in delivering turnkey systems to our target industries. During 2009, Vennersys processed over 45,000 online transactions with an aggregate value of over £2.6 million.

Our focus in 2009 was firmly on two priorities: refining our service offering to clients and repositioning the company. The effective relaunch of Vennersys as a stand-alone business, centred on VENPoS, involved the rebranding and updating of all communications materials, including our website. In Canada, we relocated our office into a new high-tech office complex in the heart of Toronto in order to increase our visibility with clients and potential clients. Refining our solutions-based offering led to the delivery of a raft of new functionality and features for VENPoS and this was rewarded with a number of major implementations for new clients including Bristol Aquarium and Oakwood Theme Park. Oakwood is Wales' premier theme park, one of the UK's top 10, and is owned and operated by Aspro Ocio S.A., one of Europe's leading operators of theme parks and aquaria with 38 attractions throughout Europe.

In 2010, we are benefiting from our higher profile, the increased functionality of VENPoS and the larger installed base to which we provide services and support. Our target markets are forecast to continue to grow and operators are focused more than ever on improving efficiency, reducing costs and enhancing the visitor experience. We are very well placed to help them deliver on all of these goals and a growing customer base will lead to a materially better financial performance.

Financial review



Following on from an extremely challenging end to 2008, we saw revenues from our Professional Business Services division ("PBS") continue to decline for the first part of 2009 before evening out in the second half. Revenues in PBS fell 37% in the year as market conditions made it extremely difficult to sustain income levels. In this environment, cost reduction has been key and the actions taken across the division were swift to ensure that the revenue reductions were largely offset by cost savings, while at the same time ensuring that the infrastructure remains in place so that we may continue to invest in new products and services and are able to drive growth in the future.

By contrast, though not immune to the effects of the recession, our Stock & Inventory Systems & Services division ("SISS"), with its non-transactional basis and high percentage of contract-backed revenues, held up well and further increased the proportion of our total income derived from the division.

Revenue	% of total		£'000	
	2009	2008	2009	2008
Professional Business Services	49%	58%	23,266	36,907
Stock & Inventory Systems & Services	51%	42%	23,801	26,515

All figures apply to continuing operations only

With revenue levels down significantly on previous years, the cost saving initiatives that have been applied across the Group have mitigated the effects of the downturn and enabled us to restrict our operating loss for the year to £3.7m (2008: £4.7m). Of the £3.7m loss reported in 2009, the second half loss of £0.9m was a significant reduction on the first half as we began to benefit from the effect of the cost saving strategies adopted earlier in the year.

Cash management

The tax effect of our 2008 losses was a £1.4m tax refund received in 2009. Combined with losses recorded in 2009, this has given rise to a total current year tax credit of £1.8m, significantly reducing the post-tax loss for the year.

Non-cash items in the year (depreciation, amortisation, share option charges and non-cash pension adjustments) amounted to £0.9m which, combined with working capital movements and the tax refunds noted above, meant that our net cash outflow for the year, after accounting for exchange losses, was £0.6m.

In the current climate, viable credit insurance has become limited and so we have taken the decision to bear our credit risk ourselves and have implemented appropriate measures to ensure that this risk is mitigated, reviewing credit terms and improving invoicing procedures.

Key performance indicators

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

- **Revenue growth** – an important part of our strategy is growing our businesses and this is best measured by revenue growth
- **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 any charge for impairment) as a percentage of revenue

The reductions in all aspects of our cost structure across the Group enabled us to control operating losses despite total revenues being down by 25.8% year on year. Productivity has also fallen in comparison to 2008 due primarily to the reductions in revenue which were not wholly offset by staff cost savings.

This impacted on operating profit margins, which themselves fell from those recorded in 2008. By the second half of 2009, operating losses had been reduced as a percentage of revenue to 3.9% compared to 10.8% in the first half of 2009, and 4.2% for 2008. Our lower level of operating costs in absolute terms means that we are well positioned to optimise earnings once we see a return to growth.

A brighter outlook

Despite the challenges of 2009, we have commenced 2010 with no net debt, strong banking relationships and a level of operational gearing that provides us with a platform to take advantage of the opportunities that recovery will bring. We are optimistic that the year ahead will be a positive one.

Dan Prickett

26 March 2010

KPIs	Group	Professional Business Services	Stock & Inventory Systems & Services
Revenue growth			
2009 on 2008	(25.8%)	(37.0%)	(10.2%)
2008 on 2007	(16.7%)	(27.8%)	6.3%
2007 on 2006	(0.7%)	2.9%	(7.5%)
Productivity – staff costs (before reorganisation and redundancy costs) per £1,000 of revenue			
2009	768	759	693
2008	698	666	665
2007	582	488	659
Operating profit/(loss) before exceptional items as % of revenue			
2009	(7.8%)	(16.8%)	2.0%
2008	(4.2%)	(9.2%)	2.1%
2007	14.3%	20.1%	3.3%

All figures apply to continuing operations 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.



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 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. Since qualifying as a Chartered Accountant, Dan has worked for MacIntyre Hudson and Grant Thornton before moving to Inchcape Retail, one of the largest franchised motor dealer groups in the UK.



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.



Chris Day
Executive Director

Chris 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 pan-European firm, which currently has offices throughout Europe.



Michael Likierman
Non-executive Director

Michael was the founding Chief Executive of Habitat France. He later co-founded GrandVision SA, the French-based owner of Vision Express. He is Chairman of Générale de Téléphone and other private companies. In 2002, Michael was made a Chevalier de la Légion d'Honneur. He chairs the Nomination Committee and is a member of the Remuneration Committee.



Pommy Sarwal
Non-executive Director

Pommy, a former corporate finance partner at Deloitte, is currently a Non-executive Director of Chatham Historic Dockyard, Hyde Housing Association, Shieldtech plc and Infrastructure India plc, and a member of the board of both the Port of London Authority and British Waterways. In addition, he is a member of the Ports Advisory Group of the Department for Business Enterprise & Regulatory Reform – Trade & Investment Division. Pommy chairs the Audit Committee and is a member of the Nomination and Remuneration Committees. He is also Chairman of Venners.

Company information

Secretary

Dan Prickett ACA

Registered office

65 Carter Lane
London EC4V 5HF

Registered number

1471939

Nominated advisor and broker

Charles Stanley Securities

Principal solicitors

Royds
Denton Wilde Sapte

Auditors

Nexia Smith & Williamson Audit

Public relations

Winningtons

Registrars

Capita Registrars
Northern House
Woodsome Park
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Tel: +44 (0) 1484 600904

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2009.

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 the Review of Operations. In addition the Group's main Key Performance Indicators are explained in the Financial Review on page 20 and the risks and uncertainties in the Corporate Governance report on page 24.

Results and dividends

The results for the year are set out in the consolidated statement of comprehensive income on page 31. The Directors do not recommend the payment of a final dividend (2008: nil). The interim dividend of nil (2008: 0.5p) per share, makes a total of nil (2008: 0.5p) per share totalling £nil (2008: £123,000) for the year. The loss for the year before tax and before other comprehensive income from continuing activities was £3,701,000 (2008: £4,573,000 loss) and the loss attributable to equity holders of the Company for the financial year, after taxation and including other comprehensive income and discontinued activities, was £2,058,000 (2008: £12,461,000 loss). The loss from discontinued operations after tax was £nil (2008: £10,163,000).

Directors

The Directors of the Company in office at the date of this report, together with their biographical details, are shown on page 22. All these Directors served throughout the year. Philip Gwyn and Chris Day retire in accordance with the Company's Articles of Association. Philip Gwyn and Chris Day 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 employees regardless of nationality, ethnic origin, age, sex or sexual orientation and continues to be supportive of the employment and advancement of disabled persons.

Donations

The Group contributed £3,000 (2008: £8,000) to charities during the year. It made no political contributions. The Group also operates a Give As You Earn (GAYE) scheme for employees.

Policy on payments to suppliers

It is a policy of the Group in respect of all its suppliers, where reasonably practicable, to settle the terms of payment with those suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment, and to abide by the terms of payment. The Company (Christie Group plc) had no trade payables at the year end, or the previous year end. The Group's average trade payable days during the year was 53 (2008: 38).

Acquisition of own shares

During the year the Company funded the purchase of none (2008: 72,000) of its own ordinary shares, through an Employee Share Ownership Trust, for a consideration of £nil (2008: £79,000), to enable it to meet awards under its SAYE and other share schemes. The total holding of the Employee Share Ownership Trust as at 31 December 2009 was 533,000 shares (2008: 775,000 shares), which represents 2.11% (2008: 3.07%) of the current issued share capital.

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 31 to 76.

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 Company 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 Company'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 26 March 2010.

D R Prickett

Company Secretary
65 Carter Lane
London EC4V 5HF

Registered No. 1471939

Corporate governance

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 other Non-executive Directors 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 25);
- 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.

There is currently no internal audit function, although this is kept under annual review.

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.

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

The Non-executive Directors are considered by the Board to be independent in character and judgement and have no relationships or any circumstances that are likely to affect their judgement as Directors of the Company. Michael Likierman sits on the board of Générale de Téléphone, a French company, with Philip Gwyn. This is not considered to impair his judgement or character in relation to his directorship of Christie Group plc. Pommy Sarwal sits on the Board of Venners as non-executive Chairman, but the day-to-day management of that company is conducted by its executive directors.

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 with 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.

Corporate governance

Continued

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 with Michael Likierman as Chairman.

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 affect of terrorist attacks, banking 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

- changes in interest rates;
- lack of bank liquidity and more conservative lending criteria; and
- a slow down in the residential housing market.

Stock & Inventory Systems & Services

- changes in employee legislation, in particular the Working Time Directive;
- increase in transport costs;
- trends towards a cashless society; and
- economic slowdown 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.

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 28.

Remuneration report

Part 1 of this report sets out the Company's remuneration policies for the Directors for the year ended 31 December 2009. 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 2009.

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 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.
- Reflecting the changes in market conditions, basic salaries across our Professional Business Services division were reduced by 10% during the year as the Remuneration Committee considered it necessary to align remuneration costs with the more cautious outlook for the sector.

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 12 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.

Remuneration report

Continued

Part 2. Directors' emoluments

	2009 £'000	2008 £'000
Fees	101	117
Salaries	931	977
Benefits	67	65
Contributions to Company pension funds	47	42
Contributions to self-administered pension fund	21	21
	1,167	1,222

Highest paid Director, amounts included above:

	2009 £'000	2008 £'000
Salaries and benefits	330	350
Benefits	47	47
	377	397
Defined benefit scheme: Accrued pension at end of year	151	148

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

Directors' pension entitlements

The Company contributed £21,000 (2008: £21,000) for Philip Gwyn to a self-administered pension fund. David Rugg, Robert Zenker and Chris Day are members of the Christie Group plc Pension & Assurance Scheme managed by Hanover Pensions Limited.

Directors' interests

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

	26 Mar 2010	31 Dec 2009	31 Dec 2008
Philip Gwyn	10,967,582	10,967,582	10,967,582
David Rugg	2,487,510	2,487,510	2,487,510
Chris Day	606,068	606,068	606,068
Robert Zenker	196,348	196,348	196,348
Michael Likierman	341,500	341,500	341,500
Tony Chambers	125,690	125,690	43,190
Pommy Sarwal	–	–	–

Share options

During the year none of the Executive Directors received share options under long term incentive schemes (2008: 50,000).

The market price of the shares at 31 December 2009 was 48.5p (31 December 2008: 30.6p) and the range during the year was 17p to 66.5p (year to 31 December 2008: 27.6p to 147.5p).

Statement of directors' responsibilities

The Directors are responsible for preparing 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.

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 2009 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Cash Flows, the Consolidated and Company Statement of Changes in Shareholders' Equity, and the related notes 1 to 33. 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 auditors' 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 29, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2009 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements. The information given in the Directors' report includes the specific information presented in the operating and financial reviews that is cross referred to from the Business Review section of 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.

Michael Bishop

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

26 March 2010

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated statement of comprehensive income

For the year ended 31 December 2009

	Note	2009 €'000	2008 €'000
Continuing operations			
Revenue	5	47,067	63,422
Employee benefit expenses*	6	(36,676)	(45,014)
		10,391	18,408
Depreciation and amortisation	5	(707)	(906)
Other operating expenses*		(13,338)	(22,140)
Operating loss		(3,654)	(4,638)
Finance costs	8	(148)	(162)
Finance income	8	101	227
Total finance (costs)/credit	8	(47)	65
Loss before tax	9	(3,701)	(4,573)
Taxation	10	1,752	1,173
Loss from continuing operations		(1,949)	(3,400)
Discontinued operations			
– Loss from discontinued operations	11	–	(10,163)
Loss for the year after tax		(1,949)	(13,563)
Other comprehensive (losses)/income:			
Exchange differences on translating foreign operations		(5)	1,102
Actuarial losses on defined benefit pension plans		(144)	–
Income tax relating to components of other comprehensive income		40	–
Other comprehensive (losses)/income for the period, net of tax		(109)	1,102
Total comprehensive losses for the year		(2,058)	(12,461)
Earnings per share – pence			
Loss attributable to the equity holders of the Company			
– Basic	13	(8.30)	(55.39)
– Fully diluted	13	(8.30)	(55.39)
Loss from continuing operations attributable to the equity holders of the Company			
– Basic	13	(8.30)	(13.88)
– Fully diluted	13	(8.30)	(13.88)

* These include nil (2008: €1,964,000) of exceptional reorganisation costs.

The total loss for the year after tax and the total comprehensive loss for the year are entirely attributable to equity holders of the parent company.

Consolidated statement of changes in shareholders' equity

As at 31 December 2009

	Attributable to the Equity Holders of the Company				
	Share capital £'000	Fair value and other reserves (Note 24) £'000	Cumulative translation reserve £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2008					
Balance at 1 January 2008	505	3,706	137	11,616	15,964
Exchange difference on repayment of foreign exchange loan	–	–	(758)	758	–
Movement in respect of employee share scheme	–	72	–	(28)	44
Employee share option scheme:					
– value of services provided	–	98	–	–	98
Dividends paid	(794)	(794)	–	–	–
Release of merger reserve	–	(945)	–	945	–
Exchange differences on translating foreign operations	1,102	–	1,102	–	–
Loss for the year after tax	–	–	–	(13,563)	(13,563)
Balance at 1 January 2009	505	2,931	481	(1,066)	2,851

	Attributable to the Equity Holders of the Company				
	Share capital £'000	Fair value and other reserves (Note 24) £'000	Cumulative translation reserve £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2009					
Balance at 1 January 2009	505	2,931	481	(1,066)	2,851
Movement in respect of employee share scheme	–	83	–	–	83
Employee share option scheme:					
– value of services provided	–	92	–	–	92
Exchange differences on translating foreign operations	–	–	(5)	–	(5)
Actuarial losses on defined benefit pension plans	–	–	–	(144)	(144)
Tax relating to components of other comprehensive income	–	–	–	40	40
Loss for the year after tax	–	–	–	(1,949)	(1,949)
Balance at 31 December 2009	505	3,106	476	(3,119)	968

Consolidated statement of financial position

As at 31 December 2009

	Note	2009 €'000	2008 €'000
Assets			
Non-current assets			
Intangible assets – Goodwill	14	1,011	1,011
Intangible assets – Other	15	138	60
Property, plant and equipment	16	749	1,409
Deferred tax assets	17	3,067	2,063
Available-for-sale financial assets	18a	300	300
Other receivables	19	1,192	1,108
		6,457	5,951
Current assets			
Inventories	20	1	–
Trade and other receivables	22	8,524	9,506
Current tax assets		–	596
Cash and cash equivalents	21	3,536	2,328
		12,061	12,430
Total assets		18,518	18,381
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	23	505	505
Fair value and other reserves	24	3,106	2,931
Cumulative translation reserve		476	481
Retained earnings	24	(3,119)	(1,066)
Total equity		968	2,851
Liabilities			
Non-current liabilities			
Retirement benefit obligations	25	3,594	3,225
Provisions for other liabilities and charges	28	1,720	1,751
		5,314	4,976
Current liabilities			
Trade and other payables	26	8,631	9,289
Borrowings	27	2,694	706
Provisions for other liabilities and charges	28	911	559
		12,236	10,554
Total liabilities		17,550	15,530
Total equity and liabilities		18,518	18,381

These consolidated financial statements have been approved for issue by the Board of Directors on 26 March 2010.

D B Rugg
Chief Executive

D R Prickett
Chief Financial Officer

Consolidated statement of cash flows

For the year ended 31 December 2009

	Note	2009 €'000	2008 €'000
Cash flow from operating activities			
Cash used in operations	29	(2,176)	(5,254)
Interest paid		(148)	(163)
Tax paid		1,384	(21)
Net cash used in operating activities		(940)	(5,438)
Cash flow from investing activities			
Purchase of property, plant and equipment (PPE)		(80)	(1,103)
Proceeds from sale of PPE		5	204
Intangible asset expenditure		(59)	(1,590)
Proceeds from sale of Software businesses (net of costs)		–	1,797
Cash included in disposal of Software businesses		–	(749)
Investment in an available-for-sale asset		–	(19)
Proceeds from sale of available-for-sale financial asset		141	–
Interest received		101	227
Net cash generated from/(used in) investing activities		108	(1,233)
Cash flow from financing activities			
Net payments to ESOP		201	(172)
Repayment of borrowings		–	(1,735)
Proceeds from invoice discounting		181	700
Payments of finance lease liabilities		(6)	(2)
Dividends paid		–	(794)
Net cash generated from/(used in) financing activities		376	(2,003)
Net decrease in net cash		(456)	(8,674)
Cash and cash equivalents at beginning of year		2,328	10,593
Exchange (losses)/gains on euro bank accounts		(149)	409
Cash and cash equivalents at end of year		1,723	2,328

Company statement of changes in shareholders' equity

As at 31 December 2009

	Attributable to the Equity Holders of the Company			
	Share capital £'000	Fair value and other reserves (Note 24) £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2008				
Balance at 1 January 2008	505	3,467	10,970	14,942
Total comprehensive losses for the period	–	–	(8,163)	(8,163)
Release of merger reserve	–	(945)	945	–
Movement in respect of employee share scheme	–	72	(28)	44
Employee share options scheme				
– value of services provided	–	1	–	1
Dividends paid	–	–	(794)	(794)
Balance at 1 January 2009	505	2,595	2,930	6,030

	Attributable to the Equity Holders of the Company			
	Share capital £'000	Fair value and other reserves (Note 24) £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2009				
Balance at 1 January 2009	505	2,595	2,930	6,030
Total comprehensive income for the period	–	–	1,569	1,569
Movement in respect of employee share scheme	–	83	–	83
Employee share options scheme				
– value of services provided	–	1	–	1
Balance at 31 December 2009	505	2,679	4,499	7,683

Company statement of financial position

As at 31 December 2009

	Note	2009 €'000	2008 €'000
Assets			
Non-current assets			
Investments in subsidiaries	18	2,260	3,523
Deferred tax assets	17	327	316
Available-for-sale financial assets	18a	300	300
Other receivables	19	6,046	1,108
		8,933	5,247
Current assets			
Trade and other receivables	22	2,997	3,302
Cash and cash equivalents	21	150	1,151
		3,147	4,453
Total assets		12,080	9,700
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	23	505	505
Fair value and other reserves	24	2,679	2,595
Retained earnings	24	4,499	2,930
Total equity		7,683	6,030
Liabilities			
Non-current liabilities			
Retirement benefit obligations	25	347	338
		347	338
Current liabilities			
Trade and other payables	26	2,237	2,904
Current tax liabilities		–	428
Borrowings	27	1,813	–
		4,050	3,332
Total liabilities		4,397	3,670
Total equity and liabilities		12,080	9,700

These Company financial statements have been approved for issue by the Board of Directors on 26 March 2010.

D B Rugg
Chief Executive

D R Prickett
Chief Financial Officer

Company statement of cash flows

For the year ended 31 December 2009

	Note	2009 €'000	2008 €'000
Cash flow from operating activities			
Cash used in operations	29	(4,281)	(10,284)
Interest paid		(117)	(357)
Tax received		340	1,266
Net cash used in operating activities		(4,058)	(9,375)
Cash flow from investing activities			
Investment in fixed asset investments		(450)	(150)
Investment income from fixed asset investments		1,181	6,441
Investment in available-for-sale financial asset		–	(19)
Proceeds from sale of available-for-sale financial asset		141	–
Interest received		293	339
Net cash generated from investing activities		1,165	6,611
Cash flow from financing activities			
Net receipts from/(payments to) ESOP		201	(172)
Repayment of borrowings		–	(1,600)
Dividends paid		–	(794)
Net cash generated from / (used in) financing activities		201	(2,566)
Net decrease in net cash		(2,692)	(5,330)
Cash and cash equivalents at beginning of year		1,151	6,129
Exchange (loss)/gain on euro bank account		(122)	352
Cash and cash equivalents at end of year		(1,663)	1,151

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, leisure and hospitality software.

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2009

The principal accounting policies adopted in the preparation of these 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) as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and 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 available for sale financial assets and defined benefit pension scheme, and on a going concern basis.

The financial statements have been prepared in accordance with IFRS and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (March 2010).

The preparation of financial statements in accordance 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 parent company financial statements are disclosed in Note 4.

New and amended standards adopted by the group

The Group and Company has adopted the following new and amended IFRSs as of 1 January 2009.

- IAS 1 (revised). 'Presentation of financial statements' – effective 1 January 2009. The revised standard requires 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement

of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy is only presentational there is no impact on earnings per share.

- IFRS 2 (amendment), 'Share-based payment' (effective 1 January 2009) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment does not have a material impact on the Group or Company's financial statements.

Mandatory new standards or interpretations, effective for accounting periods beginning on or after 1 January 2009, not covered specifically above have no impact on the Group's financial statements.

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 on or after 1 January 2010 or later periods and have not been early adopted. It is anticipated that these new standards, amendments and interpretations, currently in issue at the time of preparing these financial statements (March 2010) will have no material impact on the Group or Company's financial statements.

2.2 Consolidation

The Group financial statements include the results of Christie Group plc and all its subsidiary undertakings on the basis of their financial statements to 31 December 2009. The results of businesses acquired or disposed of are included from or to the date of acquisition or disposal.

2. Summary of significant accounting policies continued

A subsidiary is an entity controlled, directly or indirectly, by Christie Group plc. Control is regarded as the power to govern the financial and operating policies of the entity so as to obtain the benefits from its activities.

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 statement of comprehensive income.

Group companies

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

- a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- b) income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- c) all resulting exchange differences are recognised as a separate component of equity, 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 statement of comprehensive income as part of the gain or loss on sale.

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

2.4 Revenue recognition

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. 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 on an accruals basis when the insurance policy commences.

Software

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 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 and consultancy, 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.

Notes to the consolidated financial statements

Continued

2. Summary of significant accounting policies continued

2.5 Segmental reporting

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

The adoption of IFRS 8 for the first time this year has not resulted in any change to the basis of segmentation as under the previous standard (IAS 14 "Segmental Reporting") the Group business segments were still 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 overseas 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.

2.6 Intangible assets

Goodwill

On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. Goodwill arising on acquisitions prior to the date of transition to IFRS has been retained at previous UK GAAP amounts as permitted by IFRS 1 'First time adoption of International Accounting Standards'. Prior to 1 January 2004, goodwill was amortised over its estimated useful lives. Such amortisation ceased on 31 December 2003, subject to an impairment review at the date of transition, in which no impairment was recognised. The Group's policy for the years up to 31 March 1998 was to eliminate goodwill arising on acquisitions against reserves. As permitted by IFRS 1 and IFRS 3, such goodwill remains eliminated against reserves.

Other

Intangible fixed assets such as software, trademarks and patent rights 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 five years.

2.7 Property, plant and equipment

Tangible fixed assets are stated at cost, net of depreciation and provision for any impairment. Depreciation is calculated to write down the cost 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 – 3 years
Motor vehicles	4 years

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

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

2.8 Leases

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 statement of comprehensive income on a straight-line basis over the period of the lease.

Assets, held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, whilst the interest elements are charged to the statement of comprehensive income over the period of the leases at a constant rate.

2.9 Impairment of assets

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

2. Summary of significant accounting policies continued

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

2.10 Investments

The Group classifies its investments depending on the purpose for which the investments were acquired. Management 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 balance sheet date.

Purchases and sales of investments 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 for all financial assets not carried at fair value through profit or loss.

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. For investments in equity instruments and unlisted securities that do not have a quoted market price in an active market and whose fair value can not be reliably measured these are valued at cost.

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.

2.11 Inventories

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

2.12 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 statement of comprehensive income.

2.13 Cash and cash equivalents

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

2.14 Borrowings

Borrowings are recognised initially at fair value. Borrowings are subsequently stated at amortised cost; any difference between proceeds and the redemption value is recognised in the statement of comprehensive income 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.

2.15 Taxation including deferred tax

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

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

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

2.16 Share capital and share premium

Ordinary shares are classified as equity.

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

Notes to the consolidated financial statements

Continued

2. Summary of significant accounting policies continued

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.

2.17 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.

2.18 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, together with adjustments for unrecognised actuarial gains or losses and past service costs. 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.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of scheme assets or 10% of the defined benefit obligation are charged or credited to the statement of comprehensive income over the employees' expected average remaining period till the scheme retirement date.

Past-service costs are recognised immediately in the statement of comprehensive income, unless the changes to the pension scheme are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Pension obligations – Personal pension 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 23a. In accordance with IFRS 2 'Share-based Payments' the resulting cost is charged to the statement of comprehensive income over the vesting period of the options. The value of the charge is adjusted to reflect expected and actual levels of options vesting.

No expense was recognised in respect of share options granted before 7 November 2002 and those which had vested before 1 January 2005.

For share options granted after 7 November 2002 and vested after 1 January 2005 the Group operates an equity-settled, long term incentive plan designed to align management interests with those of shareholders. The fair value of the employee's services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, and a corresponding adjustment to equity.

Commissions and bonus plans

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

3. Financial risk management

The Group uses a limited number of financial instruments, comprising cash, short-term deposits, bank loans 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, and interest rate 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 2009, if sterling had strengthened by 10% against the Euro, with all other variables held constant, the post tax loss for the year would have been £58,000 (2008: £173,000) higher 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 £45,000 (2008: £110,000).

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.

For the year ended 31 December 2009, total credit insurance costs incurred by the Group amounted to £32,000 (2008: £68,000). During this period the Group did not make any claims (2008: £Nil) in relation to disputed balances, resulting in a net cost to the Group for the period of £32,000 (2008: £68,000) for credit insurance facilities.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The Group ensures it has adequate cover through the availability of bank overdraft and loan facilities.

At 31 December 2009 total borrowings by the Group amounted to £2,694,000 (2008: £706,000), with additional available unutilised credit facilities at 31 December 2009 of £2,486,000 (2008: £4,912,000).

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 2009 were £3,536,000 (2008: £2,328,000).

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 2009, assuming all other variables remained equal but interest rates were 1% higher or lower throughout the year, the impact on post tax losses would be a maximum increase or decrease of £68,000 (2008: £36,000).

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.

Notes to the consolidated financial statements

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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

Goodwill is 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 policy stated in Note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 14).

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. 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;
- the expected return on plan assets; and
- the estimated life expectancy of participating members.

The assumptions used by the Group, as stated in Note 25, 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 amortises actuarial gains and losses outside the 10% corridor, over the average future service lives of employees. Under this method, major changes in assumptions, and variances between assumptions and actual results, may affect retained earnings over several future periods rather than one period, while more minor variances and assumption changes may be offset by other changes and have no direct effect on retained earnings.

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.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised.

5. Segment information

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

The segment results for the year ended 31 December 2009 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Total continuing operations £'000	Discontinued operations £'000	Group £'000
Total gross segment sales	23,370	23,801	2,226	49,397	–	49,397
Inter-segment sales	(104)	–	(2,226)	(2,330)	–	(2,330)
Revenue	23,266	23,801	–	47,067	–	47,067
Operating (loss)/profit after exceptional items	(3,906)	470	(218)	(3,654)	–	(3,654)
Net finance (costs)/credit	(154)	(24)	131	(47)	–	(47)
Loss before tax	(4,060)	446	(87)	(3,701)	–	(3,701)
Taxation				1,752	–	1,752
Loss for the year after tax				(1,949)	–	(1,949)

The segment results for the year ended 31 December 2008 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Total continuing operations £'000	Discontinued operations £'000	Group £'000
Total gross segment sales	37,011	26,515	2,941	66,467	9,691	76,158
Inter-segment sales	(104)	–	(2,941)	(3,045)	–	(3,045)
Revenue	36,907	26,515	–	63,422	9,691	73,113
Operating (loss)/profit before exceptional items	(3,396)	564	158	(2,674)	(3,162)	(5,836)
Exceptional items	(1,964)	–	–	(1,964)	–	(1,964)
Net loss on disposal of Retail Software business	–	–	–	–	(6,193)	(6,193)
Operating (loss)/profit after exceptional items	(5,360)	564	158	(4,638)	(9,355)	(13,993)
Net finance credit/(costs)	127	(42)	(20)	65	(1)	64
Loss before tax	(5,233)	522	138	(4,573)	(9,356)	(13,929)
Taxation				1,173	(807)	366
Loss for the year after tax				(3,400)	(10,163)	(13,563)

Notes to the consolidated financial statements

Continued

5. Segment information continued

Other segment items included in the statements of comprehensive income for the years ended 31 December 2009 and 2008 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Total continuing operations £'000	Discontinued operations £'000	Group £'000
31 December 2009						
Depreciation and amortisation	313	365	29	707	–	707
Impairment of trade receivables	(501)	69	–	(432)	–	(432)
31 December 2008						
Depreciation and amortisation	383	492	31	906	244	1,150
Impairment of trade receivables	856	36	–	892	43	935

The segment assets and liabilities at 31 December 2009 and capital expenditure for the year then ended are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Total continuing operations £'000	Discontinued operations £'000	Group £'000
Assets	6,886	4,906	3,659	15,451	–	15,451
Deferred tax assets				3,067	–	3,067
				18,518	–	18,518
Liabilities	9,540	4,479	837	14,856	–	14,856
Borrowings (excluding finance leases)				2,694	–	2,694
				17,550	–	17,550
Capital expenditure	4	135	–	139	–	139

The segment assets and liabilities at 31 December 2008 and capital expenditure for the year are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Total continuing operations £'000	Discontinued operations £'000	Group £'000
Assets	6,413	6,135	3,174	15,722	–	15,722
Deferred tax assets						2,063
Current tax assets						596
						18,381
Liabilities	8,721	5,144	965	14,830	–	14,830
Borrowings (excluding finance leases)						700
						15,530
Capital expenditure	532	363	8	903	1,790	2,693

5. Segment information continued

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 business segments on a global basis. The UK is the home country of the parent. The Group's revenue is mainly in Europe. Revenue is allocated based on the country in which the customer is located.

	31 December 2009			31 December 2008		
	Continuing operations £'000	Discontinued operations £'000	Group £'000	Continuing operations £'000	Discontinued operations £'000	Group £'000
Revenue						
Europe	46,577	–	46,577	62,508	9,691	72,199
Rest of the World	490	–	490	914	–	914
	47,067	–	47,067	63,422	9,691	73,113

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

	31 December 2009			31 December 2008		
	Continuing operations £'000	Discontinued operations £'000	Group £'000	Continuing operations £'000	Discontinued operations £'000	Group £'000
Total segment assets						
Europe	15,335	–	15,335	14,837	–	14,837
Rest of the World	116	–	116	885	–	885
	15,451	–	15,451	15,722	–	15,722

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

	31 December 2009			31 December 2008		
	Continuing operations £'000	Discontinued operations £'000	Group £'000	Continuing operations £'000	Discontinued operations £'000	Group £'000
Capital expenditure						
Europe	139	–	139	903	1,790	2,693
Rest of World	–	–	–	–	–	–
	139	–	139	903	1,790	2,693

Notes to the consolidated financial statements

Continued

5. Segment information continued

	31 December 2009			31 December 2008		
	Continuing operations £'000	Discontinued operations £'000	Group £'000	Continuing operations £'000	Discontinued operations £'000	Group £'000
Analysis of revenue by category						
Sale of goods	307	–	307	405	2,836	3,241
Revenue from services	46,760	–	46,760	63,017	6,855	69,872
	47,067	–	47,067	63,422	9,691	73,113

6. Employee benefit expenses

Staff costs for the Group during the year	2009 £'000	2008 £'000
Salaries and short term employee benefits	32,697	46,038
Other benefits	2,006	3,678
Post employment benefits	1,056	1,241
Other long-term benefits	825	1,129
Cost of employee share scheme	92	98
Exceptional reorganisation costs (Note 7)	–	721
	36,676	52,905
Continuing operations	36,676	45,045
Discontinued operations	–	7,860
	36,676	52,905

Average number of people (including executive directors) employed by the Group during the year was	2009 Number	2008 Number
Operational	783	1,026
Administration and support staff	244	306
	1,027	1,332
Continuing operations	1,027	1,217
Discontinued operations	–	115
	1,027	1,332

7. Exceptional items

During the year the Group incurred Enil (2008: £1,964,000) of exceptional reorganisation costs.

8. Finance costs/(credit)

	2009 €'000	2008 €'000
Interest payable on bank loans and overdrafts	80	127
Other interest payable	68	34
Interest payable on finance leases	–	1
Total finance costs	148	162
Bank interest receivable	(9)	(178)
Other interest receivable	(92)	(49)
Total finance credit	(101)	(227)
Net finance costs/(credit) – continuing operations	47	(65)
Discontinued operations interest payable	–	1
Net finance costs/(credit)	47	(64)

9. Loss before tax

	Group	
	2009 €'000	2008 €'000
Loss before tax is stated after charging/(crediting):		
Depreciation of property, plant and equipment		
– owned assets	639	1,095
– under finance leases	2	6
Amortisation of intangible fixed assets	66	49
Loss/(profit) on sale of property, plant and equipment	5	(28)
Loss on sale of intangible fixed asset	–	13
Profit on sale of available-for-sale investment	(60)	–
Operating lease charges		
– buildings	1,395	2,046
– other	741	1,067
Impairment of available-for-sale financial assets	–	19
Fair value adjustment of Retail Software business assets	–	8,328
Impairment of trade receivables	(501)	935
Vacant leasehold provisions	(374)	889
Reorganisation costs	453	1,075
Repairs and maintenance expenditure on property, plant and equipment	378	337
Research and non-capitalised development costs	–	1,528
Loss/(profit) on foreign exchange (including Company £159,000 (2008: £600,000))	212	(141)
Inventories		
– write down of inventories	–	22

Notes to the consolidated financial statements

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9. Loss before tax continued

Services provided by the Group's auditor and network firms

During the year the Group (including its overseas subsidiaries) obtained the following services from the Group's auditor or a network firm of the Group's auditor as detailed below:

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Audit services				
– audit of the parent company and consolidated financial statements	14	18	14	18
– audit of the subsidiary company financial statements	75	84	–	–
Total audit fees	89	102	14	18
Other services pursuant to legislation	11	11	–	5
Tax services	55	68	55	38
Other services				
– other services	7	34	–	–

10. Taxation

	2009 £'000	2008 £'000
Current tax		
UK Corporation tax at 28% (2008: 28%)	29	(981)
Foreign tax	15	–
Adjustment in respect of prior periods	(832)	–
Total current tax credit	(788)	(981)
Deferred tax		
Origination and reversal of timing differences	(1,004)	(192)
Unutilised losses surrendered on disposal	–	807
Total deferred tax (credit)/charge	(1,004)	615
Tax credit on loss on ordinary activities	(1,792)	(366)

The tax (credit)/charge is split between continuing and discontinued activities as follows:

	2009 £'000	2008 £'000
Continuing operations	(1,792)	(1,173)
Discontinued operations	–	807
	(1,792)	(366)

10. Taxation continued

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK of 28% as follows:

Tax on loss on ordinary activities

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(3,845)	(13,929)
Loss on ordinary activities at standard rate of UK corporation tax of 28% (2008: 28%)	(1,077)	(3,900)
Effects of:		
– tax losses not yet utilised	747	648
– expenses not deductible for tax purposes	685	2,605
– taxable deductions	(362)	(393)
– utilisation of tax losses and other deductions	(384)	–
– adjustment to tax charge in respect of previous periods	(833)	–
– fixed asset timing differences	(328)	6
– other timing differences	(242)	119
– rate differential on certain tax losses	2	(66)
– origination and reversal of timing differences	–	(192)
– unutilised losses surrendered on disposal	–	807
Total tax credit	(1,792)	(366)

11. Discontinued operations

The results of the discontinued operations are summarised below:

	2008 £'000
Profit on disposal of Retail Software business	2,135
Fair value adjustment of Retail Software business assets	(8,328)
Net loss on disposal of Retail Software business	(6,193)
Loss for the period after tax of the Retail Software business	(3,794)
Total loss of the Retail Software business	(9,987)
Loss for the period after tax of Christie Corporate Finance	(176)
	(10,163)

Notes to the consolidated financial statements

Continued

11. Discontinued operations *continued*

11a. Retail software business

On 30 September 2008 the Group completed the disposal of its Retail Software business for consideration of €4,000,000 cash, translating to £3,164,000 on exchange. Associated costs of disposal were £1,367,000, with net liabilities on disposal amounting to £338,000, resulting in a profit on disposal of £2,135,000 as set out below:

	2008 £'000
Consideration received	3,164
Costs	(1,367)
Net liabilities at 30 September 2008	338
Profit on disposal	2,135

Prior to the completion of the disposal of the Software business an adjustment to fair values was recognised of £8,328,000 as follows:

	2008 £'000
Intangible assets – Goodwill	3,085
Intangible assets – Other	4,566
Current tax assets	677
	8,328

The results for the Retail Software business are presented below:

	2008 £'000
Revenue	9,671
Employee benefit expenses	(7,692)
	1,979
Depreciation, amortisation and impairment	(244)
Other operating expenses	(4,722)
Operating loss	(2,987)
Taxation	(807)
Loss for the period after tax	(3,794)

The net cash flows after tax of this discontinued operation are as follows:

	2008 £'000
Operating activities	(332)
Investing activities	(742)
Net cash outflow	(1,074)

11. Discontinued operations continued

11b. Christie Corporate Finance

On 1 August 2008 Christie Corporate Finance was closed. This was previously included in the Professional Business Services segment. From this date it has been classified as a discontinued operation.

The results for Christie Corporate Finance are presented below:

	2008 €'000
Revenue	20
Employee benefit expenses	(168)
	(148)
Other operating expenses	(27)
Operating loss	(175)
Total finance costs	(1)
Loss for the period	(176)

12. Dividends

Group and Company	2009 €'000	2008 €'000
Interim		
2008 interim, paid October 2008 (0.50p)	–	123
Final		
2007 final, paid June 2008 (2.75p)	–	671
	–	794

Notes to the consolidated financial statements

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13. Earnings per share

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

	31 December 2009 £'000	31 December 2008 £'000
Loss from continuing operations attributable to equity holders of the Company	(2,053)	(3,400)
Loss from discontinued operations attributable to equity holders of the Company	–	(10,163)
Loss from total operations attributable to equity holders of the Company	(2,053)	(13,563)

	31 December 2009 Thousands	31 December 2008 Thousands
Weighted average number of ordinary shares in issue	24,722	24,486
Adjustment for share options	1	74
Weighted average number of ordinary shares for diluted earnings per share	24,723	24,560

	31 December 2009 Pence	31 December 2008 Pence
Basic earnings per share		
Continuing operations	(8.30)	(13.88)
Discontinued operations	–	(41.51)
Total operations	(8.30)	(55.39)
Fully diluted earnings per share		
Continuing operations	(8.30)	(13.88)
Discontinued operations	–	(41.51)
Total operations	(8.30)	(55.39)

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 basic and diluted loss per share is the same, as the exercise of share options would reduce the loss per share and is, therefore, anti-dilutive.

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

14. Intangible assets – goodwill

Group	Total £'000
Cost	
At 1 January 2009 and 31 December 2009	1,011
Group	Total £'000
Cost	
At 1 January 2008	4,096
Disposal of Retail Software business	(3,085)
At 31 December 2008	1,011
Impairment	
At 1 January 2008	–
Impairment during the year	3,085
Disposal of Retail Software business	(3,085)
At 31 December 2008	–
Net book value at 31 December 2008	1,011

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to country of operation and business segment. The carrying amounts of goodwill by segment as at 31 December 2009 are as follows:

Goodwill	Professional Business Services £'000	Stock & Inventory Systems & Services £'000
UK	178	833

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. 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 Business Services %	Stock & Inventory Systems & Services %
Discount rates	10.0	10.0
Long-term growth rates	2.5	2.5

Notes to the consolidated financial statements

Continued

15. Intangible assets – other

Group	Software £'000
Cost	
At 1 January 2009	112
Transfer from PPE	165
Additions	59
Disposals	(40)
At 31 December 2009	296
Accumulated amortisation and impairment	
At 1 January 2009	52
Transfer from PPE	80
Charge for the year	66
Disposals	(40)
At 31 December 2009	158
Net book amount at 31 December 2009	138

Group	Software £'000	Software development £'000	Total £'000
Cost			
At 1 January 2008	334	5,710	6,044
Exchange adjustments	154	401	555
Transfer to PPE	(38)	–	(38)
Additions	28	1,562	1,590
Disposals	(28)	–	(28)
Retail Software business disposals	(338)	(7,673)	(8,011)
At 31 December 2008	112	–	112
Accumulated amortisation and impairment			
At 1 January 2008	160	1,329	1,489
Exchange adjustments	18	–	18
Transfer to PPE	(9)	–	(9)
Charge for the year	49	–	49
Impairment during the year	–	4,566	4,566
Disposals	(15)	–	(15)
Retail Software business disposals	(151)	(5,895)	(6,046)
At 31 December 2008	52	–	52
Net book amount at 31 December 2008	60	–	60

15. Intangible assets – other continued

The expected useful lives are as follows:

Software	1 – 5 years
Software development	5 – 10 years

The investment in software development related to development of retail products for resale in the Software Solutions division, prior to the sale of this division. Prior to the disposal in 2008 of the Software Solutions division the recoverable amount of the software development asset was determined based on value-in-use calculations. These calculations used cash flow projections based on current business plans over the next 5 years. The key assumptions for the value-in-use calculations were those regarding revenue growth rates and discount rates. Management determined budgeted revenue growth based on past performance and its expectations for the market development. The discount rate of 15% was determined using post-tax rates that reflected the current market assessments of the time value of money and the risks specific to the Software Solutions division.

16. Property, plant and equipment

Group	Short leasehold property £'000	Fixtures, fittings, computer equipment and motor vehicles £'000	Total £'000
Cost			
At 1 January 2009	280	4,510	4,790
Transfer from/(to) Intangibles assets – other	23	(188)	(165)
Additions	–	80	80
Disposals	–	(1,272)	(1,272)
At 31 December 2009	303	3,130	3,433
Accumulated depreciation			
At 1 January 2009	260	3,121	3,381
Transfer from/(to) Intangibles assets – other	23	(89)	(66)
Charge for the year	20	621	641
Disposals	–	(1,272)	(1,272)
At 31 December 2009	303	2,381	2,684
Net book amount at 31 December 2009	–	749	749

Notes to the consolidated financial statements

Continued

16. Property, plant and equipment continued

Group	Short leasehold property £'000	Fixtures, fittings, computer equipment and motor vehicles £'000	Total £'000
Cost			
At 1 January 2008	374	5,744	6,118
Exchange adjustments	7	321	328
Transfer from Intangibles assets – other	–	38	38
Additions	–	1,103	1,103
Disposals	(101)	(1,224)	(1,325)
Retail Software Division disposals	–	(1,472)	(1,472)
At 31 December 2008	280	4,510	4,790
Accumulated depreciation			
At 1 January 2008	306	4,016	4,322
Exchange adjustments	7	208	215
Transfer from Intangibles assets – other	–	9	9
Charge for the year	48	1,053	1,101
Disposals	(101)	(1,048)	(1,149)
Retail Software Division disposals	–	(1,117)	(1,117)
At 31 December 2008	260	3,121	3,381
Net book amount at 31 December 2008	20	1,389	1,409

Depreciation in the year on fixtures, fittings, computer equipment and motor vehicles includes £2,000 (2008: £6,000) on assets held under finance lease or hire purchase agreements which have a net book value at 31 December 2009 of £nil (2008: £2,000).

17. 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	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Deferred tax assets comprises:				
Accelerated capital allowances	610	283	1	1
Short-term timing differences	1,451	877	229	221
Deferred tax asset	2,061	1,160	230	222
Deferred tax asset on pension	1,006	903	97	94
At 31 December	3,067	2,063	327	316

17. Deferred tax continued

Movements in the deferred tax asset:

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
At 1 January	2,063	2,664	316	131
Credited to/(transfer from) statement of comprehensive income	1,004	(615)	11	185
Exchange adjustments	–	14	–	–
At 31 December	3,067	2,063	327	316

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £337,000 (2008: £375,000) in respect of losses amounting to £1,202,000 (2008: £1,341,000) that can be carried forward against future taxable income as the realisation of the benefit cannot be assessed as probable as at 31 December 2009.

UK deferred tax assets have been recognised at the UK corporation tax rate of 28% effective from 1 April 2008.

18. Investments in subsidiaries

Company	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost			
At 1 January 2009	5,746	1,700	7,446
Transfer to long term receivables	–	(1,700)	(1,700)
Additions	450	–	450
At 31 December 2009	6,196	–	6,196
Provision for impairment			
At 1 January 2009	3,923	–	3,923
Charge in the year	13	–	13
At 31 December 2009	3,936	–	3,936
Net book amount at 31 December 2009	2,260	–	2,260

Notes to the consolidated financial statements

Continued

18. Investments in subsidiaries continued

Company	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost			
At 1 January 2008	5,596	6,301	11,897
Waiver of loans to subsidiaries	–	(4,601)	(4,601)
Additions	150	–	150
At 31 December 2008	5,746	1,700	7,446
Provision for impairment			
At 1 January 2008	610	–	610
Charge in the year	3,313	–	3,313
At 31 December 2008	3,923	–	3,923
Net book amount at 31 December 2008	1,823	1,700	3,523

Subsidiary undertakings

At 31 December 2009 the principal subsidiaries were as follows:

Company	Country of incorporation	Nature of business
Christie, Owen & Davies Ltd (trading as Christie + Co)*	UK	Business valuers, surveyors and agents
Christie + Co SARL*	France	Business valuers, surveyors and agents
Christie + Co GmbH*	Germany	Business valuers, surveyors and agents
Christie, Owen & Davies SL*	Spain	Business valuers, surveyors and agents
Christie + Co Oy*	Finland	Business valuers, surveyors and agents
Pinders Professional & Consultancy Services Ltd	UK	Business appraisers
RCC Business Mortgage Brokers Ltd (trading as Christie Finance)	UK	Business mortgage brokers
RCC Insurance Brokers Ltd* (trading as Christie Insurance)	UK	Insurance brokers
Orridge & Co Ltd	UK	Stocktaking and inventory management services
Orridge SA*	Belgium	Stocktaking and inventory management services (ceased trading)
Orridge BV	Holland	Stocktaking and inventory management services (ceased trading)
Ridgecop Limited	UK	Stocktaking and inventory management services
Venners Ltd	UK	Licensed stock and inventory auditors and valuers
Venners Systems & Services Ltd* (trading as Vennersys)	UK	EPoS, head office systems and merchandise control
Venners Systems & Services Corporation* (trading as Vennersys)	Canada	EPoS, head office systems and merchandise control

The Company directly or indirectly* owns 100% of the ordinary share capital of each of the above companies.

Orridge SA ceased trading on 31 December 2009. From 1 January 2010 all activities previously carried out by Orridge SA were transferred to Ridgecop Limited.

18. Investments in subsidiaries continued

18a. Available-for-sale financial assets

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cost				
At 1 January	381	362	381	362
Additions	–	19	–	19
Disposals	(81)	–	(81)	–
At 31 December	300	381	300	381
Provision for impairment				
At 1 January	81	62	81	62
Charge for the year	–	19	–	19
Release of provision	(81)	–	(81)	–
At 31 December	–	81	–	81
Net book amount at 31 December	300	300	300	300

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

During the year the Group disposed of its entire shareholding in Capcon Holdings plc, an AIM listed business, for consideration of £141,000, realising a profit on disposal of £60,000 after releasing all provisions against the carrying value of the shareholding. In 2008 the Group purchased 512,500 1p ordinary shares in the same company but opted to provide in full at 31 December 2008 against the investment given the relative illiquidity of the shares. The market value of the shares at 31 December 2008 was £135,000.

The other available-for-sale financial assets represent an unquoted investment held at cost which the Directors believe approximates to fair value.

19. Other receivables

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Non-current assets				
Amounts due from Group undertakings	–	–	5,469	–
Less: provision for impairment of amounts due from Group undertakings	–	–	(615)	–
Other debtors	1,192	1,108	1,192	1,108
Other receivables	1,192	1,108	6,046	1,108

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

Amounts due from Group undertakings represent loans due from subsidiaries which are repayable after more than one year.

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

Notes to the consolidated financial statements

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20. Inventories

	Group	
	2009 £'000	2008 £'000
Finished goods and goods for resale	1	–

A provision of £22,000 (2008: £22,000) is held against goods for resale to reduce the carrying value to reflect the net realisable value of the inventory.

21. Cash and cash equivalents

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cash at bank and in hand	3,536	1,893	150	1,151
Short-term bank deposits	–	435	–	–
	3,536	2,328	150	1,151

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

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cash and cash equivalents	3,536	2,328	150	1,151
Bank overdrafts (note 27)	(1,813)	–	(1,813)	–
	1,723	2,328	(1,663)	1,151

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 2009 the ultimate parent undertaking had utilised bank overdrafts to the value of £1,813,000 (2008: £nil).

22. Trade and other receivables

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade receivables	7,362	9,179	–	–
Less: Provision for impairment of receivables	(1,837)	(2,577)	–	–
Amounts owed by Group undertakings	–	–	2,040	2,752
Other debtors	1,163	604	282	424
Prepayments and accrued income	1,836	2,300	675	126
	8,524	9,506	2,997	3,302

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	
	2009 £'000	2008 £'000
Provision at 1 January	2,577	2,290
Impairment of trade receivables during the year	(300)	935
Amounts written off in the year	(370)	(409)
Disposal of Software Retail Software business	–	(492)
Foreign currency translation effects	(70)	253
Provision at 31 December	1,837	2,577

The impairment of trade receivables in the year has been included in 'Other operating expenses' in the statement of comprehensive income. 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	
	2009 £'000	2008 £'000
Not overdue	2,726	3,221
Amounts past due:		
< 1 month	1,638	2,329
1 – 3 months	852	1,015
3 – 6 months	615	742
6 – 12 months	344	632
< 1 year	1,187	1,240
Provision for impairment of trade receivables	(1,837)	(2,577)
Amounts past due but not impaired	2,799	3,381

The carrying value of trade receivables that are not covered by credit insurance is £5,525,000 (2008: £4,808,000).

Notes to the consolidated financial statements

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22. 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	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Sterling	7,651	7,726	2,997	3,302
Euros	817	1,113	–	–
Canadian Dollars	56	667	–	–
	8,524	9,506	2,997	3,302

23. Share capital

	2009		2008	
	Number	£'000	Number	£'000
Ordinary shares of 2p each				
Allotted and fully paid: At 1 January and 31 December	25,263,551	505	25,263,551	505

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 2009 the total payments by the Company to the ESOP to finance the purchase of ordinary shares was £1,869,000 (2008: £2,154,000). The market value at 31 December 2009 of the ordinary shares held in the ESOP was £258,000 (2008: £237,000). The investment in own shares represents 533,000 shares (2008: 775,000) with a nominal value of 2p each.

23. Share capital continued

23a. 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 April 2001 – September 2009.

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
2009	2008			
–	15,000	81.0p	Sep 1999	Sep 2002 – Sep 2009
–	13,500	145.0p	May 2000	May 2003 – May 2010
–	3,000	81.5p	Oct 2000	Oct 2003 – Oct 2010
13,333	20,333	53.5p	Apr 2001	Apr 2004 – Apr 2011
3,000	3,000	40.0p	Oct 2001	Oct 2004 – Oct 2011
25,000	25,000	45.5p	Sep 2002	Sep 2005 – Sep 2012
35,000	40,000	47.5p	Apr 2003	Apr 2006 – Apr 2013
12,000	28,000	46.5p	Jun 2003	Jun 2006 – Jun 2013
–	63,000	94.0p	May 2004	May 2007 – May 2014
–	12,000	111.5p	Jun 2004	Jun 2007 – Jun 2014
–	37,000	98.5p	Oct 2004	Oct 2007 – Oct 2014
9,000	136,000	100.0p	Apr 2005	Apr 2008 – Apr 2015
–	16,000	101.5p	Oct 2005	Oct 2008 – Oct 2015
12,000	169,000	130.5p	Apr 2006	Apr 2009 – Apr 2016
9,000	167,000	251.5p	Mar 2007	Mar 2010 – Mar 2017
7,000	221,064	113.5p	Apr 2008	Apr 2011 – Apr 2018
–	23,570*	113.5p	Apr 2008	Apr 2011 – Apr 2018
–	26,000	53.5p	Oct 2008	Oct 2011 – Oct 2018
23,000	–	39.5p	May 2009	May 2012 – May 2019
824,134	–	45.0p	May 2009	May 2012 – May 2019
16,000	–	45.0p	Jun 2009	Jun 2012 – Jun 2019
130,000	–	57.5p	Sep 2009	Sep 2012 – Sep 2019
1,118,467	1,018,467			

Under the Share Option Scheme the Remuneration Committee can grant options over shares to employees of the Company. 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 131 employees are currently participating in this Group. 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.

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 59.5p to 228.5p. There were 737,000 (2008: 839,000) remaining options outstanding under the SAYE scheme at 31 December 2009.

Notes to the consolidated financial statements

Continued

23. Share capital continued

23a. Share based payments continued

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

	2009	2008
Share price at grant date	39.5p – 251.5p	53.5p – 251.5p
Exercise price	39.5p – 251.5p	53.5p – 251.5p
Expected volatility	28.5% – 75.3%	28.5% – 51.4%
Expected life (years)	3 – 5 years	3 – 5 years
Risk free rate	1.8% – 5.1%	2.2% – 5.1%
Dividend yield	0.0% – 3.7%	0.9% – 3.7%
Fair value per option	10.4p – 84.8p	10.4p – 84.8p

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:

	2009		2008	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	1,018,467	125.98p	840,452	130.61p
Granted	1,006,134	46.49p	289,634	108.11p
Forfeited or lapsed	(53,000)	101.34p	(90,952)	126.14p
Exercised	–	(14,000)	72,04p	–
Surrendered	(853,134)	133.39p	–	–
Expired	–	–	(6,667)	44.20p
Outstanding at 31 December	1,118,467	49.98p	1,018,467	125.98p
Exercisable at 31 December	97,333	52.31p	411,833	85.21p

No share options were exercised during the year. The weighted average share price for options exercised in 2008 was 87.30p. The total charge for the year relating to employee share based payment plans was £92,000 (2008: £98,000), all of which related to equity-settled share based payment transactions. The weighted average remaining contractual life of share options outstanding at 31 December 2009 was 8.8 years (2008: 7.0 years).

24. Reserves

Group	Share premium £'000	Merger reserve £'000	Share based payments £'000	Own shares £'000	Capital redemption reserve £'000	Fair value and other reserves £'000	Retained earnings £'000
At 1 January 2009	4,073	–	429	(1,581)	10	2,931	(1,066)
Movement in respect of employee share scheme	–	–	92	83	–	175	–
Comprehensive losses for the period	–	–	–	–	–	–	(2,053)
At 31 December 2009	4,073	–	521	(1,498)	10	3,106	(3,119)

24. Reserves continued

Group	Share premium £'000	Merger reserve £'000	Share based payments £'000	Own shares £'000	Capital redemption reserve £'000	Fair value and other reserves £'000	Retained earnings £'000
At 1 January 2008	4,073	945	478	(1,800)	10	3,706	11,616
Movement in respect of employee share scheme	–	–	(49)	219	–	170	(28)
Exchange difference on repayment of foreign exchange loan	–	–	–	–	–	–	758
Release of merger reserve	–	(945)	–	–	–	(945)	945
Comprehensive losses for the period	–	–	–	–	–	–	(13,563)
Dividends paid	–	–	–	–	–	–	(794)
At 31 December 2008	4,073	–	429	(1,581)	10	2,931	(1,066)

Company	Share premium £'000	Merger reserve £'000	Share based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other reserves £'000	Fair value and other reserves £'000	Retained earnings £'000
At 1 January 2009	4,073	–	4	(1,581)	10	89	2,595	2,930
Movement in respect of employee share scheme	–	–	1	83	–	–	84	–
Comprehensive income for the period	–	–	–	–	–	–	–	1,569
At 31 December 2009	4,073	–	5	(1,498)	10	89	2,679	4,499

Company	Share premium £'000	Merger reserve £'000	Share based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other reserves £'000	Fair value and other reserves £'000	Retained earnings £'000
At 1 January 2008	4,073	945	150	(1,800)	10	89	3,467	10,970
Movement in respect of employee share scheme	–	–	(146)	219	–	–	73	(28)
Release of merger reserve	–	(945)	–	–	–	–	(945)	945
Comprehensive losses for the period	–	–	–	–	–	–	–	(8,163)
Dividends paid	–	–	–	–	–	–	–	(794)
At 31 December 2008	4,073	–	4	(1,581)	10	89	2,595	2,930

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

Merger reserve – The balance on the merger reserve represented the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in an acquisition made by the issue of shares. This reserve was released on the sale of the retail software business.

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.

Notes to the consolidated financial statements

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25. Retirement benefit obligations

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

	2009 £'000	2008 £'000
United Kingdom	3,594	3,225

United Kingdom

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:

	2009 £'000	2008 £'000
Present value of funded obligations	29,348	27,425
Fair value of plan assets	(29,348)	(25,463)
	–	1,962
Present value of unfunded obligations	4,277	6,122
Unrecognised actuarial losses	(683)	(4,859)
Liability in the statement of financial position	3,594	3,225

The principal actuarial assumptions used were as follows:

	2009 %	2008 %
Discount rate	5.8	5.8
Inflation rate	3.5	3.5
Expected return on plan assets	6.2 – 7.6	6.2 – 7.6
Future salary increases	3.5 – 3.6	3.5 – 3.6
Future pension increases	3.0 – 3.5	3.0 – 3.3

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:

	2009 Years	2008 Years
Male	19.8 – 22.0	19.8 – 22.0
Female	22.7 – 24.0	22.7 – 24.0

25. Retirement benefit obligations continued

The movement in the defined benefit obligation is as follows:

	2009 £'000	2008 £'000
At 1 January	33,547	30,998
Interest cost	1,958	1,803
Current service cost	795	781
Benefits paid	(654)	(1,217)
Actuarial (gains)/losses	(2,021)	1,182
At 31 December	33,625	33,547
Attributable to:		
Present value of funded obligations	29,348	27,425
Present value of unfunded obligations	4,277	6,122
	33,625	33,547

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

	2009 £'000	2008 £'000
At 1 January	25,463	29,566
Expected return on plan assets	1,781	2,121
Contributions	749	1,501
Benefits paid	(654)	(1,217)
Actuarial gains/(losses)	2,009	(6,508)
At 31 December	29,348	25,463

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

	2009 £'000	2008 £'000
Current service cost/(credit)	795	(781)
Interest cost/(credit)	1,958	(1,803)
Expected (return)/loss on plan assets	(1,781)	2,121
Net actuarial loss recognised in the year	144	31
	1,116	(432)

The actual return on plan assets was £3,790,000 (2008: £4,387,000 loss).

Notes to the consolidated financial statements

Continued

25. Retirement benefit obligations continued

Plan assets are comprised as follows:

	2009		2008	
	£'000	Expected return %	£'000	Expected return %
Equity	20,961	6.5 – 7.6	17,126	6.6 – 7.6
Debt	4,534	5.1 – 7.5	3,777	5.1 – 7.5
Other	3,853	5.0 – 5.3	4,560	5.0 – 5.3
	29,348	6.2 – 7.6	25,463	6.2 – 7.6

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the statement of financial position date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets

Expected contributions to UK post retirement benefit schemes for the year ending 31 December 2010 are £1,073,000.

History of experience adjustments:

As at 31 December	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Present value of defined obligations	33,625	33,547	30,998	32,303	30,527
Fair value of plan assets	(29,348)	(25,463)	(29,566)	(25,679)	(22,054)
Deficit	4,277	8,084	1,432	6,624	8,473
Experience adjustments on plan liabilities	(2,021)	–	218	364	183
Experience adjustments on plan assets	2,009	(6,508)	(346)	915	1,449

Company

The statement of comprehensive income charge of £21,000 (2008: £22,000) and statement of financial position liability of £347,000 (2008: £338,000) recognised by the Company in relation to the Christie Group defined benefit scheme has been allocated on the basis of contributions to the scheme. For the year ended 31 December 2009 contributions paid by the Company amounted to £24,000 (2008: £99,000).

Overseas

In accordance with French law, in prior years a retirement indemnity provision was held. Rights to these benefits accrued on the condition that the employee will be with the employer at retirement date.

The movement in the liability recognised in the statement of financial position is as follows:

	2009 £'000	2008 £'000
Beginning of the year	–	50
Expenses included in statement of comprehensive income	–	7
Exchange adjustments	–	4
Disposal of Retail Software business	–	(61)
End of the year	–	–

26. Trade and other payables

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade payables	2,062	2,007	–	–
Amounts owed to Group undertakings	–	–	1,930	2,412
Other taxes and social security	1,720	1,104	66	36
Other creditors	427	735	75	118
Accruals	3,804	4,127	166	338
Deferred income	618	1,316	–	–
	8,631	9,289	2,237	2,904

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

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Sterling	7,600	7,767	2,237	2,904
Euros	860	833	–	–
Canadian Dollars	171	689	–	–
	8,631	9,289	2,237	2,904

27. Borrowings

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Current				
Bank overdrafts	1,813	–	1,813	–
Invoice discounting	881	700	–	–
Finance lease obligations	–	6	–	–
	2,694	706	1,813	–

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

28. Provisions for other liabilities and charges

	Vacant leasehold provisions £'000	Long-term benefits due to employees £'000	Dilapidations £'000	Total £'000
At 1 January 2009	889	1,136	285	2,310
Charged/(credited) to the statement of comprehensive income				
– Additional provision	212	1,173	144	1,529
– Released during the year	(618)	–	(100)	(718)
Utilised during the year	(239)	(251)	–	(490)
At 31 December 2009	244	2,058	329	2,631

	Vacant leasehold provisions £'000	Long-term benefits due to employees £'000	Dilapidations £'000	Total £'000
At 1 January 2008	–	253	196	449
Charged to the statement of comprehensive income				
– Additional provision	889	1,129	89	2,107
Utilised during the year	–	(246)	–	(246)
At 31 December 2008	889	1,136	285	2,310

	2009 £'000	2008 £'000
Analysis of total provisions		
Non-current	1,720	1,751
Current	911	559
	2,631	2,310

a. Long-term benefits due to employees

Provisions for long-term benefits to employees comprise £1,261,000 for 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 potential 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 seven 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, and all non-current liabilities are estimated to be payable over periods from one to seven years.

29. Notes to the cash flow statement

Cash used in operations

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Continuing operations				
(Loss)/profit for the year	(1,949)	(3,400)	392	(8,163)
Adjustments for:				
– Taxation	(1,752)	(1,173)	(779)	(189)
– Finance costs/(credit)	47	(65)	(176)	(7,626)
– Impairment of investments in subsidiaries	–	–	13	3,313
– Depreciation	641	890	–	–
– Amortisation of intangible assets	66	16	–	–
– Loss/(profit) on sale of property, plant and equipment	5	(28)	–	–
– Loss on sale of intangible assets	–	13	–	–
– Foreign currency translation	30	279	–	(352)
– Increase in provision for other liabilities and charges	321	1,861	–	–
– Movement in available-for-sale financial asset	(141)	19	(141)	19
– Movement in share option charge	92	98	1	1
– Movement in retirement benefit obligation	225	(1,069)	9	(77)
– Increase in non-current other receivables	(84)	–	–	–
Changes in working capital (excluding the effects exchange differences on consolidation):				
– Increase in inventories	(1)	–	–	–
– Decrease/(increase) in trade and other receivables	982	1,260	(2,933)	1,021
– (Decrease)/increase in trade and other payables	(658)	(3,473)	(667)	1,769
Cash used in continuing operations	(2,176)	(4,772)	(4,281)	(10,284)
Discontinued operations				
Loss for the year	–	(10,163)	–	–
Adjustments for:				
– Taxation	–	807	–	–
– Finance costs	–	1	–	–
– Depreciation	–	211	–	–
– Amortisation and impairment of intangible assets	–	33	–	–
– Fair value adjustment of Retail Software business assets	–	8,328	–	–
– Profit on sale of Retail Software business	–	(2,135)	–	–
– Foreign currency translation	–	(529)	–	–
Changes in working capital (excluding the effects exchange differences on consolidation):				
– Increase in inventories	–	(145)	–	–
– Increase in trade and other receivables	–	(837)	–	–
– Increase in trade and other payables	–	3,947	–	–
Cash used in discontinued operations	–	(482)	–	–
Cash used in operations	(2,176)	(5,254)	(4,281)	(10,284)

Notes to the consolidated financial statements

Continued

30. Reconciliation of movement in net funds

	As at 1 January 2009 £'000	Cash flow £'000	As at 31 December 2009 £'000
Cash and cash equivalents	2,328	1,208	3,536
Bank overdrafts	–	(1,813)	(1,813)
Invoice discounting	(700)	(181)	(881)
Finance leases due within one year	(6)	6	–
	1,622	(780)	842

31. Commitments

a. Operating lease commitments

At 31 December 2009 the Group has lease agreements in respect of properties, vehicles, plant and equipment, for which the payments extend over a number of years.

	2009		2008	
	Property £'000	Vehicles and equipment £'000	Property £'000	Vehicles and equipment £'000
Commitments under non-cancellable operating leases due:				
Within one year	1,578	553	1,681	804
Within two to five years	3,384	532	4,219	763
After five years	1,234	–	1,767	–
	6,196	1,085	7,667	1,567

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

The Group also sub-lets an element of office space in respect of certain property lease agreements.

b. Capital commitments

The Group has contracted but not provided for capital commitments for £nil (2008: £1,000) of capital expenditure.

32. Contingent liabilities

In the ordinary course of business, claims arise in Group companies. In the opinion of the Directors, appropriate amounts have been set aside in the individual companies within the Group in respect of liabilities which they may suffer as a result of the resolution of these claims. As at 31 December 2009 no material contingent liabilities existed (2008: £nil).

33. 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. This information is included in the Director's remuneration report for the Directors employed by the Company.

	2009 €'000	2008 €'000
Loans to Directors:		
At 1 January and 31 December	136	136

The loan represents an amount advanced in respect of the Group's share schemes repayable in April 2010.

Company

Transactions with Group undertakings:

	2009 €'000	2008 €'000
Dividends received from subsidiaries	1,181	6,441
Provision of services	2,403	2,613
Purchase of services	1,410	582

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 19, 22 and 26.

See Note 19 for provisions against amounts due from Group undertakings.

Five-year record

Consolidated statements of comprehensive income

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Revenue	47,067	63,422	87,372	87,096	77,506
Operating (loss)/profit before exceptional items	(3,654)	(2,674)	7,001	6,079	4,409
Exceptional items	–	(1,964)	–	–	–
Finance credit/(costs)	(47)	65	214	73	(28)
(Loss)/profit on ordinary activities before tax	(3,701)	(4,573)	7,215	6,152	4,381
Taxation	1,752	1,173	(2,567)	(2,019)	(1,694)
(Loss)/profit on ordinary activities after tax	(1,949)	(3,400)	4,648	4,133	2,687
Non-controlling interest	–	–	–	(2)	(3)
(Loss)/profit for the year after tax	(1,949)	(3,400)	4,648	4,131	2,684
Earnings per share					
– basic	(8.30p)	(13.88p)	19.12p	16.90p	10.79p
– basic before exceptional finance credit (net of tax)	(8.30p)	(13.88p)	19.12p	16.90p	10.79p
Dividends per ordinary share (payable in respect of the year)	0.00p	0.50p	4.25p	4.00p	3.50p

The 2009 and 2008 results shown above are for continuing operations only.

Consolidated statement of financial position

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Non-current assets	6,457	5,951	14,499	11,952	11,205
Current assets	12,061	12,430	24,245	26,307	21,238
Non-current liabilities	(1,720)	(1,751)	(432)	(145)	–
Current liabilities	(12,236)	(10,554)	(16,730)	(17,546)	(13,618)
	4,562	6,076	21,582	20,568	18,825
Non-current borrowings	–	–	(1,275)	(1,735)	(2,221)
Retirement benefit obligations	(3,594)	(3,225)	(4,343)	(6,300)	(6,790)
Net assets	968	2,851	15,964	12,533	9,814
Shareholders' funds – equity interests	968	2,851	15,964	12,533	9,795
Minority interest	–	–	–	–	19
	968	2,851	15,964	12,533	9,814

Shareholder information

Company information

Investor and shareholder-related information can be found on our website at: www.christiegroup.com

Financial calendar

Annual General Meeting	Wednesday 16 June 2010
2009 Final dividend payment	July 2010
2010 Interim results announcement	Sept 2010

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 Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire
HD8 0LA

0871 664 0300 (calls cost 10 pence per minute plus network extras.
Lines are open from 8:30am to 5:30pm Mon – Fri) from the UK and
+44 20 8639 3399 from overseas.

shareholder.services@capitaregistrars.com

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

Shareholder portal

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 on-line.
- Elect to receive shareholder communication electronically.

And, after you have activated your account, you can benefit from a number of other on-line 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.

www.capitashareportal.com

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

Shareholder information

Continued

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 FSA before getting involved. You can check at: www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 or visiting: www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.

Details of any share dealing facilities that Christie Group endorses will only be included in company mailings.

More detailed information can be found on the FSA website: www.moneymadeclear.fsa.gov.uk

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 on-line 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 on-line 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.

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