



Driving recovery

Contents

Directors' report	Overview	1 Highlights of the year
		2 Our core capabilities
		3 Our brands
		4 Chairman's statement
		5 Strategy
		6 Chief Executive's review
	Business review	7 Driving recovery
		8 Care sector review
		10 Leisure sector review
		12 Retail sector review
		14 Divisional review
Governance		20 Financial review
		21 KPIs
		22 Board of directors
		22 Company information
		23 Directors' Report
		24 Corporate governance
		27 Remuneration report
Financial statements		29 Statement of directors' responsibilities
		30 Independent auditor's report
		31 Consolidated statement of comprehensive income
		32 Consolidated statement of changes in shareholders' equity
		33 Consolidated statement of financial position
		34 Consolidated statement of cash flows
		35 Company statement of changes in shareholders' equity
		36 Company statement of financial position
		37 Company statement of cash flows
		38 Notes to the consolidated financial statements
		72 Five-year record
		73 Shareholder information
		75 Directory

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.

Christie Group plc

Our divisions

Professional Business Services

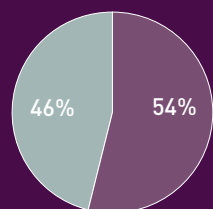
The expertise offered by Christie + Co, Christie Finance and Christie Insurance covers all aspects of valuing, buying, selling, developing, financing and insuring a wide variety of businesses. Its scope is complemented by the comprehensive appraisal and project management services available from Pinders.

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.

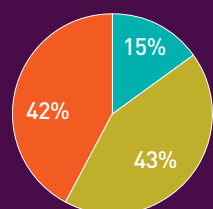
Highlights of the year

REVENUE BY DIVISION



	2010	2009
Professional Business Services	54%	49%
Stock & Inventory Systems & Services	46%	51%

REVENUE BY SECTOR



	2010	2009
Care	15%	14%
Leisure	43%	44%
Retail	42%	42%

- Price stability returned to Christie Group's core sectors
- Professional Business Services revenue increased by 13.9%
- UK transaction revenues up 21% on 2009
- Return to profit for Group – operating profit of £1.0m
- Significantly reduced operating cost base
- Inaugural profit contribution from European Professional Business Services
- European stocktaking business trading improved following reorganisation
- New offices opened in Austria in 2010 and Dubai in 2011
- Well-positioned in core markets and poised for growth in recovery
- Proposed dividend of 1p per share

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	●						
Appraisal				●			
Building Services				●			
Consultancy	●			●	●		
Funding		●					
Health & Safety					●		
Insurance			●				
Inventory					●		
Software and Support							●
Stock Audit					●	●	
Valuation	●			●			



Our brands

Professional Business Services



Christie + Co

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, Austria, Finland, France, Germany, Spain and the United Arab Emirates.

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



Christie Finance

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.



Christie Insurance

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 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.



Pinders

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

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

Stock & Inventory Systems & Services



Venners

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.



Orridge

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.



Vennersys

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.

Christie + Co
www.christie.com
www.christiecorporate.com

Christie Finance
www.christiefinance.com

Christie Insurance
www.christieinsurance.com

Pinders
www.pinders.co.uk
www.pinderpack.com

Venners
www.venners.com

Orridge
www.orridge.co.uk
www.orridge.eu

Vennersys
www.vennersys.co.uk
www.vennersys.com

Chairman's statement



I am pleased to report that the return to profit reported in my interim statement continued for our second half. It gives me particular pleasure to say that the Continental European operations of our Professional Business Services Division reported a profit for the first time. More detail is provided below.

Revenue for the period was £48.9m (2009: £47.1m), an improvement of 3.9%, which, when combined with our sustained cost control, resulted in an operating profit of £1.0m. To put that into perspective, operating costs were £47.9m (2009: £50.7m), a decrease of 5.6% on 2009 and 27.6% down from the peak in 2008 while operating profits of £1.0m represent a positive swing of £4.7m from the loss of £3.7m reported in 2009.

The Board's strategy of timely cost reduction, whilst protecting our range of services and capacity, has enabled Christie Group to exploit a number of new opportunities which have arisen from the more recent stabilised trading environment.

Christie Group is well-positioned to take advantage of the improving trading conditions. We ended the year with no net debt and cash in hand.

Professional Business Services (PBS)

PBS has built on a strong first half performance to deliver a full year operating profit of £1.5m (2009: £3.9m loss), a £5.4m improvement. Revenue for the division totalled £26.5m (2009: £23.3m).

A particular highlight has been the contribution made by our international operation which supports the decision taken 13 years ago to build an international transaction and advisory business in Christie + Co. Our investment has created an infrastructure of 10 offices across Continental Europe and an inaugural profit in 2010.

During the year we established a presence in Austria and are now pleased to announce the opening of an office in Dubai. This further extends the territory where Christie + Co can offer clients a seamless service, with offices also located in France, Germany, Spain and Finland. Encouragingly, we are witnessing an increase in cross border deal flow reflecting the global interests of our clients and the investor community.

In the UK, our business mortgages operation has enjoyed a record year and the Government's Project Merlin initiative will, we hope, provide further impetus for 2011.

Our insurance business has operated in an environment of intense premium pressure and we have therefore taken the initiative to create a decentralised sales function based in East Anglia, which will benefit from a lower cost base whilst still enjoying easy access to the London insurance market.

Stock & Inventory Systems & Services (SISS)

Our businesses in the SISS division felt the impact of the recession later as clients sought to destock and reduce their stocktaking requirements; a trend which has now started to reverse with a return to more regular audit patterns.

Despite this, revenue for the year fell 5.9% to £22.4m (2009: £23.8m), generating an operating profit for the year of £0.3m (2009: £0.5m).

SISS experienced lost working days in both November and December due to snow. Whilst this had a direct impact on the 2010 results, it has resulted in the division working at full stretch in January to catch up on these delayed assignments.

In Europe, we have successfully consolidated our operations in Brussels and installed new local management. In the final quarter of 2010, the operation returned to profitability. Our client offering across the UK and European operations has attracted significant new business for 2011 from pan-European retailers.

Our visitor attraction system added Arundel Castle and Blue Reef Aquarium to its user base in the second half. We also signed Landmark Cinemas, the third largest chain in Canada, as the latest customer for our distributed cinema system.

Outlook

Price stability has now returned to the business sectors in which we operate, with asset prices showing improvements across most sectors. Buyer confidence has translated into an increase in transaction income, with 2010 UK transaction revenues showing a 21% increase on 2009.

We are seeing the emergence and re-emergence of lenders to our sectors and, with continued low interest rates, businesses are eminently affordable where funding is available.

For overseas investors, the weakness of sterling continues to make UK assets attractive. Through our network of offices, we believe that Christie Group is uniquely positioned to facilitate these transactions.

Our stocktaking businesses hold an optimistic outlook for 2011 and beyond.

Momentum in both our divisions has carried over from 2010 into 2011. Whilst it is too early to predict with a high degree of certainty the road to recovery, it is clear that the quality of our staff will dictate the success of Christie Group in years to come.

I must thank my colleagues who have done an excellent job in difficult circumstances and extend a warm welcome to the bright young talent we have joining their ranks.

Michael Likierman has, at the age of 70 and after serving more than 9 years as a Non-executive Director, decided to retire from your board at our forthcoming AGM in June. Michael's perceptive grasp and knowledge of our markets internationally has been a great help to us and we thank him and wish him well for the future.

We believe 2011 will mark further progress for our Group. We therefore propose to reinstate a dividend of 1p per share, and we will review again at the end of the current financial year.

Philip Gwyn
28 March 2011

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 our global reach

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

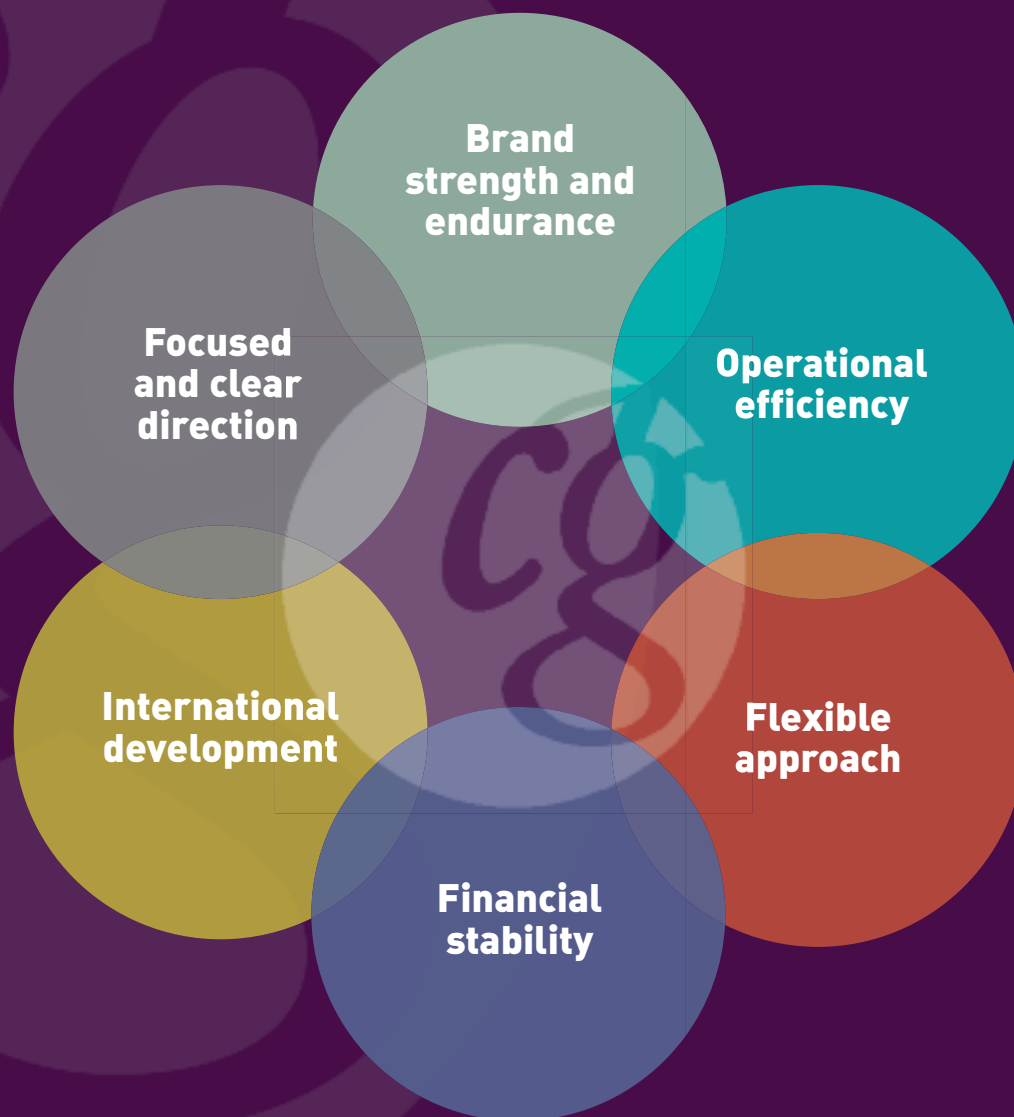
Maximising our synergies

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 review



Christie Group performed strongly in the year under review. We had already demonstrated our resilience in the downturn, and during 2010 we proved we could operate effectively on a lower cost base. We are now operating in a marketplace where specialist skills are highly prized: we are well-positioned, and poised for growth.

I am delighted to report that, as predicted last year, the Group has returned to profitability. This is a real achievement, the result of a lot of hard work and dedication from people at all levels of the business. They have risen to the challenge. It is testament to the quality of the people we have in the Group.

Strength in depth

Our business model emphasises the importance of specialist knowledge. We succeed by understanding our chosen sectors in depth and by delivering highly relevant services.

The Group is balanced and highly diversified. We have low gearing. As an asset-light business, we are cautious about unnecessary gearing. Our profile limits our exposure to any specific risk. Risk is spread by our range of services, the number of clients, our geographical reach and the complementary nature of the sectors in which we operate.

We are active in three sectors, each of which has different performance characteristics across the economic cycle. The leisure sector is highly geared to economic activity, retail has a moderate positive correlation and the care sector is normally relatively unaffected.

In each of our sectors, we focus primarily on small and medium enterprises (SMEs), of which there are a quarter of a million in the UK. We aim to create shareholder value by offering them services that add value across the business cycle: from the acquisition of a new business, through day-to-day management, further development and to eventual sale.

Our aim is to grow and harness the global reach of our brands. Our stocktaking businesses are focused on increasing their pan-European penetration and our new Christie + Co offices in Vienna and Dubai will act as springboards to Central and Eastern Europe and the Middle East respectively.

Our markets

Over the past two years we have endured a deep recession, comparable to our previous experience. In 2008 and 2009, as with previous recessions, it was necessary to manage our businesses around a rapid decline in property prices and activity.

Our evidence now suggests that we have passed the bottom of the cycle. In 2010, property prices stabilised and volumes across our Professional Business Services companies began to recover.

When the going gets tough, experience counts for even more. We're fortunate that our top managers have been through this cycle before. We saw the downturn coming and we were prepared. We acted in good time to avoid any long-term, negative effects on the business.

As volumes fell, we were able to reduce our cost base without compromising core capabilities. The Group is leaner and fitter as a result of these cost reduction measures.

Future savings are likely to be incremental, offset by investment for growth. As a business we have the benefit of experienced, high quality people. Many of the Group's senior staff have worked together for a long time to create the businesses we now have. The main focus now will be on growth and income generation.

We have outperformed many of our peers. In the majority of our businesses we increased market share while less committed competitors scaled back or withdrew from these markets.

Our businesses

Our two divisions concentrate respectively on assets and operating efficiency. The Group's businesses provide over 40 separate services, covering all stages of the business cycle. With many transactions and numerous customers, our overall performance is not reliant on any individual transaction or customer.

Professional Business Services

Property prices stabilised in our sectors in 2010. As it became more apparent that this stability was being sustained, confidence built up and buyers began to return. Many were small-scale local entrepreneurs.

There was more activity around distressed businesses. This was matched by a shift in market dynamics. More instructions are coming directly from lenders.

We are finding that our depth of expertise is better appreciated in the market. As trading conditions become more challenging, company owners and lenders want to deal with people who fully understand their businesses. We're increasingly being asked to make judgments on the quality of a business's management, the appropriateness of its brand and trading style, its market positioning and its potential – rather than simply provide asset valuations.

I am delighted to advise that the authoritative Estates Gazette announced Christie + Co as the clear winner for 2010 in its newly created Leisure & Hotels category as the UK's most active agent based on deals completed.

Our finance brokerage has been growing fee income both by developing its own contacts and through internal introductions. Our insurance brokerage is winning repeat business by sourcing lower premiums and providing a higher level of service to its client base.

Stock & Inventory Systems & Services

The fiercely competitive trading environment has focused minds on effective cost control. There have been opportunities as well as challenges for the businesses in this division.

However, we are building on our strengths and bringing the benefits of technology and proven operating systems to major retailers, who are increasingly mindful of the importance of just-in-time availability. They rely on independent stocktakers to alert them to delivery and production needs. They are also only too aware of the cost of stock shrinkage and fraud. When margins are tight these become pressing issues for business owners. We are benefiting from this change of emphasis and have added some major new customers.

In the wider UK licensed trade, the wave of insolvencies has hit turnover. The hospitality sector has begun to recover from the collapse in activity in 2009, but is not yet back to pre-crunch levels.

In Europe, our retail business is expanding into new countries and providing the benefits of our pan-European reach to markets that have previously only been served by domestic suppliers.

Visitor attractions and other leisure facilities are enthusiastically adopting integrated technology for managing both visitors and stock. Every new VENPoS client in 2010 embedded our state-of-the-art online module into their deployment of our market-leading software.

The road ahead

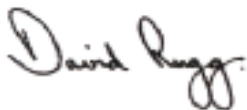
It seems likely that the worst of the recession is behind us. There will be bumps along the way, but we are resilient, battle-hardened and we have strength in depth.

As a market-sensitive business, some events are dictated by external circumstances. We can plan for these, but the effects on supply and demand are hard to gauge. The January VAT increase was one such event.

Typically, tax increases have a temporary effect but, once assimilated, their impact diminishes rapidly. VAT has little or no effect on business-to-business activity but, if it can't be passed on to customers, a 2.5% increase in costs for leisure and licensed premises can make a significant dent in those businesses' profits. Rises in alcohol duty will not be welcomed by the hospitality sector, but reductions in fuel duty may partially mitigate the impact. Although it is still too early to assess the overall effect of the Coalition Government's policies, our planning assumes minimal economic growth.

It is impossible to freeze costs indefinitely. We expect a slight increase in our cost base going forward, as we invest for growth. With all of our businesses predicting growth, this should be more than compensated by additional revenues.

With an improved market share, we are poised to take advantage of the new conditions. Even without further recovery, each of our businesses is predicting increased revenue. As markets finally recover, we anticipate additional growth.



David Rugg
28 March 2011

Driving recovery

Margins increased

We took a long, hard look at expenditure and lowered our cost base. Having achieved this, the Group still retains its core competencies and is more profitable.

Strength in depth

In-depth expertise in our chosen sectors is increasingly attractive in the markets we serve. Our customers prefer to buy proven experience.

Balance sheet strength

The Group has no net debt and is in a strong, sustainable financial position.

Talent engaged

We are improving the Group's long-term prospects by recruiting accomplished individuals and developing expertise in-house. Christie + Co's graduate programme is attracting high-calibre candidates.

Market share growing

Some competitors withdrew from our core markets when times were tough. Our long-term commitment has been rewarded with a healthy sales pipeline and improved conversions.

Opportunities identified

We maximise synergies by making sure that our businesses act collaboratively and add value for our customers by providing complementary services.

Shareholder return

The Board has reinstated an annual dividend and is focusing its energies on growing shareholder value.

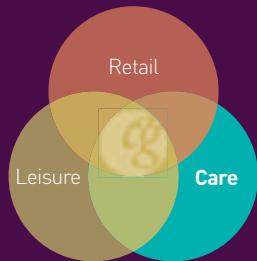
Locations added

The new Christie + Co offices in Vienna and Dubai will extend our global presence. Vienna will act as a gateway to Central and Eastern Europe, and Dubai to the Middle East and North Africa.



Quality is the watchword for the months ahead. Care homes and specialist units are focusing on improving their residents' physical environment and care regimes.

Care



Driving recovery in care... Demand for independent care places will expand as the UK's population ages. However, in the short term, this traditionally resilient sector faces a delicate period. Care homes must deal with higher VAT and constrained local authority budgets. They are being asked to raise standards, but value for money is also being pushed up the agenda. Better cost management will be a key strategic objective.

WE COVER:

Residential Care Homes
Nursing Homes
Hospitals
Surgeries
Daycare Centres
Childcare Centres
Schools
Colleges
Close Care/Assisted Living Centres
Secure Units
Dental Practices and Doctors' Surgeries
Domiciliary Care Businesses
Animal Businesses

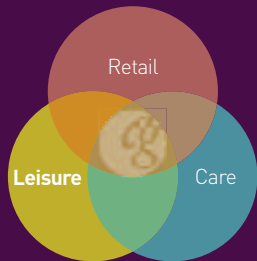
Christie Group: helping to create and maintain desirable care environments.





Changing customer preferences
favour budget fitness, spa and
cinema businesses at the expense
of the late-night sector.

Leisure



Driving recovery in leisure... There are grounds for optimism. Historically, leisure tracks GDP, but a lot depends on the banks. So far, they have supported existing customers, but have shown less interest in funding new ventures. Health clubs and cinema venues are attracting more customers, but licensed businesses are under pressure. In the UK, the Royal Wedding, the 2012 Olympics and Paralympics and the relative weakness of sterling will all have a positive impact.

WE COVER:

Hotels
Public Houses
Bars
Restaurants
Takeaways
Sports Centres
Fitness Centres
Cinemas
Entertainment Venues
Nightclubs
Gaming and Betting Businesses
Visitor Attractions
Destination Resorts
Serviced Accommodation
Caravan Parks
Holiday Parks
Guesthouses
Railways
Currency Bureaux
Event Caterers
Bowling Alleys and Greens

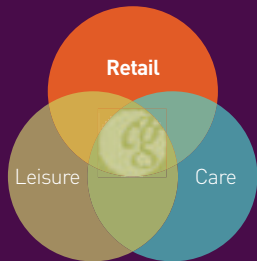
Christie Group: helping to create and support opportunities for entrepreneurs to enter and expand in leisure.



A close-up photograph of two young women with blonde hair, smiling broadly at the camera. The woman on the left has blue eyes and is holding a light blue shopping bag. The woman on the right is wearing a colorful patterned scarf. The background is blurred, suggesting an indoor retail environment.

Retailers are in the front line as the austerity measures bite. However, they can prosper if they have the right goods, great customer service and efficient back-office systems.

Retail



Driving recovery in retail ... Consumer confidence is returning but remains fragile, with some sectors doing better than others. The pharmacy sector is driving income through the provision of enhanced services and the convenience sector is outperforming the rest of the grocery market. Convenience sales are helping to support petrol stations by offsetting lower fuel sales and higher costs including business rates. Many retailers are affiliating with symbol groups to create a 'corporate profile' to their businesses.

WE COVER:

- Supermarkets
- Convenience Stores
- Newsagents
- Booksellers
- Off-licences
- Post Offices
- Warehouses
- Supply Chain Premises
- Professional Practices
- Forecourt Businesses
- Specialist Shops
- Pharmacies

Christie Group: helping to minimise stock holdings and optimise stock availability.



DIVISIONAL REVIEW

Professional Business Services



"Our international network achieved critical mass and accelerated our global reach."

Chris Day
MD Christie+Co
and a Christie Group Director



"We inspected around 15,000 businesses for sale or valuation purposes."

Simon Hughes
MD Christie + Co UK

CHRISTIE + CO

Christie + Co is Europe's largest specialist business broker, providing expert advice and valuations in the hospitality, leisure, care, education and retail sectors. With fifteen UK regional offices, our nationwide operation makes us the market leader. We have a growing presence in Europe and the Middle East with four offices in France, three in Germany and one each in Spain, Finland, Austria and the United Arab Emirates.

We are market leaders in our sectors, employing skilled specialists across our network of multinational offices. We have the scope and the resources to provide business-friendly agency and advisory services for every kind of organisation, from the largest multinational to a local start-up. In 2010, we inspected around 15,000 businesses for sale or valuation purposes, and reviewed several thousand more on a desk-top basis.

In tough trading conditions, in-depth sector expertise is in demand. Our customers recognise the advantages of business services supported by deep sector knowledge. Some competitors have scaled down their activities or withdrawn from the market; we have been increasing our market share.

There were signs during the year that buyer confidence was returning. After two years of rapidly declining property prices, they finally plateaued. For potential buyers, the more stable conditions made it easier to assess opportunities. Around 70% of buyers were local entrepreneurs looking to acquire assets at bargain prices. Meanwhile, more corporate owners chose to sell units that didn't fit their portfolios, accounting for 44% of our sales.



With more bank-led restructurings in the mix, lenders and insolvency practitioners accounted for more instructions. A major bank appointed us a tier-one advisor. We handled over 1,300 distressed businesses during the year; the vast majority of these instructions were aimed at preserving businesses rather than facilitating forced sales.

In September, we opened a new office in Vienna, specialising in the hospitality sector. With nearly 14,000 Austrian hotels and no specialist agencies in the country there is a great opportunity there. Vienna is also a stepping stone to Central and Eastern Europe where Austrian banks have strong connections.

We are actively developing new markets in Europe and beyond. Our Helsinki office undertook assignments throughout Scandinavia and the Baltic States and as far afield as Lapland and Siberia.

We have subsequently opened in Dubai in 2011, which will allow us to extend our global reach, especially to over 20 countries in the Middle East and North Africa region.

Technology is helping us develop our service and identify additional opportunities. We have recently become the only business agent in the UK to provide a legally-binding method of exchanging contracts online. Also, our own property database, with over 130,000 live businesses and over 30,000 active applicants, is a vital tool across the company, facilitating inter-regional and international transactions.

Recruitment is a priority area. We have attracted excellent graduates and are now training them up in the business. They are already contributing energy and ideas and will be important for our future.

We entered the year having cut costs significantly in 2009, but this has not compromised our capabilities. We are gaining traction internationally and strengthening our reputation in the UK. We anticipate continued improvement in the years to come.



CASE STUDY: Paramount Restaurants portfolio

Acting on behalf of Paramount Restaurants, Christie+Co sold the leasehold interests of 28 of the company's non-core assets. Christie+Co and Paramount worked closely with landlords and buyers during the campaign, which was successfully concluded just five months after its official launch, with significant premiums achieved on several sites. The average price paid for each restaurant was in excess of £250,000.



CASE STUDY: Hilton Hotel Valencia

Acting as exclusive advisors to Eurohypo, and on behalf of Administrators, Christie+Co sold, in early 2011, the freehold 5-Star, 304-bedroom Hilton Hotel Valencia, the tallest building in Spain's third largest city. After a coordinated marketing campaign across several of its European offices, Christie+Co sold the hotel to Continental Property Investment, the Paris-based, investment company, for an undisclosed sum, in what was a landmark transaction bringing together a Spanish hotel, a German bank and a buyer based in France.



CASE STUDY: MY Care Group

Christie Finance facilitated the expansion of MY Care Group by 'gearing up' on four of its existing care homes and providing additional funding to purchase a further three. Christie Finance arranged multi-million pound facilities and instructed Pinders to provide business appraisal advice and valuations of all seven units. Christie+Co sold the additional three units to MY Care Group and Christie Insurance provided competitive insurance quotations for all seven care homes.



CASE STUDY: £50,000 saved on directors' life assurance

After successfully securing the business insurance for a group of care homes, Christie Insurance was invited to quote for the life assurance on the business's two key directors. Having reviewed the business as a whole, including its borrowings and existing life cover, Christie Insurance was able to offer a more streamlined and efficient policy. Once implemented, this saved the business over £50,000 over the policy's term.

CHRISTIE FINANCE

Christie Finance is an independent business mortgage broker with over 30 years' experience, specialising in the hospitality, leisure, care, education and retail sectors. We assist both first time buyers and experienced operators wanting to acquire, expand or refinance their businesses, and offer a nationwide service in the UK. We pride ourselves on always responding rapidly to client opportunities.

Funding restrictions for businesses continued to dominate the UK market for mortgage-based finance in 2010. Many companies still found the mainstream banks unwilling or unable to extend credit.

This has created opportunities for us. Our stable, experienced team of specialist commercial brokers is well-placed to assess the merits of the business cases presented by potential clients.

Many mortgage brokers have withdrawn from the market. We have bucked the trend. As specialists, we are experiencing an even greater call on our services. We have increased our fee income from both internally generated and external sources.

Christie Finance brokers benefit from their knowledge of both financial and business property markets. As a member of Christie Group, we work closely with our sister companies. Our brokers work alongside Christie + Co negotiators to help potential buyers secure funding based on sound business principles.

Even the most successful corporate operators, faced with the well-publicised constraints at their banks, had difficulty sourcing funding for growth in 2010. We conducted financial reviews and arranged refinancing for several operators in the healthcare and hotel sectors, among them MY Care Group (see case study top left).

We continued to take advantage of the Government-assisted Enterprise Finance Guarantee Scheme. Most of the deals brokered for first time buyers were supported by the scheme. We also used it to back leasehold opportunities that might not otherwise have attracted finance.

For 2011, we are seeing early indications of increased transaction activity. It is still too early to be confident that any recovery will be sustained, but we are cautiously optimistic.

CHRISTIE INSURANCE

As an independent insurance intermediary, Christie Insurance aims to negotiate the best deals for all our clients. We have specialist knowledge of the insurance market together with a detailed, in-depth understanding of the hospitality, leisure, care, education and retail sectors.

There were tentative signs during 2010 that the long-term decline in premiums may be drawing to a close. With low investment income and increased claims, insurers are under pressure to raise their premiums to rebuild their balance sheets. On the other hand, with competitors wishing to build market share, this means the pressure to reduce premiums continues. As a result, our clients should continue to benefit from competitive premiums. As brokers, we anticipate being able to uncover good value insurance in niche areas.

We have always embraced technology, but continue to believe in the importance of personal service. Our 90% client retention rate demonstrates the success of our approach. The overwhelming majority of our clients want to hedge risks through an intermediary that understands their business needs and manages claims actively.

We enjoy excellent working relationships within the Group and are improving our conversion rate. By the end of 2010 we were converting 45% of the leads made available by Christie + Co and Christie Finance, both of which continue to be our main sources for new business generation.

In 2010, we established an agency with Liverpool Victoria, which extends our placing ability. LV has a strong brand reputation. Its sector priorities align well with our business and its digital infrastructure facilitates swift transactions. It is a valuable addition to our underwriting panel.

With business insurance becoming more complex, there is even more reason for customers to work with a specialist intermediary; one that understands insurance market dynamics and the specifics of their particular circumstances. We have a strong pipeline for 2011 and anticipate continued future growth.

DIVISIONAL REVIEW

Professional Business Services



"We are experiencing new lenders emerge and others come back into the market."

David Grant
Head of Business Mortgages
Christie Finance



"Insuring trading businesses is a highly specialised discipline."

Walter Murray
MD Christie Insurance

Professional Business Services



"In a tough economic climate, we are benefiting from a flight to quality and our performance improved significantly."

Justin Cain
MD Pinders

PINDERS

Pinders is a leading business valuation provider. We assess businesses in detail to arrive at valuations that reflect both the quality of their fixed assets and their trading potential. Our work is a mix of transactional and consultancy assignments. Our database, built up over 40 years, contains detailed analyses of over 180,000 businesses.

Our RICS-qualified valuers operate in five main sectors – healthcare & education, licensed trade, retail & catering, leisure & hospitality and services & manufacturing. They provide services spanning six broad categories – appraisal & valuation, consultancy, dispute resolution, building surveying, project management and business recovery.

A rigorous cost-cutting exercise placed the business on a firmer footing at the end of 2009. We took the opportunity to reorganise ourselves as a more client-centric organisation. Meanwhile, many of our competitors scaled back their operations or withdrew from the market.

In a tough economic climate, we are benefiting from a flight to quality and our performance improved significantly in 2010. Lenders and other commissioners can see the advantages of working with sector specialists. They also favour valuers with good local knowledge. We recruited additional regional valuers in Scotland and the South East to strengthen our nationwide coverage.

Our programme to develop a stronger presence on bank panels continues to bear fruit. Banks are tightening their panel appointment criteria and several of them required panel members to reapply during 2010. In every case, not only were we reappointed but we extended our remit.

We also gained a new appointment to the Clydesdale/Yorkshire Bank panel.



The lending, debt and debt recovery teams in the banks account for around 50% of our referrals. The other 50% were from brokers (40%) and a range of other sources (eg accountants, etc). With panels getting smaller, we are growing market share. As banks became more active in 2010, lender instructions rose by 33%. Lloyds Banking Group and Santander each placed at least 75% more business with us and, in total over the year, we advised on businesses worth over £1.75 billion.

Insolvency practitioners and solicitors are becoming more influential: we are developing closer relationships with them. The not-for-profit sector has been another growing source of revenue. In this context, we assisted with the disposal of four care home facilities for not-for-profit organisations.

Our consultancy business is growing. Customers with complex business plans benefit from a broader-based, bespoke service. With over 40 years' experience in business valuation we can contribute at every stage, from concept to completion.

There has been a significant rise in the number of dispute resolution appointments. We act as expert witnesses and are able to provide mediation services. Our extensive property database going back to 1969 is a vital resource here as many disagreements have historical roots.

We continue to develop new services. Our business support and recovery service was a specific response to the downturn. Our property healthcheck report is a popular, low-cost option for business owners who require an independent appraisal of the assets underpinning their companies.

We have been at the forefront of the healthcare and education sector for over 40 years. In 2010, we again hosted the annual Healthcare Design Awards, which were more popular than ever.

2010 began well and our business gathered momentum as the year progressed. The final quarter, which is usually relatively quiet, was our most profitable period of the year. This augurs well for the future. We have increased market share and lowered our cost base. Even with static market conditions, we anticipate continued improvement in 2011.



CASE STUDY: Cromford Mill valuation

Cromford Mill is a large-scale visitor attraction in Derbyshire, with World Heritage status. Pinders' advice was needed for Lloyds TSB regarding the potential development of unused aspects of the site via a £4 million lottery grant. The valuation involved multi-disciplinary aspects, including investment valuations of let units and the valuation of various owned cafes, conference facilities, retail premises and vacant units.



CASE STUDY: Playbox Theatre valuation

The Playbox Theatre in Warwick is a modern 250-seat theatre, built in 1999. It is held on a 99-year lease and is run by a charity. As well as holding main performances, it is regularly used by community groups. The proposal was to improve access to the building and add more studios. Lloyds TSB required valuation advice, which involved detailed landlord and tenant considerations, in addition to a conventional business appraisal.



CASE STUDY: Event profits soar as stock losses are slashed

A new client's events were producing a combined stock and wastage loss of 14% of sales. As Venners' systems connect individual staff to stock results, the event controllers were able, with Venners' help, to analyse how team leaders and unit managers performed across a number of events. Venners highlighted problem staff and pinpointed areas of major stock loss. Within four months, the client had reduced stock losses at its events to 5%, and had substantially improved profit margins.



CASE STUDY: Hotel recovers from stock deficits of 30%

A mystery visit by Venners to a hotel highlighted what really happened during service, despite seemingly adequate rules, training and supervision. The visit identified various issues that were contributing to large stock deficits, including: skill shortages, free and oversized drinks at the bar and incorrect glass usage. At the following consultation with Venners, the necessary controls to turn the business round were agreed. The management implemented these measures helping to put the hotel back in the black.

VENNERS

Venners is the UK's largest and longest established stock audit company, specialising in the hospitality sector. We provide nationwide coverage in the UK and are developing a growing presence in Continental Europe.

The business performed solidly throughout 2010 in difficult circumstances, and improved as the year went on. We completed over 20,000 stock and compliance audits during the year and new stock and audit customers included Hilton Hotels, Stonegate Pubs and Park Resorts.

Our quality service is maintained through our auditors' expertise and by continually investing in cutting-edge technology. We don't subcontract, but rely on our own highly experienced team. Our full-time auditors have been doing the job for an average of 14 years. We are currently the only stock audit company recognised for brand authenticity testing by the International Federation of Spirit Producers.

At the start of 2010, we launched a dedicated Tenancy Division. It targets pub companies and family brewer tenants, providing support across stocktaking, health & safety, compliance auditing, food safety and, via our preferred partners, accounting services. We completed over 2,000 tenancy audits during the year. We also offer training courses covering the essentials of stock management, helping operators spot fraud. These are especially popular with tenants just starting out in the trade.

We are extending our European advisory services. The owners of Intercontinental Hotel Group (IHG) asked us to produce independent audits for a selection of its European managed hotels. In 2010, we were designated a preferred supplier.

Having honed our capabilities, we are developing our operational and consultancy Events business. Events pose particular logistical challenges as audits have to be conducted against the clock in busy locations, and often on temporary sites and at anti-social hours.

We completed fifty major assignments in 2010, supported Sodexo at Royal Ascot and provided live stocktaking and consultancy for all major Twickenham and Wembley events.

Our processes record wastage and can connect specific individuals or teams with stock issues. By monitoring any individual's performance over

several events, managers can identify problems and take steps to rectify them.

Our operators in the field have a high level of autonomy. Their activities are supported with the latest communications systems. In 2010, this included the provision of 3G-enabled laptops to speed up delivery times of our new stock audit results, which received great plaudits from our customers.

During the year, we appointed two additional Directors with specific responsibility for tenancy and consultancy. These were key appointments that helped us sharpen our client focus. We also strengthened our business development team.

Revamped reporting materials are giving customers much more intuitive audit summaries, and our research capabilities have been upgraded with the transfer of our marketing and sales database onto our new CRM software.

We maintain strong connections with our sister companies. For example, we prepared an inventory of the chattels for the luxury Llangoe Hall hotel when it was sold through Christie + Co, and we now provide stocktaking services for the new owner.

New marketing channels are generating additional business, and relationships with trade consultants and sector accountants have won us major new clients, including S&N (Heineken) and Punch Partnerships.

Our cost reduction programme in 2009 built a solid platform for growing the business in 2010. Our new IT systems are working well and our staff have adapted to changes in working practices, helping us improve our operational efficiency.

We entered 2011 with a strong pipeline and a good conversion rate, and are cautiously confident for the year ahead.

DIVISIONAL REVIEW

Stock & Inventory Systems & Services



"Only when stocktaking is completed by trained professionals does it assist businesses' efficiency and margins."

Trevor Heyburn
MD Venners



DIVISIONAL REVIEW

Stock & Inventory Systems & Services



"We act as an extension of our clients' businesses, seamlessly interfacing our reporting with their systems."

Paul Harding
MD Orridge

ORRIDGE

Orridge was founded in 1846 offering specialist stocktaking services to the pharmacy sector. A century later it expanded into other retail sectors. Today, it is one of the UK's leading retail stocktaking businesses with a substantial European presence.

Tough economic climates encourage retailers to focus even more on operational efficiency. Accurate, objectively sourced stock data is key to that. Orridge has built up a solid reputation and a sound infrastructure over many years. We are trusted to provide this vital information. By helping businesses manage their supply chains and combat leakage and fraud, we protect their margins and minimise insurance premiums.

Our long experience and the scale of our operations allow us to provide cost-effective, consistent inventory analysis. On a typical working day, we conduct an average of 120 stocktakes. Over the course of 2010, we counted 110 million pieces of clothing, 110 million books and stationery items and 400 million health & beauty items and dispensary stock.

We have a large, diverse and loyal client base, with the bulk of our customer relationships sustained over many years. Our work for the Cooperative group is a case in point. It employs 120,000 people across the UK and serves around 10 million customers every week. It relies on us to maintain the accuracy of its inventory records. We have been providing stocktaking services to Cooperative Pharmacy since the mid-1970s. Since 2006, we have also been the sole provider to Cooperative Foodstores.



We nurture these relationships by consistently evolving our service to match developing customer needs. We are always striving to improve the speed, accuracy and relevance of our services.

We take full advantage of technological developments. During the year we equipped our supervisors with tablet PCs so they can conduct detailed validations more efficiently. We have also made greater use of our online employee portal to upload and consolidate data, and enhanced the management information capabilities on our online client portal.

We are active all over mainland Europe where around 10% of our revenue is generated. We offer English, French, Dutch, Spanish and German speaking experts and a multilingual website.

Our relationships with UK retailers support our international ambitions. We added 18 major clients in 2010. We conducted Europe-wide trials with international clothing retailer Zara and won a new client contract with Italian outfitter, Ermenegildo Zegna.

It is currently fashionable for businesses to stress the importance of partnership, but this has always been at the heart of our approach. For example, with Wickes, the building materials specialist, we are embedded in its supply chain strategy. Our stocktaking is pivotal and helps the company reduce shrinkage, combat fraud and align stock cycles accurately. Equally, our counts for other customers are timed to coincide with their loss prevention strategies.

Working alongside other Group companies remains a priority. We collaborated with Christie + Co on around 20 business transfers during 2010. At Blenheim Palace Estate, where Vennersys provides online ticketing and retail solutions, we have digitised the stocktaking process and now count the stock in its gift shops.

Orridge is in good shape for the future. We are making excellent use of technology to reduce our costs and improve our service. We are maintaining momentum in the UK and a strong management team in Europe is building on our presence there. We anticipate continued profitable growth in 2011.



CASE STUDY: Carphone Warehouse

With over 800 stores in the UK, Carphone Warehouse is the country's largest independent mobile phone retailer. Orridge conducted full 'wall-to-wall' stocktakes in 116 of its stores in order to measure true shrinkage rates and produce independent results to compare against those collected in-house. Further counts will be rolled out during 2011 to support the company's loss prevention strategy.



CASE STUDY: Wickes

Wickes is one of the UK's leading suppliers of home improvement products. With nearly 200 stores and a product range that includes over 6,000 own-brand items, the accuracy of Wickes' inventory is crucial to delivering its stock loss strategy. Orridge plays a pivotal role by improving the accuracy of Wickes' stock cycles, thereby ensuring that the client can implement its shrinkage reduction programmes with confidence.



CASE STUDY: Knowsley Safari Park

Knowsley Safari Park is one of the North West's leading visitor attractions. The challenge was to replace a manual ticketing system in a very busy admissions plaza with 'state-of-the-art' technology. After evaluating possible alternatives and taking into account Vennersys' track record of implementing similar solutions, Knowsley Safari Park chose VENPoS. Benefits include: rapid transaction times, fewer operator errors, faster card payments, comprehensive reporting on visitor statistics and quicker handling of group bookings and coach parties.



CASE STUDY: Landmark Cinemas

With 32 theatres, Landmark Cinemas is western Canada's largest independent cinema company. It agreed a five-year contract for Vennersys to deliver, implement and support Vista's entertainment system, which covers every aspect of the business – film hire, concessions and ticket sales (including on-line). Vennersys took time to understand the client's requirements by conducting a detailed head office trial, resulting in a smooth implementation and high quality support.

VENNERSYS

Vennersys supplies multi-functional trading systems, online ticketing and e-commerce services to the leisure and visitor attraction sectors. We also provide support services to a substantial user base, generating stable, repeat revenue.

For over 20 years we have been delivering purpose-built EPoS solutions for ticketing and admissions. In the UK, we are one of the market leaders in the visitor attractions sector. Our clients include many well-known theme parks, museums, historic estates, aquaria, zoos and botanical gardens.

VENPoS, our proprietary software solution, is an integrated suite of application modules specifically designed for the leisure and visitor attractions industry. It allows our clients to manage all their trading activities on a single platform, including: ticketing and admissions, general merchandise and food and beverage sales, and enables them to track customers' purchasing activity using VENPoS CRM.

Our new e-commerce solution, VENPoS Online, proved extremely popular in 2010. Within the UK, we believe no other system in our sector can match the benefits it has to offer. The module is a highly flexible e-sales solution, but where it really scores is in its tight integration with the VENPoS platform. Early adopters included Blenheim Palace and Deep Sea Leisure, which is part of the international Aspro Ocio Group.

It is very easy for our clients to incorporate VENPoS Online and it seamlessly matches the look and feel of their existing websites. Typically, they are using it to sell advance tickets for admissions, special events memberships and visitor experiences, such as "shark dives" in the case of Deep Sea Leisure, although the system is just as adept at managing online merchandising.

VENPoS Online facilitates fast-track entry to attractions. Print-at-home, bar coded tickets are quickly scanned and validated at the entrance using VENPoS point of sale terminals. Subject to individual consent, visitor details can also be passed to our CRM module, which tracks preferences and purchasing decisions, and informs marketing and business planning.

This tight integration and a desire for a reliable online sales channel were prime motivations for

Knowsley Safari Park when it chose VENPoS to replace its existing systems (see case study top left). Other major sales in 2010 included Arundel Castle, Blue Reef Aquarium, Bristol and a big expansion in services for Woburn Enterprises.

We also have a strong presence in the UK and Canadian cinema market. In 2010, the 32-strong Landmark chain in Canada adopted the Vista cinema ticketing solution (see case study bottom left). We are now the market leader there.

Where feasible, we work closely with sister companies in Christie Group. At Merlin Entertainment's Blackpool Tower VENPoS-generated data is used by Vennersys in its stock audit service. At Blenheim Palace Estates Orridge provides stocktaking services.

The museum and cultural sector is one area with particular potential. As UK public spending cuts bite, museums are coming under pressure to develop alternative income streams. The VENPoS solution can support many of these activities.

We anticipate visitor growth in our target markets in 2011 and are confident that VENPoS's enhanced functionality will stimulate additional demand. We have boosted our development team by 50% in order to deliver new functionality around our existing CRM and bookings modules, which will further enhance our customers' competitive advantage. In addition, we have strengthened our sales team to increase our market presence and maximise our conversion rate.

In today's more competitive environment, operators are redoubling their efforts to reduce costs, increase efficiency and enhance the visitor experience. We have the solutions, experience and expertise to help them meet those objectives.



DIVISIONAL REVIEW

Stock & Inventory Systems & Services



"In a competitive market, VENPoS is helping our customers to drive new and repeat admissions and increase yield per visit."

Kerry Lee
Executive Director Vennersys

Financial review



A return to profit

Revenue increased 3.9% in the year to £48.9m (2009: £47.1m). This year-on-year growth accelerated as we progressed through the year, with the 0.2% year-on-year H1 growth improving in the second half to 8.2% growth between year-on-year H2 revenues.

For our Professional Business Services Division the growth in income was more pronounced. The 10.8% growth achieved in H1 increased to a 17.3% equivalent for H2 with a strong second half performance.

Within our Stock & Inventory Systems & Services Division, our UK retail stocktaking operation reported an increase in revenue and profitability. A number of specific circumstances elsewhere within the division served to offset this growth, most notably the ending of a cinema service agreement in the UK and the challenges affecting the licensed trade sector with increased levels of insolvencies and elongated stocktaking periods. It is also noteworthy that 2009 revenues included £0.4m of income (2010: Enil) attributable to our now closed loss-making operation in Holland. The combined effect of all of the above was a 5.9% decline in revenue to £22.4m (2009: £23.8m).

	2010			2009		
	Total £'000	H1 £'000	H2 £'000	Total £'000	H1 £'000	H2 £'000
Revenue						
PBS	26,506	13,489	13,017	23,266	12,170	11,096
SISS	22,399	11,746	10,653	23,801	13,016	10,785
	48,905	25,235	23,670	47,067	25,186	21,881

Using cash to support growth

We have continued to focus on ensuring that our cash flows are optimised and our cash resources maintained.

Net cash generated from operating activities was £0.2m for the year, a £1.1m improvement on the £0.9m of cash used in operations in 2009. As we continue to look forward and prepare for growth, we increased our capital expenditure to £0.3m (2009: £0.1m).

Our revenue growth meant that we ended the year with trade and other receivables of £9.4m (2009: £8.5m). This £0.9m increase in receivables, combined with other short term working capital funding requirements, had the effect of translating the £0.2m operating cash inflow into an overall decrease in net cash with cash and cash equivalents at the year end of £1.2m (2009: £1.7m).

We ended the year with no net debt and cash in the bank. We have strong banking relationships and facilities which allow us to fund any working capital requirements which may arise as we seek to grow revenues and service our normal annual trading cycles.

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 exceptional items) as a percentage of revenue.

The 9.5% improvement in our productivity levels to staff costs of £695 per £1,000 of revenue (2009: £768) is a significant reversal of the decline in productivity that we experienced in 2009. Overall staff costs for the Group per £1,000 of revenue are at a lower level in 2010 than they have been since our peak trading levels of 2007.

The combined effect of a growth in revenues and a well-managed cost base is a welcome return to profit, with operating profit as a percentage of revenue of 2.1% representing a 9.9% swing from the 7.8% operating loss percentage reported last year. This improved level of operational gearing provides us with a firm foundation on which to base a continuing recovery.

Dan Prickett
Chief Financial Officer

KPIs			
	Group	Professional Business Services	Stock & Inventory Systems & Services
Revenue growth			
2010 on 2009	3.9%	13.9%	(5.9%)
2009 on 2008	(25.8%)	(37.0%)	(10.2%)
2008 on 2007	(16.7%)	(27.8%)	6.3%
Productivity – staff costs (before reorganisation and redundancy costs) per £1,000 of revenue			
2010	695	615	712
2009	768	759	693
2008	698	666	665
Operating profit/(loss) before exceptional items as % of revenue			
2010	2.1%	5.7%	1.3%
2009	(7.8%)	(16.8%)	2.0%
2008	(4.2%)	(9.2%)	2.1%

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.



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 global firm, which currently has offices throughout Europe and in the Middle East.



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.



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, Hybrid Air Vehicles and Master Ropemakers, 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
SNR Denton

Auditors

Nexia Smith & Williamson Audit

Public relations

Winningtons

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2010.

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 recommend the payment of a final dividend of 1.0p (2009: nil) per share which together with the interim dividend of nil (2009: nil) per share, makes a total of 1.0p (2009: nil) per share totalling £247,000 (2009: £nil) for the year. The profit for the year before tax and before other comprehensive income from continuing activities was £939,000 (2009: £3,701,000 loss) and the profit attributable to equity holders of the Company for the financial year, after taxation and including other comprehensive income and discontinued activities, was £1,429,000 (2009: £2,058,000 loss).

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. Tony Chambers and David Rugg retire in accordance with the Company's Articles of Association. Tony Chambers and David Rugg being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. Michael Likierman retires at the forthcoming Annual General

Meeting and will not offer himself for re-election. 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 £5,000 (2009: £3,000) 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 Group's average trade payable days during the year was 55 (2009: 53).

Acquisition of own shares

During the year the Company funded the purchase of 49,000 (2009: none) of its own ordinary shares, through an Employee Share Ownership Trust, for a consideration of £28,000 (2009: £nil), 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 2010 was 582,000 shares (2009: 533,000 shares), which represents 2.31% (2009: 2.11%) 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 72.

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 25 March 2011.

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	Yes
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	Yes	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 Hybrid Air Vehicles Limited, a UK incorporated company, with Philip Gwyn. Mr Sarwal also 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. Neither of these roles are considered to impair his judgement or character in relation to his directorship of Christie Group plc.

Audit Committee

The Audit Committee meets no less than twice a year with the auditors in attendance. It also assists the Board in observing its responsibility for ensuring that the Group's accounting systems provide accurate and timely information and that the Group's published financial statements represent a true and fair reflection of the Group's financial position and its performance in the period under review. The committee also ensures that internal controls and appropriate accounting policies are in place, reviews the scope and results of the audits, the independence and objectivity of the auditors and establishes that an effective system of internal financial control is maintained.

The Committee has primary responsibility for making a recommendation on the appointment or re-appointment of the external auditors. In order to maintain the independence of the external auditors, the Board has determined guidelines as to what non-audit services can be provided by the Company's external auditors and the approval processes related to them. Under those policies work of a consultancy nature will not be offered to the external auditors unless there are clear efficiencies and value added benefits to the Company. Additionally the auditors confirm their independence in writing each year. The committee also monitors the level of non-audit fees paid to the external auditors. The Audit Committee consists of Tony Chambers and Pommy Sarwal as Chairman.

Remuneration Committee

The Remuneration Committee meets no less than twice a year and is responsible for determining main Board Directors and subsidiary company managing directors' remuneration together with the terms and conditions of their service contracts. It has access to relevant comparable information in respect of similar businesses. The committee is also responsible for the allocation of options under the Company's executive share option scheme. The committee also maintains a watching brief over the general employment

Corporate governance

Continued

terms and pay structures, existing or proposed, for the subsidiary trading companies. The Remuneration Committee consists of the Non-executive Directors with Tony Chambers as Chairman.

Nomination Committee

The Nomination Committee meets as required to select and propose suitable candidates for the approval of the Board to fill vacancies or new positions and to make recommendations to the Board on its composition. The Nomination Committee consists of the Non-executive Directors 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 natural disasters, 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 2010. 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 2010.

Part 1. Remuneration Committee (not subject to audit)

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

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

- Base salary is reviewed annually and in setting salary levels the Remuneration Committee considers the experience and responsibilities of the Executive Directors and their personal performance during the previous year. The committee also takes account of external market data, as well as the rates of increases for other employees within the Company. Base salary going forward is the only element of the package to determine future pensionable earnings.
- Annual bonuses are calculated as a percentage of pre-tax profits in excess of a threshold. Bonuses are designed to contribute approximately 25% of total earnings, but they are normally uncapped.
- Benefits are primarily the provision of cars and health insurance.
- Share options are granted having regard to an individual's seniority within the business and, together with the Group's Save As You Earn scheme (SAYE), are designed to give Executive Directors an interest in the increase in the value of the Group.

Service contracts and/or letters of appointment

Executive Directors

It is the Group's policy to appoint Executive Directors under service agreements terminable by either party giving a minimum of 6 months' notice. David Rugg has a two year notice period that was agreed on flotation of the Company and this is still considered appropriate.

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

Non-executive Directors

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

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

Outside directorships

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

Remuneration report

Continued

Part 2. Directors' Emoluments

	Salary, Commissions & Fees £'000	Ex Gratia Payments £'000	Bonus £'000	Long Term Share Schemes £'000	Benefits £'000	Pensions £'000	2010 £'000	2009 £'000
Philip Gwyn	150	–	–	–	19	21	190	192
David Rugg*	315	–	10	–	47	–	372	377
Chris Day*	273	–	21	231	19	29	573	335
Dan Prickett**	74	–	2	–	8	–	84	–
Robert Zenker**	39	73	–	–	3	14	129	162
Tony Chambers	25	–	–	–	–	–	25	25
Pommy Sarwal***	50	–	–	–	–	–	50	50
Michael Likierman	25	–	–	–	–	–	25	25
Peter Lane****	–	–	–	–	–	–	–	1
	951	73	33	231	96	64	1,448	1,167

* Chris Day accepted a 10% reduction in his annual salary with effect from 1 June 2009; David Rugg voluntarily reduced his annual salary by 10% on the same date. Both changes are temporary.

** Robert Zenker resigned as a Director on 22 March 2010; on the same date Dan Prickett was appointed to the Board.

*** Pommy Sarwal receives £25,000 per annum in relation to his role as a Non-executive Director of Christie Group plc and a further £25,000 for his non-executive role as Chairman of Venners Limited.

**** Peter Lane (Lord Lane of Horsell) passed away on 9 January 2009.

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

	2010 £'000	2009 £'000
Defined benefit scheme:		
Accrued pension at end of year	89	83

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

Directors' pension entitlements

The Company contributed £21,000 (2009: £21,000) for Philip Gwyn to a self-administered pension fund. David Rugg 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:

	25 Mar 2010	31 Dec 2010	31 Dec 2009
Philip Gwyn	10,967,582	10,967,582	10,967,582
David Rugg	2,496,860	2,496,860	2,487,510
Chris Day	606,068	606,068	606,068
Michael Likierman	300,000	300,000	341,500
Tony Chambers	125,690	125,690	125,690
Pommy Sarwal	–	–	–
Dan Prickett*	–	–	–

* Dan Prickett holds 50,000 share options, granted in May 2009 and September 2009 which are exercisable between May 2012 and September 2019.

Share options

During the year none of the Executive Directors received share options under long term incentive schemes (2009: nil).

The market price of the shares at 31 December 2010 was 55.5p (31 December 2009: 48.5p) and the range during the year was 37.5p to 62.5p (year to 31 December 2009: 17p to 66.5p).

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 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Shareholders' Equity and the related notes 1 to 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

25 March 2011

Consolidated statement of comprehensive income

For the year ended 31 December 2010

	Note	2010 €'000	2009 €'000
Revenue	6	48,905	47,067
Employee benefit expenses	7	(33,972)	(36,676)
Depreciation and amortisation	6	14,933	10,391
Other operating expenses		(497)	(707)
		(13,394)	(13,338)
Operating profit/(loss)		1,042	(3,654)
Finance costs	8	(126)	(148)
Finance income	8	23	101
Total finance costs	8	(103)	(47)
Profit/(loss) before tax	9	939	(3,701)
Taxation	10	455	1,752
Profit/(loss) for the year after tax		1,394	(1,949)
Other comprehensive income/(losses):			
Exchange differences on translating foreign operations		35	(5)
Actuarial losses on defined benefit pension plans		–	(144)
Income tax relating to components of other comprehensive income	10	–	40
Other comprehensive income/(losses) for the period, net of tax		35	(109)
Total comprehensive income/(losses) for the year		1,429	(2,058)
Earnings per share – pence			
Profit/(loss) attributable to the equity holders of the Company			
– Basic	12	5.64	(8.30)
– Fully diluted	12	5.62	(8.30)

The total profit/(loss) for the year after tax and the total comprehensive income/(loss) for the year are entirely attributable to equity holders of the parent company. All the amounts derive from continuing activities.

Consolidated statement of changes in shareholders' equity

As at 31 December 2010

	Attributable to the Equity Holders of the Company				
	Share capital £'000	Fair value and other reserves (Note 23) £'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
Loss for the year after tax	–	–	–	(1,949)	(1,949)
Exchange differences on translating foreign operations	–	–	(5)	–	(5)
Actuarial losses on defined benefit pension plans	–	–	–	(144)	(144)
Income tax relating to components of other comprehensive income	–	–	–	40	40
Total comprehensive losses for the period	–	–	(5)	(2,053)	(2,058)
Movement in respect of employee share scheme	–	83	–	–	83
Employee share option scheme: – value of services provided	–	92	–	–	92
Balance at 1 January 2010	505	3,106	476	(3,119)	968

	Attributable to the Equity Holders of the Company				
	Share capital £'000	Fair value and other reserves (Note 23) £'000	Cumulative translation reserve £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2010					
Balance at 1 January 2010	505	3,106	476	(3,119)	968
Profit for the year after tax	–	–	–	1,394	1,394
Exchange differences on translating foreign operations	–	–	35	–	35
Total comprehensive income for the period	–	–	35	1,394	1,429
Movement in respect of employee share scheme	–	383	–	(410)	(27)
Employee share option scheme: – value of services provided	–	86	–	–	86
Balance at 31 December 2010	505	3,575	511	(2,135)	2,456

Consolidated statement of financial position

As at 31 December 2010

	Note	2010 €'000	2009 €'000
Assets			
Non-current assets			
Intangible assets – Goodwill	13	1,011	1,011
Intangible assets – Other	14	184	138
Property, plant and equipment	15	591	749
Deferred tax assets	16	3,425	3,067
Available-for-sale financial assets	17a	300	300
Other receivables	18	904	1,192
		6,415	6,457
Current assets			
Inventories	19	1	1
Trade and other receivables	21	9,377	8,524
Current tax assets		93	–
Cash and cash equivalents	20	2,323	3,536
		11,794	12,061
Total assets		18,209	18,518
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	22	505	505
Fair value and other reserves	23	3,575	3,106
Cumulative translation reserve		511	476
Retained earnings	23	(2,135)	(3,119)
Total equity		2,456	968
Liabilities			
Non-current liabilities			
Retirement benefit obligations	24	3,222	3,594
Provisions	27	2,093	1,720
		5,315	5,314
Current liabilities			
Trade and other payables	25	8,580	8,631
Borrowings	26	1,717	2,694
Provisions	27	141	911
		10,438	12,236
Total liabilities		15,753	17,550
Total equity and liabilities		18,209	18,518

These consolidated financial statements have been approved for issue by the Board of Directors on 25 March 2011.

D B Rugg
Chief Executive

D R Prickett
Chief Financial Officer

Consolidated statement of cash flows

For the year ended 31 December 2010

	Note	2010 €'000	2009 €'000
Cash flow from operating activities			
Cash generated from/(used in) operations	28	295	(2,176)
Interest paid		(126)	(148)
Tax received		33	1,384
Net cash generated from/(used in) operating activities		202	(940)
Cash flow from investing activities			
Purchase of property, plant and equipment (PPE)		(306)	(80)
Proceeds from sale of PPE		7	5
Intangible asset expenditure		(92)	(59)
Proceeds from sale of available-for-sale financial asset		–	141
Interest received		23	101
Net cash (used in)/generated from investing activities		(368)	108
Cash flow from financing activities			
Net (payment to)/proceeds from the purchase & sale of shares held by ESOP		(28)	201
(Repayments of)/proceeds from invoice discounting		(255)	181
Payments of finance lease liabilities		–	(6)
Net cash (used in)/generated from financing activities		(283)	376
Net decrease in net cash		(449)	(456)
Cash and cash equivalents at beginning of year		1,723	2,328
Exchange losses on euro bank accounts		(42)	(149)
Cash and cash equivalents at end of year		1,232	1,723

Company statement of changes in shareholders' equity

As at 31 December 2010

	Attributable to the Equity Holders of the Company			
	Share capital £'000	Fair value and other reserves (Note 23) £'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 1 January 2010	505	2,679	4,499	7,683

	Attributable to the Equity Holders of the Company			
	Share capital £'000	Fair value and other reserves (Note 23) £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2010				
Balance at 1 January 2010	505	2,679	4,499	7,683
Total comprehensive losses for the period	–	–	(139)	(139)
Movement in respect of employee share scheme	–	383	(410)	(27)
Employee share options scheme				
– value of services provided	–	(1)	–	(1)
Balance at 31 December 2010	505	3,061	3,950	7,516

Company statement of financial position

As at 31 December 2010

	Note	2010 £'000	2009 £'000
Assets			
Non-current assets			
Investments in subsidiaries	17	2,563	2,260
Deferred tax assets	16	569	327
Available-for-sale financial assets	17a	300	300
Other receivables	18	6,090	6,046
		9,522	8,933
Current assets			
Trade and other receivables	21	2,459	2,997
Current tax assets		72	–
Cash and cash equivalents	20	55	150
		2,586	3,147
Total assets		12,108	12,080
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	22	505	505
Fair value and other reserves	23	3,061	2,679
Retained earnings	23	3,950	4,499
Total equity		7,516	7,683
Liabilities			
Non-current liabilities			
Retirement benefit obligations	24	335	347
		335	347
Current liabilities			
Trade and other payables	25	3,260	2,237
Borrowings	26	997	1,813
		4,257	4,050
Total liabilities		4,592	4,397
Total equity and liabilities		12,108	12,080

These Company financial statements have been approved for issue by the Board of Directors on 25 March 2011.

D B Rugg
Chief Executive

D R Prickett
Chief Financial Officer

Company statement of cash flows

For the year ended 31 December 2010

	Note	2010 €'000	2009 €'000
Cash flow from operating activities			
Cash generated from/(used in) operations	28	648	(4,281)
Interest paid		(126)	(117)
Tax received		–	340
Net cash generated from/(used in) operating activities		522	(4,058)
Cash flow from investing activities			
Investment in fixed asset investments		(303)	(450)
Investment income from fixed asset investments		350	1,181
Proceeds from sale of available-for-sale financial asset		–	141
Interest received		187	293
Net cash generated from investing activities		234	1,165
Cash flow from financing activities			
Net (payment to)/proceeds from the purchase & sale of shares held by ESOP		(28)	201
Net cash (used in)/generated from financing activities		(28)	201
Net increase/(decrease) in net cash		728	(2,692)
Cash and cash equivalents at beginning of year		(1,663)	1,151
Exchange loss on euro bank account		(7)	(122)
Cash and cash equivalents at end of year		(942)	(1,663)

Notes to the consolidated financial statements

1. General information

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

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

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2010

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 2011).

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 IFRS as of 1 January 2010.

- 'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods

beginning 1 January 2011 however earlier application is permitted. The amendments have been applied retrospectively to the earliest comparative period presented. 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 2010, 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 2011 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 2011) 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 2010. The results of businesses acquired or disposed of are included from or to the date of acquisition or disposal.

A subsidiary is an entity controlled, directly or indirectly, by Christie Group plc. 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.

2. Summary of significant accounting policies continued

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 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.

2.5 Segmental reporting

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

The Group operating segments are defined as Professional 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.

Notes to the consolidated financial statements

Continued

2. Summary of significant accounting policies continued

2.6 Intangible assets

Goodwill

On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. Goodwill arising on acquisitions prior to the date of transition to IFRS has been retained at previous UK GAAP amounts as permitted by IFRS 1 'First time adoption of International Accounting Standards'. 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), and their carrying value assessed against management's projection of the present value of cashflows arising over a projected period of 5 years from the balance sheet date, using growth rates determined by management.

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

2.10 Investments

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

2. Summary of significant accounting policies continued

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 are 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 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.

Notes to the consolidated financial statements

Continued

2. Summary of significant accounting policies continued

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 22a. 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.

2.19 Provisions

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

3. Financial risk management

The Group uses a limited number of financial instruments, comprising cash, short-term deposits, 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 2010, if sterling had strengthened by 10% against the Euro, with all other variables held constant, the post tax profit for the year would have been £10,000 (2009: £58,000) lower mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables, cash and cash equivalents, and trade payables. Applying the same variables to foreign exchange differences recognised directly in equity the effect would be a reduction in equity of £46,000 (2009: £45,000).

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 2010, total credit insurance costs incurred by the Group amounted to £nil (2009: £32,000). During this period the Group did not make any claims (2009: £Nil) in relation to disputed balances, resulting in a net cost to the Group for the period of £nil (2009: £32,000) 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 2010 total borrowings by the Group amounted to £1,717,000 (2009: £2,694,000), with additional available unutilised credit facilities at 31 December 2010 of £2,945,000 (2009: £2,486,000).

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 2010 were £2,323,000 (2009: £3,536,000).

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 2010, 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 £14,000 (2009: £68,000).

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

Continued

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 13).

b) Retirement benefit obligations

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

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

The assumptions used by the Group, as stated in Note 24, may differ materially from actual results, and these differences may result in a significant impact on the amount of pension expense recorded in future periods. In accordance with IAS 19, the Group 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. Loss of the parent company

As permitted by section 408 of the Companies Act 2006 the Income Statement of the Parent Company is not presented as part of these financial statements. The Parent Company made a loss after tax of £139,000 (2009: £1,573,000 profit).

6. Segment information

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

The segment results for the year ended 31 December 2010 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment sales	26,610	22,399	2,188	51,197
Inter-segment sales	(104)	–	(2,188)	(2,292)
Revenue	26,506	22,399	–	48,905
Operating profit/(loss)	1,508	298	(764)	1,042
Net finance (costs)/credit	(125)	(12)	34	(103)
Profit before tax	1,383	286	(730)	939
Taxation				455
Profit for the year after tax				1,394

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

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

Notes to the consolidated financial statements

Continued

6. Segment information continued

Other segment items included in the statements of comprehensive income for the years ended 31 December 2010 and 2009 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
31 December 2010				
Depreciation and amortisation	202	273	22	497
Impairment of trade receivables	(627)	61	–	(566)
31 December 2009				
Depreciation and amortisation	313	365	29	707
Impairment of trade receivables	(501)	69	–	(432)

The segment assets and liabilities at 31 December 2010 and capital expenditure for the year then ended are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Assets	7,439	4,834	2,418	14,691
Deferred tax assets				3,425
Current tax assets				93
				18,209
Liabilities	7,963	4,497	1,576	14,036
Borrowings				1,717
				15,753
Capital expenditure	69	323	6	398

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

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

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

	2010 £'000	2009 £'000
Revenue		
Europe	48,412	46,577
Rest of the World	493	490
	48,905	47,067

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

	2010 £'000	2009 £'000
Total segment assets		
Europe	14,504	15,335
Rest of the World	187	116
	14,691	15,451

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

	2010 £'000	2009 £'000
Capital expenditure		
Europe	398	139
Rest of World	–	–
	398	139

	2010 £'000	2009 £'000
Analysis of revenue by category		
Sale of goods	106	307
Revenue from services	48,799	46,760
	48,905	47,067

Notes to the consolidated financial statements

Continued

7. Employee benefit expenses

Staff costs for the Group during the year	2010 €'000	2009 €'000
Salaries and short term employee benefits	31,252	32,697
Other benefits	1,372	2,006
Post employment benefits	585	1,056
Other long-term benefits	677	825
Cost of employee share scheme	86	92
	33,972	36,676

Average number of people (including executive directors) employed by the Group during the year was	2010 Number	2009 Number
Operational	757	783
Administration and support staff	238	244
	995	1,027

8. Finance costs

	2010 €'000	2009 €'000
Interest payable on bank loans and overdrafts	70	80
Other interest payable	56	68
Total finance costs	126	148
Bank interest receivable	(5)	(9)
Other interest receivable	(18)	(92)
Total finance credit	(23)	(101)
Net finance costs	103	47

9. Profit/(loss) before tax

	Group	
	2010 £'000	2009 £'000
Profit/(loss) before tax is stated after charging/(crediting):		
Depreciation of property, plant and equipment		
– owned assets	451	639
– under finance leases	–	2
Amortisation of intangible fixed assets	46	66
Loss/(profit) on sale of property, plant and equipment	6	5
Profit on sale of available-for-sale investment	–	(60)
Operating lease charges		
– buildings	1,319	1,395
– other	668	741
Impairment of trade receivables	(566)	(432)
Vacant leasehold provisions	50	(374)
Reorganisation costs	–	453
Repairs and maintenance expenditure on property, plant and equipment	249	378
Loss on foreign exchange (including Company £7,000 (2009: £159,000))	21	212

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	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Audit services				
– audit of the parent company and consolidated financial statements	14	14	14	14
– audit of the subsidiary company financial statements	85	75	–	–
Total audit fees	99	89	14	14
Pension scheme fees	11	11	–	–
Other services pursuant to legislation	4	–	–	–
Tax services	17	55	17	55
Other services				
– other services	7	7	7	–

Notes to the consolidated financial statements

Continued

10. Taxation

	2010 £'000	2009 £'000
Current tax		
UK Corporation tax at 28% (2009: 28%)	72	(29)
Foreign tax	21	(15)
Adjustment in respect of prior periods	4	832
Total current tax credit	97	788
Deferred tax		
Origination and reversal of timing differences	358	1,004
Total deferred tax credit	358	1,004
Tax credit on profit/(loss) on ordinary activities	455	1,792

The tax on the Group's profit/(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 profit/(loss) on ordinary activities

	2010 £'000	2009 £'000
Profit/(loss) on ordinary activities before tax	939	(3,845)
(Profit)/loss on ordinary activities at standard rate of UK corporation tax of 28% (2009: 28%)	(263)	1,077
Effects of:		
– tax losses not yet utilised	–	(747)
– net (income)/expenses not deductible for tax purposes	541	(685)
– taxable deductions	–	362
– utilisation of tax losses and other deductions	–	384
– adjustment to tax charge in respect of previous periods	4	833
– fixed asset timing differences	155	328
– other timing differences	18	242
– rate differential on certain tax losses	–	(2)
Total tax credit	455	1,792

11. Dividends

A dividend in respect of the year ended 31 December 2010 of 1.0p per share, amounting to a total dividend of £247,000, is to be proposed at the Annual General Meeting on 15 June 2011. These financial statements do not reflect this proposed dividend.

12. Earnings per share

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

	31 December 2010 £'000	31 December 2009 £'000
Profit/(loss) from continuing operations attributable to equity holders of the Company	1,394	(2,053)
	31 December 2010 Thousands	31 December 2009 Thousands
Weighted average number of ordinary shares in issue	24,718	24,722
Adjustment for share options	67	1
Weighted average number of ordinary shares for diluted earnings per share	24,785	24,723
	31 December 2010 Pence	31 December 2009 Pence
Basic earnings per share		
Continuing operations	5.64	(8.30)
Fully diluted earnings per share		
Continuing operations	5.62	(8.30)

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. In 2009 the basic and diluted loss per share was the same, as the exercise of share options would reduce the loss per share and was, 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.

13. Intangible assets – goodwill

Group	Total £'000
Cost	
At 1 January 2010 and 31 December 2010	1,011
Group	Total £'000
Cost	
At 1 January 2009 and 31 December 2009	1,011

Notes to the consolidated financial statements

Continued

13. Intangible assets – goodwill continued

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 2010 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000
Goodwill	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

14. Intangible assets – other

Group	Software £'000
Cost	
At 1 January 2010	296
Transfer from property, plant and equipment	–
Additions	92
Disposals	(36)
Foreign currency translation effects	8
At 31 December 2010	360
Accumulated amortisation and impairment	
At 1 January 2010	158
Transfer from property, plant and equipment	–
Charge for the year	46
Disposals	(36)
Foreign currency translation effects	8
At 31 December 2010	176
Net book amount at 31 December 2010	184

14. Intangible assets – other continued

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

15. Property, plant and equipment

Group	Short leasehold property £'000	Fixtures, fittings, computer equipment and motor vehicles £'000	Total £'000
Cost			
At 1 January 2010	303	3,130	3,433
Additions	–	306	306
Disposals	–	(529)	(529)
Foreign currency translation effects	–	11	11
At 31 December 2010	303	2,918	3,221
Accumulated depreciation			
At 1 January 2010	303	2,381	2,684
Charge for the year	–	451	451
Disposals	–	(516)	(516)
Foreign currency translation effects	–	11	11
At 31 December 2010	303	2,327	2,630
Net book amount at 31 December 2010	–	591	591

Notes to the consolidated financial statements

Continued

15. Property, plant and equipment continued

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

Depreciation in the year on fixtures, fittings, computer equipment and motor vehicles includes £nil (2009: £2,000) on assets held under finance lease or hire purchase agreements which have a net book value at 31 December 2010 of £nil (2009: £nil).

16. Deferred tax

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

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

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Deferred tax assets comprises:				
Accelerated capital allowances	765	610	3	1
Losses not yet utilised	793	797	279	226
Short-term timing differences	997	654	197	3
Deferred tax asset	2,555	2,061	479	230
Deferred tax asset on pension	870	1,006	90	97
At 31 December	3,425	3,067	569	327

16. Deferred tax continued

Movements in the deferred tax asset:

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
At 1 January	3,067	2,063	327	316
Credited to statement of comprehensive income	358	1,004	242	11
At 31 December	3,425	3,067	569	327

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 £139,000 (2009: £337,000) in respect of losses amounting to £518,000 (2009: £1,202,000) that can be carried forward against future taxable income as the realisation of the benefit cannot be assessed as probable as at 31 December 2010.

UK deferred tax assets have been recognised at the UK corporation tax rate of 27% effective from 1 April 2011.

The UK government has announced future changes to the Corporation tax rate. These changes, if enacted, will result in a decrease in the standard rate of corporation tax to 26% in April 2011, reducing by 1% per annum to a standard rate of 23% in April 2014. As at 31 December 2010 the substantively enacted rate remains at 27% and in accordance with applicable accounting standards the deferred tax asset has been calculated using this rate. In the event that the proposed rate changes are substantively enacted the effect on the deferred tax asset of the Group would be a reduction of up to £479,000 (Company: £56,000).

17. Investments in subsidiaries

Company	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost			
At 1 January 2010	6,196	–	6,196
Additions	303	–	303
Written off	(350)	–	(350)
At 31 December 2010	6,149	–	6,149
Provision for impairment			
At 1 January 2010	3,936	–	3,936
Written off	(350)	–	(350)
At 31 December 2010	3,586	–	3,586
Net book amount at 31 December 2010	2,563	–	2,563

Notes to the consolidated financial statements

Continued

17. Investments in subsidiaries continued

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

Subsidiary undertakings

At 31 December 2010 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
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. Those designated with an asterisk represent indirect ownership.

17. Investments in subsidiaries continued

17a. Available-for-sale financial assets

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Non-current assets				
Cost				
At 1 January	300	381	300	381
Additions	–	–	–	–
Disposals	–	(81)	–	(81)
At 31 December	300	300	300	300
Provision for impairment				
At 1 January	–	81	–	81
Charge for the year	–	–	–	–
Release of provision	–	(81)	–	(81)
At 31 December	–	–	–	–
Net book amount at 31 December	300	300	300	300

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

During 2009 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.

The other available-for-sale financial asset represent an unquoted investment held at cost. The asset is classified as a non-current available-for-sale asset by virtue of its non-classification in any other asset category. There are no current plans to dispose of the asset and as such the directors believe it appropriate to carry the asset at the lower of cost and fair value.

18. Other receivables

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Non-current assets				
Amounts due from group undertakings	–	–	5,771	5,469
Less: Provision for impairment of amounts due from group undertakings	–	–	(585)	(615)
Other debtors	904	1,192	904	1,192
Other receivables	904	1,192	6,090	6,046

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

Continued

19. Inventories

	Group	
	2010 £'000	2009 £'000
Finished goods and goods for resale	1	1

A provision of £22,000 (2009: £22,000) is held against goods for resale to reduce the carrying value to reflect the net realisable value of the inventory.

20. Cash and cash equivalents

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Cash at bank and in hand	2,323	3,536	55	150
Short-term bank deposits	–	–	–	–
	2,323	3,536	55	150

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

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Cash and cash equivalents	2,323	3,536	55	150
Bank overdrafts (note 26)	(1,091)	(1,813)	(997)	(1,813)
	1,232	1,723	(942)	(1,663)

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 2010 the ultimate parent undertaking had utilised bank overdrafts to the value of £997,000 (2009: £1,813,000).

21. Trade and other receivables

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade receivables	6,683	7,362	–	–
Less: Provision for impairment of receivables	(1,101)	(1,837)	–	–
Amounts owed by group undertakings	–	–	2,144	2,040
Other debtors	1,068	1,163	260	282
Prepayments and accrued income	2,727	1,836	55	675
	9,377	8,524	2,459	2,997

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	
	2010 £'000	2009 £'000
Provision at 1 January	1,837	2,577
Impairment of trade receivables during the year	(566)	(300)
Amounts written off in the year	(131)	(370)
Foreign currency translation effects	(39)	(70)
Provision at 31 December	1,101	1,837

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	
	2010 £'000	2009 £'000
Not overdue	3,089	2,726
Amounts past due:		
← 1 month	1,668	1,638
1 – 3 months	576	852
3 – 6 months	341	615
6 – 12 months	225	344
→ 1 year	784	1,187
Provision for impairment of trade receivables	(1,101)	(1,837)
Amounts past due but not impaired	2,493	2,799

The carrying value of trade receivables that are not covered by credit insurance is £5,582,000 (2009: £5,525,000).

Notes to the consolidated financial statements

Continued

21. Trade and other receivables continued

The carrying value of trade receivables is reviewed and amounts not provided for are considered recoverable. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and diverse. Due to this, management believe there is no further credit risk provision required in excess of the normal provision for doubtful receivables. The carrying amounts of trade and other receivables are denominated in the following currencies:

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Sterling	7,645	7,651	2,459	2,997
Euros	1,599	817	–	–
Canadian Dollars	133	56	–	–
	9,377	8,524	2,459	2,997

22. Share capital

	2010		2009	
	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 2010 the total payments by the Company to the ESOP to finance the purchase of ordinary shares was £1,988,000 (2009: £1,869,000). The market value at 31 December 2010 of the ordinary shares held in the ESOP was £323,000 (2009: £258,000). The investment in own shares represents 582,000 shares (2009: 533,000) with a nominal value of 2p each.

22. Share capital continued

22a. Share based payments

Certain employees hold options to subscribe for shares in the Company at prices ranging from 39.5p to 251.5p under share option schemes for the period from April 2001 – May 2010.

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
2010	2009			
13,333	13,333	53.5p	Apr 2001	Apr 2004 – Apr 2011
3,000	3,000	40.0p	Oct 2001	Oct 2004 – Oct 2011
–	25,000	45.5p	Sep 2002	Sep 2005 – Sep 2012
35,000	35,000	47.5p	Apr 2003	Apr 2006 – Apr 2013
12,000	12,000	46.5p	Jun 2003	Jun 2006 – Jun 2013
6,000	9,000	100.0p	Apr 2005	Apr 2008 – Apr 2015
9,000	12,000	130.5p	Apr 2006	Apr 2009 – Apr 2016
9,000	9,000	251.5p	Mar 2007	Mar 2010 – Mar 2017
7,000	7,000	113.5p	Apr 2008	Apr 2011 – Apr 2018
23,000	23,000	39.5p	May 2009	May 2012 – May 2019
745,634	824,134	45.0p	May 2009	May 2012 – May 2019
16,000	16,000	45.0p	Jun 2009	Jun 2012 – Jun 2019
140,000	140,000	57.5p	Sep 2009	Sep 2012 – Sep 2019
104,000	–	46.5p	May 2010	May 2013 – May 2020
1,122,967	1,128,467			

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 145 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 53.0p to 228.5p. There were 865,000 (2009: 737,000) remaining options outstanding under the SAYE scheme at 31 December 2010.

Notes to the consolidated financial statements

Continued

22. Share capital 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:

	2010	2009
Share price at grant date	39.5p – 251.5p	39.5p – 251.5p
Exercise price	39.5p – 251.5p	39.5p – 251.5p
Expected volatility	28.5% – 78.3%	28.5% – 75.3%
Expected life (years)	3 – 5 years	3 – 5 years
Risk free rate	1.8% – 5.1%	1.8% – 5.1%
Dividend yield	0.0% – 3.7%	0.0% – 3.7%
Fair value per option	10.35p – 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:

	2010		2009	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	1,128,467	50.05p	1,018,467	125.98p
Granted	107,000	46.50p	1,016,134	46.49p
Forfeited or lapsed	(112,500)	48.90p	(53,000)	101.34p
Exercised	–	–	–	–
Surrendered	–	–	(853,134)	133.39p
Expired	–	–	–	–
Outstanding at 31 December	1,122,967	49.83p	1,128,467	49.98p
Exercisable at 31 December	69,333	52.70p	97,333	52.31p

No share options were exercised during the year or prior year. The total charge for the year relating to employee share based payment plans was £86,000 (2009: £92,000), all of which related to equity-settled share based payment transactions. The weighted average remaining contractual life of share options outstanding at 31 December 2010 was 8.1 years (2009: 8.8 years).

23. Reserves

Group	Share premium £'000	Share based payments £'000	Own shares £'000	Capital redemption reserve £'000	Fair value and other reserves £'000	Retained earnings £'000
At 1 January 2010	4,073	521	(1,498)	10	3,106	(3,119)
Movement in respect of employee share scheme	–	86	383	–	469	(410)
Comprehensive profits for the period	–	–	–	–	–	1,394
At 31 December 2010	4,073	607	(1,115)	10	3,575	(2,135)

Group	Share premium £'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)

Company	Share premium £'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 2010	4,073	5	(1,498)	10	89	2,679	4,499
Movement in respect of employee share scheme	–	(1)	383	–	–	382	(410)
Comprehensive losses for the period	–	–	–	–	–	–	(139)
At 31 December 2010	4,073	4	(1,115)	10	89	3,061	3,950

Company	Share premium £'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

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

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

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

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

Notes to the consolidated financial statements

Continued

24. Retirement benefit obligations

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

	2010 £'000	2009 £'000
United Kingdom	3,222	3,594

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:

	2010 £'000	2009 £'000
Present value of funded obligations	33,042	29,348
Fair value of plan assets	(33,324)	(29,348)
	(282)	–
Present value of unfunded obligations	2,746	4,277
Unrecognised actuarial losses	758	(683)
Liability in the statement of financial position	3,222	3,594

The principal actuarial assumptions used were as follows:

	2010 %	2009 %
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	3.5 – 3.6
Future pension increases	2.5 – 3.5	3.0 – 3.5

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:

	2010 Years	2009 Years
Male	19.8 – 22.0	19.8 – 22.0
Female	22.7 – 24.0	22.7 – 24.0

24. Retirement benefit obligations continued

The movement in the defined benefit obligation is as follows:

	2010 £'000	2009 £'000
At 1 January	33,625	33,547
Interest cost	1,966	1,958
Current service cost	667	795
Benefits paid	(672)	(654)
Actuarial (gains)/losses	202	(2,021)
At 31 December	35,788	33,625
Attributable to:		
Present value of funded obligations	33,042	29,348
Present value of unfunded obligations	2,746	4,277
	35,788	33,625

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

	2010 £'000	2009 £'000
At 1 January	29,348	25,463
Expected return on plan assets	1,988	1,781
Contributions	1,017	749
Benefits paid	(672)	(654)
Actuarial gains	1,643	2,009
At 31 December	33,324	29,348

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

	2010 £'000	2009 £'000
Current service cost	667	795
Interest cost	1,966	1,958
Expected return on plan assets	(1,988)	(1,781)
Net actuarial loss recognised in the year	–	144
	645	1,116

The actual return on plan assets was £3,631,000 (2009: £3,790,000).

Notes to the consolidated financial statements

Continued

24. Retirement benefit obligations continued

Plan assets are comprised as follows:

	2010		2009	
	£'000	Expected return %	£'000	Expected return %
Equity	24,167	6.5 – 7.6	20,961	6.5 – 7.6
Debt	4,965	7.5 – 7.6	4,534	5.1 – 7.5
Other	4,192	5.3 – 7.6	3,853	5.0 – 5.3
	33,324	6.2 – 7.6	29,348	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 £1,301,000.

History of experience adjustments:

As at 31 December	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Present value of defined obligations	35,788	33,625	33,547	30,998	32,303
Fair value of plan assets	(33,324)	(29,348)	(25,463)	(29,566)	(25,679)
Deficit	2,464	4,277	8,084	1,432	6,624
Experience adjustments on plan liabilities	(202)	2,021	(1,182)	218	364
Experience adjustments on plan assets	1,643	2,009	(6,508)	(346)	915

Company

The statement of comprehensive income charge of £21,000 (2009: £21,000) and statement of financial position liability of £335,000 (2009: £347,000) 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 2010 contributions paid by the Company amounted to £42,000 (2009: £24,000).

25. Trade and other payables

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade payables	1,968	2,062	247	–
Amounts owed to group undertakings	–	–	2,574	1,930
Other taxes and social security	1,585	1,720	251	66
Other creditors	472	427	1	75
Accruals	3,522	3,804	187	166
Deferred income	1,033	618	–	–
	8,580	8,631	3,260	2,237

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

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

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Sterling	7,808	7,600	3,260	2,237
Euros	751	860	–	–
Canadian Dollars	21	171	–	–
	8,580	8,631	3,260	2,237

26. Borrowings

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Current				
Bank overdrafts	1,091	1,813	997	1,813
Invoice discounting	626	881	–	–
	1,717	2,694	997	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

27. Provisions

	Vacant leasehold provisions £'000	Long-term benefits due to employees £'000	Dilapidations £'000	Total £'000
At 1 January 2010	244	2,058	329	2,631
Charged/(credited) to the statement of comprehensive income				
– Additional provision	50	560	88	698
– Released during the year	(32)	–	–	(32)
Utilised during the year	(113)	(934)	(16)	(1,063)
At 31 December 2010	149	1,684	401	2,234

	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

Analysis of total provisions:	2010 £'000	2009 £'000
Non-current	2,093	1,720
Current	141	911
	2,234	2,631

a. Long-term benefits due to employees

Provisions for long-term benefits to employees comprise £1,629,000 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.

28. Notes to the cash flow statement

Cash generated from/(used in) operations

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Profit/(loss) for the year	1,394	(1,949)	(139)	1,573
Adjustments for:				
– Taxation	(455)	(1,752)	(314)	(779)
– Finance costs/(credit)	103	47	(61)	(176)
– Impairment of investments in subsidiaries	–	–	–	13
– Depreciation	451	641	–	–
– Amortisation of intangible assets	46	66	–	–
– Loss on sale of property, plant and equipment	6	5	–	–
– Foreign currency translation	21	30	7	–
– (Decrease)/increase in provisions	(397)	321	–	–
– Movement in available-for-sale financial asset	–	(141)	–	(141)
– Movement in share option charge	86	92	(1)	1
– Movement in retirement benefit obligation	(372)	225	(12)	9
– Decrease/(increase) in non-current other receivables	288	(84)	–	–
– Dividends received	–	–	(350)	(1,181)
Changes in working capital (excluding the effects exchange differences on consolidation):				
– Increase in inventories	–	(1)	–	–
– (Increase)/decrease in trade and other receivables	(825)	982	403	(2,933)
– (Decrease)/increase in trade and other payables	(51)	(658)	1,115	(667)
Cash generated from/(used in) operations	295	(2,176)	648	(4,281)

29. Reconciliation of movement in net funds

	As at 1 January 2010 £'000	Cash flow £'000	As at 31 December 2010 £'000
Cash and cash equivalents	3,536	(1,213)	2,323
Bank overdrafts	(1,813)	722	(1,091)
Invoice discounting	(881)	255	(626)
	842	(236)	606

Notes to the consolidated financial statements

Continued

30. Financial assets and liabilities

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

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Assets				
Available-for-sale financial assets	300	300	300	300
Trade and other receivables	10,281	9,716	8,549	9,043
Current tax assets	93	–	72	–
Cash and cash equivalents	2,323	3,536	55	150
	12,997	13,552	8,976	9,493
	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Liabilities				
Retirement benefit obligations	3,222	3,594	335	347
Provisions	2,234	2,631	–	–
Trade and other payables	8,580	8,631	3,260	2,237
Borrowings	1,717	2,694	997	1,813
	15,753	17,550	4,592	4,397

31. Commitments

a. Operating lease commitments

At 31 December 2010 the Group has lease agreements in respect of properties, vehicles, plant and equipment, for which the payments extend over a number of years.

	2010		2009	
	Property £'000	Vehicles and equipment £'000	Property £'000	Vehicles and equipment £'000
Commitments under non-cancellable operating leases due:				
Within one year	1,372	529	1,578	553
Within two to five years	3,505	523	3,384	532
After five years	1,589	–	1,234	–
	6,466	1,052	6,196	1,085

Operating lease payments represent:

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

31. Commitments continued

The Group also sub-lets an element of office space in respect of certain property lease agreements. The future minimum sublease payments expected to be received under non-cancellable subleases at the statement of financial position date was £254,000.

b. Capital commitments

The Group has contracted but not provided for capital commitments for £nil (2009: £nil) 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 2010 no material unprovided contingent liabilities existed (2009: £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.

	2010 £'000	2009 £'000
Loans to Directors:		
At 1 January and 31 December	–	136

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

Company

Transactions with Group undertakings:

	2010 £'000	2009 £'000
Dividends received from subsidiaries	350	1,181
Provision of services	3,099	2,403
Purchase of services	585	1,410

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 18, 21 and 25.

See Note 18 for provisions against amounts due from group undertakings.

Five-year record

Consolidated statements of comprehensive income

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Revenue	48,905	47,067	63,422	87,372	87,096
Operating profit/(loss) before exceptional items	1,042	(3,654)	(2,674)	7,001	6,079
Exceptional items	–	–	(1,964)	–	–
Finance credit/(costs)	(103)	(47)	65	214	73
Profit/(loss) on ordinary activities before tax	939	(3,701)	(4,573)	7,215	6,152
Taxation	455	1,752	1,173	(2,567)	(2,019)
Profit/(loss) on ordinary activities after tax	1,394	(1,949)	(3,400)	4,648	4,133
Non-controlling interest	–	–	–	–	(2)
Profit/(loss) for the year after tax	1,394	(1,949)	(3,400)	4,648	4,131
Earnings per share					
– basic	5.64p	(8.30p)	(13.88p)	19.12p	16.90p
– basic before exceptional finance credit (net of tax)	5.62p	(8.30p)	(13.88p)	19.12p	16.90p
Dividends per ordinary share (payable in respect of the year)	1.00p	0.00p	0.50p	4.25p	4.00p

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

Consolidated statement of financial position

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Non-current assets	6,415	6,457	5,951	14,499	11,952
Current assets	11,794	12,061	12,430	24,245	26,307
Non-current liabilities	(2,093)	(1,720)	(1,751)	(432)	(145)
Current liabilities	(10,438)	(12,236)	(10,554)	(16,730)	(17,546)
	5,678	4,562	6,076	21,582	20,568
Non-current borrowings	–	–	–	(1,275)	(1,735)
Retirement benefit obligations	(3,222)	(3,594)	(3,225)	(4,343)	(6,300)
Net assets	2,456	968	2,851	15,964	12,533

Shareholder information

Company information

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

Financial calendar

Annual General Meeting

39 Victoria Street, London SW1H 0EU Wednesday 15 June 2011 at 10am

Announcements

Half-year results for 2011	September 2011
Preliminary full-year results for 2011	March 2012

Final dividend 2010

Ex-dividend	1 June 2011
Record date	3 June 2011
Payment date	4 July 2011

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
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

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 online via the shareholder portal. If you receive a letter from Capita regarding a change of address but have not moved, please contact them immediately.
- Consider having your dividend paid directly into your bank. This will reduce the risk of the cheque being intercepted or lost in the post. If you change your bank account, inform Capita of the details of your new account. You can do this by post or online via the shareholder portal.
- If you are buying or selling shares, only deal with brokers registered and authorised to carry out that type of business.
- Be wary of phone calls or e-mails purporting to come from us or Capita asking you to confirm personal details or details of your investment in our shares. Neither we nor Capita will ever ask you to provide information in this way.

Directory

Christie Group plc

39 Victoria Street
London SW1H 0EU
T: +44 (0) 20 7227 0707
E: executive@christiegroup.com
W: www.christiegroup.com

Christie + Co

39 Victoria Street
London SW1H 0EU
T: +44 (0) 20 7227 0700
E: enquiries@christie.com
W: www.christie.com and
www.christiecorporate.com

Austria – Vienna

Dapontegasse 11/9
1030 Vienna
T: +43 (0) 1 / 9 97 13 65
E: vienna@christie.com

Finland – Helsinki

Tammasaarenlaituri 3
00180 Helsinki
T: +358 (0) 9 4137 8500
E: helsinki@christie.com

France – Paris

25 rue d'Artois
75008 Paris
T: +33 (0) 1 53 96 72 72
E: paris@christie.com

France – Lyon

11 rue Pascal Tavernier
42000 Saint-Etienne
T: +33 (0) 4 77 25 11 47
E: lyon@christie.com

France – Marseille

35 cours Pierre Puget
13286 Marseille cedex 06
T: +33 (0) 4 91 29 12 40
E: marseille@christie.com

France – Rennes

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

Germany – Berlin

Markgrafenstraße 32
10117 Berlin
T: +49 (0) 30/20 00 96-0
E: berlin@christie.com

Germany – Frankfurt

Bockenheimer Landstraße 93
60325 Frankfurt am Main
T: +49 (0) 69/90 74 57-0
E: frankfurt@christie.com

Germany – Munich

Platzl 3
80331 Munich
T: +49 (0) 89 / 2 00 00 07-0
E: munich@christie.com

Spain – Barcelona

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

United Arab Emirates – Dubai

Office 213
Building 9
Dubai Media City
Dubai
T: +971 (0) 50 426 6045
E: dubai@christie.com

OTHER UNITED KINGDOM OFFICES

Birmingham

Edgbaston House
3 Duchess Place
Hagley Road
Birmingham B16 8NH
T: +44 (0) 121 456 1222
E: birmingham@christie.com

Bristol

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

Edinburgh

5 Logie Mill
Beaverbank Office Park
Logie Green Road
Edinburgh EH7 4HG
T: +44 (0) 131 557 6666
E: edinburgh@christie.com

Enfield

Lough Point
2 Gladbeck Way
Enfield EN2 7JA
T: +44 (0) 20 8370 3100
E: enfield@christie.com

Exeter

Kings Wharf
The Quay
Exeter EX2 4AN
T: +44 (0) 1392 285600
E: exeter@christie.com

Glasgow

120 Bath Street
Glasgow G2 2EN
T: +44 (0) 141 352 7300
E: glasgow@christie.com

Ipswich

Wolsey House
16 – 18 Princes Street
Ipswich IP1 1QT
T: +44 (0) 1473 256588
E: ipswich@christie.com

Leeds

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

Directory

Continued

London

39 Victoria Street
London SW1H 0EU
T: +44 (0) 20 7227 0700
E: enquiries@christie.com

Maidstone

Vaughan Chambers
4 Tonbridge Road
Maidstone ME16 8RP
T: +44 (0) 1622 656000
E: maidstone@christie.com

Manchester

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

Milton Keynes

Chancery House
199 Silbury Boulevard
Milton Keynes MK9 1JL
T: +44 (0) 1908 300950
E: miltonkeynes@christie.com

Newcastle

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

Nottingham

Alan House
Clumber Street
Nottingham NG1 3ED
T: +44 (0) 115 948 3100
E: nottingham@christie.com

Winchester

Star Lane House
Staple Gardens
Winchester SO23 8SR
T: +44 (0) 1962 844455
E: winchester@christie.com

Christie Finance

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

Birmingham

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

Bristol

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

Edinburgh

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

Enfield

T: +44 (0) 20 8370 3115
E: enfield@christiefinance.com

Exeter

T: +44 (0) 1392 285612
E: exeter@christiefinance.com

Glasgow

T: +44 (0) 141 352 7310
E: glasgow@christiefinance.com

Ipswich

T: +44 (0) 1473 234907
E: ipswich@christiefinance.com

Leeds

T: +44 (0) 113 389 2717
E: leeds@christiefinance.com

London

T: +44 (0) 20 7227 0780
E: london@christiefinance.com

Maidstone

T: +44 (0) 1622 656006
E: maidstone@christiefinance.com

Manchester

T: +44 (0) 161 833 6901
E: manchester@christiefinance.com

Milton Keynes

T: +44 (0) 1908 300959
E: miltonkeynes@christiefinance.com

Newcastle

T: +44 (0) 191 269 7025
E: newcastle@christiefinance.com

Nottingham

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

Winchester

T: +44 (0) 1962 833818
E: winchester@christiefinance.com

Christie Insurance

11 – 21 Paul Street
London EC2A 4JU
T: +44 (0) 20 7448 8820
E: enquiries@christieinsurance.com
W: www.christieinsurance.com

Ipswich

Wolsey House
16 – 18 Princes Street
Ipswich IP1 1QT
T: +44 (0) 1473 234900
E: ipswich@christieinsurance.com

Orridge

Essex House
Astra Centre
Edinburgh Way
Harlow CM20 2BN
T: +44 (0) 1279 775600
E: contact@orridge.co.uk
W: www.orridge.co.uk

Belgium

Renbaanlaan 60
1050 Brussel
T: +32 (0) 26 46 25 47
E: contact@orridge.eu
W: www.orridge.eu

OTHER UNITED KINGDOM OFFICE

Centre House
Court Parade
Aldridge WS9 8LT
T: +44 (0) 1922 472000
E: contact@orridge.co.uk

Pinders

Pinder House
249 Upper Third Street
Milton Keynes MK9 1DS
T: +44 (0) 1908 350500
E: info@pinders.co.uk
W: www.pinders.co.uk and
www.pinderpack.com

Venners

Essex House
Astra Centre
Edinburgh Way
Harlow CM20 2BN
T: +44 (0) 1279 620820
E: enquiries@venners.co.uk
W: www.venners.com

Vennersys

249 Upper Third Street
Milton Keynes MK9 1DS
T: +44 (0) 1908 350650
E: contact@vennersys.com
W: www.vennersys.co.uk

North America

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



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



Christie Group plc

39 Victoria Street
London SW1H 0EU
United Kingdom

T: +44 (0) 20 7227 0707
F: +44 (0) 20 7227 0708
E: executive@christiegroup.com

www.christiegroup.com