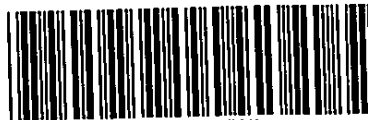


Registration Number 194871

Venners Limited
Directors' Report and Financial Statements
for the year ended 31 December 2012

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COMPANIES HOUSE

Company Information

Directors	C A Gibson P H R Gwyn T C Heyburn S Hulme S J Mayne J P Perry D B Rugg P K Sarwal
Secretary	C A Gibson
Company Number	194871
Registered Office	65 Carter Lane London EC4V 5HF
Auditors	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY

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Directors' Report

For the year ended 31 December 2012

The Directors present their report and the financial statements for the year ended 31 December 2012

Principal Activities and Business Review

The Company's principal activity continued to be that of providing an integrated range of Stock, Compliance and Inventory services together with a broad range of Health & Safety services which include Food Safety Auditing and Fire Risk Assessments

Results and Dividends

The results for the year are set out in the statement of comprehensive income on page 8. The Directors paid interim dividends of £nil (2011: £nil). The Directors do not recommend the payment of a final dividend (2011: £nil). The profit for the year before tax was £669,000 (2011: £434,000) and the total comprehensive income for the financial year was £525,000 (2011: £357,000) and this amount has been transferred to reserves.

Risks and Uncertainties

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

- 1 We offer a spread of services within our business
- 2 We have a spread of work which deliberately covers both corporate and private clients

That said, whilst we have endeavoured to reduce risks we are not immune to movements in the global economy or changes in the economic or legislative environments in the countries in which we do business. In addition, such things as the psychological affect of terrorist attacks, banking crises and changes in behaviour pattern due to environmental based legislation can all impact our businesses in unexpected ways.

The following could adversely affect our markets:

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

The list of risks is meant to highlight those we consider relevant today and is not intended to be an exhaustive list of risks facing the business.

Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Company's performance. 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 Company contributed £275 (2011: £350) to charities during the year. It made no political contributions during the year (2011: £nil).

Policy on Payments to Suppliers

It is a group policy 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. Average trade payable days during the year was 26 (2011: 38).

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 Company 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.

Directors

The Directors who served during the year are detailed below

T C Heyburn
P H R Gwyn
S J Mayne
D B Rugg
P K Sarwal
C A Gibson
S Hulme
J P Perry

Auditors

The Auditors, Nexia Smith & Williamson shall hold office subject to and in accordance with the provisions of Sections 485 to 488 of the Companies Act 2006

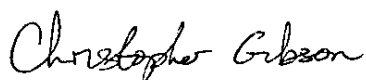
Disclosure of information to Auditors

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 3 April 2013



C A Gibson
Company Secretary
Registration no 194871

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 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 profit or loss of the company 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,

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.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENNERS LIMITED

We have audited the financial statements of Venners Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Shareholders' Equity and the related notes 1 to 20. 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.

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 6, 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 company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

Nexia Smith & Williamson

Sancho Simmonds
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

29 April 2013

Statement of Comprehensive Income

For the year ended 31 December 2012

	<i>Note</i>	2012 £'000	2011 £'000
Revenue		7,548	6,382
Employee benefit expenses	<i>5</i>	(5,337)	(4,574)
		2,211	1,808
Depreciation and amortisation		(30)	(31)
Other operating expenses		(1,536)	(1,354)
Operating profit		645	423
Finance income	<i>6</i>	25	11
Finance cost	<i>6</i>	(1)	-
Net finance income		24	11
Profit before tax	<i>7</i>	669	434
Taxation	<i>8</i>	(144)	(77)
Profit for the year after tax		525	357
Total comprehensive income for the year		525	357

All amounts derive from continuing operations

Statement of Changes in Shareholders' Equity

As at 31 December 2012

	<u>Attributable to the Equity Holders of the Company</u>			
	Share capital £'000	Fair value and other reserves (Note 14) £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2011	50	36	251	337
Employee share option scheme				
- value of services provided	-	3	-	3
Total comprehensive income for the year	-	-	357	357
Balance at 1 January 2012	50	39	608	697
Employee share option scheme				
- value of services provided	-	6	-	6
Total comprehensive income for the year	-	-	525	525
Balance at 31 December 2012	50	45	1,133	1,228

Statement of Financial Position


As at 31 December 2012

	<i>Note</i>	2012 £'000	2011 £'000
Assets			
Non-current assets			
Intangible assets	9	244	109
Property, plant and equipment	10	64	43
Deferred tax assets	11	285	326
		593	478
Current assets			
Trade and other receivables	12	2,354	2,147
Cash and cash equivalents		228	12
		2,582	2,159
Total assets		3,175	2,637
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	13	50	50
Fair value and other reserves	14	45	39
Retained earnings	14	1,133	608
Total equity		1,228	697
Liabilities			
Non-current liabilities			
Retirement benefit obligations	15	1,074	1,178
		1,074	1,178
Current liabilities			
Trade and other payables	16	873	762
		873	762
Total liabilities		1,947	1,940
Total equity and liabilities		3,175	2,637

These financial statements have been approved for issue by the Board of Directors on 3 Apr 2013



T C Heyburn
Managing Director



C A Gibson
Finance Director

Statement of Cash Flows

For the year ended 31 December 2012

	<i>Note</i>	2012 £'000	2011 £'000
Cash flow from operating activities			
Cash generated from operations	17	609	264
Interest paid		(1)	-
Net cash generated from operating activities		608	264
Cash flow from investing activities			
Purchase of plant, property and equipment		(50)	(38)
Proceeds from sale of plant, property and equipment		2	-
Intangible assets expenditure		(139)	-
Loans made to Group Companies		(230)	(375)
Interest received		25	11
Net cash used in investing activities		(392)	(402)
Net increase/(decrease) in cash and cash equivalents		216	(138)
Cash and cash equivalents at beginning of year		12	150
Cash and cash equivalents at end of year		228	12

Notes to the Financial Statements

1. General information

The Company provides an integrated range of Stock, Compliance and Inventory services together with a broad range of Health & Safety services which include Food Safety Auditing and Fire Risk Assessments

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2012

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 financial statements of Venners Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRSs as adopted by the EU), IFRS Interpretations Committee Interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. The financial statements have been prepared under the historical cost convention with the exception of the defined benefit pension scheme, and on a going concern basis.

The financial statements have been prepared in accordance with IFRS and IFRS Interpretations Committee interpretations issued and effective or issued and early adopted as at the time of preparing these statements (April 2013).

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 company

None of the new standards, interpretations and amendments, effective for the first time from 1 January 2012, have had a material effect on the financial statements of the Company.

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 Company's accounting periods beginning after 1 January 2013 or later periods and have not been early adopted. It is anticipated that none of these new standards, interpretations and amendments currently in issue at the time of preparing the financial statements (April 2013) will have a material effect on the Company's financial statements, except for IAS 19 'Employee benefits' which becomes mandatory for the Company's 2013 financial statements.

IAS 19, 'Employee benefits' was amended in June. The impact on the Company will be as follows: to immediately recognise all past service costs, and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. The unrecognised actuarial losses which will be recognised on the removal of the corridor amount to £1,595,000 at 31 December 2012. In future periods, actuarial gains and losses will be recognised immediately in other comprehensive income or losses. The total impact on the results for the year ended 31 December 2012 is that the total negative equity will be £367,000.

2.2 Foreign currency translation

Functional and presentation currency

The Financial Statements are presented in pounds sterling, which is the Company's functional and presentation currency.

Transactions and balances

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

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

Stock, compliance and inventory services

Fees are recognised on completion of the visit to the 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

2.4 Intangible assets

Intangible fixed assets such as software and other intangible assets 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 three and ten years.

2.5 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

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.

2.6 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.

2.7 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

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 are post-tax and 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.

2.8 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 Company 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 estimated future cash flows. The amount of the provision is recognised in the statement of comprehensive income.

2.9 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 at 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.

2.10 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 the 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.

2.11 Share capital and share premium

Ordinary shares are classified as equity.

2.12 Dividend distribution

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

2.13 Employee benefits

Pension obligations

The Company has both a defined benefit and defined contribution scheme. 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 Company 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 working lives.

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 plan

The Company contributes towards a personal pension scheme for 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 Company 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. 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 is recognised in respect of share options granted before 7 November 2002 and that vested before 1 January 2005.

Christie Group plc operates an equity-settled, long term incentive plan designed to align management interests with those of shareholders. The Company participates in this scheme. For share options granted after 7 November 2002 and vested after 1 January 2005 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. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Commissions and bonus plans

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

3. Financial risk management

The Company 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 Company does not trade in financial instruments.

3.1 Financial risk factors

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

a) Credit risk

The Company 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.

b) Liquidity risk

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

At 31 December 2012 total borrowings by the company amounted to £nil (2011: £nil), with additional available unutilised borrowing facilities at 31 December 2012 of £250,000.

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Total cash and cash equivalents held by the company at 31 December 2012 were £228,000 (2011: £12,000).

c) Cash flow and interest rate risk

The Company 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. Overall the Company's operations are normally cash generative.

The company's interest rate risk arises from cash balances and borrowings subject to variable interest rates. For the year ended 31 December 2012, assuming all other variables remained equal but interest rates were either 0.25% higher or lower throughout the year, the impact on post tax profit would be a maximum increase or decrease of £2,000 (2011: £1,000).

3.2 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate to their fair values.

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 Company 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) Retirement benefit obligations

The assumptions used to measure the expense and liabilities related to the Company defined benefit pension plan are reviewed annually by professionally qualified, independent actuaries, trustees and management as appropriate. The measurement of the expense for a period requires judgement with respect to the following matters, among others:

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

The assumptions used 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, actuarial gains and losses outside the 10% corridor are amortised, 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.

(b) Deferred Taxation

Deferred tax assets are recognised to the extent that the Company 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. Employee benefit expenses

	2012 £'000	2011 £'000
Staff costs for the Company during the year		
Salaries and short term employee benefits	4,879	4,247
Other benefits	331	297
Post employment benefits	121	26
Cost of employee share schemes	6	4
	5,337	4,574

Average number of people (including executive directors) employed by the Company during the year was	2012 Number	2011 Number
Operational	157	132
Administration and support staff	33	28
	190	160

5a. Directors' emoluments

	2012 £'000	2011 £'000
Remuneration and other emoluments	352	312
Pension contributions*	26	20
	378	332

* This represents the Company contributions paid to the defined benefit pension scheme and the personal pension plan in respect of Directors

The services of P K Sarwal are non-executive in nature and his emoluments in respect of these services are borne by the parent company and recharged. Accordingly the above details include the amounts recharged for the services rendered in respect of the aforementioned Director

The services of C A Gibson are executive in nature and his emoluments in respect of these services are borne by a fellow subsidiary and recharged. Accordingly the above details include the amounts recharged for the services rendered in respect of the aforementioned Director

The emoluments of P H R Gwyn and D B Rugg were paid by the parent company or by a fellow subsidiary. Their services to this Company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company or the fellow subsidiary that pays their emoluments

	2012 Number	2011 Number
Number of Directors to whom relevant benefits are accruing under a defined benefit scheme	3	3
Number of Directors who exercised share options	-	-

Highest paid Director	2012 £'000	2011 £'000
Amounts included above		
Emoluments and other benefits	130	203
Pension contributions	14	14
	144	217

Amounts accrued under a defined benefit pension scheme		
Accrued pension	52	51

6. Finance income and costs

	2012 £'000	2011 £'000
Interest payable on bank overdraft	(1)	-
Finance costs	(1)	-
Intercompany interest receivable	25	11
Finance income	25	11
Net finance income	24	11

7. Profit before tax

	2012 £'000	2011 £'000
Profit before tax is stated after charging / (crediting)		
Depreciation of property, plant and equipment		
– owned assets	26	21
– Amortisation of intangible fixed asset	4	11
Profit on sale of property, plant and equipment	(1)	-
Operating lease charges		
– buildings	27	25
– other	276	248
Repairs and maintenance expenditure on property, plant and equipment	11	13
Impairment of trade receivables	26	28

Services provided by the Company's auditor

During the year the Company obtained the following services from the Company's auditors as detailed below.

	2012 £'000	2011 £'000
Audit services		
– statutory audit	9	9

In addition to the above services, the Company's auditor acted as auditor to the Venners plc Retirement Benefit Scheme. The appointment of auditors to the Company Pension Scheme and the fee paid in respect of the audit are agreed by the trustees of the scheme, who act independently from the management of the Company. The fees paid to the Company's auditor for audit services to the pension scheme were £3,795 (2011 £3,600).

8. Taxation

	2012 £'000	2011 £'000
Current tax		
UK Corporation tax at 24.5% (2011 26.5%)	-	-
Amount payable to group company in respect of tax saved by group relief	103	-
Total current tax	103	-
Deferred tax		
Origination and reversal of timing differences	65	107
Impact of change in the UK corporation tax rate	(24)	(30)
Total deferred tax charge	41	77
Tax charge on profit on ordinary activities	144	77

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK of 24.5% as follows

Tax on profit on ordinary activities

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	669	434
Tax on ordinary activities at standard rate of UK corporation tax of 24.5% (2011: 26.5%)	164	115
Effects of		
– utilisation of tax losses and other deductions	(47)	(72)
– net income not taxable for tax purposes	(14)	(42)
– fixed asset timing differences	(2)	(3)
– timing differences relating to pension contributions	69	107
– other timing differences	(2)	2
– re-measurement of deferred tax due to changes in the UK corporation tax rate	(24)	(30)
Total tax charge	144	77

During the year, as a result of the change in the UK corporation tax rate, the opening deferred tax balances have been re-measured. Deferred tax assets recognised at 1 January 2012 which had been measured at 25% at 31 December 2011 have been re-measured using the enacted rate that will apply at 31 December 2012 (23%).

9. Intangible assets

	Software £'000
Cost	
At 1 January 2012	118
Additions	139
Disposals	(2)
At 31 December 2012	255
Accumulated amortisation	
At 1 January 2012	9
Charge for the year	4
Eliminated on disposal	(2)
At 31 December 2012	11
Net book amount at 31 December 2012	244

	Software £'000
Cost	
At 1 January 2011	135
Disposals	(17)
At 31 December 2011	118
Accumulated amortisation	
At 1 January 2011	15
Charge for the year	11
Eliminated on disposal	(17)
At 31 December 2011	9
Net book amount at 31 December 2011	109

The expected useful life of the software is 5 years

10. Property, plant and equipment

	Fixtures, fittings, computer equipment and motor vehicles £'000
Cost	
At 1 January 2012	172
Additions	50
Disposals	(49)
At 31 December 2012	173
Accumulated depreciation	
At 1 January 2012	129
Charge for the year	26
Eliminated on disposal	(46)
At 31 December 2012	109
Net book amount at 31 December 2012	64

	Fixtures, fittings, computer equipment and motor vehicles £'000
Cost	
At 1 January 2011	137
Additions	38
Disposals	(3)
At 31 December 2011	172
Accumulated depreciation	
At 1 January 2011	111
Charge for the year	21
Eliminated on disposal	(3)
At 31 December 2011	129
Net book amount at 31 December 2011	43

11. 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 and liabilities (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

	2012 £'000	2011 £'000
Deferred tax assets comprises		
Accelerated capital allowances	38	31
Deferred tax asset on pension	247	295
At 31 December	285	326

Movements in the deferred tax asset

	2012 £'000	2011 £'000
At 1 January	326	403
Transfer from the statement of comprehensive income	(41)	(77)
At 31 December	285	326

The UK government has announced future changes to the Corporation tax rate. These changes will result in a decrease in the standard rate of corporation tax to 23% in April 2013. If enacted, these changes will result in a further 2% reduction in April 2014 and a further 1% to a standard rate of 20% in April 2015. As at 31 December 2012 the substantively enacted rate remains at 23% and in accordance with applicable accounting standards the deferred tax asset has been calculated using this rate. In the event that the proposed rate change is substantively enacted the effect on the deferred tax asset of the Company would be a reduction of up to £25,000.

12. Trade and other receivables

	2012 £'000	2011 £'000
Current		
Trade receivables	1,114	1,055
Less: Provision for impairment of receivables	(67)	(58)
Amounts owed by group undertakings	995	867
Other debtors	170	167
Prepayments and accrued income	142	116
	2,354	2,147

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

All trade and other receivables are denominated in UK sterling.

Concentrations of credit risk with respect to trade receivables are limited due to the Company'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.

Trade receivables analysis

	2012 £'000	2011 £'000
Trade receivables	1,114	1,055
Less: Provision for impairment of trade receivables	(67)	(58)
Net trade receivables	1,047	997

The following summarises the movement in the provision for impairment of trade receivables

	2012 £'000	2011 £'000
At 1 January	58	57
Impairment of trade receivables during the year	26	28
Amounts written off in year	(17)	(27)
At 31 December	67	58

The following summarises details of trade receivables that are not overdue as the payment terms have not been exceeded as well as an analysis of overdue amounts and related provisions

	2012 £'000	2011 £'000
Not overdue	623	575
Amounts past due		
< 1 month	269	283
1 - 3 months	95	133
3 - 6 months	62	9
6 - 12 months	30	17
> 1 year	35	38
Provision for impairment of trade receivables	(67)	(58)
Amounts past due but not impaired	424	422

13. Share capital

Ordinary shares of £1 each	Number	2012 £'000	Number	2011 £'000
Allotted and fully paid				
At 1 January and 31 December	50,000	50	50,000	50

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

Share based payments

Certain employees hold options to subscribe for shares in the ultimate holding Company, Christie Group plc at prices ranging from 39 5p to 251 5p under share option schemes for the period from April 2003 to September 2012

Under the Share Option Scheme the Christie Group plc 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. 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.

The ultimate holding company, Christie Group plc, also operates a Save As You Earn (SAYE) scheme which was introduced in 2002 and in which Company employees participate. Under the SAYE scheme eligible employees can save up to £250 per month over a three or five year period and use the savings to exercise options granted between 59 5p to 202 0p.

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

	2012	2011
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	33.7% - 78.3%	28 5% - 78 3%
Expected life	3 - 5 years	3 - 5 years
Risk free rate	0.8% - 5.1%	1 4% - 5 1%
Dividend yield	0.0% - 3.7%	0 0% - 3 7%
Fair value per option	14 77p - 84.8p	10 35p - 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 in the Company (excluding SAYE schemes) over the year to 31 December is shown below

	2012		2011	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	42,000	49.62p	32,000	46.84p
Granted	17,000	67.00p	10,000	58.50p
Surrendered	-	-	-	-
Outstanding at 31 December	59,000	54.63p	42,000	49.62p
Exercisable at 31 December	26,000	46.92p	20,000	47.50p

No options were exercised during 2011 and 2012. The total charge for the year relating to employee share based payment was £6,000 (2011 £3,000), all of which related to equity settled share based payment transactions. The weighted average remaining contractual life of share options outstanding at 31 December 2012 was 5.6 years (2011 5.2 years). The exercise price of share options outstanding at 31 December 2012 ranged from 45.0p to 67.0p (2011 45.0p to 58.5p).

14. Reserves

	Share based payments £'000	Fair value and other reserves £'000	Retained earnings £'000
At 1 January 2012	39	39	608
Movement in respect of employee share scheme	6	6	-
Profit for the year	-	-	525
Impact of change in the UK corporation tax rate	-	-	-
At 31 December 2012	45	45	1,133

	Share based payments £'000	Fair value and other reserves £'000	Retained earnings £'000
At 1 January 2011	36	36	251
Movement in respect of employee share scheme	3	3	-
Profit for the year	-	-	387
Impact of change in the UK corporation tax rate	-	-	(30)
At 31 December 2011	39	39	608

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

15 Retirement benefit obligation

The Company participates in a defined benefit scheme providing benefits 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.

	2012 £'000	2011 £'000
Present value of funded obligations	11,463	10,344
Fair value of plan assets	(11,463)	(10,344)
	-	-
Present value of unfunded obligations	2,669	335
Unrecognised actuarial (losses)/gains	(1,595)	843
Liability in the statement of financial position	1,074	1,178

The principal actuarial assumptions used were as follows

	2012 %	2011 %
Discount rate	4.75	5.80
Inflation rate	2.80	3.50
Expected return on plan assets	6.50	6.20
Future salary increases	2.80	3.50
Future pension increases	3.00 to 3.30	3.00 to 3.30

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

	2012 Years	2011 Years
Male	22.5	19.8
Female	24.8	22.7

The movement in the defined benefit obligation is as follows

	2012 £'000	2011 £'000
At 1 January	10,679	10,442
Interest cost	613	601
Current service cost	162	153
Benefits paid	(408)	(312)
Actuarial losses/(gains) on experience	342	(205)
Actuarial losses on assumption changes	2,744	-
At 31 December	14,132	10,679
Attributable to		
Present value of funded obligations	11,463	10,344
Present value of unfunded obligations	2,669	335
	14,132	10,679

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

	2012 £'000	2011 £'000
At 1 January	10,344	10,724
Expected return on plan assets	637	663
Employee contributions	47	50
Employer contributions	195	199
Benefits paid	(408)	(312)
Actuarial gains/(losses)	648	(980)
At 31 December	11,463	10,344

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

	2012 £'000	2011 £'000
Current service cost	162	153
Interest cost	613	601
Expected return on plan assets	(637)	(663)
Net actuarial gain recognised in year	-	(46)
	138	45

The actual return on plan assets for the Venners plc defined benefit scheme was a gain of £1,285,000 (2011 £317,000 loss)

Plan assets are comprised as follows

	2012		2011	
	£'000	Expected return %	£'000	Expected return %
Equity	7,242	7.00	6,614	6.90
Debt	174	7.00	292	7.50
Property	595	7.00	430	6.90
Other	3,452	2.50	3,008	4.40
	11,463	6.50	10,344	6.20

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 by the Company to the Venners plc retirement benefit scheme for the year ending 31 December 2013 are £299,000

History of experience adjustments

As at 31 December	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Present value of defined obligations	14,132	10,679	10,442	10,335	10,971
Fair value of plan assets	(11,463)	(10,344)	(10,724)	(9,648)	(9,009)
Deficit / (surplus)	2,669	335	(282)	687	1,962
Experience adjustments on plan liabilities	(342)	205	201	1,269	-
Experience adjustments on plan assets	648	(980)	590	47	(1,859)

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

	2012 £'000	2011 £'000
Beginning of the year	(1,178)	(1,382)
Expenses included in Statement of Comprehensive Income	(138)	(45)
Contributions paid (including employee contributions)	242	249
End of the year	(1,074)	(1,178)

16. Trade and other payables

	2012 £'000	2011 £'000
Trade payables	115	74
Amounts owed to group undertakings	15	12
Other taxes and social security	198	202
Other creditors	57	56
Accruals	488	418
	873	762

All trade and other payables are denominated in UK sterling

17. Notes to the cash flow statement**Cash generated from operations**

	2012 £'000	2011 £'000
Profit for the year	525	357
Adjustments for		
– Taxation	144	77
– Finance income	(24)	(11)
– Depreciation	26	21
– Amortisation of intangible asset	4	11
– Profit on sale of tangible assets	(1)	-
– Share option charge	6	3
– Movement in retirement benefit obligation	(104)	(204)
Changes in working capital		
– Increase in trade and other receivables	(78)	(160)
– Increase in trade and other payables	111	170
Cash generated from operations	609	264

18. Contingent liabilities

The Company is party to composite cross guarantees between the bank, its ultimate parent undertaking and fellow subsidiaries. The Company's contingent liability under these guarantees at the year end was £2,815,000 (2011: £1,917,000).

19. Operating lease commitments

At 31 December 2012 the Company has lease agreements in respect of properties, vehicles, plant and equipment, for which the payments extend over a number of years

	2012 Property £'000	2012 Vehicles and equipment £'000	2011 Property £'000	2011 Vehicles and equipment £'000
Commitments under non-cancellable operating leases due:				
Within one year	30	233	30	211
Within two to five years	52	238	81	262
	82	471	111	473

Operating lease payments represent

- rentals payable by the Company for its office property
- rentals for vehicles and equipment under non-cancellable operating lease agreements

20. Related parties**20a. Ultimate parent undertaking**

The Company's ultimate parent undertaking is Christie Group plc, a company registered in England and Wales. Consolidated financial statements incorporating the results of the Company are prepared by Christie Group plc and no other intermediate holding company. Copies of the consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.

20b. Identity of related parties

The Company has related party relationships with its ultimate parent undertaking Christie Group plc and other Group companies.

20c. Transactions with group undertakings

	2012	2011
	£'000	£'000
Provision of services	39	17
Purchase of services	447	476

Sales and purchases to group undertakings were carried out on commercial terms and conditions.

During the year loans of £230,000 (2011: £375,000) were made to group undertakings.

Year end balances arising from sales, provision of services and loans to group undertakings are disclosed in notes 12 and 16.

20d. Transactions with directors

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

	2012	2011
	£'000	£'000
Directors' Remuneration	378	332
Directors' National Insurance Contributions	36	33
	414	365