Registration Number 00194871

Venners Limited

Directors' Report and Financial Statements

for the year ended 31 December 2019

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Company Information

Directors	C A Gibson S Hulme A Lindsay S J Mayne M W Muir J P Perry D R Prickett D B Rugg
Secretary	C A Gibson
Company Number	00194871
Registered Office	Pinder House 249 Upper Third Street Milton Keynes MK9 1DS
Auditors	Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

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Strategic Report

For the year ended 31 December 2019

The Directors present their Strategic Report on the company for the year ended 31 December 2019.

Review of the business

Principal Activities and Business Review:

The Company's principal activity continued to be that of providing an integrated range of Stock, Consultancy, Compliance, Health & Safety and Inventory services.

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 stated, whilst we have endeavoured to reduce risks, we are not immune to movements in the global economy or changes in the economic or legislative environments in the countries in which we do business. In addition, such things as the psychological effect of natural disasters, terrorist attacks, banking crises, currency crises and changes in behaviour pattern due to environmental based legislation can all impact our businesses in unexpected ways. All of our activities rely on the recruitment and retention of skilled individuals.

The following could adversely affect our markets:
- changes in employee and business legislation;
- the availability of labour;
- increase in transport costs;
- trends towards a cashless society;
- technology changes affecting the hospitality sector; and
- economic slowdown.

The above list of risks is meant to highlight, in addition to any noted elsewhere in this report, those we consider relevant today and is not intended to be an exhaustive list of risks facing the business. Global and national disruptive economic events – notably the potential impact of climate change, Brexit and the Coronavirus pandemic – are not risks that are considered unique to any of the services we provide.

Key Performance Indicators:

The key financial performance indicators are as follows:

- Revenue growth – an important part of our strategy is growing our business and is best measured by revenue growth;
- Operating profit % - this is measured as operating profit as a percentage of revenue.

Review of strategy and business model

Venners is the largest, longest-established and leading supplier of stocktaking, inventory and consultancy services and related stock-management systems to the UK hospitality sector, providing a wide range of specialist business services in the UK and Europe.

Following on from a sustained period of strong growth and a record year in 2018, 2019 was a year of consolidation where our success translated to an improved profit margin.

It was a performance which saw us strengthen our position as the industry's leading supplier of stock and profit control solutions to food and beverage operators.

The UK hospitality sector remained dynamic in 2019, with opportunities and challenges for operators. Where margins in the food and beverage sector are under pressure, the need to maximise profits and profit control makes Venners an excellent partner for investors, owners and operators wishing to identify, understand and unlock profit improvement potential that resides in their businesses.

We provide value-adding advice using knowledge built and retained over our 124 year history. To complement this, we have continued to focus on technological innovation in order to enhance our service offering.

A year ago we talked about our ongoing investment in our technology. We made considerable progress in 2019 in developing digital reporting suites that are fully adaptable to the individual needs of clients across all divisions. When these are launched in 2020 through the Venners Online portal, they will improve the speed and precision of KPI-based records and recommendations to help customers run their businesses more profitably and compliantly.

Our successes in 2019 position us well to build further momentum in the years ahead. We are the premier choice for operators across the sector who wish to outsource their stocktaking, which was evidenced by an upswing in new business in the latter part of the year. Recognising the benefits we can bring to owners and operators in other sectors, we began focusing on targeting the Care and Franchise sectors with transferrable services.

During the year, our longest-established divisions – those focusing on stock-auditing, management and control – delivered the majority of our income. Their strength is particularly clear to see when considering our increased European presence. We have increased the volume of work we carry out in mainland Europe today, regularly completing stocktaking jobs across 8 countries and supporting clients like Moxy Hotels.

The growth of our newer divisions – Compliance, which identifies key areas of risk, and Consultancy, which address issues raised in the compliance phase – was also encouraging. We achieved combined growth in these two divisions of 12.8% in the year. This was in part due to innovative new auditing and advice solutions we introduced during the year - complementing existing services such as night-time audits, project-based investigations and support services for whistle-blowing incidents - and reflected increased demand for our services from restaurant operators.

Our Consultancy team adopt a range of tactics to add value. Operational service surveillance, in-depth analysis of control system, and complete trading business reviews can all be highly effective in identifying profit improvement areas.

The Compliance division's focus, on the other hand, is on identifying key areas of risk, improving corporate governance and safeguarding profit retention.

We created and successfully filled a number of new roles during 2019, helping us to manage growing interest in our new services. At the same time our staff retention levels improved following increased investment in our people.

We ended 2019 with the platform in place for future success. We have a strong infrastructure and a suite of services which will remain in-demand across the sectors we serve.

This report was approved by the board on 25 September 2020.

Christopher Gibson

C A Gibson
Company Secretary
Registration no. 00194871

Directors' Report

For the year ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Results and Dividends

The results for the year are set out in the Statement of Comprehensive Income on page 12. The Directors paid interim dividends of £500,000 (2018: £850,000). The Directors do not recommend the payment of a final dividend (2018: £nil). The operating profit for the year was £917,000 (2018: £857,000). The profit for the year before tax was £825,000 (2018: £809,000) and the total comprehensive income for the financial year was £932,000 (2018: £467,000) and this amount has been added to reserves.

Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Company performance. The Company's parent company operates an employee share ownership scheme which provides eligible employees with the opportunity to become a shareholder in Christie Group plc and further align their own interests with those of other shareholders. In terms of employee information and updates, the Company engages with employees and workers as the Directors consider appropriate and to the extent that is permissible noting Christie Group plc's obligations to comply with the requirements of AIM and the Market Abuse Regulations.

The Company is committed to providing equality of opportunity to all employees and workers regardless of sex, gender, marital status, race, religion, nationality, age, disability or sexual orientation. When recruiting, the Company does so on the basis of an objective assessment of applications received and whether candidates have the appropriate skills and experience required for the role. Promotions and appointments are made on the basis of merit and should be without regard to any other factors. The Company is committed to the continual development of its employees and workers where that development is considered appropriate in enabling the better performance of an individual's role.

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. See note 3 on pages 19 and 20.

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.

Going Concern

The Directors have considered detailed and extensive financial forecasts, produced by the Company, in light of the disruption caused by Coronavirus. Those detailed business plans cover a period up to 31 December 2021, using the information available to management at the time.

The Directors have reviewed the implications of these forecasts in terms of cashflow and the available cash resources and facilities in place. Having done so, the Group Board have satisfied themselves that there is sufficient headroom in place to ensure the Company may continue to trade as a going concern until at least 31 December 2021. Having reached this conclusion, the Directors are satisfied that they should continue to adopt the going concern basis in preparing the financial statements.

These financial forecasts were produced in June 2020 and they therefore take account of actual financial performance up to that date, with forecasts for the subsequent period up to 31 December 2021. As such, they reflect the trading disruption experienced from Covid-19 in the first half of 2020, and include appropriate modelling to reflect any financial support schemes available including, but not restricted to, the utilisation of the UK government's Coronavirus Job Retention Scheme.

These financial forecasts and going concern assessments have been shared with the statutory auditors, Mazars LLP.

Important events since the end of the period and likely future developments

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus pandemic has severely restricted the level of economic activity within the United Kingdom.

In response to this coronavirus pandemic, the government has taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. As the government required almost all our customers to close for over 3 months, the Company had a few months with negligible turnover before things started to pick up in the preparations for customer sites reopening. The Company furloughed almost all its staff during lockdown and has been utilising the Coronavirus Job Retention Scheme. The Company has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely. Stocktaking for the licenced trade has initially commenced at 40% of former pre-Covid volume. Many city-based hotels, pubs, restaurants and events locations have yet to re-open. We anticipate activity to continue to grow in future months.

Further consideration in respect of the assessment of COVID-19 impact and how this has been considered in respect of forming a conclusion in respect of the going concern assumption for the Company is set out in note 2. With the exception of these events and considerations, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

Directors

The Directors who served during the year are detailed below.

C A Gibson
S Hulme
A Lindsay
S J Mayne
M W Muir
J P Perry
D R Prickett
D B Rugg

During the year under review and as at the date of the Directors' report, appropriate directors' and officers' insurance was in place.

Auditors

Mazars LLP was appointed in the year as auditors of the company. Mazars will be proposed for reappointment in accordance with the provisions of section 489 of the Companies Act 2006.

Disclosure of information to Auditors

The 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 September 2020.

Christopher Gibson

C A Gibson
Company Secretary
Registration no. 00194871

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework". 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 whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 Venners Limited

Opinion

We have audited the financial statements of Venners Limited ('the company') for the year ended 31 December 2019 which comprise of the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 7, and the consideration in the going concern basis of preparation on page 15.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company and group's trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report and Accounts 2019, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of the audit report

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.

Lucy Hampson

Lucy Hampson (Senior Statutory Auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date 25 September 2020

Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	**2019 £'000**	2018 £'000
Revenue		**11,879**	12,060
Employee benefit expenses	5	**(7,894)**	(8,399)
		3,985	3,661
Depreciation and amortisation		**(295)**	(132)
Other operating expenses		**(2,773)**	(2,672)
Operating profit		**917**	857
Finance costs	6	**(38)**	-
Pension scheme finance costs	6	**(96)**	(83)
Finance income	6	**42**	35
Net finance cost		**(92)**	(48)
Profit before tax	7	**825**	809
Taxation	8	**(32)**	(65)
Profit after tax		**793**	744
Other comprehensive income / (losses):			
Items that will not be reclassified to profit or loss			
Actuarial gains / (losses) on defined benefit plans		**167**	(334)
Income tax effect		**(28)**	57
Net other comprehensive income / (losses) not being reclassified to profit or loss in subsequent periods		**139**	(277)
Other comprehensive income / (losses) for the period, net of tax		**139**	(277)
Total comprehensive income for the period		**932**	467

All amounts derive from continuing operations.

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

Statement of Changes in Shareholders' Equity

As at 31 December 2019

	Attributable to the Equity Holders of the Company			
	Share capital £'000	Share based payment reserve (Note 15a) £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	**50**	**103**	**898**	**1,051**
Employee share option scheme:				
- value of services provided	-	16	-	16
Dividends paid	-	-	(850)	(850)
Total comprehensive profit for the year	-	-	467	467
Balance at 31 December 2018 and 1 January 2019	**50**	**119**	**515**	**684**
Impact of IFRS 16	-	-	(38)	(38)
Adjusted Balance at 1 January 2019	**50**	**119**	**477**	**646**
Employee share option scheme:				
- value of services provided	-	14	-	14
Dividends paid	-	-	(500)	(500)
Total comprehensive profit for the year	-	-	932	932
Balance at 31 December 2019	**50**	**133**	**909**	**1,092**

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

Dividends of £10 per share were paid in the year (2018: £17 per share)

Statement of Financial Position
As at 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Intangible assets	9	-	68
Property, plant and equipment	10	-	-
Right of use assets	11	**419**	-
Deferred tax assets	12	**604**	664
		1,023	732
Current assets			
Current tax asset		**76**	5
Trade and other receivables	13	**4,491**	4,344
Cash and cash equivalents		**461**	749
		5,028	5,098
Total assets		**6,051**	5,830
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	14	**50**	50
Share based payment reserve	15a	**133**	119
Retained earnings	15b	**909**	515
Total equity		**1,092**	684
Liabilities			
Non-current liabilities			
Retirement benefit obligations	16	**3,267**	3,651
Right of use asset liability	17	**188**	-
Provisions	18	-	5
		3,455	3,656
Current liabilities			
Trade and other payables	19	**1,254**	1,490
Right of use asset liability	17	**233**	-
Provisions	18	**17**	-
		1,504	1,490
Total liabilities		**4,959**	5,146
Total equity and liabilities		**6,051**	5,830

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

The financial statements of Venners Limited, registered number 00194871, were approved by the Board of Directors on 25 September 2020 and signed on its behalf by:

S J Mayne
Managing Director

Christopher Gibson

C A Gibson
Finance Director

Notes to the Financial Statements

1. General information

Venners Limited, is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The registered office is given on page 2. The Company's principal activity continued to be that of providing an integrated range of Stock, Consultancy, Compliance, Health & Safety and Inventory services.

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2019

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The Company financial statements have been prepared under the historical cost convention with the exception of the defined benefit pension scheme, and on a going concern basis.

The preparation of financial statements in accordance with FRS 101 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 financial statements are disclosed in note 4.

Transition to FRS 101

The company transitioned from IFRS to FRS101 (Reduced Disclosure Framework) as at 1 January 2019. The policies applied under the previous accounting framework are not materially different to FRS 101 and as a result, no transitional adjustments were required in equity or comprehensive income as at the transition date or the year ended 31 December 2019.

The company has taken advantage of the following disclosure exemptions under FRS 101:

a) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
b) The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment.
c) The requirements of IAS 7 Statement of Cash Flows.
d) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
e) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
f) The requirements of IFRS 7 Financial Instruments: Disclosures.
g) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
    i. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    ii. paragraph 118(e) of IAS 38 Intangible Assets

The information is included within the consolidated financial statements of Christie Group Plc as at 31 December 2019. These accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Going Concern

Having reviewed the Company's budgets, projections and funding requirements to 31 December 2021, and taking account of reasonable possible changes in trading performance over this period, particularly in light of COVID-19 risks and counter measures, the Directors believe they have reasonable grounds for stating that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

New and amended standards adopted by the company

In the year ended 31 December 2019, the Company has applied IFRS 16 'Leases' for the first time.

IFRS16 Leases replaced IAS17 Leases, with the key change being that lessee accounting will eliminate the IAS17 distinction between operating leases and finance leases, treating most leases in the same manner as finance leases under IAS17. IFRS 16 has introduced a single, on-balance sheet accounting model for lessees, eliminating the distinction between operating and finance leases.

As a result, the Company has recognised a number of right-of-use assets and corresponding lease liabilities on the balance sheet. Right of use assets are initially measured at cost, and subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if applicable. Lease liabilities are initially measured at the present value of the future lease payments discounted at the incremental borrowing rate. Lease liabilities are subsequently measured at amortised cost using the effective interest rate method.

When applying IFRS 16, the Company has applied the following practical expedients, on the date of initial application:

- applying a single discount rate of 10% to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019.

Lease costs are recognised in the form of depreciation of the right-of-use asset and interest on the lease liability, which may impact the phasing of operating profit and profit before tax, compared to the cost profiles and presentation in the income statement under IAS17. This also impacted the classification of associated cash flows in the consolidated cash flow statement.

Short-term leases with a term not exceeding 12 months as well as leases where the underlying asset is of low value are not recognised using the option available under the standard. Venners Limited is using the option under the standard to recognise all lease and non-lease components under IFRS 16.

We have applied the modified retrospective basis when adopting the standard. Prior to the Company's adoption of IFRS 16 on 1 January 2019, leases of property, plant and equipment were classified as either finance leases or operating leases. Under IFRS 16, leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company.

Adoption of the standard has resulted in Right of Use assets of £434,000 and Right of Use liabilities of £442,000 being recognised at 1 January 2019. The opening reserves at 1 January 2019 have been reduced by £38,000 for the net effect of reclassifying the leases.

The following reconciliation of the opening balance for the lease liabilities as at 1 January 2019 is based upon the operating lease obligations as at 31 December 2018:

	1 January 2019 £'000
Operating lease obligations at 31 December 2018	**509**
Discounting	(67)
Lease liabilities at 1 January 2019	**442**

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

To determine whether to recognise revenue, the Company follows the IFRS 15 five step process. Revenue from contracts with customers is recognised when the Company satisfies a performance obligation for a contracted service.

Revenue from principal activities are assessed using the following model:

(1) Identify the contract
(2) Identify performance obligations
(3) Determine the transaction price
(4) Allocation of the transaction price; and
(5) Recognise revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services provided in the ordinary course of the Company's activities.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct service or a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

Services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

Where performance obligations require certain targets to be achieved, revenue is only recognised once the promised has been fulfilled.

Transaction price

At the start of the contract, the total transaction price is estimated as the fair value of consideration to which the Company expects to be entitled to for satisfying performance obligations and transferring the promised services to the customer, including expenses and excluding value added taxes and discounts.

The transaction price is generally determined by the stand-alone selling price. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices.

Revenue recognition

Performance obligations can be satisfied in a variety of ways through completion of specific obligations, or as services are rendered. Revenue recognised is the value allocated to the satisfied performance obligation over time or at a point in time.

Revenue derived from the 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.

Consultancy and Health and Safety Services

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.

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 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. Amortisation is shown with depreciation on the face of the Statement of Comprehensive Income.

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:

Leasehold property	Lease term
Fixtures, fittings and equipment	5 – 10 years
Computer equipment	2 – 3 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

IFRS 16 has been adopted for the first time in 2019. Full details are included in note 2.1.

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 using the expected credit loss model, less any provision for impairment. The Company applies the IFRS 9 simplified approach to measuring forward-looking expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and accrued income, including contract assets. A provision for impairment of trade receivables is assessed at both the point of initial recognition and when there is further 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 present value of estimated future cash flows. The amount of the provision is recognised in the Statement of Comprehensive Income.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of the 12 months preceding 31 December 2019. The historical loss rates do not lead to any material adjustment.

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 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. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the income statement.

Pension obligations – 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: market risk (including currency risk, and interest rate risk), credit risk, liquidity risk and cash flow 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) Market risk
Foreign exchange risk:
The Company 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.

At 31 December 2019, 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 £3,000 lower (2018: £2,000 lower) mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables, cash and cash equivalents, and trade payables.

b) 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.

c) 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 2019 total borrowings by the company amounted to £nil (2018: £nil).

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 company at 31 December 2019 were £461,000 (2018: £749,000).

d) 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 2019, 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 £7,000 (2018: £7,000).

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; 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, all actuarial gains and losses are recognised immediately in other comprehensive income.

(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.

(c) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates

5. Employee benefit expenses

Staff costs for the Company during the year	2019 £'000	2018 £'000
Salaries and short term employee benefits	**6,775**	7,081
Social Security expense	**632**	659
Other benefits	**226**	445
Post employment benefits	**247**	198
Cost of employee share schemes	**14**	16
	7,894	8,399

Average number of people (including executive directors) employed by the Company during the year was	2019 Number	2018 Number
Operational	**219**	230
Administration and support staff	**38**	39
	257	269

5.1 Directors' emoluments

	2019 £'000	2018 £'000
Remuneration and other emoluments	**478**	483
Pension contributions*	**50**	46
	528	529

* 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 in 2018 were non-executive in nature and his emoluments in respect of these services were 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 D R Prickett and D B Rugg are borne by the ultimate parent company and are considered primarily attributable to their services to the ultimate parent company. Where appropriate, elements of this cost are recovered by Christie Group plc through management charges raised from Christie Group plc to Venners Limited in order to reflect services provided to Venners Limited.

	2019 Number	2018 Number
Number of Directors to whom relevant benefits are accruing under a defined benefit scheme	**2**	2
Number of Directors who exercised share options	**1**	2

Highest paid Director Amounts included above:	2019 £'000	2018 £'000
Emoluments and other benefits	**130**	126
Pension contributions	**29**	28
	159	154

Amounts accrued under a defined benefit pension scheme:		
Accrued pension	**26**	25

The highest paid director did not exercise share options during 2019 (2018: did).

6. Finance income and costs

	2019 £'000	2018 £'000
Interest Payable on Right of Use Assets	**(38)**	-
Pension scheme finance costs	**(96)**	(83)
Total Finance costs	**(134)**	(83)
Intercompany interest receivable	**42**	35
Total Finance income	**42**	35
Net finance cost	**(92)**	(48)

7. Profit before tax

	2019 £'000	2018 £'000
Profit before tax is stated after charging / (crediting):		
Depreciation of property, plant and equipment		
– owned assets	**-**	48
Amortisation of intangible fixed asset	**68**	84
Depreciation of Right of Use Assets	**227**	N/A
Short term lease expense	**113**	N/A
Impairment of trade receivables	**-**	15
Loss on the disposal of property, plant and equipment	**-**	4
Loss on foreign exchange	**3**	-

Services provided by the Company's auditor

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

	2019 £'000	2018 £'000
Audit services		
– statutory audit	**12**	10

The 2018 figure relates to the previous auditor.

8. Taxation

	2019 £'000	2018 £'000
Current tax		
UK Corporation tax at 19% (2018: 19%)	-	42
Adjustment in respect of prior years	-	(5)
Total current tax	-	37
Deferred tax		
Origination and reversal of timing differences	**32**	28
Total deferred tax charge	**32**	28
Tax charge on profit	**32**	65

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 19% as follows:

	2019 £'000	2018 £'000
Profit before tax	**825**	809
Tax at standard rate of UK corporation tax of 19% (2018: 19%)	**157**	154
Effects of:		
– utilisation of tax losses and other deductions	**(108)**	(75)
– net income not deductible for tax purposes	**(13)**	(9)
– adoption of IFRS 16	**(4)**	-
– over provision of prior year tax	-	(5)
– **Total tax charge**	**32**	65

9. Intangible assets

	Software £'000
Cost	
At 1 January and 31 December 2019	**529**
Accumulated amortisation	
At 1 January 2019	461
Charge for the year	68
At 31 December 2019	**529**
Net book amount at 31 December 2019	**-**

10. Property, plant and equipment

	Fixtures, fittings and computer equipment £'000
Cost	
At 1 January 2019	119
Disposals	(28)
At 31 December 2019	**91**
Accumulated depreciation	
At 1 January 2019	119
Eliminated on disposal	(28)
At 31 December 2019	**91**
Net book amount at 31 December 2019	**-**

11. Right of Use Assets

	Motor Vehicles £'000	Property £'000	**Total £'000**
Cost			
At 1 January 2019	-	-	**-**
Impact from the adoption of IFRS 16	856	137	**993**
Adjusted balance at 1 January 2019	856	137	**993**
Additions	212	-	**212**
Disposals	(196)	-	**(196)**
At 31 December 2019	**872**	**137**	**1,009**
Accumulated depreciation			
At 1 January 2019	-	-	**-**
Impact from the adoption of IFRS 16	470	89	**559**
Adjusted balance at 1 January 2019	470	89	**559**
Charge for the year	199	28	**227**
Eliminated on disposal	(196)	-	**(196)**
At 31 December 2019	**473**	**117**	**590**
Net book amount at 31 December 2019	**399**	**20**	**419**

12. 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.

	2019 £'000	2018 £'000
Deferred income tax assets comprises:		
Provisions (disallowed but expected to crystallize)	**5**	2
Pensions	**2**	2
Employee benefits	**23**	20
Fixed asset timing differences	**16**	19
IFRS 16 reserves adjustment	**3**	-
Deferred tax asset	**49**	43
Deferred tax asset on pension	**555**	621
At 31 December	**604**	664

Movement in the deferred tax asset:

	2019	2018
	£'000	£'000
At 1 January	**664**	635
Transfer from the statement of comprehensive income	**(32)**	(28)
Transfer (from) / to the statement of other comprehensive income	**(28)**	57
At 31 December	**604**	664

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £71,000 and to increase the deferred tax asset by £71,000.

13. Trade and other receivables

	2019	2018
	£'000	£'000
Current		
Trade receivables	**1,367**	1,615
Less: Provision for impairment of receivables	**(40)**	(69)
Amounts owed by group undertakings	**2,938**	2,569
Other debtors	**17**	16
Prepayments and accrued income	**209**	213
	4,491	4,344

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

All trade and other receivables are denominated in UK sterling.

Amounts owed by group undertakings are at an interest rate of 1.5% and repayable on demand.

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

	2019	2018
	£'000	£'000
Trade receivables	**1,367**	1,615
Less: Provision for impairment of trade receivables	**(40)**	(69)
Net trade receivables	**1,327**	1,546

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

	2019	2018
	£'000	£'000
At 1 January	**69**	94
Impairment of trade receivables during the year	**23**	15
Amounts written off in year	**(52)**	(40)
At 31 December	**40**	69

14. Share capital

Ordinary shares of £1 each	Number	2019 £'000	Number	2018 £'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 to shares in the ultimate holding Company, Christie Group plc.

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 the 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 the 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 £500 per month over a three or five year period and use the savings to exercise options granted at the market price of the shares under option at the date of the grant. The weighted average share price at the date of exercise for share options exercised during the period was 64.45p. The options outstanding at 31 December 2019 had a weighted average exercise price of 107.79p, and a weighted average remaining contractual life of 7.13 years.

15. Reserves
15a. Share Based Payment Reserve

	Share based payment reserve £'000
At 1 January 2019	**119**
Movement in respect of employee share scheme	**14**
At 31 December 2019	**133**

	Share based payment reserve £'000
At 1 January 2018	**103**
Movement in respect of employee share scheme	**16**
At 31 December 2018	**119**

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.

15b. Retained Earnings

Retained earnings include the realised gains and losses made by the Company.

16. 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.

	2019	2018
	£'000	£'000
Present value of obligations	**20,883**	19,059
Fair value of plan assets	**(17,616)**	(15,408)
Liability in the Statement of Financial Position	**3,267**	3,651

The principal actuarial assumptions used were as follows:

	2019	2018
	%	%
Discount rate	**2.05**	2.80
Inflation rate	**2.95**	3.30
Future salary increases	**2.00**	2.00
Future pension increases	**3.30**	3.00 to 3.50

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:

	2019	2018
	Years	Years
Male	**21.3**	21.8
Female	**23.2**	23.7

The movement in the defined benefit obligation is as follows:

	2019	2018
	£'000	£'000
At 1 January	**19,059**	20,009
Interest cost	**527**	490
Current service cost	**97**	114
Past service cost	**-**	10
Benefits paid	**(483)**	(959)
Actuarial gains on experience	**(16)**	(63)
Change in actuarial assumptions	**1,699**	(542)
At 31 December	**20,883**	19,059
Attributable to:		
Present value of funded obligations	**17,616**	15,408
Present value of unfunded obligations	**3,267**	3,651
	20,883	19,059

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

	2019 £'000	2018 £'000
At 1 January	**15,408**	16,488
Interest income	**431**	407
Employee contributions	**23**	27
Employer contributions	**387**	384
Benefits paid	**(483)**	(959)
Return on plan assets less interest income	**1,850**	(939)
At 31 December	**17,616**	15,408

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

	2019 £'000	2018 £'000
Current service cost	**(97)**	(114)
Past service cost	**-**	(10)
Total included in employee benefit expenses	**(97)**	(124)
Interest cost	**(96)**	(83)
Total included in finance costs	**(96)**	(83)
Net actuarial gain / (loss) recognised in year	**167**	(334)
Total included in other comprehensive income / (losses)	**167**	(334)
Total amount recognised in total comprehensive losses	**(26)**	(541)

Plan assets are comprised as follows:

	Quoted *	Unquoted	2019 Total	Quoted *	Unquoted	2018 Total
	£'000	**£'000**	**£'000**	£'000	£'000	**£'000**
Equity	-	6,019	**6,019**	-	5,277	**5,277**
Debt	-	5,261	**5,261**	-	4,558	**4,558**
Property**	-	948	**948**	-	811	**811**
Other	-	5,388	**5,388**	-	4,762	**4,762**
	-	17,616	**17,616**	-	15,408	**15,408**

*Plan assets are held in unit trusts.
**Property assets include Whitefriars House a leasehold property owned by Carmelite Property Limited and leased by Christie Group plc, the parent company of Venners Limited.

Through its defined benefit pension plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the current scheme deficits but, by contrast, if plan assets outperform this yield the scheme deficits will be reduced. The group's pension schemes currently hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. As the plans mature, it is probable that the schemes' trustees will seek to reduce the level of investment risk by investing more in assets that better match the liabilities. Currently, the group believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the group's long term strategy to manage the plans efficiently.

Changes in bond yields - A decrease in corporate bond yields will increase the present value of plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk - Some of the group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, for most such liabilities there are inflation cap mechanisms in place which significantly reduce this risk. The majority of the plan's assets are not directly affected by inflation although may be correlated to the impacts that inflation may have on macro economic factors, such as increases in interest rates which might be used if monetary policy were employed to reduce inflation.

Life expectancy - The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

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

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(7.8%)	8.8%
Salary growth rate	0.50%	0.3%	(0.3%)
Pension growth rate	0.25%	1.1%	(1.1%)

	Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy	4.7%	(4.7%)

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit pension obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the Statement of Financial Position. Salary growth assumption sensitivity recognises the enactment of an appropriate indexation cap on future pensionable salary increases.

Expected contributions by the Company to the Venners plc retirement benefit scheme for the year ending 31 December 2020 are £116,000.

The weighted average duration of the defined benefit obligation is 16 years (2018: 16 years).

Expected maturity analysis of undiscounted pension benefits:

As at 31 December 2018	Less than a year £'000	Between 1-2 years £'000	Between 2-5 years £'000	Over 5 years £'000	**Total £'000**
Pension benefits	459	700	2,000	26,194	**29,353**

The movement in the liability recognised in the Statement of Financial Position for the scheme is as follows:

	2019 £'000	2018 £'000
Beginning of the year	**(3,651)**	(3,521)
Net expenses included in Income Statement	**(170)**	(180)
Actuarial gains / (losses) included in Statement of Comprehensive Income	**167**	(334)
Employer contributions	**387**	384
End of the year	**(3,267)**	(3,651)

17. Right of Use Liabilities

At 31 December 2019 the Company has liabilities under lease agreements for the right of use assets disclosed in note 11. The maturity of these liabilities is as follows:

	£'000
Undiscounted lease liabilities	
Due within 1 year	236
Due between 1 and 5 years	244
Total undiscounted lease payments	480
Interest component	(59)
Right of Use Liabilities	**421**
Current	**233**
Non-current	**188**

The total cash outflow for leases in the year was £271,000.

18. Provisions

Dilapidations	**2019 £'000**	2018 £'000
At 1 January	**5**	-
Charged to the income statement	**12**	5
At 31 December	**17**	5

	2019 £'000	2018 £'000
Analysis of total provisions		
Non-Current	**-**	5
Current	**17**	-

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

19. Trade and other payables

	2019 £'000	2018 £'000
Trade payables	**98**	106
Amounts owed to group undertakings	**36**	31
Other taxes and social security	**308**	320
Other creditors	**100**	91
Accruals	**712**	942
	1,254	1,490

All trade and other payables are denominated in UK sterling.

Amounts owed to group undertakings are interest free and repayable on demand.

20. 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 £3,182,000 (2018: £4,468,000).

21. Related parties

21.1 Ultimate parent undertaking

The Company's immediate and 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. Copies of the consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CG14 3UZ.

21.2 Transactions with Group companies

The Company has taken advantage of the exemption in FRS 101 from disclosing relating party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that Group.

Outstanding balances between Group entities as at the Statement of Financial Position date are disclosed within notes 13 and 19 above.

21.3 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:

	2019	2018
	£'000	£'000
Directors Remuneration	**528**	529
Directors' National Insurance Contributions	**59**	60
	587	589

1 director exercised share options in the year (2018: 2).

22. Post Balance Sheet Event

Post year end the COVID-19 pandemic was declared across the World and has been treated as a non-adjusting post balance sheet event. This has had no impact on any balances as at 31 December 2019 and any potential impact on the going concern status of the Company has been assessed in the going concern section within the directors' report.