

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

31 DECEMBER 2001

REGISTERED NUMBER 1133459



CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

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CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

COMPANY INFORMATION

DIRECTORS

| | |
|-----------------|-----------------------------|
| J B Chesworth | (appointed 22 March 2002) |
| R H Aydon | (appointed 22 March 2002) |
| D A Streatfeild | (appointed 22 March 2002) |
| A F Spink | (resigned 23 March 2002) |
| T S Hirsch | (resigned 23 March 2002) |
| A R Bennet | (resigned 23 March 2002) |
| S J Dix | (resigned 23 March 2002) |
| M Sinclair | (resigned 23 March 2002) |
| R Watkins | (resigned 23 March 2002) |
| L J Libson | (resigned 19 December 2001) |
| P J Holmes | (resigned 5 November 2001) |
| S M W Ray | (resigned 21 December 2001) |

COMPANY SECRETARY

| | |
|------------|---------------------------|
| R H Aydon | (appointed 23 March 2002) |
| A R Bennet | (resigned 23 March 2002) |

REGISTERED OFFICE

8 King Street
St James's
London SW1Y 6QT

REGISTERED NUMBER

1133459

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The company has acted principally as fine art and antique dealers, numismatists, medallists, philatelists and bullion dealers.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Following a strategy review, Christie's International plc made the decision to sell off the various divisions of the company.

During the year the Modern Pictures, Furniture Restoration and Islamic businesses were sold to their management.

On 20 March 2002 the Collectables business was sold to Brandmine Limited, which then changed its name to Spink & Son Limited. At the same time the company changed its name to Christie's Assets Limited.

The Special Commissions and Pictures businesses have been retained.

RESULTS AND DIVIDENDS

The results for the year are set out in detail in the Profit and Loss Account on pages 5 and 6. The directors do not recommend the payment of a dividend (2000: nil), therefore the loss for the year of £539,000 (2000: profit £1,154,000) has been transferred to reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the period under review are set out on page 1.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or any other company in the Christie's International Group at any time in the year.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political contributions during the year. Donations to UK charities amounted to £4,959 (2000: £6,683).

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

REPORT OF THE DIRECTORS

CREDITOR PAYMENT POLICY

It is the company's policy to settle terms of payment with its creditors when agreeing the terms of business. The company ensures that its vendors and suppliers are aware of those terms, and abides by agreed terms of payment. The number of creditor days outstanding in the company accounts was 56 (2000 - 56).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board


R H Aydon
Secretary

28th June 2002

REPORT OF THE INDEPENDENT AUDITORS, KPMG AUDIT PLC, TO THE MEMBERS OF

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

28 JUNE 2002

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

| | Notes | 2001 £' 000 | 2000 £' 000 |
|---|-------|----------------|----------------|
| Turnover | | | |
| Continuing operations | 1 | 9,743 | 14,466 |
| Discontinued operations | | 11,387 | 16,995 |
| | | <hr/> | <hr/> |
| | | 21,130 | 31,461 |
| Cost of sales | | | |
| Continuing operations | | (5,199) | (8,246) |
| Discontinued operations | | (6,758) | (11,508) |
| | | <hr/> | <hr/> |
| | | (11,957) | (19,754) |
| Gross profit | | | |
| Continuing operations | | 4,544 | 6,220 |
| Discontinued operations | | 4,629 | 5,487 |
| | | <hr/> | <hr/> |
| | | 9,173 | 11,707 |
| Net operating expenses | | | |
| Continuing operations | 2 | (2,313) | (3,258) |
| Discontinued operations | | (4,960) | (6,013) |
| | | <hr/> | <hr/> |
| | | (7,273) | (9,271) |
| Operating profit/(loss) | | | |
| Continuing operations | | 2,231 | 2,962 |
| Discontinued operations | | (331) | (526) |
| | | <hr/> | <hr/> |
| | 3 | 1,900 | 2,436 |
| Discontinued operations: loss on sale of operations | 6 | (2,808) | - |
| Interest receivable | 7 | 139 | 238 |
| Interest payable and similar charges | 7 | (73) | (641) |
| | | <hr/> | <hr/> |
| (Loss)/profit on ordinary activities before taxation | | (842) | 2,033 |
| Tax on(loss)/profit on ordinary activities | 8 | 303 | (879) |
| | | <hr/> | <hr/> |
| (Loss)/profit for the financial year | | (539) | 1,154 |
| | | <hr/> <hr/> | <hr/> <hr/> |

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

PROFIT AND LOSS ACCOUNT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2001

| | Notes | 2001 £' 000 | 2000 £' 000 |
|--|-------|----------------|----------------|
| STATEMENT OF RETAINED PROFITS | | | |
| Retained profits at 1 January | | 5,583 | 4,429 |
| (Loss)/profit for the financial year | | (539) | 1,154 |
| | | <hr/> | <hr/> |
| RETAINED PROFITS AT 31 DECEMBER | 16 | 5,044 | 5,583 |
| | | <hr/> | <hr/> |

There were no acquisitions during the current year. There are no gains and losses for the year other than those on the profit and loss account. There is no difference between reported cost profit and historic cost profit.

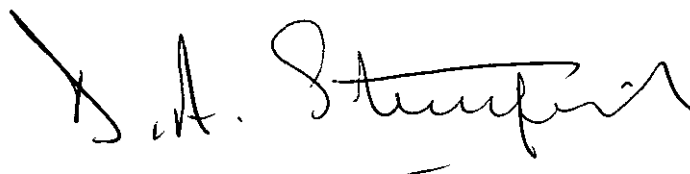
CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

BALANCE SHEET
AS AT 31 DECEMBER 2001

| | Notes | 2001 £'000 | 2000 £'000 |
|--|-------|---------------|---------------|
| Fixed Assets | | | |
| Intangible assets | 9 | - | 17 |
| Tangible assets | 10 | 98 | 1,439 |
| | | <hr/> | <hr/> |
| | | 98 | 1,456 |
| Current Assets | | | |
| Stocks | 11 | 10,913 | 15,270 |
| Debtors | 12 | 8,432 | 7,228 |
| Cash at bank and in hand | | 1,765 | 2,015 |
| | | <hr/> | <hr/> |
| | | 21,110 | 24,513 |
| Creditors - amounts falling due within one year | 13 | (8,408) | (12,617) |
| | | <hr/> | <hr/> |
| Net current assets | | 12,702 | 11,896 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 12,800 | 13,352 |
| Provisions for liabilities and charges | 14 | (53) | (66) |
| | | <hr/> | <hr/> |
| Net assets | | 12,747 | 13,286 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 15 | 7,703 | 7,703 |
| Profit and loss account | 16 | 5,044 | 5,583 |
| | | <hr/> | <hr/> |
| Shareholders' funds (equity) | | 12,747 | 13,286 |
| | | <hr/> | <hr/> |

The financial statements were approved by the board of directors on ~~28th June~~ 2002 and were signed on its behalf by

D A Streatfeild
Director



CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The company is exempt from the requirement of Financial Reporting Standard No 1 "Cash Flow Statements" (Revised) to prepare a cash flow statement, as it is a wholly owned subsidiary undertaking of Financière Pinault SCA and its cash flows are included within the consolidated cash flow statements of that company.

The company is exempt from the requirement to disclose related party transactions with other Group companies under FRS8, as it is a wholly owned subsidiary as detailed above.

Turnover

Turnover, which excludes value added and similar taxes, is defined as sales invoices less returns plus commission earned.

Discontinued activities

The results for discontinued operations for the year reflect the fact that during the year the Modern Pictures, Furniture Restoration and Islamic businesses were sold and following the end of the year the Collectables business was also sold. The comparatives for 2000 reflect these departments' results for that year and also the results for the Asian Art departments which were closed down in early 2000.

Intangible fixed assets

Publishing rights are included at cost and are amortised over their estimated useful economic life of 5 years.

Tangible fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | |
|----------------------------------|---------------|
| Leasehold improvements | 10 years |
| Fixtures, fittings and equipment | 10 years |
| Computer equipment | 4 and 5 years |
| Motor vehicles | 4 years |

Provision for impairment is made whenever events or changes in circumstances indicate that the carrying value of the assets may not be fully recovered

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks

Stocks other than bullion are stated at the lower of cost and net realisable value. In the case of coins, medals and fine art stocks, net realisable value is estimated by the directors on the basis that stock is realised in the normal course of business, which may be in excess of one year.

Bullion stocks are stated at market value and profits and losses arising from this valuation are taken to the profit and loss account together with the profits and losses on gold loans taken out as a hedge against these stocks. This is not in accordance with Schedule 4 to the Companies Act 1985 which requires that such assets be stated at the lower of cost and net realisable value, or that if revalued any revaluation differences be taken to a revaluation reserve. The directors consider that these requirements would fail to give a true and fair view of the profit for the year for a company that holds bullion as current dealing assets since there is an organised and liquid market at fixed prices with minimal selling costs for this stock. The effect of these departures on the financial statements is to increase profit before taxation by £5,505 (2000: £5,178 increase).

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Deferred tax assets are recognised only where they are expected to be recoverable without replacement by equivalent debit balances.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pension costs

The employees of the company may be members of the Christie's group UK pension scheme. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives with the group.

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

2. NET OPERATING EXPENSES

| | 2001 £' 000 | 2000 £' 000 |
|-------------------------|----------------|----------------|
| Administrative expenses | 2,947 | 2,963 |
| Selling costs | 4,326 | 6,308 |
| | <hr/> 7,273 | <hr/> 9,271 |
| | <hr/> <hr/> | <hr/> <hr/> |

3. OPERATING PROFIT

| 2001 £' 000 | 2000 £' 000 |
|----------------|----------------|
|----------------|----------------|

This is stated after charging/(crediting):

| | | |
|--|-------------|-------------|
| Amortisation of publishing rights | 17 | 25 |
| Depreciation of tangible fixed assets | 212 | 321 |
| Provision for diminution in value of fixed assets | 1,017 | - |
| Auditors' remuneration - audit | 25 | 19 |
| Operating lease rentals in respect of hire of equipment | 7 | 7 |
| Other operating lease rentals | 625 | 617 |
| Loss on disposal of fixed assets | 10 | 10 |
| Net foreign exchange loss/(gain) | 34 | (11) |
| | <hr/> <hr/> | <hr/> <hr/> |

4. DIRECTORS' REMUNERATION

| | 2001 £' 000 | 2000 £' 000 |
|---------------------------------|----------------|----------------|
| Directors emoluments | 1,033 | 1,110 |
| Compensation for loss of office | 124 | 61 |
| | <hr/> 1,157 | <hr/> 1,171 |
| | <hr/> <hr/> | <hr/> <hr/> |

The aggregate emoluments of the highest paid director were £174,479. He is a member of a defined benefit scheme, under which the accrued pension to which he would be entitled from normal retirement date if he were to retire at the year end was £26,500.

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

4. DIRECTORS' REMUNERATION (Continued)

| | Number of directors | |
|--|----------------------------|-----------------|
| | 2001 | 2000 |
| Retirement benefits are accruing to the following number of directors under defined benefit schemes: | 6 | 9 |
| | <u> </u> | <u> </u> |

5. EMPLOYEE INFORMATION

The average number of people employed (including directors) during the year, analysed by category was as follows:

| | 2001 Number | 2000 Number |
|----------------|------------------------|------------------------|
| Administration | 32 | 30 |
| Selling | 34 | 44 |
| Production | 6 | 8 |
| | <u> </u> | <u> </u> |
| | 72 | 82 |
| | <u> </u> | <u> </u> |

The aggregate payroll costs of these persons were as follows:

| | 2001 £' 000 | 2000 £' 000 |
|-----------------------|------------------------|------------------------|
| Wages and salaries | 2,889 | 2,535 |
| Social security costs | 248 | 247 |
| Other pension costs | 371 | 334 |
| | <u> </u> | <u> </u> |
| | 3,508 | 3,116 |
| | <u> </u> | <u> </u> |

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

6. BUSINESS DISPOSALS

The Modern Pictures, Furniture Restoration and Islamic businesses were disposed of during the year. The results of these businesses are included within discontinued operations.

Assets disposed of during the year:

| | £' 000 |
|-----------------------|---------------|
| Tangible fixed assets | 120 |
| Stock | 2,308 |
| | <hr/> |
| | 2,428 |
| Net consideration | (1,044) |
| | <hr/> |
| Loss on disposal | 1,384 |
| | <hr/> |

Consideration satisfied by:

| | |
|------------------------|-------|
| Cash | 588 |
| Deferred consideration | 509 |
| Less legal fees | (53) |
| | <hr/> |
| | 1,044 |
| | <hr/> |

The Collectables business was disposed of after the year end and the loss on disposal was £1,424,000 (see note 19) which has been provided for

There were no business disposals in the year ended 31 December 2000, although the Asian Art departments were closed down.

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

| 7. INTEREST | 2001 £' 000 | 2000 £' 000 |
|---|--------------------|--------------------|
| Interest Receivable | | |
| Other sources | 116 | 209 |
| Group items | 23 | 29 |
| | <hr/> 139 | <hr/> 238 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Interest Payable and Similar Charges | | |
| On bank loans, overdrafts and other loans wholly repayable within five years | 1 | 10 |
| Group items | 72 | 631 |
| | <hr/> 73 | <hr/> 641 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 8. TAXATION | 2001 £' 000 | 2000 £' 000 |
| UK corporation tax at 30% (2000 30.25%) on the operating profit for the year less interest | 692 | 641 |
| UK corporation tax at 30% (2000 30.25%) on the loss on sale of operations | (964) | - |
| Deferred taxation | (13) | 160 |
| | <hr/> (285) | <hr/> 801 |
| Adjustment relating to previous years | | |
| Corporation tax | (18) | 78 |
| | <hr/> (303) | <hr/> 879 |
| | <hr/> <hr/> | <hr/> <hr/> |

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

9. INTANGIBLE FIXED ASSETS

| | Publishing Rights £'000 |
|--|------------------------------------|
| <u>Cost</u> | |
| At 1 January 2001 and 31 December 2001 | 126 |
| <u>Amortisation</u> | |
| At 1 January 2001 | 109 |
| Charge for the year | 17 |
| At 31 December 2001 | 126 |
| <u>Net book value</u> | |
| At 31 December 2001 | - |
| At 31 December 2000 | 17 |

10. TANGIBLE FIXED ASSETS

| | Long/Short Leasehold Improvements £'000 | Motor Vehicles £'000 | Fixtures, Fittings & Equipment £'000 | Total £'000 |
|--------------------------------------|--|-------------------------------------|---|------------------------|
| <u>Cost</u> | | | | |
| At 1 January 2001 | 998 | 120 | 783 | 1,901 |
| Additions | 7 | - | 15 | 22 |
| Disposals | (91) | (41) | (112) | (244) |
| At 31 December 2001 | 914 | 79 | 686 | 1,679 |
| <u>Depreciation</u> | | | | |
| At 1 January 2001 | 93 | 87 | 282 | 462 |
| Charge for the year | 91 | 9 | 112 | 212 |
| Disposals | (8) | (27) | (75) | (110) |
| Provision for diminution in value | 738 | 8 | 271 | 1,017 |
| At 31 December 2001 | 914 | 77 | 590 | 1,581 |
| <u>Net book value</u> | | | | |
| At 31 December 2001 | - | 2 | 96 | 98 |
| At 31 December 2000 | 905 | 33 | 501 | 1,439 |

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

11. STOCKS

| | 2001 | 2000 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Work in progress | 107 | 65 |
| Coins, medals and fine art for resale | 10,806 | 15,205 |
| | <hr/> | <hr/> |
| | 10,913 | 15,270 |
| | <hr/> | <hr/> |

12. DEBTORS

| | 2001 | 2000 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Trade debtors | 4,984 | 5,932 |
| Amounts owed by parent and fellow subsidiary undertakings | 2,132 | 644 |
| Corporation tax | 569 | - |
| Other debtors | 615 | 427 |
| Prepayments and accrued income | 132 | 225 |
| | <hr/> | <hr/> |
| | 8,432 | 7,228 |
| | <hr/> | <hr/> |

13. CREDITORS

| | 2001 | 2000 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Bank loans and overdrafts | 611 | 903 |
| Trade creditors | 2,812 | 3,514 |
| Amounts owed to parent and fellow subsidiary undertakings | 3,323 | 6,308 |
| Other creditors including taxation, and social security: | | |
| Corporation tax | - | 637 |
| Social security | 108 | 80 |
| Other creditors | 452 | 386 |
| Accruals and deferred income | 1,102 | 789 |
| | <hr/> | <hr/> |
| | 8,408 | 12,617 |
| | <hr/> | <hr/> |

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

14. PROVISIONS FOR LIABILITIES AND CHARGES

| | Deferred taxation (fully provided) £'000 |
|------------------------------------|---|
| Balance at 1 January 2001 | 66 |
| Charged to profit and loss account | (13) |
| | <hr/> |
| Balance at 31 December 2001 | 53 |
| | <hr/> |

The amounts provided in respect of deferred taxation are as follows:

| | |
|--------------------------------|-------|
| Accelerated capital allowances | 53 |
| | <hr/> |

15. CALLED UP SHARE CAPITAL

| | Ordinary shares of £1 each | 2001 £'000 | 2000 £'000 |
|-------------------------------|---|-----------------------|-----------------------|
| Authorised | | | |
| At 1 January | 10,000,000 | 10,000 | 10,000 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December | 10,000,000 | 10,000 | 10,000 |
| | <hr/> | <hr/> | <hr/> |
| Allotted and called up | | | |
| At 1 January | 7,703,003 | 7,703 | 7,703 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December | 7,703,003 | 7,703 | 7,703 |
| | <hr/> | <hr/> | <hr/> |

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | Profit and loss account £'000 | Share Capital £'000 | Total Shareholders' Funds £'000 |
|----------------------------|--|------------------------------------|--|
| At 1 January 2001 | 5,583 | 7,703 | 13,286 |
| Retained loss for the year | (539) | - | (539) |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2001 | 5,044 | 7,703 | 12,747 |
| | <hr/> | <hr/> | <hr/> |

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

17. LEASE COMMITMENTS

The company has financial commitments in respect of non-cancellable operating leases of equipment and of land and buildings. The rentals payable under these leases in the next year are as follows:

| | 2001 £' 000 | 2000 £' 000 |
|--|----------------|----------------|
| Equipment: | | |
| Leases expiring within one year | 7 | 7 |
| | <hr/> | <hr/> |
| | | |
| | 2001 £' 000 | 2000 £' 000 |
| Land & Buildings: | | |
| Leases expiring between one and two years | 579 | 7 |
| Lease expiring between two and five years | 8 | 14 |
| Leases expiring after more than five years | - | 609 |
| | <hr/> | <hr/> |
| | 587 | 630 |
| | <hr/> | <hr/> |

18. CONTINGENT LIABILITIES

There are contingent liabilities totalling £2,289,089 (2000: £7,065,751) in respect of bank and other guarantees.

19. POST BALANCE SHEET EVENTS

On 20 March 2002 the Collectables business was sold to Brandmine Limited, which then changed its name to Spink & Son Limited. The loss on disposal of £1,424,000 has been reflected in the results for the year (see note 6).

20. PENSION SCHEME

The company is a member of the Christie, Manson & Woods UK Pension and Life Assurance Scheme, a defined benefit scheme. Contributions by the company to the fund are made at the rate of 16% of pensionable salaries. The assets of the scheme are held under trust separately from those of the group and are invested by external professional investment managers.

CHRISTIE'S ASSETS LIMITED
(formerly SPINK & SON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

20. PENSION SCHEME (continued)

The funding of the scheme is based on regular independent actuarial valuations which are normally carried out every three years. The most recent actuarial valuation, as at 1 October 2001, showed that the market value of the scheme's investments was £85 million and that the actuarial value of these assets represented 98% of the value of the benefits which had accrued to members, after allowing for projected future salary increases and for general improvements in the benefits available. In this respect the following assumptions were made:

- a) Investment returns will be 7% per annum compounded, after investment expenditure.
- b) Salary increases will be 4.5% per annum compounded.
- c) Present and future pensions will increase at 6% per annum compounded.

Adoption of FRS 17, "Retirement Benefits"

The Company is required to fully implement the above standard in its financial statements for the year ending 31 December 2003. However, certain disclosures are required in the current year.

As stated above, the Christie's Group operates a defined benefit pension scheme. However, Christie's Assets Limited (formerly Spink & Son Limited) is unable to identify its share of the underlying assets and liabilities of the scheme in respect of the employees in the Company. Therefore the Company will treat its contributions to the Christie, Mason and Woods Pension and Life Assurance Scheme as if it were a defined contribution scheme. At 31 December 2001, the scheme has a deficit of £4,938,000 based on measurement of the scheme under FRS 17, "Retirement Benefits". The Trustees have not yet approved a plan to rectify this deficit.

21. ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is Christie's Assets Holdings Limited (formerly Spink Holdings Limited), a wholly owned subsidiary of Christie's International plc. The smallest and largest groups in which the results of the Christie's International plc group are consolidated are Artémis SA and Financière Pinault SCA respectively. Both companies are incorporated in France. Financière Pinault SCA is the ultimate parent undertaking of Christie's International plc. The financial statements of Financière Pinault SCA are filed with the Tribunal de Commerce de Paris, 1, Quai de Corse, 75004 Paris. Artémis SA is 100% owned by its parent company Financière Pinault SCA.