Registration Number 01767416

RCC Business Mortgages plc

Directors' Report and Financial Statements

for the year ended 31 December 2022

Company Information

Directors	J Mitchell S Ahmed (Appointed on the 17th January 2023) S Hawkins D Ward C Dickson G Boyce S Watts J Johns G Harden L Roberts (Appointed on the 1st January 2023)
Secretary	S Ahmed
Company Number	01767416
Registered Office	Whitefriars House 6 Carmelite Street London EC4Y 0BS
Auditor	MHA Macintyre Hudson Moorgate House 201 Silbury Boulevard Central Milton Keynes MK9 1LZ

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Strategic Report
For the year ended 31 December 2022

The Directors present their strategic report on RCC Business Mortgages (the Company) for the year ended 31 December 2022.

Review of the business

Principal Activities and Business Review:

The Company arranges commercial mortgages, unsecured & asset finance for the purchase, refinance or development of businesses in the hospitality, leisure, care, childcare and education, medical and retail sectors. The Company is authorised and regulated by the FCA.

Risks and Uncertainties:

We operate in a world with a heightened awareness of risk. In growing and developing our businesses we have made a conscious decision to try and minimise unrewarded risk.

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

The following may adversely affect our markets and businesses:

- changes in interest rates;
- economic slowdown;
- global pandemic; and
- lack of bank liquidity and more conservative lending criteria.

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 and Brexit – are not risks that are considered unique to any of the services we provide.

Key Performance Indicators:

Significant key performance indicators for the Company are:

- instruction volumes
- conversion level of instructions to offer of finance
- completions

Strategic Report (continued)

Review of strategy and business model

At Christie Finance, we have more than four decades' experience in sourcing the finance our clients need to build the businesses they want. With focused expertise in the hospitality, leisure, medical, childcare & education, retail, pharmacy and dental sectors, we are widely recognised today for our strong lender relationships and commitment to converting client opportunities.

Our strong performance in 2021 was a hard act to follow, but we delivered an overall improvement during 2022, with an increase in the number of client instructions and a rise in average fees. During the last few months of the year, however, a change in direction of fiscal policy had a major impact on the finance market which drove a sudden, short-term decline in demand for borrowing.

This was a short-term issue, and by January 2023 demand had returned to pre-October 2022 levels. It nonetheless impacted our overall results for the year, which included a marginal increase in the offers of finance received and a flat outcome in the total value of offers of finance secured.

We would otherwise have recorded significantly improved outcomes in both these and other areas of our business, as we responded positively to opportunities arising both from the wider economic landscape in 2022 and our close connectivity with other Christie Group companies. Opportunities included the need for borrowers to seek funds from alternatives to high-street lenders, as the stringency of their tests sharpened significantly in the face of dramatic base-rate increases.

This heightened the importance of our working with a wide range of lenders. During the year, we secured offers of finance from 40 such organisations, and completed loans with 33. This successful placing of business continues to move away from the high street: during the year, 75% of our traditional commercial mortgage debt was provided by challenger banks and other niche lenders and funds.

The value of our specialist approach and close lender relationships was highlighted by many of our transactions during 2022, including the sale of the Chequers Inn at Cutnall Green in Worcestershire. Christie & Co successfully sold the business to an experienced operator, financed via a digital bank that's only accessible through specialist finance brokers such as ourselves.

During the year, we continued successfully to finance acquisitions and provide refinance and working-capital facilities across all our specialist market sectors, for first-time entrants as well as experienced operators. Our performance once again also underlined the importance of those close and highly connective relationships with other Christie Group companies including Vennersys and Christie Insurance: significantly more than half (57%) of our Core Division's instructions for commercial mortgages came via Christie & Co introductions, for example. The benefits went in both directions. We were delighted to help finance 10% of all business sales made by Christie & Co, including 27% of those in the retail sector.

In response to the market opportunities we perceived, we grew our headcount by 12.5% during 2022, bringing new people into our Unsecured, Core and Corporate Divisions. We also sharpened further our focus on sector-specific specialisation, appointing sector-lead roles across our care, childcare & education, hospitality, retail, pharmacy and dental practice areas.

We were once again recognised for our expertise in our field during 2022, receiving a highly commended award for 'Deal of the Year' from the National Association of Commercial Finance Brokers (NACFB). And on the regulatory front, we continued to operate as a 'Fully Authorised' business with full permissions from the Financial Conduct Authority (FCA). We were pleased once again that no compliance issues arose during the year, either from the annual audit or our own ongoing monitoring procedures.

Looking ahead, we expect the strong performance we recorded at the start of 2023 to continue and gather pace. Demand for our services remains strong at the time of writing, with the premium associated with strong relationships becoming yet more important amid growing caution among lenders. Our involvement is a cause of positive differentiation as lenders use increased due diligence to identify the lower-risk borrowers in preferred sectors they would opt to support.

Strategic Report (continued)

Case study - sophisticated security package supports care-home sale

A major transaction for which we secured funding during 2022 was the sale of the Priory Mews & Woodford House Nursing Home, a 179-bed care facility in Kent. Sold by Christie & Co and acquired by an experienced care home operator, the security package we arranged to facilitate the deal included the refinance of existing debt across an existing portfolio of five care homes. The transaction created an overall group that today provides 354 beds.

This report was approved by the board on 28th March 2023

S Ahmed

S Ahmed
Company Secretary
Registered no. 01767416

Directors' Report

For the year ended 31 December 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Principal Activities

The Company arranges commercial mortgages, unsecured & asset finance for the purchase, refinance or development of businesses in the hospitality, leisure, care, childcare and education, medical and retail sectors. The Company is authorised and regulated by the FCA. No material changes to the Company's principal activities are expected in the future.

Results and Dividends

The results for the year are set out in the Statement of Comprehensive Income on page 13. The Directors do not recommend a final dividend to be paid however an interim payment of £800,000 was paid during 2022 (2021: £750,000). The profit for the year before tax was £357,000 (2021: £526,000) and the total comprehensive income for the year was £694,000 (2021: £1,085,000) and this amount has been transferred 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. Our ultimate parent company, Christie Group plc, 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 considers 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 based on an objective assessment of applications received and whether candidates have the appropriate skills and experience required for the role. Promotions and appointments are made based on 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.

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.

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 page 20.

Directors

The Directors who served during the year are detailed below:

J Mitchell
S Hawkins
C Dickson
D Ward
G Boyce
S Watts
J Johns

H Irving resigned as a company director on the 2nd September 2022.
G Harden was appointed as a company director on the 12th July 2022.
L Roberts was appointed as a company director on the 1st January 2023.
S Ahmed was appointed as a company director on the 17th January 2023.

Directors' Report (continued)

During the year and as at the date of the Directors report, appropriate directors and officer's insurance was in place.

Going concern

The Directors have considered detailed financial forecasts. Those forecasts cover a period up to 31st December 2024, using the information available to management at the time.

Having reviewed these forecasts and reviewed the implications of them in terms of cashflow and the available cash resources, management believe the company has sufficient resources to continue as a going concern for the foreseeable future.

These financial forecasts were produced in November & December 2022 and reviewed in March 2023 and therefore reflect actual financial performance up to that date, with forecasts for the subsequent period up to 31st December 2024.

These financial forecasts and going concern assessments have been shared with the statutory auditors, MHA MacIntyre Hudson.

Directors' Indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. Where considered appropriate, deeds have been executed which indemnify certain Directors of the Company as a supplement to the Directors' and officers' insurance cover. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were first enacted from 5th February 2020 and remain in force for all current and past Directors of the Company to whom an indemnity has been awarded.

Auditor

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

Disclosure of information to auditor

The Directors confirm that:

- so far as each director is aware, there was no relevant audit information of which the company's auditor is unaware; and

- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is 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 28th March 2023

S Ahmed

S Ahmed
Company Secretary
Registered no. 01767416

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 Standard (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 RCC BUSINESS MORTGAGES PLC

Opinion

We have audited the financial statements of RCC Business Mortgages plc (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders' Equity and the related notes, 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 Financial Reporting Standard 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 2022 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Director is responsible for the other information. The other information comprises the information included in the Annual Report, 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.

Opinion 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the 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 Director's 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 Director's 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 Director's Responsibilities Statement on page 9, the Director is 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 Director determines 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 Director is 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 Director either intends 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;

- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and revieing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Simon Knibbs MA FCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Statutory Auditor
Milton Keynes, UK

Date: 3 April 2023

Statement of Comprehensive Income
For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue		3,282	3,251
Employee benefit expenses	5	(1,771)	(1,412)
		1,511	1,839
Other operating expenses		(1,172)	(1,307)
Operating profit		339	532
Finance costs		(9)	(19)
Finance income		27	13
Net finance cost	6	18	(6)
Profit before tax	7	357	526
Taxation	8	7	13
Profit for the year after tax		364	539

Other comprehensive income items that will not be reclassified to the Statement of Comprehensive Income

	Note	2022 £'000	2021 £'000
Actuarial gains on defined benefit plans	15	441	785
Effect of asset ceiling	15	-	(141)
		441	644
Income tax effect on actuarial gains on defined benefit plans		(111)	(132)
Income tax effect of asset ceiling		-	34
		(111)	98
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		330	546
Total comprehensive income for the year		694	1,085

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

All amounts derive from continuing activities.

Statement of Changes in Equity
As at 31 December 2022

	Share capital £'000	Fair value and other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	**375**	**57**	**759**	**1,191**
Total comprehensive income for the year	-	-	1,085	1,085
Employee share option scheme - value of services provided	-	4	-	4
Dividend paid	-	-	(750)	(750)
Balance at 31 December 2021	**375**	**61**	**1,094**	**1,530**
Total comprehensive income for the year	-	-	694	694
Employee share option scheme - value of services provided	-	3	-	3
Dividends paid	-	-	(800)	(800)
Balance at 31 December 2022	**375**	**64**	**988**	**1,427**

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

Dividends of £2.13 per share were paid in the year (2021: £2.00 per share)

Statement of Financial Position
As at 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Right of use assets	*10*	**77**	25
Deferred tax assets	*9*	**24**	128
		101	153
Current assets			
Trade and other receivables	*11*	**1,415**	1,907
Current tax assets		**99**	99
Cash and cash equivalents	*12*	**254**	163
		1,768	2,169
Total assets		**1,869**	2,322
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	*13*	**375**	375
Fair value and other reserves	*14*	**64**	61
Retained earnings	*14.2*	**988**	1,094
Total equity		**1,427**	1,530
Liabilities			
Non-current liabilities			
Trade and other payables	*16*	**-**	8
Retirement benefit obligations	*15*	**-**	442
Right of use liabilities	*17*	**68**	28
		68	478
Current liabilities			
Trade and other payables	*16*	**359**	308
Current tax liabilities	*8*	**-**	-
Right of Use Liabilities	*17*	**15**	6
		374	314
Total liabilities		**442**	792
Total equity and liabilities		**1,869**	2,322

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

The financial statements of RCC Business Mortgages plc, registered number 01767416, were approved by the Board of Directors on 28th March 2023 and signed on its behalf by:

J Mitchell
Director

S Ahmed
Director

Notes to the Financial Statements

1. General information

RCC Business Mortgages plc (trading as Christie Finance) is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The registered office is given on page 2. Christie Finance leverages detailed knowledge in its specialist sectors to negotiate the best possible financing packages for its customers, working closely with its fellow subsidiaries across the Christie Group. Services include finance for business purchases or re-financing arranged in conjunction with major financial institutions.

The financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Company operates and rounded to the nearest £'000.

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2022

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 RCC Business Mortgages plc have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) 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 Company'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.

Reduced Disclosures

The Company has taken advantage of the following disclosure exemptions under FRS101:
(a) The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
(b) The requirements of IAS 7 Statement of Cash Flows;
(c) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
(d) 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;
(e) 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; and
(f) The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The information is included within the consolidated financial statements of Christie Group Plc as at 31 December 2022. These accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Going Concern

Having reviewed the Company's detailed budgets, projections and funding requirements to 31 December 2024, taking account of reasonable possible changes in trading performance over this period, particularly in light of any 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.

Notes to the Financial Statements (continued)

2.2 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 and derived wholly from activities in the UK (is shown exclusive of applicable sales taxes or equivalents) is recognised as follows:

Commercial mortgage broking

Fee income is recognised either when a loan offer is secured or when the loan is drawn down, dependant on the end beneficiary of the brokering arrangement.

Valuation income

Valuation income is the pass through of cost in relation to valuation fees paid to third parties in relation to commercial mortgage broking activities. Valuation income is recognised on engagement of the service.

Other income is recognised as follows:

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Notes to the Financial Statements (continued)

2.2 Revenue recognition (continued)

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 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 pre-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.

2.4 Trade receivables

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 a 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 2022.

2.5 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.

The assets of the company have a debenture secured against them as part of its banking arrangement.

2.6 Trade and other payables

Trade and other payables are liabilities for goods and services provided to the Company prior to the end of the financial year or any other period that are unpaid. The amounts are unsecured and are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the end of the reporting period.

2.7 Taxation including deferred tax

Tax on Company profits is provided for at the current rate applicable.

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 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 nor 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.

Notes to the Financial Statements (continued)

2.8 Share capital

Ordinary shares are classified as equity

2.9 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.

2.10 Employee benefits

Pension obligations

The Company has both a defined benefit (through a Group scheme) and personal pension plan. A personal pension 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 personal pension 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.

Where the present value of the minimum funding contributions exceed the present value of the defined benefit obligation and the amounts are not available as a refund or reduction in future payments, the Company will adjust the retirement benefit obligation to match the present value of the minimum funding contributions. The liability recognised in the Statement of Financial Position, will reflect the present value of the minimum funding contributions. A corresponding charge will be recognised in other comprehensive income, as 'effect of asset ceiling' in the period which they arise.

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 Statement of Comprehensive Income.

Pension obligations – personal pension plan

The Company contributes towards a personal pension plan 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 was 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.

Notes to the Financial Statements (continued)

2.10 Employee benefits

At each Statement of Financial Position date, the Company 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.

2.11 Right of use assets and right of use liabilities

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold property	Lease term
Motor vehicles	4 years

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term lease and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

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.

Notes to the Financial Statements (continued)

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: 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) Credit risk

The Company has no significant concentrations of credit risk and has policies in place to ensure that sales are made to customers with an appropriate credit history.

b) Liquidity risk

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

At 31 December 2022 and 31 December 2021 the Company had no external borrowings.

Cash and cash equivalents comprise deposits held at call with banks. Total cash and cash equivalents held by the Company at 31 December 2022 were £254,000 (2021: £163,000). The assets of the company have a debenture secured against them as part of its banking arrangement.

c) Cash flow and interest rate risk

The Company finances its operations through a mix of cash flow from current operations together with cash on deposit and bank and other borrowings. Borrowings are generally at floating rates of interest and no use of interest rate swaps has been made. Overall, the Company's trading 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 2022, assuming all other variables remained equal, but interest rates were 0.5% higher or lower throughout the year, the impact on the post-tax profit would be a maximum increase or decrease of £4,000 (2021: £3,000).

3.2 Fair value estimation

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

Retirement benefit obligations

The assumptions used to measure the expense and liabilities related to the Company's defined benefit pension scheme 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, the Company recognises all actuarial gains and losses immediately in other comprehensive income.

Notes to the Financial Statements (continued)

4.1 Critical accounting estimates and assumptions

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.

Estimated impairment of amounts owed by group undertakings.

Amounts owed by group undertakings are subject to an impairment review both annually and when there are indications that the carrying value may not be recoverable, in accordance with the accounting policy stated in note 2.3.

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 Company during the year	2022 £'000	2021 £'000
Salaries and short term employee benefits	**1,523**	1,211
Social security expense	**193**	154
Post-employment benefits	**52**	43
Cost of employee share schemes	**3**	4
	1,771	1,412

Average number of people (including executive directors) employed by the Company during the year was	2022 Number	2021 Number
Operational	23	20
	23	20

5.1 Directors emoluments

	2022 £'000	2021 £'000
Remunerations and other emoluments	**619**	657
Pension contributions*	**23**	24
	642	681

*This represents the Company contributions paid to the personal pension plan in respect of 7 Directors (2021: 8 Directors).

The emoluments of S J Hawkins were paid by the ultimate parent company or by other Group Companies.

Notes to the Financial Statements (continued)

	2022 Number	2021 Number
Number of Directors who exercised share options	2	1

Highest paid director

Amounts included above:	2021 £'000	2021 £'000
Remunerations and other emoluments	149	142
Pension contributions	7	7
	156	149

The highest paid Director exercised 3,000 share options at 67.0p exercise price (2021 nil).

6. Finance costs

	2022 £'000	2021 £'000
Pension scheme finance costs	-	(15)
Interest payable on ROU assets	(9)	(4)
Total finance costs	(9)	(19)
Other interest income	27	13
Total finance income	27	13
Net finance income/(costs)	18	(6)

7. Profit before tax

	2022 £'000	2021 £'000
Profit before tax is stated after charging/(crediting):		
Depreciation of ROU assets – IFRS 16	15	10
Charge for impairment of trade receivables	(40)	(1)

Services provided by the Company's auditor
During the year the Company obtained the following services from the Company's auditor as detailed below:

	2022 £'000	2021 £'000
Audit services - statutory audit	10	14

8.Taxation

	2022 £'000	2021 £'000
Current tax		
UK Corporation tax at 19% (2021: 19%)	-	-
Total current tax credit	-	-
Deferred tax		
Origination and reversal of timing differences	7	9
Impact of change in the UK corporation tax rate	-	4
Total deferred tax credit	7	13
Tax credit on profit on ordinary activities	7	13

Notes to the Financial Statements (continued)

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:

	2022 £'000	2021 £'000
Profit before tax	357	526
Tax at standard rate of UK corporation tax of 19% (2021: 19%)	(68)	(100)
Effects of:		
- net income not deductible for tax purposes	3	12
- utilisation of current tax losses and other deductions	-	97
- group losses utilised	72	-
- remeasurement of deferred tax due to changes in UK corporation tax rate	-	4
Total tax credit	7	13

9. Deferred tax

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The 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.

	2022 £'000	2021 £'000
Deferred tax assets comprise:		
Employee benefits	16	15
Provisions (disallowed but expected to crystallize)	8	2
Deferred tax asset	24	17
Deferred tax asset on pension	-	111
At 31 December	24	128
Movements in the deferred tax asset:		
At 1 January	128	213
Transfer to the statement of comprehensive income	7	13
Transfer from the statement of other comprehensive income	(111)	(98)
At 31 December	24	128

The UK government has announced future changes to the Corporation tax rate. These changes will result in an increase in the standard rate of corporation tax to 25% from 1 April 2023. As at 31 December 2022 all such changes have been substantively enacted and have therefore been reflected in the calculation of deferred tax for the year ended 31 December 2022.

Notes to the Financial Statements (continued)

10.Right of use assets

	2022	2021
	Property £'000	Property £'000
Cost		
At 1 January	55	54
Additions	87	-
Disposals	(55)	-
At 31 December	**87**	**54**
Accumulated depreciation		
At 1 January	(30)	(19)
Charge for the year	(15)	(10)
Disposal	35	-
At 31 December	**(10)**	**(29)**
Net book amount at 31 December	**77**	**25**

11. Trade and other receivables

Current assets	2022 £'000	2021 £'000
Trade receivables	**115**	110
Less: provision for impairment of receivables	**(43)**	(3)
Amounts owed by group undertakings	**1,265**	1,741
Prepayments and accrued income	**78**	59
	1,415	1,907

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

Amounts owed by group undertakings includes loans of £1,240,000 (2021: £1,740,000) which is subject to an interest rate of 0.75% above BOE base rate and repayable on demand. All other amounts owed by group undertakings are interest free and repayable on demand.

Trade receivables analysis

	2022 £'000	2021 £'000
Trade receivables	**115**	110
Less: provision for impairment of trade receivables	**(43)**	(3)
Net trade receivables	**72**	107

Provision for impairment of trade receivables	2022 £'000	2021 £'000
At 1 January	**3**	5
Provided/(released)	**40**	(2)
At 31 December	**43**	3

Notes to the Financial Statements (continued)

11. Trade and other receivables (continued)

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

	2022 £'000	2021 £'000
Not overdue	17	62
Amounts not overdue and not impaired	72	107
Amounts past due:		
< 1 month	32	8
1 – 3 months	41	37
3 – 6 months	25	3
6 – 12 months	-	-
> 1 year	-	-
Provision for impairment of trade receivables	(43)	(3)
Amounts past due but not impaired	55	45

12. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank	254	163

13. Share capital

Ordinary shares of £1 each	Number	2022 £'000	Number	2021 £'000
Allotted and fully paid:				
At 1 January and 31 December	375,000	375	375,000	375

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

14. Reserves

14.1 Fair value and other reserves

	Fair value and other reserves £'000
At 1 January 2022	61
Movement in respect of employee share scheme	3
At 31 December 2022	**64**

	Fair value and other reserves £'000
At 1 January 2021	57
Movement in respect of employee share scheme	4
At 31 December 2021	**61**

Notes to the Financial Statements (continued)

14.1 Fair Value and Other Reserves (continued)

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 both continued employment and the performance conditions attached to the options being achieved

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

Out of the 68,000 outstanding options (2021: 61,000), 49,000 options (2021: 30,000) were exercisable. Options exercised in 2022 resulted in 6,000 shares (2021: Nil) being issued at a weighted average price of 67.00p each (2021: Nil) each. Shares outstanding at the end of the year had a weighted average exercise price of 110.21p (2021: 106.54p) and a remaining contractual life of 6.05 years (2021: 5.72 years).

14.2 Retained Earnings

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

15. Retirement benefit obligation

The Company participates in a Group 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 credit method.

When a member retires, the pension and any spouse's pension is either secured by an annuity contract or paid from the managed fund. Assets of the schemes are reduced by the purchase price of any annuity purchase and the benefits no longer regarded as liabilities of the scheme.

The Statement of Comprehensive Income charge and Statement of Financial Position liability are derived from the following amounts included in the consolidated Statement of Comprehensive Income and consolidated Statement of Financial Position of Christie Group plc for the group scheme.

	2022 **£'000**	2021 £'000
Present value of obligations	**52,260**	60,794
Fair value of plan assets	**(40,524)**	(56,977)
Effect of asset ceiling	**(11,736)**	1,788
Liability in the statement of financial position	**-**	5,605

The principal actuarial assumptions used were as follows and the prior year figures have been amended to more closely reflect the underlying assumptions and data contained within the actuarial report.

	2022 **%**	2021 %
Discount rate	**4.80**	1.90
Inflation rate	**3.15**	3.40
Future salary increases	**1.00**	1.00
Future pension increases	**1.80 – 2.85**	2.25 - 3.30

Notes to the Financial Statements (continued)
15. Retirement benefit obligation (continued)

Assumptions regarding future mortality experience are based on advice from published statistics and experience. The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2022 Years	2021 Years
Male	**22.2**	22.1
Female	**24.3**	23.9

The movement in the defined benefit obligation is as follows:	2022 £'000	2021 £'000
At 1 January	**60,794**	63,948
Interest cost	**1,144**	889
Current service cost	**237**	350
Benefits paid	**(1,274)**	(1,026)
Actuarial (gains) on assumption changes	**(22,937)**	(3,371)
Actuarial losses on experience	**2,560**	4
At 31 December	**40,524**	60,794
Attributable to:		
Present value of funded obligations	**40,524**	56,977
Present value of unfunded obligations	**-**	3,817
	40,524	60,794

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

	2022 £'000	2021 £'000
At 1 January	**56,977**	50,121
Return on plan assets less interest income	**(5,638)**	6,871
Net interest income	**1,081**	697
Employee contributions	**72**	68
Employer contributions	**1,042**	246
Benefits paid	**(1,274)**	(1,026)
At 31 December	**52,260**	56,977

The *amounts recognised in the statement of comprehensive income* and the Statement of Comprehensive Income are as follows:

	2022 £'000	2021 £'000
Current service cost	**237**	350
Total included in employee benefit expenses	**237**	350
Net interest cost	**63**	192
Total included in finance costs	**63**	192
Actuarial gain	**14,739**	10,241
Effect of asset ceiling	**(11,736)**	(1,788)
Total included in other comprehensive income	**3,003**	8,453

Notes to the Financial Statements (continued)

15. Retirement benefit obligation (continued)

Plan assets are comprised as follows:

	2022			2021		
	Quoted*	Unquoted	Total	Quoted*	Unquoted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Equity	39,957	-	39,957	45,714	-	45,714
Debt	-	6,499	6,499	-	6,514	6,514
Property	-	2,344	2,344	-	2,528	2,528
Other	-	3,460	3,460	-	2,221	2,221
	39,957	12,303	52,260	45,714	11,263	59,977

*Plan assets are held in unit trusts.

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.

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%	(6.1%)	6.8%
Salary growth rate	0.50%	2.0%	(1.8%)

	Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy	2.5%	(2.6%)

Notes to the Financial Statements (continued)
15. Retirement benefit obligation (continued)

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 appropriate indexation caps on future pensionable salary increases.

The weighted average duration of the defined benefit obligation is 16 years (2021: 17 years).

Expected Company contributions to UK post-retirement benefit schemes for the year ending 31 December 2022 are £442,000.

Expected maturity analysis of undiscounted pension benefits as at 31 December 2022 are:

	Less than a year £'000	Between 1-2 years £'000	Between 2-5 years £'000	Over 5 years £'000	**Total £'000**
Pension benefits	2,064	1,502	5,636	74,991	**84,193**

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

	2022 £'000	2021 £'000
Beginning of the year	**(3,817)**	(13,827)
Expenses included in the statement of comprehensive income	**(228)**	(542)
Contributions paid (including employee contributions)	**1,042**	314
Total gains included in statement of comprehensive income	**3,003**	10,238
End of the year	**-**	(3,187)

Company

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

	2022 £'000	2021 £'000
Beginning of the year	**(441)**	(1,058)
Income included in the statement of comprehensive income	**-**	(28)
Total gains included in statement of comprehensive income	**441**	644
End of the year	**-**	(442)

Notes to the Financial Statements (continued)

16. Trade and other payables

Non-current	2022 £'000	2021 £'000
Accruals	-	8

Current	2022 £'000	2021 £'000
Trade payables	11	7
Amounts owed to group undertakings	64	60
Other taxes and social security	70	53
Accruals and other creditors	214	188
	359	308
Total trade and other payables	359	316

All trade and other payables are denominated in UK sterling.

Amounts owed to group undertakings all relate to trading balances, which are interest free and repayable on demand.

17. Right of use liabilities

At 31 December 2022 the Company has liabilities under lease agreements for the right of use assets disclosed in note 12. The maturity of these liabilities is as follows:

	2022 Property £'000	2021 Property £'000
Non – discounted lease liabilities		
At 1 January		
Maturity less than 1 year	23	16
Maturity greater than 1 year	77	22
Total non-discounted lease liabilities	100	38
Interest		
At 1 January		
Charge for the year	(17)	(4)
Right of use liabilities at 31 December	83	34
Current	15	6
Non-current	68	28

The total cash outflow for leases in the year was £23,000 (2021: £16,000).

Notes to the Financial Statements (continued)

18. Contingent liabilities

The Company is party to composite cross guarantees between the bank, its ultimate parent undertaking and fellow subsidiaries. The Company's contingent liability under these guarantees at the 2022 year-end was £nil (2021: £nil).

19. Financial assets & liabilities

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

Assets	2022 £'000	2021 £'000
Trade and other receivables	**1,415**	1,907
Cash and cash equivalents	**254**	163
	1,669	2,070

Liabilities	2022 £'000	2021 £'000
Retirement benefit obligations	**-**	442
Trade and other payables	**359**	316
	359	758

The carrying value of financial instruments is a reasonable approximation of fair value due to the short-term maturities of these instruments.

20. Related parties

20.1 Ultimate parent undertaking

The Company's immediate parent undertaking is Christie Financial Services Limited, a wholly owned subsidiary of Christie Group plc. The Company's ultimate parent undertaking is Christie Group plc, a Company registered in England and Wales. Consolidated financial statements incorporating the results of the Company are prepared by Christie Group plc and no other intermediate holding Company. Copies of the consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CG14 3UZ.

20.2 Identity of related parties

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

20.3 Transactions with group undertakings

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 11 and 17 above.

20.4 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:

	2022 £'000	2021 £'000
Directors remuneration	**642**	681
Directors national insurance contributions	**79**	80
	721	761

Notes to the Financial Statements (continued)

21. Pension Commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £38,000 (2021: £31,000).

Contributions totalling £8,000 (2021: £6,000) were payable to the fund at the Statement of Financial Position date.