

KPMG Peat Marwick McLintock

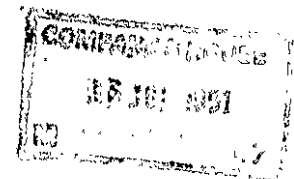
CHRISTIE'S OVERSEAS HOLDINGS LIMITED

REGISTERED NUMBER 1800062

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER, 1990

KPMG PEAT MARWICK McLINTOCK
1 Buddle Dock, Blackfriars, London, EC4V 3PD.



CHRISTIE'S OVERSEAS HOLDINGS LIMITEDREPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the accounts for the year ended 31st December, 1990.

BUSINESS REVIEW

The Company is a wholly owned subsidiary of Christies International plc and acts as a holding company for certain overseas companies in the Christie's Group. The principal activity of the Company's subsidiaries are those of fine art auctioneering and of introducing clients to fine art auctioneers within the Christie's Group.

RESULTS

The Company's results for the year are summarised below:

	<u>1990</u> £	<u>1989</u> £
Dividends receivable	36,431,424	-
Profit/(loss) on ordinary activities before taxation	36,425,778	(4,904)
Taxation	(1,822,380)	1,716
Profit/(loss) for the financial year	34,603,398	(3,188)

FIXED ASSETS

Details of the movements of the Company's fixed asset investments are given in note 6 to the accounts.

DIVIDENDS

The directors do not propose a final dividend (1989: £Nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were:

C.M. Davidge
D.N. Allison

CHRISTIE'S OVERSEAS HOLDINGS LIMITEDREPORT OF THE DIRECTORSDIRECTORS AND DIRECTORS' INTERESTS (continued)

The interests of C.M. Davidge in the shares and share options of the ultimate parent undertaking, Christies International plc, are disclosed in the report of the Directors of that company. The interests of D.N. Allison in the shares and share options of that company at 31st December, 1990 and 1989 are set out below:

	<u>5p Ordinary shares</u> <u>31st December, 1990</u> <u>Beneficial</u>	<u>5p Ordinary shares</u> <u>31st December, 1989</u> <u>Beneficial</u>	<u>Share Options</u> <u>granted</u> <u>during the year</u>
D.N. Allison	-	8,000	40,000

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick McLintock as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board,



Secretary

8 King Street,
St. James's,
London, SW1Y 6QT.

14th March, 1991.

REPORT OF THE AUDITORS, KPMG PEAT MARWICK McLINTOCK,
TO THE MEMBERS OF
CHRISTIE'S OVERSEAS HOLDINGS LIMITED

We have audited the accounts on pages 4 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31st December, 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON

KPMG Peat Marwick McLintock

14th March, 1991

Chartered Accountants.

KPMG Peat Marwick McLintock

CHRISTIE'S OVERSEAS HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1990

	<u>Note</u>	<u>1990</u> £	<u>1989</u> £
Income from shares in subsidiaries		36,431,424	-
Interest receivable	3	8,129	-
Administrative expenses		(13,775)	(4,904)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	36,425,778	(4,904)
Taxation on profit/(loss) on ordinary activities	5	(1,822,380)	1,716
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		34,603,398	(3,188)

STATEMENT OF RETAINED RESERVES

	<u>1990</u> £	<u>1989</u> £
Retained profit brought forward	44,670	47,858
Retained profit/(loss) for the financial year	34,603,398	(3,188)
RETAINED PROFIT CARRIED FORWARD	34,648,068	44,670

The notes on pages 7 to 9 form part of these accounts.

CHRISTIE'S OVERSEAS HOLDINGS LIMITEDBALANCE SHEET AT 31ST DECEMBER, 1990

	<u>Note</u>	<u>1990</u>	<u>1989</u>
		£	£
FIXED ASSETS			
Investments	6	1,532,306	1,532,310
CURRENT ASSETS			
Debtors:			
Amounts owed by subsidiaries		54,525	58,756
Amounts owed by fellow subsidiaries		42,431,218	7,856,584
Cash		<u>445</u>	<u>400</u>
		<u>42,486,188</u>	<u>7,915,740</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts owed to subsidiaries		-	34,314
Amounts owed to ultimate parent undertaking		9,328,976	9,328,376
Corporation tax payable		39,038	39,038
Accruals		<u>2,410</u>	<u>1,650</u>
		<u>9,370,424</u>	<u>9,403,378</u>
NET CURRENT ASSETS/(LIABILITIES)		33,115,764	(1,487,638)
NET ASSETS		<u>34,648,070</u>	<u>44,672</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account		34,648,068	44,670
SHAREHOLDERS' FUNDS		<u>34,648,070</u>	<u>44,672</u>

The accounts were approved by the
Board of Directors on 14th March, 1991.

[Signature])
[Signature]) Directors

The notes on pages 7 to 9 form part of these accounts.

CHRISTIE'S OVERSEAS HOLDINGS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 1990

	£	1990	£	1989	£
SOURCE OF FUNDS					
Profit/(loss) before taxation		36,425,778		(4,904)	
Disposal of fixed asset investments		4		-	
Recoverable in respect of group relief		-		1,716	
		<u>36,425,782</u>		<u>(3,188)</u>	
APPLICATION OF FUNDS					
Purchase of fixed asset investments		-		941,282	
Overseas tax paid	1,822,380			-	
Dividend paid		<u>-</u>		<u>6,100,000</u>	
		(1,822,380)		(7,041,282)	
INCREASE/(DECREASE) IN WORKING CAPITAL		<u>34,603,402</u>		<u>(7,044,470)</u>	
COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL					
Increase/(decrease) in net group balances		34,604,117		(7,043,220)	
Increase in accruals		(760)		(1,650)	
Increase in cash		45		400	
		<u>34,603,402</u>		<u>(7,044,470)</u>	

CHRISTIE'S OVERSEAS HOLDINGS LIMITEDNOTES TO THE ACCOUNTS1. ACCOUNTING POLICIES

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

(a) Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards.

(b) Group accounts exemption

Under s.228 of the Companies Act 1985 the company is not required to prepare group accounts; it being a wholly owned subsidiary of another U.K. company.

(c) Foreign exchange

Transactions denominated in foreign currencies are translated and recorded at the rate of exchange ruling at the date of the transaction; balances payable or receivable outstanding at the balance sheet date are translated at the rates of exchange ruling at that date. Differences arising are taken to the profit and loss account.

2. STAFF AND DIRECTORS

The Company employs no staff and is not charged in respect of services provided to the Company by employees of a fellow subsidiary.

The directors did not receive any emoluments during the year.

3. INTEREST RECEIVABLE

	<u>1990</u> £	<u>1989</u> £
Interest receivable from group undertakings	8,088	-
Bank interest receivable	41	-
	<hr/>	<hr/>
	8,129	-
	<hr/>	<hr/>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<u>1990</u> £	<u>1989</u> £
Auditors' remuneration and expenses	1,850	1,650
	<hr/>	<hr/>

CHRISTIE'S OVERSEAS HOLDINGS LIMITEDNOTES TO THE ACCOUNTS5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1990</u> £	<u>1989</u> £
U.K. corporation tax at 35% (1989:35%)	25,415,584	-
Less: Double taxation relief	(25,415,584)	-
Group relief receivable at 35%	-	1,716
	<hr/>	<hr/>
	-	1,716
Overseas taxation	1,822,380	-
	<hr/>	<hr/>
	1,822,380	1,716

Overseas taxation represents withholding tax arising from the receipt of dividends from a subsidiary.

6. INVESTMENTS

Shares in subsidiaries at cost:

	£
At 1st January, 1990	1,532,310
Disposals	(4)
	<hr/>
At 31st December, 1990	1,532,306

The Company has the following subsidiaries, all of which are wholly owned, which operate as fine art auctioneers, except Christies (Israel) Ltd., which is a representative office, principally in the country of incorporation.

	<u>Country of incorporation</u>
Christie Manson & Woods International Inc.	U.S.A.
Christie's Australia Pty Ltd.	Australia
Christie's (Israel) Limited	Israel

CHRISTIE'S OVERSEAS HOLDINGS LIMITEDNOTES TO THE ACCOUNTS7. CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
Authorised:		
100 £1 ordinary shares	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
2 £1 ordinary shares	2	2
	<u> </u>	<u> </u>

8. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Christies International plc, a company registered in England whose accounts may be obtained from the following address: 8, King Street, St. James's, London SW1Y 6QT.