

**CHRISTIE'S PRIVATE SALES LIMITED**

**Strategic Report, Directors' Report and Financial Statements**

**31 December 2015**

Registered number 04421085

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## CHRISTIE'S PRIVATE SALES LIMITED

### Strategic Report, Directors' Report and Financial Statements

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# CHRISTIE'S PRIVATE SALES LIMITED

## Strategic Report

The Directors have pleasure presenting their annual report and the audited accounts for the year ended 31 December 2015.

### Principal activities

The principal activity of Christie's Private Sales Limited ("the Company") is that of an agent in private sales of works of art.

### Business review

The results of the Company are set out on page 6. Turnover of £43.7m was 53% below the level of 2014 and the Company made a profit after taxation of £8.4m (2014: £16.4m).

### Description of the Company and strategy

The Company provides a tailored service for seasoned collectors and occasional buyers. It can help source a specific object and broker a sale discreetly without the restrictions of the auction calendar.

### Principal risks and uncertainties facing the Company

There is a continuous process for identifying, evaluating and managing risks faced by the Company. Management operates a risk management process designed to identify the key risks facing each business, implement appropriate controls and report the significant risks to the Audit Finance and Risk Management Committee and Board, including how those risks are being managed. These risks, which are not ranked in any particular order, include the following, all of which have associated mitigation strategies in place:

*The external environment.* The art market is influenced by the strength of the international economy and the financial markets. The demand for art is also influenced by changing trends in the market such as collecting preferences and which artists are currently most sought after. Competition in the art market is intense, including competition with both other auctioneers and art dealers. In addition, the amount and quality of property consigned to art auction houses is influenced by a number of factors not within the Company's control.

*Failure to authenticate or validate the provenance of artwork.* This may lead to disputes with clients, legal proceedings, financial penalties, and consequent adverse effects on the Company's reputation.

*Loss or damage to client property or the Company's artworks.* The loss or damage may result in financial liabilities to clients or stock write-offs. The majority of this risk is insured, although there is a certain amount retained by the Company and/or not covered by exclusions or conditions.

*Financial exposures.* Exposures that could result in adverse profit impact or reduction in net asset value, some of which are outside the Company's control, include foreign exchange exposure, fluctuations in exchange rates or litigation.

*Non-compliance with statute, regulation, or other external requirement.* Many of the Company's activities are subject to laws and regulations, including, but not limited to, import and export regulations, cultural property ownership laws, anti-money laundering laws and value added sales taxes. In addition, the Company is also subject to local auction regulations, however such regulations do not impose a material impediment to the Company's business. Non-compliance could result in personal or corporate liability, penalties, litigation, invalidation of insurance or restrictions on the Company's ability to conduct business activities.

# CHRISTIE'S PRIVATE SALES LIMITED

## Strategic Report (continued)

*Information and data management.* Deliberate or accidental loss, misuse or compromised integrity of business, client or staff information could result in financial or reputational issues with clients. The failure, compromise, or prolonged non-availability of business systems/supporting technology could cause business interruption, including the inability to rely on technology necessary to support saleroom operations. Implementations to date have been successful.

### Operating review

The Company achieved total turnover as noted below:

Year	Private Sales (including premium)	Growth	Gross Profit	Growth
	£'m	%	£'m	%
2015	43.7	(53)	11.7	(46)
2014	92.6	169	21.8	36
2013	34.4	165	16.0	1,678
2012	13.0	-	0.9	(18)
2011	13.0	(47)	1.1	(27)

Key Performance Indicators for the Company are noted in the table below:

	2015	2014
Turnover - £m	43.7	92.6
Operating profit - £m	11.1	21.4
Operating profit vs Turnover - %	25.4	23.1

The Directors consider the results for the period to be in line with expectations. The Directors are satisfied with the net asset position of £36.1m (2014:£9.0m).

### Outlook

The Company is looking to build on the strong finish to 2015 and is looking to achieve continued growth in Private Sales.

Total Private Sales turnover for the first quarter of 2016 are £6.0m.

By order of the board,

*M. L. Turner*

Director

M L TURNER

9 JUNE 2016

8 King Street  
St. James's  
London  
SW1Y 6QT  
Company number: 04421085

# CHRISTIE'S PRIVATE SALES LIMITED

## Directors' Report

### Results and dividends

The profits for the financial year of £8.5m (2014: £16.4m) were transferred to reserves (see note 13).

The Directors do not recommend the payment of a dividend (2014: £7.2m).

### Directors

The Directors who held office during the year and at the date of this report are:

S J Brooks – Resigned on 12<sup>th</sup> April 2016

K Cole

M L Turner

A J Ward

T Law – Appointed on 12<sup>th</sup> April 2016

### Political and charitable contributions

The Company made no political or charitable donations during 2015 (2014: nil).

### Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor appointment

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



A C Falconer  
Company Secretary

9 JUNE 2016

8 King Street  
St. James's  
London  
SW1Y 6QT  
Company number: 04421085

## **CHRISTIE'S PRIVATE SALES LIMITED**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

They have decided to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice, including FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland) and as if applicable UK law applied to them.

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 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; and
- 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 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.

## CHRISTIE'S PRIVATE SALES LIMITED

### Independent Auditor's Report to the Members of Christie's Private Sales Limited

We have audited the financial statements of Christie's Private Sales Limited for the year ended 31 December 2015 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

#### Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended.
- Have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Hugh Green (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
EC14 5GL



Date:

10 June 2016

Company number: 04421085

**CHRISTIE'S PRIVATE SALES LIMITED**

**Profit and Loss Account  
For the year ended 31 December 2015**

	Note	2015 £'000	2014 £'000
Turnover	2	43,736	92,624
Cost of Sales		<u>(31,995)</u>	<u>(70,810)</u>
<b>Gross profit</b>		<b>11,741</b>	<b>21,814</b>
Administrative and other expenditure		<u>(595)</u>	<u>(430)</u>
<b>Operating profit</b>	6	<b>11,146</b>	<b>21,384</b>
Interest payable and similar charges	5	<u>(576)</u>	<u>(657)</u>
<b>Profit on ordinary activities before taxation</b>		<b>10,570</b>	<b>20,727</b>
Tax on profit from ordinary activities	7	<u>(2,110)</u>	<u>(4,339)</u>
<b>Profit for the financial year</b>		<b><u>8,460</u></b>	<b><u>16,388</u></b>

The notes to the accounts on pages 8 to 15 form part of these financial statements.

The Company has no other comprehensive income for the period.



**CHRISTIE'S PRIVATE SALES LIMITED**

**Balance Sheet**  
**As at 31 December 2015**

		2015		2014	
	Note	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	8		<u>1,707</u>		<u>1,707</u>
<b>Current assets</b>					
Stock	9	3,525		4,198	
Debtors	10	87,437		266,540	
Cash at bank and in hand		<u>26,758</u>		<u>25,205</u>	
		117,720		295,943	
<b>Creditors: amounts falling due within one year</b>	11	<u>(83,278)</u>		<u>(288,630)</u>	
<b>Net current assets</b>			<u>34,442</u>		<u>7,314</u>
<b>Net assets</b>			<u>36,149</u>		<u>9,020</u>
<b>Capital and reserves</b>					
Called up share capital	12		7		7
Capital redemption reserve	13		1		1
Profit and loss account	13		<u>36,141</u>		<u>9,012</u>
<b>Equity shareholders' funds</b>	14		<u>36,149</u>		<u>9,020</u>

The notes set out on pages 8 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors on **9 JUNE 2016** and were signed on its behalf by:

*M. L. Turner*

Director  
**M L TURNER**

Company number: 04421085

# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts

### 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.

#### (a) Basis of preparation

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement adjustments in relation to foreign debtors/creditors (see note 20). The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company's ultimate parent undertaking, Financière Pinault SCS includes the Company in its consolidated financial statements. The consolidated financial statements of Financière Pinault SCS are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Tribunal de Commerce de Paris, 1, Quai de Corse, 75004 Paris. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company's shareholder has been notified in writing about, and have not objected to the exceptions.

#### (b) Going concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. These arrangements ensure adequate management of cash flows around the group.

The Company has considerable financial resources and as a consequence, the Directors believe that the Company is well placed to manage its business risks.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis in preparing the annual consolidated accounts.

Further information regarding the Company's business activities, together with the factors likely to affect its future development, performance and position is set out in the Business Review on page 1. The financial position of the Company and liquidity position are shown on page 2 and pages 6 to 7.

#### (c) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Group assesses at each reporting date whether tangible assets are impaired.

# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts

### 1 Accounting policies (continued)

#### (c) Tangible assets (continued)

##### Depreciation and residual values

Where parts of an item of tangible assets have different useful lives, they are accounted for as separate items of tangible assets, for example land is treated separately from buildings

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Category of Asset	Annual Rate
Leasehold Improvements	Shorter of period of lease or useful economic life
Plant and machinery	10%
Equipment	10 - 25%
Motor vehicles	25%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### (d) Foreign currencies

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income

#### (e) Operating leases

Rental expenditure with respect to operating leases is charged to the profit and loss account on a straight-line basis over the term of the lease.

#### (f) Other operating income

Other operating income includes charges to fellow subsidiary undertakings with respect to royalty agreements for the use of the Christie's name.

#### (g) Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

Inventories are assessed for impairment at the end of each reporting period. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account

# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts (continued)

### 1 Accounting policies (continued)

#### (h) Advances to artists

Amounts advanced to artists are recorded as debts due to the Company to the extent that it is considered that the advance is recoverable from the future sales of works of art produced by that artist. Any amounts considered to be irrecoverable are expensed to the profit and loss account.

#### (i) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

#### (j) Basic financial instruments

##### Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

### 2 Turnover

Turnover principally represents commissions earned by the Company in its role as an agent in the sales of works of art. Revenue is recognised once there is a shared agreement between the buyer and seller as to the terms of the sale and when there is sufficient documentation to support the sale taking place. This typically includes full invoicing of the amounts involved and either a signed confirmation from the buyer and vendor or receipt of partial or full payment of the agreed price.

Turnover is recognised on delivery of services, net of any sales taxes, and principally represents commissions and premiums, earned by the Group in its role as fine art auctioneer, and private sales commissions from the introduction of buyers and sellers.

Revenue from sales of works of art held for resale is recognised as principal when the sale is contractually agreed and the costs associated with these sales are included in direct costs.

# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts (continued)

### 3 Staff numbers and costs

The average number of persons employed by the Company (excluding Directors) during the year was nil (2014: nil).

### 4 Remuneration of Directors

Directors did not receive any emoluments in their capacity as Directors during the year (2014: nil).

### 5 Interest payable/(receivable) and similar charges

	2015 £'000	2014 £'000
Loans from group undertakings	634	657
Interest from vendors	(58)	-
	<u>576</u>	<u>657</u>

### 6 Operating profit

Operating profit is shown after charging:

	2015 £'000	2014 £'000
Depreciation and other amounts written off tangible fixed assets:		
Owned	-	2
<i>Auditor's remuneration:</i>		
Audit of these financial statements	21	20

### 7 Tax on profit on ordinary activities

#### a) Analysis of charge in period

	2015 £'000	2014 £'000
<i>UK Corporation Tax</i>		
Current tax on income for the period	2,151	4,327
Adjustments in respect of prior periods	(8)	15
Total tax	<u>2,143</u>	<u>4,342</u>

#### Tax on profit on ordinary activities

<i>Deferred Tax</i>	<u>(33)</u>	<u>(3)</u>
Total deferred tax	<u>(33)</u>	<u>(3)</u>
Tax charge on profit on ordinary activities	2,110	4,339

# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts (continued)

### 7 Tax on profit on ordinary activities (continued)

#### b) Reconciliation of effective tax rate

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	10,570	20,727
Tax at 20.25% (2014: 21.5%)	2,140	4,456
Effects of:		
Expenses not deductible for tax purposes	19	1
Depreciation for period in excess of capital allowances	-	12
Adjustments in respect of prior periods	(49)	(130)
Total tax charge (see note 7a)	2,110	4,339

### 8 Fixed asset investments

#### Shares in group undertakings £'000

Net book value at 31 December 2015	1,707
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In the opinion of the Directors, the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

### 9 Stock

	2015 £'000	2014 £'000
Works of art for resale	3,525	4,198

The write down of stocks to net realisable value amounted to £0.1m (2014 £1.6m).

### 10 Debtors

	2015 £'000	2014 £'000
Advances to clients	2,156	3,618
Advances to artists	1,252	1,278
Trade debtors	78,220	248,996
Amounts owed by group undertakings	5,429	11,034
VAT	129	439
Deferred tax	40	7
Prepayments and accrued income	211	1,168
	87,437	266,540

# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts (continued)

### 10 Debtors (continued)

The analysis of the deferred tax asset is as follows:

Difference between accumulated depreciation and capital allowances

	£'000
At 1 January 2015	7
Profit and loss credit	33
<b>At 31 December 2015</b>	<b>40</b>

### 11 Creditors

Amounts due within one year

	2015 £'000	2014 £'000
Trade creditors	43,156	235,488
Amounts owed to group undertakings	27,771	43,479
Other creditors	6,525	2,221
Accruals and deferred income	5,826	7,442
	<b>83,278</b>	<b>288,630</b>

### 12 Called up share capital

	2015 £'000	2014 £'000
<b>Allotted, called up and fully paid</b>		
7,250 Ordinary shares of £1 each	7	7

### 13 Reserves

	Capital redemption reserve £'000	Profit & loss account £'000
At beginning of year	1	9,012
Dividends paid	-	(7,157)
Retained profit for the financial year	-	8,460
Movement in Group Equity	-	25,826
<b>At end of year</b>	<b>1</b>	<b>36,141</b>

The movement in equity is due to the waiver of a loan from Christie Mason & Woods of £25,826,000.

# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts (continued)

### 14 Reconciliation of movements in shareholders' funds

	2015	2014
	£'000	£'000
Retained profit for the financial year	8,460	16,388
Dividends paid	(7,157)	-
Movement in Group Equity	<u>25,826</u>	<u>-</u>
Increase in shareholders' funds	27,129	16,388
At beginning of year	<u>9,020</u>	<u>(7,368)</u>
At end of year	<u>36,149</u>	<u>9,020</u>

### 15 Contingent liabilities

The Company together with Christie's International plc, Christie Mason & Woods Limited, CI Property & Investments Limited, Christies Overseas Holdings Limited, Christie's Inc, Christie's Hong Kong Limited and Christie's (International) SA have provided guarantees to a number of Banks that provide the Group with credit facilities and to the Note holders of the USD 100m 5.22% Senior Notes due March 31, 2021.

The Company participates in a cross guarantee in respect of the overdrafts of fellow UK group companies. In addition, the Company has acknowledged an omnibus letter of set-off with the sterling and foreign currency bank balances of fellow UK subsidiary undertakings with bank accounts held at Lloyds TSB Bank plc.

In the normal course of business, the Company has entered into certain limited guarantees and indemnities principally in respect of the settlement of customs duties and related charges. Other commitments are, in the Directors' opinion, covered by the underlying value of the related security.

### 16 Commitments

Annual commitments under non-cancellable operating leases at 31 December are as follows:

	2015	2014
	£'000	£'000
<b>Land and buildings</b>		
Leases expiring:		
Over 5 years	<u>-</u>	<u>530</u>
	<u>-</u>	<u>530</u>

### 17 Related parties disclosure

It is Company policy that Directors are not permitted to trade in categories of items which are sold at auctions held by their own departments. They may, however, purchase or sell items at auctions organised by other departments, or by subsidiaries which act as principals. All such transactions are carried out on an arm's length basis. Members of Directors' close families also enter into transactions with group companies. All transactions in the course of the year were neither material to the Company nor to any of the Directors concerned.



# CHRISTIE'S PRIVATE SALES LIMITED

## Notes to the Accounts (continued)

### 18 Ultimate parent undertaking

The smallest and largest group in which the results of the Company are included is Financière Pinault SCS, a company incorporated in France and also the ultimate parent company of Christie's. The immediate parent undertaking is Arok International SA also incorporated in France.

The consolidated accounts of Financière Pinault SCS and the company accounts of Arok International SA will be filed with the Tribunal de Commerce de Paris, 1, Quai de Corse, 75004 Paris.

### 19 Related undertakings

The Company has the following subsidiary undertakings at 31 December 2015 and operated mainly in their country of registration or incorporation. All shares held by or on behalf of subsidiaries are treated as if held by the company.

Fine Art Auctioneers and Representative Offices	Country of Registration or Incorporation	Percentage of equity or share capital owned
Blains Limited	England	100%
Haunch of Venison GmbH	Germany	100%
Haunch of Venison Zurich AG	Switzerland	100%

### 20 Transition to FRS102

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

#### Reconciliation of equity

	Note	As at 1 Jan 2014	As at 31 Dec 2014
Capital and reserves (as previously stated)		6,855	8,870
Re-measurement of foreign debtors/creditors at spot exchange rate	(a)	513	150
Capital and reserves (as re-stated)		<u>7,368</u>	<u>9,020</u>

#### Reconciliation of profit and loss for the year

	Note	2014
Profit for the year (as previously stated)		15,725
Re-measurement of foreign debtors/creditors at spot exchange rate	(a)	663
Profit for the year (as re-stated)		<u>16,388</u>

#### a) Financial instruments - Derivatives

In accordance with old UK GAAP, SSAP 20 Foreign currency translation, the Company previously chose to translate purchases in foreign currencies at the rate of exchange specified in a matching forward contract. This is not permitted by FRS102, which requires purchases to be translated using the spot exchange rate on the date of the transaction. Transactions entered into since the transaction date have been re-measured based on the spot exchange rate. Consequently as at 31 December 2014, debtors have increased by £150,000.