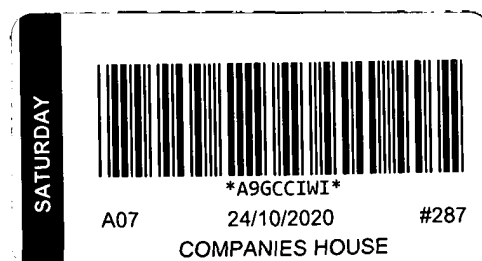


CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED
Strategic Report, Directors' Report and Financial Statements
31 December 2019

Registered number 05728332



CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

Contents

| | |
|---|------|
| Strategic Report | 1 |
| Directors' Report | 2 |
| Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements | 3 |
| Independent Auditor's Report to the Members of Christie's International Real Estate Europe Limited | 4-5 |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Notes to the Accounts | 8-17 |

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

Strategic Report

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

Principal Activities

The principal activity of Christie's International Real Estate Europe Limited ("the Company") is that of brand licensing for real estate brokerages and providing marketing and promotional services for the sale of luxury residential properties.

Business Review

The results of the Company are set out on page 6. Turnover of \$6.2m was 15% greater than the level of 2018 (\$5.4m). In 2019 the Company saw increases in annual fee revenue and referral revenue. In addition, there was one-time conference revenue, offset by conference costs. Lower remuneration costs, as a result of headcount restructuring and administrative expenses have resulted in the Company making a profit after taxation of \$2.5m (2018: \$1.9m). The net asset position of the Company as of 31 December 2019 was \$11.2m (2018: \$8.8m). The increase in net assets can be primarily attributed to the Company's profit for the period.

Covid-19

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, resulting in enforced lockdowns and social distancing measures by governments across the world.

The Company assessed the impact of Covid-19 on its operations and financial resources and concluded that it was appropriate to continue to prepare the financial statements on a going concern basis. Going concern is further discussed at Note 1.c to the financial statements.

Principal risks and uncertainties facing the company

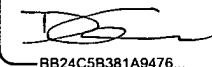
The Company faces a number of risks and uncertainties. One key risk that the Company faces is a severe loss of affiliates, who pay the Company a fee per year to license the brand and take advantage of all the luxury residential property marketing initiatives. A severe loss of affiliates could negatively impact the overall financial performance of the Company. In order to prevent this the Company has controls in place to maintain and improve relationships with existing affiliates and seek out qualified affiliates in new territories and offer highly competitive marketing initiatives.

Another principal risk is the Company's ability to drive meaningful future profitability which depends on restructuring fees of large affiliate deals and managing the changing competitive dynamics with all existing affiliates. These restructuring discussions are difficult discussions. A severe loss of affiliates as a result of affiliate renewal negotiations and the resulting economic impact(s) could, however, impact the Company's affiliate global network and the overall financial performance.

The Directors are satisfied with the net asset position of the Company of \$11.2m (2018: \$8.8m).

Due to the nature of the business, in the opinion of the Directors there are no key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

By order of the Board,

DocuSigned by:

BB24C5B381A9476...
Director
Dann Conn

05 October 2020 | 04:53 PDT

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

Directors' Report

Dividends

The Directors do not propose a dividend in respect of the financial year ended 31 December 2019 (2018: \$nil).

Directors

The Directors who held office during the year and at the date of this report were as follows:

D. Boll-Farenholtz

A. D. Conn

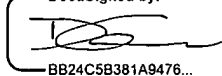
Disclosure of information to auditor

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

DocuSigned by:


BB24C5B381A9476...

A. D. Conn

Director

05 October 2020 | 04:53 PDT

8 King Street
St James's
London
SW1Y 6QT
Company number: 05728332

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 INTERNATIONAL REAL ESTATE EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LTD.

Opinion

We have audited the financial statements of Christie's International Real Estate Europe, Ltd. ("the company") for the year ended 31st December 2019 which comprise of the Profit and Loss account, Balance sheet, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and Director report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

- 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Hugh Green
(Senior Statutory Auditor)
for and on behalf of KPMG LLP

DocuSigned by:

1C9FA5138E3840C...

Chartered Accountants
Statutory Auditor
15 Canada Square
London
E14 5GL
Date: 06 October 2020 | 11:31 BST

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED**Profit and Loss Account
For the year ended 31 December 2019**

| | Note | 2019 | 2018 |
|--------------------------------------|------|---------------------|----------------|
| | | US\$'000 | US\$'000 |
| Turnover | | 6,206 | 5,394 |
| Cost of sales | | <u>(1,433)</u> | <u>(1,117)</u> |
| Gross profit | | 4,773 | 4,277 |
| Administrative expenses | | (1,069) | (1,343) |
| Remuneration expenses | 5 | <u>(658)</u> | <u>(749)</u> |
| Operating profit | 3 | 3,046 | 2,185 |
| Interest from group companies | 4 | - | 81 |
| Profit before taxation | | <u>3,046</u> | <u>2,266</u> |
| Tax on profit | 6 | (582) | (408) |
| Profit for the financial year | 12 | <u>2,464</u> | <u>1,858</u> |

The company has no other comprehensive income for the period.

The notes to the accounts on pages 8 to 16 form part of these financial statements.

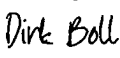
CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

Balance Sheet
As at 31 December 2019

| | Notes | 2019 | | 2018 | |
|---|-------|----------------|---------------|----------------|--------------|
| | | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 12 | | 14 |
| Current assets | | | | | |
| Debtors | 9 | 5,140 | | 4,582 | |
| Cash at bank and in hand | | <u>11,649</u> | | <u>12,003</u> | |
| | | 16,789 | | 16,585 | |
| Creditors: amounts falling due within one year | 10 | <u>(5,584)</u> | | <u>(7,846)</u> | |
| Net Current Assets | | | 11,205 | | 8,739 |
| Net Assets | | | <u>11,217</u> | | <u>8,753</u> |
| Capital and reserves | | | | | |
| Called up share capital (\$2) | 11 | | - | | - |
| Profit and loss account | | | <u>11,217</u> | | <u>8,753</u> |
| Shareholder's funds | 12 | | <u>11,217</u> | | <u>8,753</u> |

The notes to accounts on pages 8 to 16 form part of these financial statements.

These financial statements were approved by the board of directors on 2 October 2020 and were signed on its behalf by:

DocuSigned by:

 3B51297847044C3
 Dirk Boll
 Director

Company number: 05728332

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE 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.

Company information

Christie's International Real Estate Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8, King Street, St. James's, London, SW1Y 6QT.

a. Basis of accounting

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.

The Company's ultimate parent undertaking, Financière Pinault SCA includes the Company in its consolidated financial statements. The consolidated financial statements of Financière Pinault SCA are prepared in accordance with International Financial Reporting Standards as adopted by the EU. 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.

b. Fixed assets and depreciation

Tangible fixed assets

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

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

Depreciation and residual values

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

| | |
|--------------------------------|---|
| Leasehold Improvements | - shorter of period lease or useful economic life |
| Furniture & Fittings | - 10% - 25% |
| Equipment | - 10% - 25% |
| Computer Hardware and Software | - 25% |

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

c. 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.

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

1 Accounting policies (continued)

The Directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its intermediate parent company, Christies International plc, to meet its liabilities as they fall due for that period.

This assessment is dependent on Christie's International plc providing additional financial support during that period. Christies International plc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the assessment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Group has adequate financial resources and as a consequence, the Directors believe that the Group is well placed to manage its business risks. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

On this basis, and on their assessment of the Company's financial position, the Company's directors are confident that the company will be able to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

d. Related Parties

The Company is exempt from the requirement to disclose related party transactions with other group companies under Paragraph 33.1A of FRS 102, "Related Party Disclosures", as it is a wholly owned subsidiary as detailed above.

e. Turnover

Turnover principally represents revenue derived from annual licensing and corporate marketing fees, marketing promotional services, co-marketing services and property introduction fees.

Revenue from annual licensing fees and corporate marketing fees are recognised over the period to which they relate rather than when payment is received.

Revenue from marketing promotional services, including magazine publications and events, are recognised in the period to which the product has been printed and/or distributed or when the event they relate to has taken place.

Revenue from introduction and co-marketing fees for property sales are recognised upon completion of the applicable property sale.

f. Foreign currencies

The Directors regard the US dollar as the Company's functional currency and therefore present these financial statements in that currency. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

g. Taxation

Tax on the profit and 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

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.

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

1 Accounting policies (continued)

Deferred tax

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.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrealised tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

h. Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

i. Employee benefits

Defined contribution plans and other long-term employee benefits

The Company also operates a defined contribution scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

i. 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 Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

No significant judgements, estimates and assumptions have been applied.

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

Notes to the Accounts *(continued)*

3 Operating profit

| | 2019 | 2018 |
|---|----------|----------|
| | US\$'000 | US\$'000 |
| Operating profit is stated after charging: | | |
| Depreciation and other amounts written off for tangible assets | 3 | 3 |
| Exchange gain/ (loss) | 336 | (191) |
| Auditor's remuneration: | | |
| Fees Paid to the Company's auditor for the audit of the Company's annual accounts | <u>3</u> | <u>3</u> |

4 Interest Income from Group companies

| | 2019 | 2018 |
|---------------------------------|----------|-----------|
| | US\$'000 | US\$'000 |
| Interest Income | | |
| Receivable from Group Companies | <u>-</u> | <u>81</u> |
| | <u>-</u> | <u>81</u> |

5 Staff Numbers and Costs

The average number of persons employed by the Company during the year, analysed by category are as follows:

| | 2019 | 2018 |
|----------------|----------|----------|
| Administration | <u>6</u> | <u>7</u> |
| Employees | <u>6</u> | <u>7</u> |

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED**5 Staff Numbers and Costs (continued)**

The aggregate remuneration costs of these persons were as follows:

| | 2019 | 2018 |
|-----------------------|-------------------|-----------------|
| | US\$'000 | US\$'000 |
| Wages and Salaries | 552 | 637 |
| Social security costs | 67 | 80 |
| Other pension costs | <u>39</u> | <u>32</u> |
| | <u>658</u> | <u>749</u> |

The Directors did not receive any emoluments in respect of their services for this company during the year (2018: \$nil).

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

Notes to the Accounts (continued)

6 Taxation on operating profit

a) Analysis of charge for the period

| | 2019 | 2018 |
|---|------------|------------|
| | US\$'000 | US\$'000 |
| Current tax | | |
| Current tax charge on profit for the current period | 572 | 434 |
| Adjustments in respect of prior periods | (2) | (120) |
| Total current tax charge | <u>570</u> | <u>314</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 7 | (3) |
| Adjustment in respect of prior periods | 5 | 97 |
| Total deferred tax | <u>12</u> | <u>94</u> |
| Total tax charge/(credit) | <u>582</u> | <u>408</u> |

b) Factors affecting the tax charge for the current period:

The current tax charge for the period is \$582,000 (2018: \$408,000) and is in line with (2018: lower than) the standard rate of corporation tax in the UK 19.00% (2018: 19.00%). The differences are explained below:

| | 2019 | 2018 |
|--|--------------|--------------|
| | US\$'000 | US\$'000 |
| Current tax reconciliation | | |
| Profit before tax | <u>3,046</u> | <u>2,266</u> |
| Current tax charge at 19.00% (2018: 19.00%) | 579 | 431 |
| Tax effect of expenses not deductible for tax purposes | 1 | 1 |
| Effect of change in corporate tax rate | - | - |
| Adjustments in respect of prior years | <u>2</u> | <u>(24)</u> |
| Current tax charge | <u>582</u> | <u>408</u> |

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED**Notes to the Accounts (continued)****7 Equity dividends**

The Directors do not propose a dividend in respect of the financial year ended 31 December 2019 (2018: \$nil).

8 Tangible Assets

| | Leasehold Improvements | Equipment, Furniture & Fittings | Computer Hardware | Total |
|----------------------------|---------------------------|---------------------------------------|----------------------|-----------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Cost | | | | |
| At 1 January 2019 | 10 | 18 | 10 | 38 |
| Additions | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> |
| At 31 December 2019 | <u>11</u> | <u>18</u> | <u>10</u> | <u>39</u> |
| Depreciation | | | | |
| At 1 January 2019 | 2 | 15 | 7 | 24 |
| Charge for the year | <u>1</u> | <u>1</u> | <u>1</u> | <u>3</u> |
| At 31 December 2019 | <u>3</u> | <u>16</u> | <u>8</u> | <u>27</u> |
| Net book value | | | | |
| At 31 December 2019 | <u>8</u> | <u>2</u> | <u>2</u> | <u>12</u> |
| At 31 December 2018 | <u>8</u> | <u>3</u> | <u>3</u> | <u>14</u> |

9 Debtors

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| | US\$'000 | US\$'000 |
| Trade debtors | 1,570 | 1,866 |
| Amounts due from group undertakings | 3,356 | 2,568 |
| Prepayments and accrued income | 206 | 121 |
| Deferred tax | <u>8</u> | <u>27</u> |
| | <u>5,140</u> | <u>4,582</u> |

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

9 Debtors (continued)

The deferred tax asset relates to timing differences between accumulated depreciation and capital allowances. The analysis of the movement is as follows:

| | Deferred tax asset US\$'000 |
|--|-----------------------------------|
| As at 1 January 2019 | 27 |
| Timing differences due to accumulated depreciation | (3) |
| Timing differences due to capital allowances | (9) |
| Adjustments in respect of prior years | (7) |
| As at 31 December 2019 | 8 |

10 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|-----------------------------------|--------------|--------------|
| | US\$'000 | US\$'000 |
| Amounts due to group undertakings | 2,175 | 4,009 |
| Accruals and deferred income | 2,847 | 3,404 |
| Corporation tax payable | 562 | 433 |
| | 5,584 | 7,846 |

11 Called up share capital

| | 2019 | 2018 |
|---|----------|----------|
| | US\$'000 | US\$'000 |
| Allotted, called up and fully paid | | |
| You can have 1 Ordinary share of £1 (USD 2) | - | - |

12 Reconciliation of movements in shareholder's funds

| | 2019 | 2018 |
|--|---------------|--------------|
| | US\$'000 | US\$'000 |
| Profit for the financial year | 2,464 | 1,858 |
| Shareholder's funds at beginning of year | 8,753 | 6,895 |
| Shareholder's funds at end of year | 11,217 | 8,753 |

CHRISTIE'S INTERNATIONAL REAL ESTATE EUROPE LIMITED

Notes to the Accounts *(continued)*

13 Contingent liability

The Company participates in an omnibus letter of set-off arrangement in respect of the overdraft of certain fellow United Kingdom group companies.

14 Immediate and ultimate parent undertaking

The smallest and largest group in which the results of Christie's International Real Estate Europe Ltd are included is Financière Pinault SCA, a company incorporated in France and also the ultimate parent company of Christie's International Real Estate Europe Ltd. The immediate parent undertaking is Christie's International plc which is incorporated in England and Wales at the registered address is 8 King Street, St James's, London, SW1Y 6QT.

The consolidated accounts of Financière Pinault SCA are available on request from its registered address, 12 rue François Ier, Paris 8, 75008, France.

15 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.