

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
Christie's International Real Estate
Europe Limited**

**Contents of the Financial Statements
for the year ended 31 December 2022**

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**Christie's International Real Estate
Europe Limited**

**Company Information
for the year ended 31 December 2022**

DIRECTORS:

D Grace
M P Golden

REGISTERED OFFICE:

8 King Street
St James's
London
SW1Y 6QT

REGISTERED NUMBER:

05728332 (England and Wales)

AUDITORS:

Clayton & Brewill
Statutory Auditors and
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Strategic Report
for the year ended 31 December 2022**

The directors present their strategic report for the year ended 31 December 2022.

REVIEW OF BUSINESS

The results of the Company are set out on page 7. Turnover of \$4.54m was 1.58% higher than the level of 2021 (\$4.46m). Cost of sales were 75.84% higher than 2022 (\$0.49m). Lower administrative expenses have resulted in the Company making a profit after taxation of \$1.85m (2021: \$1.67m). The net asset position of the Company as of 31 December 2022 was \$2.42m (2021: \$0.57m).

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.

Additionally, a downturn in the residential real estate market will negatively impact profitability, as many of the Company's annual licencing fees are based on licensee turnover and may impact collectability from licensees.

The Directors are satisfied with the net asset position of the Company of \$2.42m (2022: \$0.57m).

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.

ON BEHALF OF THE BOARD:

M P Golden - Director

28 September 2023

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Report of the Directors
for the year ended 31 December 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS

No dividend has been paid during the year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

D Grace
M P Golden

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Clayton & Brewill, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M P Golden - Director

28 September 2023

Report of the Independent Auditors to the Members of Christie's International Real Estate Europe Limited

Opinion

We have audited the financial statements of Christie's International Real Estate Europe Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 Auditors' 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 UK, including the FRC'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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Christie's International Real Estate
Europe Limited**

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 Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures 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;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable 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 reviewing accounting estimates for bias;

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Christie's International Real Estate
Europe Limited**

Use of our report

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 a Report of the Auditors 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.

Douglas Perry FCA (Senior Statutory Auditor)
for and on behalf of Clayton & Brewill
Statutory Auditors and
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

29 September 2023

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Income Statement
for the year ended 31 December 2022**

	Notes	2022 \$	2021 \$
REVENUE		4,535,142	4,464,461
Cost of sales		<u>1,137,841</u>	<u>647,080</u>
GROSS PROFIT		3,397,301	3,817,381
Administrative expenses		<u>1,600,392</u>	<u>1,748,754</u>
		1,796,909	2,068,627
Other operating income		<u>28,626</u>	<u>-</u>
OPERATING PROFIT	4	1,825,535	2,068,627
Interest receivable and similar income		<u>6,707</u>	<u>-</u>
PROFIT BEFORE TAXATION		1,832,242	2,068,627
Tax on profit	5	<u>(14,337)</u>	<u>396,647</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,846,579</u>	<u>1,671,980</u>

The notes form part of these financial statements

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Other Comprehensive Income
for the year ended 31 December 2022**

	Notes	2022 \$	2021 \$
PROFIT FOR THE YEAR		1,846,579	1,671,980
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>1,846,579</u>	<u>1,671,980</u>

The notes form part of these financial statements

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Balance Sheet
31 December 2022**

	Notes	2022 \$	\$	2021 \$	\$
FIXED ASSETS					
Property, plant and equipment	7		14,846		9,892
CURRENT ASSETS					
Debtors	8	6,376,655		3,647,603	
Cash at bank		<u>1,011,622</u>		<u>660,529</u>	
		7,388,277		4,308,132	
CREDITORS					
Amounts falling due within one year	9	<u>4,983,789</u>		<u>3,745,269</u>	
NET CURRENT ASSETS			<u>2,404,488</u>		<u>562,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,419,334</u>		<u>572,755</u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Retained earnings	11		<u>2,419,332</u>		<u>572,753</u>
SHAREHOLDERS' FUNDS			<u>2,419,334</u>		<u>572,755</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2023 and were signed on its behalf by:

M P Golden - Director

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Statement of Changes in Equity
for the year ended 31 December 2022**

	Called up share capital \$	Retained earnings \$	Total equity \$
Balance at 1 January 2021	2	12,400,773	12,400,775
Changes in equity			
Dividends	-	(13,500,000)	(13,500,000)
Total comprehensive income	-	1,671,980	1,671,980
Balance at 31 December 2021	<u>2</u>	<u>572,753</u>	<u>572,755</u>
Changes in equity			
Total comprehensive income	-	1,846,579	1,846,579
Balance at 31 December 2022	<u>2</u>	<u>2,419,332</u>	<u>2,419,334</u>

The notes form part of these financial statements

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Cash Flow Statement
for the year ended 31 December 2022**

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Cash generated from operations	1	380,145	2,582,477
Tax paid		(24,086)	-
Net cash from operating activities		<u>356,059</u>	<u>2,582,477</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,430)	(7,602)
Sale of tangible fixed assets		4,757	-
Interest received		6,707	-
Net cash from investing activities		<u>(4,966)</u>	<u>(7,602)</u>
Cash flows from financing activities			
Equity dividends paid		-	(13,500,000)
Net cash from financing activities		<u>-</u>	<u>(13,500,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>351,093</u>	<u>(10,925,125)</u>
Cash and cash equivalents at beginning of year	2	660,529	11,585,654
Cash and cash equivalents at end of year	2	<u><u>1,011,622</u></u>	<u><u>660,529</u></u>

The notes form part of these financial statements

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Notes to the Cash Flow Statement
for the year ended 31 December 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	\$	\$
Profit before taxation	1,832,242	2,068,627
Depreciation charges	6,720	3,390
Finance income	(6,707)	-
	<u>1,832,255</u>	<u>2,072,017</u>
(Increase)/decrease in trade and other debtors	(2,746,903)	61,586
Increase in trade and other creditors	<u>1,294,793</u>	<u>448,874</u>
Cash generated from operations	<u><u>380,145</u></u>	<u><u>2,582,477</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31/12/22	1/1/22
	\$	\$
Cash and cash equivalents	<u>1,011,622</u>	<u>660,529</u>

Year ended 31 December 2021

	31/12/21	1/1/21
	\$	\$
Cash and cash equivalents	<u>660,529</u>	<u>11,585,654</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22	Cash flow	At 31/12/22
	\$	\$	\$
Net cash			
Cash at bank	<u>660,529</u>	<u>351,093</u>	<u>1,011,622</u>
	<u>660,529</u>	<u>351,093</u>	<u>1,011,622</u>
Total	<u><u>660,529</u></u>	<u><u>351,093</u></u>	<u><u>1,011,622</u></u>

The notes form part of these financial statements

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Notes to the Financial Statements
for the year ended 31 December 2022**

1. STATUTORY INFORMATION

Christie's International Real Estate Europe Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The principal activity of this business is the marketing of luxury real estate.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in USD, which is the functional currency of the company.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved 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.

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	2022	2021
	\$	US \$
Wages and Salaries	691,643	741,434
Social security costs	32,685	66,292
Other pension costs	<u>18,203</u>	<u>66,157</u>
	<u>742,531</u>	<u>873,882</u>

Average number of employees during the year was as follows:	2022	2021
	7	6

	2022	2021
	\$	\$
Directors' remuneration	60,325	-

4. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	\$	\$
Depreciation - owned assets	6,719	3,390
Foreign exchange differences	<u>52,627</u>	<u>5,233</u>

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2022	2021
	\$	\$
Current tax:		
UK corporation tax	344,106	387,061
Corporation tax prior year	<u>(361,196)</u>	<u>-</u>
Total current tax	<u>(17,090)</u>	<u>387,061</u>
Deferred tax	<u>2,753</u>	<u>9,586</u>
Tax on profit	<u>(14,337)</u>	<u>396,647</u>

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

5. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 \$	2021 \$
Profit before tax	<u>1,832,242</u>	<u>2,068,627</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	348,126	393,039
Effects of:		
Capital allowances in excess of depreciation	(4,019)	(3,136)
Group losses charge	(361,197)	-
Movement in provisions	-	(2,842)
Deferred tax movement	<u>2,753</u>	<u>9,586</u>
Total tax (credit)/charge	<u>(14,337)</u>	<u>396,647</u>

6. DIVIDENDS

	2022 \$	2021 \$
Ordinary share of \$1		
Final	-	<u>13,500,000</u>

7. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment \$
COST	
At 1 January 2022	15,365
Additions	16,430
Disposals	<u>(8,986)</u>
At 31 December 2022	<u>22,809</u>
DEPRECIATION	
At 1 January 2022	5,473
Charge for year	6,719
Eliminated on disposal	<u>(4,229)</u>
At 31 December 2022	<u>7,963</u>
NET BOOK VALUE	
At 31 December 2022	<u>14,846</u>
At 31 December 2021	<u>9,892</u>

**Christie's International Real Estate
Europe Limited (Registered number: 05728332)**

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	\$	\$
Trade debtors	1,020,911	1,052,261
Amounts owed by group undertakings	4,837,530	2,312,940
Other debtors	33,030	37,890
VAT	51,944	36,401
Prepayments and accrued income	433,240	208,111
	<u>6,376,655</u>	<u>3,647,603</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	\$	\$
Trade creditors	52,643	-
Tax	330,788	387,061
Other creditors	375,000	280,004
Amounts owed to group undertakings	2,179,481	1,092,090
Accruals and deferred income	2,045,877	1,986,114
	<u>4,983,789</u>	<u>3,745,269</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	\$	\$
1	Ordinary	£1	<u>2</u>	<u>2</u>

11. RESERVES

	Retained earnings
	\$
At 1 January 2022	572,753
Profit for the year	1,846,579
At 31 December 2022	<u>2,419,332</u>

12. ULTIMATE CONTROLLING PARTY

The controlling party is atproperties U.k. holdings, Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.