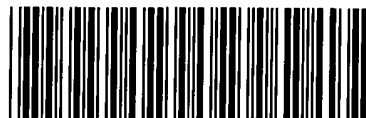


Registration Number 00194871

Venners Limited
Directors' Report and Financial Statements
for the year ended 31 December 2021

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COMPANIES HOUSE

Company Information

Directors	C A Gibson S Hulme A Lindsay A McCarthy M W Muir D R Prickett D B Rugg
Secretary	C A Gibson
Company Number	00194871
Registered Office	Pinder House 249 Upper Third Street Milton Keynes MK9 1DS
Auditor	Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

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Strategic Report

For the year ended 31 December 2021

The Directors present their Strategic Report on the Company for the year ended 31 December 2021.

Review of the business

Principal Activities and Business Review:

The Company's principal activity continued to be that of providing an integrated range of Stock, Consultancy, Compliance and Inventory services.

Risks and Uncertainties:

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

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

The following could adversely affect our markets:

- changes in employee and business legislation;
- the availability of labour;
- increase in transport costs;
- trends towards a cashless society;
- technology changes affecting the hospitality sector; and
- economic slowdown;
- global pandemic

The above list of risks is meant to highlight, in addition to any noted elsewhere in this report, those we consider relevant today and is not intended to be an exhaustive list of risks facing the business. Global and national disruptive economic events – notably the potential impact of climate change and Brexit – are not risks that are considered unique to any of the services we provide.

Key Performance Indicators:

The key financial performance indicators are as follows:

- Revenue growth – an important part of our strategy is growing our business and is best measured by revenue growth;
- Operating profit % - this is measured as operating profit as a percentage of revenue.

Review of strategy and business model

Venners is the clear market leader in stocktaking, inventory, and related services for the UK hospitality sector. By delivering a wide-ranging portfolio of solutions across the UK and Europe, it helps businesses manage the risks they face, boost performance and generate greater productivity.

Covid-19 continued to have a very major impact on the Hospitality sector during 2021, significantly more than had been anticipated at the beginning of the year. However, Venners remains the largest hospitality stocktaker in the UK.

The lockdowns that were in place for much of the first half of the year delayed the sector's recovery. However, real momentum gathered from May onwards, and Venners delivered a positive second half that gives us a strong platform for further recovery, heading into 2022.

Our actions added further to this momentum through the expansion of our product suite, which has created opportunities for us to venture into previously untapped markets. Our Compliance and Consultancy solutions, for example, have enabled Venners to provide solutions to businesses outside the core Hospitality sector, facilitating our access to new customer markets including waste management, construction and food production.

In parallel, we have continued successfully to evolve our structure and internal and external processes. This has enabled us to work closely with our existing clients, supporting them through their own recoveries, and also to provide support to our many new customers.

Innovation remains an important part of our strategy, and we have continued the rollout across our client base of our online Client Portal. This solution, which gives customers a singular point of reference and overview relating to all elements of stock control, is proving to be a popular tool.

Our reputation as a trusted and respected market leader continues to make us an attractive supplier for new clients. In our core market, this has made us the partner of choice for several prestigious and high profile companies including the Flight Club and Lane 7 businesses as they continue with their expansion plans.

Recognition of our auditing expertise has also spread to other sectors. For example, we have recently completed production analysis for Westbridge Foods to assist them in increasing their output by 10% while improving product quality.

As will be the case across many parts of the UK economy, we anticipate that 2022 will be a further year of recovery and transition for the Hospitality sector. With 2021 having largely been a write-off for many operators in terms of achieving budget, their focus in 2022 will concentrate on returning to profitable operating positions. As part of this, and as resourcing issues continue to affect the sector, they will target finding more efficient ways of running their businesses. As a result, we believe outsourcing of stock control will be on many operators' agendas as they look to free up valuable management time to concentrate on operational efficiency.

Venners' multi-option product suite will also be increasingly attractive, as companies turn to multi-faceted solutions to mitigate the risks that exist in different areas of their businesses. While stock auditing, management and control are still central to our business, our Consultancy and Compliance services will also continue to grow in popularity.

The Consultancy team's 'Follow the Money' approach proved popular in 2021, delivered via operational service surveillance, control system reviews and operational business health checks. We expect the team to continue using this approach throughout 2022 and beyond.

Our Compliance division also remains well positioned to continue providing services that address risk, corporate governance and profit retention, all elements of business analysis that are going to be increasingly central to operators' success as they continue their recoveries.

Training has been another important focus for our own and our clients' businesses. With large numbers of the UK's workforce having experienced some 'downtime' through furlough, getting people back to work and performing to pre-pandemic levels is an objective for many businesses. Training or re-training is pivotal to achieving this, and we have put all our staff through numerous training courses to progress their own development. We have also delivered many training courses for our clients as they look to re-instil best practice across the workforce.

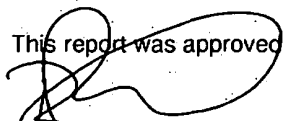
We are also committed to supporting our staff from a well-being perspective. Numerous support initiatives have been rolled out across the business, all with the key objective of ensuring that our staff feel part of a caring and responsible business.

Cash flow and profitability have never been more important than in the current economic climate. Ensuring we deliver a return on investment, to our customers and all other stakeholders, is fundamental to Venners' operational strategy. Our ability to adapt to unforeseen circumstances has stood us in good stead over the last two years and means that we are in a strong position to support our clients through whatever the future holds.

With the deployment of technological advancements such as our Client Portal and Bespoke Audit Tool, we are able to provide cutting-edge, market-leading support and solutions.

As we look ahead, these developments mean we can continue to provide the best levels of support across the board, to clients in the Hospitality sector and also to those in markets that are new to our business.

This report was approved by the board on 31 March 2022.



D R Prickett
Chairman
Registration no. 00194871

Directors' Report

For the year ended 31 December 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Results and Dividends

The results for the year are set out in the Statement of Comprehensive Income on page 14. The Directors paid interim dividends of £nil (2020: £nil). The Directors do not recommend the payment of a final dividend (2020: £nil). The operating loss for the year was £706,000 (2020: £929,000 loss). The loss for the year before tax was £798,000 (2020: £1,017,000 loss) and the total comprehensive income for the financial year was £1,676,000 (2020: £2,174,000 loss) and this amount has been added to (2020: deducted from) reserves.

Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Company performance. Our parent Company, Christie Group plc operates an employee share ownership scheme which provides eligible employees with the opportunity to become a shareholder in Christie Group plc and further align their own interests with those of other shareholders. In terms of employee information and updates, the Company engages with employees and workers as the Directors consider appropriate and to the extent that is permissible noting Christie Group plc's obligations to comply with the requirements of AIM and the Market Abuse Regulations.

The Company is committed to providing equality of opportunity to all employees and workers regardless of sex, gender, marital status, race, religion, nationality, age, disability or sexual orientation. When recruiting, the Company does so on the basis of an objective assessment of applications received and whether candidates have the appropriate skills and experience required for the role. Promotions and appointments are made on the basis of merit and should be without regard to any other factors. The Company is committed to the continual development of its employees and workers where that development is considered appropriate in enabling the better performance of an individual's role.

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. See note 3 on pages 22 and 23.

Health, Safety and the Environment

The Directors consider the health, safety and environmental protection aspects of the business to be of great importance, as the prevention of personal injury, the avoidance of damage to health and the protection of the environment are important business and social responsibilities. Management practices within the Company are designed to ensure so far as is reasonably practicable, the health, safety and welfare at work of employees, contractors and visitors and the implementation of environmentally aware and friendly policies.

Going Concern

The Directors have considered detailed and extensive financial forecasts, in light of the disruption caused by Covid-19. Those forecasts cover a period up to 31st December 2023, using the information available to management at the time.

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

These financial forecasts were produced in November & December 2021 and reviewed in March 2022 and therefore reflect actual financial performance up to that date, with forecasts for the subsequent period up to 31st December 2023.

These financial forecasts and going concern assessments have been shared with the statutory auditor, Mazars LLP.

Directors

The Directors who served during the year are detailed below.

C A Gibson
S Hulme
A Lindsay
A McCarthy
M W Muir
J P Perry
D R Prickett
D B Rugg

J P Perry retired on 4 February 2022.

During the year under review and as at the date of the Directors' report, appropriate directors' and officers' insurance was in place.

Auditor

Mazars LLP was appointed in the year as auditor of the Company. Mazars LLP will be proposed for reappointment in accordance with the provisions of section 489 of the Companies Act 2006.

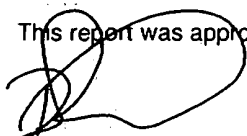
Disclosure of information to Auditor

The Directors of the Company have confirmed that in fulfilling their duties as a Director:

- so far as they are each aware, there was no relevant audit information of which the auditor is unaware; and
- they have taken all reasonable steps that a Director ought to have taken to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of s.418 of the Companies Act 2006.

This report was approved by the board on 31 March 2022.



D R Prickett
Chairman
Registration no. 00194871

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the members of Venners Limited

Opinion

We have audited the financial statements of Venners Limited ('the Company') for the year ended 31 December 2021 which comprise of the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Statement of Financial Position and 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the Annual report and Accounts 2021 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In 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 Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Directors' responsibilities statement set out on page 8, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: health and safety, employment regulation and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of goodwill, investments, intangibles, pension scheme assets & liabilities and deferred tax assets, recovery of intercompany balances, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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 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.



Stephen Eames (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date : 4 April 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue		4,772	4,949
Other income – government grant	5	1,915	2,708
Employee benefit expenses	6, 7	(5,723)	(6,631)
		964	1,026
Depreciation and amortisation		(168)	(225)
Other operating expenses		(1,502)	(1,730)
Operating (loss)		(706)	(929)
Finance costs	8	(40)	(48)
Pension scheme finance costs	8	(68)	(66)
Finance income	8	16	26
Net finance cost		(92)	(88)
(Loss) before tax	9	(798)	(1,017)
Taxation	10	38	50
(Loss) after tax		(760)	(967)
Other comprehensive income / (losses):			
Items that will not be reclassified to profit or loss			
Actuarial gains / (losses) on defined benefit plans		2,860	(1,571)
Income tax effect		(424)	364
Net other comprehensive income / (losses) not being reclassified to profit or loss in subsequent periods		2,436	(1,207)
Other comprehensive income / (losses) for the period, net of tax		2,436	(1,207)
Total comprehensive income / (loss) for the period		1,676	(2,174)

All amounts derive from continuing operations.

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

Statement of Changes in Shareholders' Equity

As at 31 December 2021

	Attributable to the Equity Holders of the Company			
	Share capital	Share based payment reserve (Note 17a)	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2020	50	133	909	1,092
Employee share option scheme:				
- value of services provided	-	10	-	10
Total comprehensive loss for the year	-	-	(2,174)	(2,174)
Balance at 31 December 2020	50	143	(1,265)	(1,072)
Employee share option scheme:				
- value of services provided	-	8	-	8
Total comprehensive income for the year	-	-	1,676	1,676
Balance at 31 December 2021	50	151	411	612

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

No dividends were paid in either this or the prior year.

Statement of Financial Position

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Assets			
Non-current assets			
Intangible assets	11	-	-
Property, plant and equipment	12	-	-
Right of use assets	13	269	437
Deferred tax assets	14	587	973
		856	1,410
Current assets			
Current tax asset		121	121
Trade and other receivables	15	2,483	3,508
Cash and cash equivalents		321	406
		2,925	4,035
Total assets		3,781	5,445
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	16	50	50
Share based payment reserve	17a	151	143
Retained earnings	17b	411	(1,265)
Total equity		612	(1,072)
Liabilities			
Non-current liabilities			
Retirement benefit obligations	18	2,082	4,860
Right of use asset liability	19	149	244
Provisions	20	20	20
		2,251	5,124
Current liabilities			
Trade and other payables	21	792	1,202
Right of use asset liability	19	126	191
		918	1,393
Total liabilities		3,169	6,517
Total equity and liabilities		3,781	5,445

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

The financial statements of Venners Limited, registered number 00194871, were approved by the Board of Directors on 31 March 2022 and signed on its behalf by:



S Hulme
Managing Director



D R Prickett
Chairman

Notes to the Financial Statements

1. General information

Venners Limited, is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The registered office is given on page 2. The Company's principal activity is providing an integrated range of Stock, Consultancy, Compliance and Inventory services.

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

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2021

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Venners Limited have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The Company financial statements have been prepared under the historical cost convention with the exception of the defined benefit pension scheme, and on a going concern basis.

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Financial reporting standard 101 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- b) The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment.
- c) The requirements of IAS 7 Statement of Cash Flows.
- d) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- e) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- f) The requirements of IFRS 7 Financial Instruments: Disclosures.
- g) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - i. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - ii. paragraph 118(e) of IAS 38 Intangible Assets

The information is included within the consolidated financial statements of Christie Group Plc as at 31 December 2020. These accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Going Concern

Having reviewed the Company's detailed monthly budgets, projections and funding requirements to 31 December 2023, taking account of reasonable possible changes in trading performance over this period, particularly in light of COVID-19 risks and counter measures, the Directors believe they have reasonable grounds for stating that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

2.1 Basis of preparation (continued)

New Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning after 1 January 2022 or later periods and have not been early adopted.

- Amendment to FRS 101: 2020/21 cycle (Issued June 2021)

The amendment updates FRS 101, through the annual improvements cycle for 2020/21, in relation to a narrow-scope disclosure exemption from within IAS 16 Property, Plant and Equipment (IAS 16), and for maintaining consistency with IAS 1 Presentation of Financial Statements (IAS 1) regarding the classification of current and non-current liabilities. The amendment regarding IAS 16 provides FRS 101 reporters with a disclosure exemption relating to net proceeds from the sale of items from PPE before the assets are available for their intended use.

It is anticipated that none of these new standards, amendments and interpretations currently in issue at the time of preparing the financial statements will have a material effect on the Company financial statements.

2.2 Foreign currency translation

Functional and presentation currency

The Financial Statements are presented in pounds sterling, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.3 Revenue recognition

To determine whether to recognise revenue, the Company follows the IFRS 15 five step process. Revenue from contracts with customers is recognised when the Company satisfies a performance obligation for a contracted service.

Revenue from principal activities are assessed using the following model:

- (1) Identify the contract
- (2) Identify performance obligations
- (3) Determine the transaction price
- (4) Allocation of the transaction price; and
- (5) Recognise revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services provided in the ordinary course of the Company's activities.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct service or a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

Services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

Where performance obligations require certain targets to be achieved, revenue is only recognised once the promised has been fulfilled.

Transaction price

At the start of the contract, the total transaction price is estimated as the fair value of consideration to which the Company expects to be entitled to for satisfying performance obligations and transferring the promised services to the customer, including expenses and excluding value added taxes and discounts.

2.3 Revenue recognition (continued)

The transaction price is generally determined by the stand-alone selling price. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices.

Revenue recognition

Performance obligations can be satisfied in a variety of ways through completion of specific obligations, or as services are rendered. Revenue recognised is the value allocated to the satisfied performance obligation over time or at a point in time.

Revenue derived from the Company's principal activities and derived wholly from activities in Europe (which is shown exclusive of applicable sales taxes or equivalents) is recognised as follows:

Stock, compliance and inventory services

Fees are recognised on completion of the visit to the client's premises.

Consultancy and Health and Safety Services

Income is recognised in the accounting period in which the service is rendered, assessed on the basis of actual service provided as a proportion of the total services to be provided.

Other income is recognised as follows:

Interest income

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

2.4 Intangible assets

Intangible fixed assets such as software are stated at cost, net of amortisation and any provision for impairment. Amortisation is calculated to write down the cost of all intangible fixed assets to their estimated residual value by equal annual instalments over their expected useful economic lives. The expected useful lives are between one and five years. Amortisation is shown with depreciation on the face of the Statement of Comprehensive Income.

2.5 Property, plant and equipment

Tangible fixed assets are stated at cost, net of depreciation and provision for any impairment. Depreciation is calculated to write down the cost of all tangible fixed assets to estimated residual value by equal annual instalments over their expected useful lives as follows:

Leasehold property	Lease term
Fixtures, fittings and equipment	5 – 10 years
Computer equipment	2 – 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Statement of Comprehensive Income.

2.6 Leases

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

Right-of-use assets

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

Leasehold property	Lease term
Motor vehicles	4 years

2.6 Leases (continued)

The right-of-use assets are also subject to impairment.

Lease liabilities

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

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

Short-term lease and leases of low-value assets

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

2.7 Impairment of assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is based on the present value of the future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Any assessment of impairment based on value in use takes account of the time value of money and the uncertainty or risk inherent in the future cash flows. The discount rates applied are post-tax and reflect current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

2.8 Trade receivables

Trade receivables are recognised using the expected credit loss model, less any provision for impairment. The Company applies the IFRS 9 simplified approach to measuring forward-looking expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and accrued income, including contract assets. A provision for impairment of trade receivables is assessed at both the point of initial recognition and when there is further objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the Statement of Comprehensive Income.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on a shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of the 12 months preceding 31 December 2021.

2.9 Cash and cash equivalents

Cash and cash equivalents are recognised initially at fair value and subsequently measured at amortised cost. Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the Statement of Financial Position.

2.10 Taxation including deferred tax

Tax on Company profits is provided for at the current rate applicable in each of the relevant territories.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This is reviewed annually.

2.11 Share capital and share premium

Ordinary shares are classified as equity.

2.12 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. In respect of interim dividends, which are paid prior to approval by the Company's shareholders they are recognised on payment.

2.13 Employee benefits

Pension obligations

The Company has both a defined benefit and defined contribution scheme. A defined benefit scheme is a pension scheme that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration. A defined contribution scheme is a pension scheme under which the Company pays fixed contributions into a separate entity. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

Pension obligations – defined benefit schemes

The liability recognised in the Statement of Financial Position in respect of defined benefit pension schemes is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of scheme assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the Statement of Comprehensive Income.

Pension obligations – personal pension plan

The Company contributes towards a personal pension scheme for participating employees. These employees are currently entitled to such contributions after a qualifying period has elapsed. Payments to the scheme are charged as an employee benefit expense as they fall due. The Company has no further payment obligations once the contributions have been paid.

Share based compensation

The fair value of employee share option schemes, including Save As You Earn (SAYE) schemes, is measured by a Black-Scholes pricing model. In accordance with IFRS 2 'Share-based Payments' the resulting cost is charged to the Statement of Comprehensive Income over the vesting period of the options. The value of the charge is adjusted to reflect expected and actual levels of options vesting. No expense is recognised in respect of share options granted before 7 November 2002 and that vested before 1 January 2005.

2.13 Employee benefits (continued)

Christie Group plc operates an equity-settled, long term incentive plan designed to align management interests with those of shareholders. The Company participates in this scheme. For share options granted after 7 November 2002 and vested after 1 January 2005 the fair value of the employee's services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each Statement of Financial Position date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income, and a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Commissions and bonus plans

The Company recognises a liability and an expense for commissions and bonuses, based on formula driven calculations. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.14 Government Grants

Government grants have been recognised in the Statement of Comprehensive Income, under the category 'Other income – government grants', as they are received. Government grant income is recognised once grant requirements are fulfilled.

3. Financial risk management

The Company uses a limited number of financial instruments, comprising cash, short-term deposits, bank loans and overdrafts and various items such as trade receivables and payables, which arise directly from operations. The Company does not trade in financial instruments.

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a) Market risk

Foreign exchange risk:

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

At 31 December 2021, if sterling had strengthened by 10% against the Euro, with all other variables held constant, the post tax loss for the year would have been £1,000 worse (2020: £1,000 worse) mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables, cash and cash equivalents, and trade payables.

b) Credit risk

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

c) Liquidity risk

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

At 31 December 2021 total borrowings by the Company amounted to £nil (2020: £nil).

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Total cash and cash equivalents held by the Company at 31 December 2021 were £321,000 (2020: £406,000).

3.1 Financial risk factors (continued)

d) Cash flow and interest rate risk

The Company finances its operations through a mix of cash flow from current operations together with cash on deposit and bank and other borrowings. Borrowings are generally at floating rates of interest and no use of interest rate swaps has been made. Overall the Company's operations are normally cash generative.

The Company's interest rate risk arises from cash balances and borrowings subject to variable interest rates. For the year ended 31 December 2021, assuming all other variables remained equal but interest rates were either 0.25% higher or lower throughout the year, the impact on post tax profit would be a maximum increase or decrease of £5,000 (2020: £5,000).

3.2 Fair value estimation

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

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Retirement benefit obligations

The assumptions used to measure the expense and liabilities related to the Company defined benefit pension plan are reviewed annually by professionally qualified, independent actuaries, trustees and management as appropriate. The measurement of the expense for a period requires judgement with respect to the following matters, among others:

- the probable long-term rate of increase in pensionable pay;
- the discount rate; and
- the estimated life expectancy of participating members.

The assumptions used may differ materially from actual results, and these differences may result in a significant impact on the amount of pension expense recorded in future periods. In accordance with IAS 19, all actuarial gains and losses are recognised immediately in other comprehensive income.

(b) Deferred Taxation

Deferred tax assets are recognised to the extent that the Company believes it is probable that future taxable profit will be available against which temporary timing differences and losses from previous periods can be utilised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised.

(c) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates

5. Other income – government grant

The Company has benefited from UK Government support due to the covid-19 business disruption, utilising the furlough scheme from its commencement which has provided financial assistance towards employee salaries in 2021, as well as utilising additional government grants towards overheads. During 2021 £1,915,000 (2020: £2,708,000) Government grants have been recognised in the Statement of Comprehensive Income under the category 'Other income - government grants'.

6. Exceptional costs

	2021 £'000	2020 £'000
Reorganisation costs	-	153
	-	153

During the prior year the Company incurred exceptional reorganisation costs. These costs are all included within employee benefit expenses.

7. Employee benefit expenses

	2021 £'000	2020 £'000
Staff costs for the Company during the year		
Salaries and short term employee benefits	4,882	5,654
Social Security expense	471	560
Other benefits	195	194
Post employment benefits	167	213
Cost of employee share schemes	8	10
	5,723	6,631

Average number of people (including Executive Directors) employed by the Company during the year was	2021 Number	2020 Number
Operational	172	201
Administration and support staff	29	34
	201	235

7.1 Directors' emoluments

	2021 £'000	2020 £'000
Remuneration and other emoluments	410	399
Pension contributions*	20	47
	430	446

* This represents the Company contributions paid to the defined benefit pension scheme and the personal pension plan in respect of Directors.

The emoluments of C A Gibson are borne by a fellow subsidiary and recharged. Accordingly the above details include the amounts recharged for the services rendered in respect of the aforementioned Director.

The emoluments of D B Rugg and D R Prickett were paid by the parent company or by other Group Companies.

	2021 Number	2020 Number
Number of Directors to whom relevant benefits are accruing under a defined benefit scheme	1	2
Number of Directors who exercised share options	1	-

Highest paid Director	2021 £'000	2020 £'000
Amounts included above:		
Emoluments and other benefits	100	88
Pension contributions	4	30
	104	118

Amounts accrued under a defined benefit pension scheme:

Accrued pension	-	26
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The highest paid Director did not exercise share options during 2021 (2020: no exercise of share options).

8. Finance income and costs

	2021 £'000	2020 £'000
Interest payable on Right of Use Assets	(37)	(41)
Other interest payable	(3)	(7)
Pension scheme finance costs	(68)	(66)
Total Finance costs	(108)	(114)
Intercompany interest receivable	16	26
Total Finance income	16	26
Net finance cost	(92)	(88)

9. Loss before tax

	2021 £'000	2020 £'000
(Loss) / profit before tax is stated after charging / (crediting):		
Depreciation of Right of Use Assets	168	225
Short term lease expense	92	78
Impairment of trade receivables	(15)	88
(Gain) / loss on foreign exchange	-	(3)

Services provided by the Company's auditor

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

	2021 £'000	2020 £'000
Audit services		
– statutory audit	19	18

10. Taxation

	2021 £'000	2020 £'000
Current tax		
UK Corporation tax at 19% (2020: 19%)	-	(45)
Total current tax credit	-	(45)
Deferred tax		
Origination and reversal of timing differences	(22)	(5)
Impact of change in the UK corporation tax rate	(16)	-
Total deferred tax credit	(38)	(5)
Tax credit on profit	(38)	(50)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK of 19% as follows:

	2021 £'000	2020 £'000
(Loss) / profit before tax	(798)	(1,017)
Tax at standard rate of UK corporation tax of 19% (2020: 19%)	(152)	(193)
Effects of:		
- group tax loss carry back	-	(45)
- utilisation of group tax losses and other deductions	142	197
- net income not deductible for tax purposes	(12)	(3)
- remeasurement of deferred tax due to changes in the UK corporation tax rate	(16)	(6)
- Total tax (credit)	(38)	(50)

11. Intangible assets

	Software £'000
Cost	
At 1 January and 31 December 2021	522
Accumulated amortisation	
At 1 January and 31 December 2021	522
Net book amount at 31 December 2021	-

12. Property, plant and equipment

	Fixtures, fittings and computer equipment £'000
Cost	
At 1 January 2021	91
Disposals	(15)
At 31 December 2021	76
Accumulated depreciation	
At 1 January 2021	91
Disposals	(15)
At 1 January and 31 December 2021	76
Net book amount at 31 December 2021	-

13. Right of Use Assets

	Motor Vehicles £'000	Property £'000	Total £'000
Cost			
At 1 January 2021	621	157	778
Disposals	(199)	-	(199)
At 31 December 2021	422	157	579
Accumulated depreciation			
At 1 January 2021	333	8	341
Charge for the year	137	31	168
Eliminated on disposal	(199)	-	(199)
At 31 December 2021	271	39	310
Net book amount at 31 December 2021	151	118	269

14. Deferred tax

Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

	2021 £'000	2020 £'000
Deferred income tax assets comprises:		
Provisions (disallowed but expected to crystallize)	5	6
Pensions	3	2
Employee benefits	38	27
Fixed asset timing differences	16	15
IFRS 16 reserves adjustment	5	-
Deferred tax asset	67	50
Deferred tax asset on pension	520	923
At 31 December	587	973

Movement in the deferred tax asset:

	2021 £'000	2020 £'000
At 1 January	973	604
Transfer to the statement of comprehensive income	38	5
Transfer (from) / to the statement of other comprehensive income	(424)	364
At 31 December	587	973

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

The UK government has announced future changes to the Corporation tax rate. These changes will result in an increase in the standard rate of corporation tax to 25% from 1 April 2023. As at 31 December 2021 all such changes have been substantively enacted and have therefore been reflected in the calculation of deferred tax for the year ended 31 December 2021.

15. Trade and other receivables

	2021 £'000	2020 £'000
Current		
Trade receivables	1,165	649
Less: Provision for impairment of trade receivables	(96)	(111)
Amounts owed by group undertakings	1,160	2,519
Other debtors	14	289
Prepayments and accrued income	240	162
	2,483	3,508

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

All trade and other receivables are denominated in UK sterling.

Amounts owed by group undertakings are at an interest rate of 1.00% which changed from 0.85% during the year, and repayable on demand.

Concentrations of credit risk with respect to trade receivables are limited due to the Company's customer base being large and diverse. Due to this, management believe there is no further credit risk provision required in excess of the normal provision for doubtful receivables.

Trade receivables analysis

	2021 £'000	2020 £'000
Trade receivables	1,165	649
Less: Provision for impairment of trade receivables	(96)	(111)
Net trade receivables	1,069	538

The following summarises the movement in the provision for impairment of trade receivables.

	2021 £'000	2020 £'000
At 1 January	111	40
Impairment of trade receivables during the year	(15)	88
Amounts written off in year	-	(17)
At 31 December	96	111

16. Share capital

Ordinary shares of £1 each	Number	2021 £'000	Number	2020 £'000
Allotted and fully paid:				
At 1 January and 31 December	50,000	50	50,000	50

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

Share based payments

Certain employees hold options to subscribe to shares in the ultimate holding Company, Christie Group plc.

Under the Share Option Scheme the Christie Group plc Remuneration Committee can grant options over shares to employees of the Company. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of the grant. The contractual life of an option is 10 years. Awards under the Share Option Scheme are generally reserved for employees at senior management level. Options granted under the Share Option Scheme will become exercisable on the third anniversary of the date of the grant. Exercise of an option is subject to both continued employment and the performance conditions attached to the options being achieved.

The ultimate holding company, Christie Group plc, also operates a Save As You Earn (SAYE) scheme which was introduced in 2002 and in which Company employees participate. Under the SAYE scheme eligible employees can save up to £500 per month over a three or five year period and use the savings to exercise options granted at the market price of the shares under option at the date of the grant. The weighted average share price at the date of exercise for share options exercised during the period was 64.45p (2020: 76.00p). The total options outstanding at 31 December 2021 of 58,000 (2020: 143,000) had a weighted average exercise price of 108.53p (2020: 106.23p), and a weighted average remaining contractual life of 4.64 years (2020: 5.85).

The range of weighted average exercise prices at the year end is 76.00-133.00p (2020: 58.50-133.00p)

17. Reserves**17a. Share Based Payment Reserve**

	Share based payment reserve £'000
At 1 January 2021	143
Movement in respect of employee share scheme	8
At 31 December 2021	151

	Share based payment reserve £'000
At 1 January 2020	133
Movement in respect of employee share scheme	10
At 31 December 2020	143

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

17b. Retained Earnings

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

18. Retirement benefit obligation

The Company participates in a defined benefit scheme providing benefits on final pensionable pay. The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

When a member retires, the pension and any spouse's pension is either secured by an annuity contract or paid from the managed fund.

	2021 £'000	2020 £'000
Present value of obligations	20,954	23,203
Fair value of plan assets	(18,872)	(18,343)
Liability in the Statement of Financial Position	2,082	4,860

The principal actuarial assumptions used were as follows:

	2021 %	2020 %
Discount rate	1.90	1.40
Inflation rate	3.40	2.95
Future salary increases	2.00	2.00
Future pension increases	3.00-3.60	3.00-3.30

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

	2021 Years	2020 Years
Male	21.7	21.4
Female	24.1	23.4

The movement in the defined benefit obligation is as follows:

	2021 £'000	2020 £'000
At 1 January	23,203	20,883
Interest cost	318	424
Current service cost	67	89
Benefits paid	(1,020)	(479)
Actuarial gains on experience	(827)	(140)
Change in actuarial assumptions	(787)	2,426
At 31 December	20,954	23,203
Attributable to:		
Present value of funded obligations	18,872	18,343
Present value of unfunded obligations	2,082	4,860
	20,954	23,203

18. Retirement benefit obligation (continued)

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

	2021 £'000	2020 £'000
At 1 January	18,343	17,616
Interest income	250	358
Employee contributions	13	19
Employer contributions	40	114
Benefits paid	1,246	(479)
Return on plan assets less interest income	(1,020)	715
At 31 December	18,872	18,343

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2021 £'000	2020 £'000
Current service cost	(67)	(89)
Total included in employee benefit expenses	(67)	(89)
Interest cost	(68)	(66)
Total included in finance costs	(68)	(66)
Net actuarial gain / (loss) recognised in year	2,860	(1,571)
Total included in other comprehensive income / (losses)	2,860	(1,571)
Total amount recognised in total comprehensive income / (losses)	2,725	(1,726)

Plan assets are comprised as follows:

	2021			2020		
	Quoted *	Unquoted	Total	Quoted *	Unquoted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Equity	7,435	-	7,435	7,128	-	7,128
Debt	-	4,579	4,579	-	5,050	5,050
Property**	-	1,007	1,007	-	937	937
Other	-	5,851	5,851	-	5,228	5,228
	7,435	11,437	18,872	7,128	11,215	18,343

*Plan assets are held in unit trusts.

**Property assets include Whitefriars House a leasehold property owned by Carmelite Property Limited and leased by Christie Group plc, the parent company of Venners Limited.

Through its defined benefit pension plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the current scheme deficits but, by contrast, if plan assets outperform this yield the scheme deficits will be reduced. The group's pension schemes currently hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. As the plans mature, it is probable that the schemes' trustees will seek to reduce the level of investment risk by investing more in assets that better match the liabilities. Currently, the group believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the group's long term strategy to manage the plans efficiently.

Changes in bond yields - A decrease in corporate bond yields will increase the present value of plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

18. Retirement benefit obligation (continued)

Inflation risk - Some of the group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, for most such liabilities there are inflation cap mechanisms in place which significantly reduce this risk. The majority of the plan's assets are not directly affected by inflation although may be correlated to the impacts that inflation may have on macro economic factors, such as increases in interest rates which might be used if monetary policy were employed to reduce inflation.

Life expectancy - The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.50%	(7.0%)	7.8%
Salary growth rate	0.50%	0.1%	(0.1%)
Pension growth rate	0.25%	1.0%	(1.0%)
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		4.7%	(4.8%)

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit pension obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the Statement of Financial Position. Salary growth assumption sensitivity recognises the enactment of an appropriate indexation cap on future pensionable salary increases.

Expected contributions by the Company to the Venners plc retirement benefit scheme for the year ending 31 December 2021 are £193,000.

The weighted average duration of the defined benefit obligation is 15 years (2020: 16 years).

Expected maturity analysis of undiscounted pension benefits:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31 December 2020	£'000	£'000	£'000	£'000	£'000
Pension benefits	808	773	2,523	23,643	27,747

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

	2021 £'000	2020 £'000
Beginning of the year	(4,860)	(3,267)
Net expenses included in Statement of Comprehensive Income	(122)	(155)
Actuarial gains / (losses) included in Statement of Comprehensive Income	2,860	(1,571)
Employer contributions	40	133
End of the year	(2,082)	(4,860)

19. Right of Use Liabilities

At 31 December 2021 the Company has liabilities under lease agreements for the right of use assets disclosed in note 12. The maturity of these liabilities is as follows:

	2021 £'000	2020 £'000
Undiscounted lease liabilities		
Due within 1 year	129	197
Due between 1 and 5 years	188	317
Total undiscounted lease payments	317	514
Interest component	(42)	(79)
Lease liabilities	275	435
Current	126	191
Non-current	149	244

The total cash outflow for leases in the year was £197,000 (2020: £271,000).

20. Provisions

	2021 £'000	2020 £'000
Dilapidations		
At 1 January	20	17
Charged to the Statement of Comprehensive Income	-	3
At 31 December	20	20

	2021 £'000	2020 £'000
Analysis of total provisions		
Non-Current	20	20

Provision was held in respect of potential dilapidations arising on leasehold premises over the length of the lease in accordance with the lease terms.

21. Trade and other payables

	2021 £'000	2020 £'000
Trade payables	70	70
Amounts owed to group undertakings	20	28
Other taxes and social security	233	601
Other creditors	59	16
Accruals	410	487
	792	1,202

All trade and other payables are denominated in UK sterling.

Amounts owed to group undertakings are interest free and repayable on demand.

22. Pension Commitments

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £113,000 (2020: £142,000). Contributions totalling £6,000 (2020: £10,000) were payable to the funds at the Statement of Financial Position date.

23. Contingent liabilities

The Company is party to composite cross guarantees between the bank, its ultimate parent undertaking and fellow subsidiaries. The Company's contingent liability under these guarantees at the year-end was £nil (2020: £719,000).

24. Related parties**24.1 Ultimate parent undertaking**

The Company's immediate and ultimate parent undertaking is Christie Group plc, a company registered in England and Wales. Consolidated financial statements incorporating the results of the Company are prepared by Christie Group plc. Copies of the consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

24.2 Transactions with Group companies

The Company has taken advantage of the exemption in FRS 101 from disclosing relating party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that Group.

Outstanding balances between Group entities as at the Statement of Financial Position date are disclosed within notes 15 and 21 above.

24.3 Transactions with Directors

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. In the opinion of the board, the Company's key management comprises the Directors and information regarding their emoluments stated in accordance with IFRS is set out below:

	2021 £'000	2020 £'000
Directors Remuneration	430	446
Directors' National Insurance Contributions	47	45
	477	491

1 Director exercised share options in the year (2020: none).