

Company Registration No. 02353474 (England and Wales)

**CHRISTIE'S HONG KONG (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S J Carter T J Norman
<b>Secretary</b>	A C Falconer
<b>Company number</b>	02353474
<b>Registered office</b>	8 King Street St James's London SW1Y 6QT
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL

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# **CHRISTIE'S HONG KONG (HOLDINGS) LIMITED**

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# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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

#### Principal activities

The Company is an investment holding company which owns the whole of the issued share capital of Christie's Hong Kong Limited, which engages in the business of fine art auctioneering in Asia.

#### Business review

During the year, the Company earned investment income of £10.5m (2018: £19.3m) from its subsidiary undertakings.

The Company paid dividends of £nil (2018: £70.0m) to its immediate parent undertaking, Christie's International plc, during the year.

The Company's profit after tax for the year was £10.5m (2018: £19.3m) as set out on page 5.

The Directors are satisfied with the net asset position of the Company at £12.5m (2018: £1.9m).

#### Covid-19

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

The Company assessed the impact of Covid-19 on its operations and financial resources and concluded that it was appropriate to continue to prepare the financial statements on a going concern basis. Going concern is further discussed at Note 1.2 to the financial statements.

#### Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

S J Carter  
T J Norman

#### Auditor

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

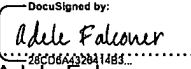
#### Statement of disclosure to auditor

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

#### Strategic report

The Company is defined as small as per the requirements of the Companies Act 2006 and therefore has applied the exemption to prepare a Strategic Report.

On behalf of the board

DocuSigned by:  
  
28706402841484  
Adele Falconer  
Secretary

Date: 02 October 2020 | 04:56 PDT

# **CHRISTIE'S HONG KONG (HOLDINGS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

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#### Opinion

We have audited the financial statements of Christie's Hong Kong (Holdings) Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of comprehensive income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

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

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

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

#### Directors' Report

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

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

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

# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### Responsibilities of directors

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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

**Hugh Green (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP**

Chartered Accountants

**Statutory Auditor**


15 Canada Square

London

E14 5GL

Date: 02 October 2020 | 16:00 BST

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**CHRISTIE'S HONG KONG (HOLDINGS) LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Operating profit</b>	<b>3</b>	-	-
Income from shares in group undertakings		10,544	19,317
<b>Profit before taxation</b>		<u>10,544</u>	<u>19,317</u>
Taxation on profit	<b>6</b>	-	-
<b>Profit for the financial year</b>		<u><u>10,544</u></u>	<u><u>19,317</u></u>

The Company has no recognised gains and losses other than the results for this or the last financial year. Accordingly, a Statement of Other Comprehensive Income has not been prepared.

All results are derived from continuing operations.

The notes to the accounts on pages 8 to 13 form part of these financial statements.



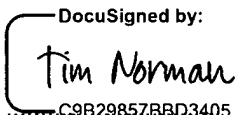
**CHRISTIE'S HONG KONG (HOLDINGS) LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2019**

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	8		1,049		1,049
<b>Current assets</b>					
Debtors	9	11,360		816	
Cash at bank and in hand		73		73	
		<u>11,433</u>		<u>889</u>	
<b>Net current assets</b>			11,433		889
<b>Total assets less current liabilities</b>			<u>12,482</u>		<u>1,938</u>
<b>Capital and reserves</b>					
Called up share capital	10		1		1
Profit and loss reserves			12,481		1,937
<b>Total equity</b>			<u>12,482</u>		<u>1,938</u>

The notes to the accounts on pages 8 to 13 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 1 October 2020 and are signed on its behalf by:

DocuSigned by:



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**Tim Norman****Director****Company Registration No. 02353474**

**CHRISTIE'S HONG KONG (HOLDINGS) LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

		Share capital	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000
<b>Balance at 1 January 2018</b>		1	52,620	52,621
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year		-	19,317	19,317
Dividends paid	7	-	(70,000)	(70,000)
<b>Balance at 31 December 2018</b>		1	1,937	1,938
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	10,544	10,544
<b>Balance at 31 December 2019</b>		1	12,481	12,482

# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

##### Company information

Christie's Hong Kong (Holdings) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 King Street, St James's, London, SW1Y 6QT.

##### 1.1 Basis of Preparation

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

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

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

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

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

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

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

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

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

# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### 1.3 Income from shares in group undertaking

Income from shares in group undertaking relate to dividend income from subsidiaries. Dividend income is recognised in the Statement of comprehensive income when the shareholder's right to receive payment has been established.

##### 1.4 Fixed asset investments

Fixed assets investments are shown at historical cost less provision for impairment in value.

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.5 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

##### 1.6 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### 1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

##### 1.8 Dividends paid

The determination of the quantum of any dividend declared by the Company remains at the absolute discretion of the Directors of the Company and any decisions in that regard will be taken by those Directors in light of the circumstances which exist at that time. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 2 Judgements and key sources of estimation uncertainty

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

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

Investment in subsidiaries are held at historical costs and assessed for impairment. This requires use of judgement and estimates regarding future cash flows.

#### 3 Operating profit

Fees paid to the Company's auditor for the 2019 financial statements of £3k (2018: £2k) were borne by a related party.

#### 4 Employees

The Company had no employees during the current or prior year.

#### 5 Directors' remuneration

Directors did not receive any emoluments in their capacity as Directors during the year (2018: £nil).

#### 6 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £'000	2018 £'000
Profit before taxation	10,544	19,317
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2018: 19%)	2,003	3,670
Dividend income not taxable	(2,003)	(3,670)
Taxation charge for the year	-	-

#### Analysis of charge in period

A reduction in UK corporation tax main rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This means that for Christie's UK companies, the deferred tax rate applied as at 31 December 2019 was 17%.

**CHRISTIE'S HONG KONG (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****7 Dividends**

	2019 £'000	2018 £'000
Dividends paid	-	70,000
	-	70,000

No dividends were paid to its immediate parent undertaking, Christie's International plc, during the year.

**8 Fixed asset investments**

The Company's investments are included below at cost less provision for impairment:

	Shares in group undertakings £'000
<b>Cost or valuation</b>	
At 1 January 2019 & 31 December 2019	1,049

In the opinion of the Directors, the investments in and amounts due from the Company's fellow subsidiary undertakings are worth at least the amounts at which they are stated in the Balance Sheet.

**9 Debtors**

	2019 £'000	2018 £'000
<b>Amounts falling due within one year:</b>		
Amounts due from group undertakings	11,360	816

**10 Share capital**

	2019 £'000	2018 £'000
<b>Allocated, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1	1
	1	1

**11 Contingent liabilities**

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

# CHRISTIE'S HONG KONG (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 12 Related parties disclosure

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

#### 13 Related undertakings

The Company has the following subsidiary undertakings at 31 December 2019 and operated mainly in their country of registration or incorporation. All shares held by or on behalf of subsidiaries are treated as if held by the Company.

<b>Fine Art Auctioneers and Representative Offices</b>	<b>Country of Registration or Incorporation</b>	<b>Registered Office Address</b>	<b>Percentage of equity or share capital owned</b>
Christie's Auction (Shanghai Waigaoqiao) Co Limited	People's Republic of China	30/F Suite 3001, No 2 Maji Road, China (Shanghai) Free Trade Pilot Zone, Shanghai, People's Republic of China	100%
Christie's Auction (Shanghai) Co. Ltd	People's Republic of China	Unit 504-09S, 1376 West Nanjing Road, Jing'an District, Shanghai, People's Republic of China	100%
Christie's Cultural And Art (Beijing) Co., Ltd	People's Republic of China	Rm 101, 1/F, Rm 101, 2/F, Unit 301B, 301C, 301D of Rm 101, 3/F, Tower 1, 82 Jinbao Street, Dongcheng District, Beijing, People's Republic of China	100%
Christie's Hong Kong Limited	Hong Kong	22nd Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	100%
<b>Other Business</b>			
Christie's China Limited	Hong Kong	22nd Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	100%

#### 14 Events after the reporting date

On 24 June 2020, the Company declared a dividend of £11,360,277 which was paid to its immediate holding company Christie's International plc.

## **CHRISTIE'S HONG KONG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2019***

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#### **15 Immediate and ultimate parent undertaking**

The smallest and largest group in which the results of the Company are included is Financière Pinault SCA, a company incorporated in France and also the ultimate parent company of Christie's Hong Kong (Holdings) Limited. The immediate parent undertaking is Christie's International plc which is incorporated in England and Wales and the registered office is 8 King Street, St James's, London, SW1Y 6QT.

The consolidated accounts of Financière Pinault SCA are available on request from its registered address, 12 rue François 1er, Paris 8, 75008, France.