

Company Registration No. 04421085 (England and Wales)

CHRISTIE'S PRIVATE SALES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



CHRISTIE'S PRIVATE SALES LIMITED

COMPANY INFORMATION

Directors	K Cole T Law
Secretary	A C Falconer
Company number	04421085
Registered office	8 King Street St James's London SW1Y 6QT
Auditor	KPMG LLP 15 Canada Square London E14 5GL

CHRISTIE'S PRIVATE SALES LIMITED

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CHRISTIE'S PRIVATE SALES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors have pleasure in presenting their annual report and audited accounts for the year ended 31 December 2019.

Principal activities

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

Business Review

The results of the Company are set out on page 7. Turnover of £31.8m was 6% below the level of 2018 and the Company made a loss after taxation of £0.3m (2018: £0.3m profit).

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.

Description of the Company and strategy

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

Principal risks and uncertainties

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

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

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

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

Brexit. Despite the UK having formally left the EU, uncertainty remains as there are many matters still to be resolved during the transition period. This uncertainty may continue to have an impact on revenues and operating results for the Company. Foreign exchange risks remain a concern, as do potential changes to import and export rules and tax regulations. Contingency plans have been put in place to mitigate these risks as far as possible.

CHRISTIE'S PRIVATE SALES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

The EU General Data Protection Regulation (GDPR) has taken effect on 25 May 2018 and due to the international nature of Christie's business, GDPR requires that changes are made across all global locations, not just within the EU. GDPR also introduces fines (up to 4% of total worldwide annual turnover) for businesses that fail to take appropriate steps to protect personal data.

Operating review

The Company achieved total private sales including commission as noted below:

Year	Private Sales (including commission)	Growth
	£'m	%
2019	327.0	3.3
2018	316.7	(11.4)
2017	357.3	(15.4)
2016	422.2	10.3
2015	382.9	(47.3)

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

	2019	2018
Turnover - £m	31.8	34.0
Operating (loss)/profit - £m	(1.0)	0.5
Operating (loss)/profit vs Turnover - %	(3.1)	1.5

The Directors are satisfied with the net asset position of £39.0m (2018: £39.3m).

No dividend was declared and paid in 2019 (2018: £10.0m).

On behalf of the board

DocuSigned by:

Adele Falconer

29CDBA4326414B3:.....
Adele Falconer
Secretary

Date: 06 October 2020 | 03:36 PDT

CHRISTIE'S PRIVATE SALES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

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

K Cole
T Law

Results and dividends

The loss for the financial year of £0.3m (2018: £0.3m profit) was transferred to reserves. There were no dividends paid in 2019 (2018: £10.0m).

Political and charitable contributions

The Company made no political or charitable donations during 2019 (2018: nil).

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.

On behalf of the board

DocuSigned by:



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Adele Falconer
Secretary

Date: 06 October 2020 | 03:36 PDT

CHRISTIE'S PRIVATE SALES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 PRIVATE SALES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRISTIE'S PRIVATE SALES LIMITED

Opinion

We have audited the financial statements of Christie's Private Sales 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 loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going Concern

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

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

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

Strategic report and directors' report

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

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

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

CHRISTIE'S PRIVATE SALES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHRISTIE'S PRIVATE SALES LIMITED

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.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Hugh Green

(Senior Statutory Auditor)

for and on behalf of KPMG LLP

Chartered Accountants

Statutory Auditor

15 Canada Square

London

E14 5GL

Date: 06 October 2020 | 16:42 BST

DocuSigned by:

Hugh Green

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CHRISTIE'S PRIVATE SALES LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £'000	2018 £'000
Turnover	3	31,840	33,967
Cost of sales		(30,389)	(32,135)
Gross profit		1,451	1,832
Administrative expenses		(2,490)	(1,336)
Operating (loss)/profit	7	(1,039)	496
Interest receivable and similar income	6	620	-
(Loss)/profit before taxation		(419)	496
Taxation	8	73	(169)
(Loss)/profit for the financial year		(346)	327

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The Company has no other comprehensive income.

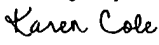
The notes to the accounts on pages 10 to 17 form part of these financial statements.

CHRISTIE'S PRIVATE SALES LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2019**

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	9		1,707		1,707
Current assets					
Stocks	10	1,650		2,026	
Debtors	11	50,407		31,971	
Cash at bank and in hand		22,768		36,923	
		<u>74,825</u>		<u>70,920</u>	
Creditors: amounts falling due within one year	12	(35,760)		(32,339)	
Net current assets			39,065		38,581
Total assets less current liabilities			<u>40,772</u>		<u>40,288</u>
Provisions for liabilities			(1,831)		(1,000)
Net assets			<u><u>38,941</u></u>		<u><u>39,288</u></u>
Capital and reserves					
Called up share capital	13		7		7
Capital redemption reserve			1		1
Profit and loss reserves			38,933		39,280
Total equity			<u><u>38,941</u></u>		<u><u>39,288</u></u>

The notes set out on pages 10 to 17 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 5 October 2020 and are signed on its behalf by:

DocuSigned by:

 A7A0C895EAG44F9.....
 Karen Cole
 Director

Company Registration No. 04421085

CHRISTIE'S PRIVATE SALES LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Share capital £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2018		7	1	48,953	48,961
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	327	327
Dividends		-	-	(10,000)	(10,000)
Balance at 31 December 2018		7	1	39,280	39,288
Year ended 31 December 2019:					
Loss and total comprehensive income for the year		-	-	(347)	(347)
Balance at 31 December 2019		7	1	38,933	38,941

The notes to the accounts on pages 10 to 17 form part of these financial statements.

CHRISTIE'S PRIVATE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Principal accounting policies

The following policies have been applied consistently in dealing with items which are considered material in relation to the accounts.

Company information

Christie's Private Sales 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 PRIVATE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Principal accounting policies

(Continued)

1.3 Investments

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

1.4 Stocks

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

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

1.5 Basic financial instruments

Trade and other debtors/creditors

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

1.6 Taxation

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

Current tax

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

Deferred tax

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

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

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

CHRISTIE'S PRIVATE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Principal accounting policies

(Continued)

1.7 Provisions

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

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the group, the Company and group treats the guarantee contract as a contingent liability until such time as it becomes probable that there is a requirement to make a payment under the guarantee.

1.8 Operating leases

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

1.9 Foreign currency

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

1.10 Advances to artist

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

1.11 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 PRIVATE SALES 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.

The Company considers the following areas which involve judgements and estimations:

Provisions

Provisions are estimates and the actual cost and timing of future cash flows are dependent on future events. The Group exercises judgement in recognising provisions. Judgements are necessary to assess the likelihood that a liability will arise and estimation is required to quantify the possible amount of any financial settlement.

Stocks

Stocks are assessed for impairment at the end of each reporting period. Impairment is based on specialist judgement of current market trends and estimated selling price.

3 Turnover

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

Turnover is recognised on delivery of services, net of any sales taxes, and principally represents private sales commissions from the introduction of buyers and sellers.

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

4 Employees

The average number of persons employed by the Company (excluding Directors) during the year was nil (2018: nil).

5 Directors' remuneration

	2019	2018
	£'000	£'000
Directors' emoluments	109	103

The emoluments of the highest paid Director, including emoluments in respect of long-term incentive plans, were £87k (2018: £83k).

Retirement benefits paid to one Director under a defined contribution scheme for Directors totalled £12k (2018: £11k). There are no benefits accruing to any Director at the year end under a defined benefit scheme (2018: nil).

CHRISTIE'S PRIVATE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Interest receivable and similar income

	2019	2018
	£'000	£'000
Interest income from group undertakings	620	-
	<u>620</u>	<u>-</u>

7 Operating (loss)/profit

	2019	2018
	£'000	£'000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	205	(616)
<i>Auditor's remuneration:</i>		
Audit of these financial statements	25	23
	<u>25</u>	<u>23</u>

8 Taxation

	2019	2018
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	(72)	142
Adjustments in respect of prior periods	(1)	47
Total current tax	<u>(73)</u>	<u>189</u>
Deferred tax		
Adjustment in respect of prior periods	-	(20)
	<u>-</u>	<u>(20)</u>
Total tax (credit)/charge	<u>(73)</u>	<u>169</u>

CHRISTIE'S PRIVATE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Taxation

(Continued)

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

	2019 £'000	2018 £'000
(Loss)/profit before taxation	(420)	496
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(80)	94
Tax effect of expenses that are not deductible in determining taxable profit	8	48
Adjustments in respect of prior years	(1)	27
Taxation (credit)/charge for the year	(73)	169

Analysis of charge in period

The Finance Act 2016 introduced legislation reducing the UK corporation tax main rate from 1 April 2020 to 17%. Subsequent to the year end, the UK Government announced that the UK corporation tax main rate of 19% will apply from 1 April 2020, cancelling the previously announced reduction. As of the date of reporting, this was not substantially enacted and therefore the Company has continued to measure its deferred tax balances at 17%.

9 Fixed asset investments

Shares in
group
undertakings
£'000

Net book value at 1 January and 31 December 2019	1,707
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In the opinion of the Directors, the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

10 Stocks

	2019 £'000	2018 £'000
Works of art for resale	1,650	2,026

The write down of stocks to net realisable value amounted to £0.3m for the year ended 31 December 2019 (2018: £0.2m).

CHRISTIE'S PRIVATE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Trade debtors	20,231	19,808
Corporation tax recoverable	73	-
Amounts due from fellow group undertakings	27,926	10,620
Deferred tax	20	20
VAT	226	750
Other debtors	1,066	404
Prepayments and accrued income	866	369
	<u>50,408</u>	<u>31,971</u>

12 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	17,822	23,642
Amounts owed to fellow group undertakings	14,884	2,004
Corporation tax payable	-	142
Other creditors	1,091	1,313
Accruals and deferred income	1,963	5,238
	<u>35,760</u>	<u>32,339</u>

13 Share capital

	2019 £'000	2018 £'000
Allocated, called up and fully paid		
7,250 Ordinary shares of £1 each	<u>7</u>	<u>7</u>

14 Contingent liabilities

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

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

CHRISTIE'S PRIVATE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Related parties disclosure

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

During 2019, the principal shareholder of the Company's ultimate parent undertaking made acquisitions of £1,011k and disposals of £434k. At 31 December 2019, nothing was due from the principal shareholders; these transactions were on an arm's length basis.

16 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 Private Sales Limited. The immediate parent undertaking is Christie's Private Sales Holdings Ltd 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.

17 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.

Non Trading Businesses	Country of Registration or Incorporation	Registered Office Address	Percentage of equity or share capital owned
Blains Limited	England	8, King Street, St. James's, London. SW1Y 6QT, England	100%
Haunch of Venison GmbH	Germany	c/o DS Deutsche Steuerberatungsgesellschaft mbH, friedrichstrasse 135a, Berlin, 10117, Germany	100%
Haunch of Venison AG	Switzerland	c/o Eisele & Partner Treuhand AG, Stadlerstrasse 11, Winterthur, 8404, Switzerland	100%