

CHRISTIE'S EUROPE LIMITED**Directors' Report and Financial Statements****31 December 2008****Registered number 1828285**

MONDAY



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COMPANIES HOUSE

CHRISTIE'S EUROPE LIMITED

Directors' Report and Financial Statements

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CHRISTIE'S EUROPE LIMITED

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31st December 2008.

Principal activities

The Company is an investment holding company which owns the whole of the issued share capital of Christie's European Holdings Limited, which acts as an intermediate holding and management company for the European operations of the Christie's Group.

Business review

The loss after tax for the year was £2,000 (2007: £8.3m profit) as set out on page 5.

The principal risk that the Company faces is that the carrying value of its investment could be diminished. An annual review is carried out and provisions are made against it if necessary.

The Directors are satisfied with the net asset position of the Company at £0.5m (2007: £0.5m).

Dividend

During the year, no dividends have been declared (2007: an interim dividend of £4,450,000 per share).

Directors

The Directors who held office during the year and at the date of this report are:

F P Curiel

R H Aydon (resigned 29th February 2008)

A J Duncan

Creditor payment policy

It is the Company's policy to agree terms of payment with its creditors when agreeing the terms of business. The Company ensures that its suppliers are aware of those terms and the Company abides by the agreed terms of payments. The number of creditors days outstanding at the year end was nil (2007: nil).

Auditors

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 auditors are 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 auditors are aware of that information.

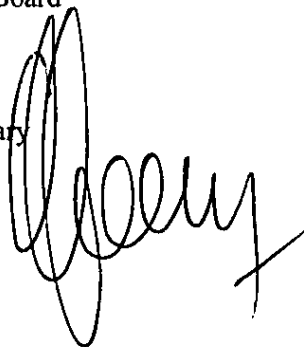
CHRISTIE'S EUROPE LIMITED

Directors' Report (continued)

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

By Order of the Board

N Deeming
Company Secretary

A handwritten signature in black ink, appearing to be 'N Deeming', written over a large, stylized circular mark.

15 October 2009

8 King Street
St James's
London
SW1Y 6QT

Statement of Directors' Responsibilities

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).

The financial statements are required by law to 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 and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a 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 EUROPE LIMITED

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

We have audited the financial statements of Christie's Europe Limited for the year ended 31st December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

22/10/09

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

CHRISTIE'S EUROPE LIMITED

Profit and Loss Account For the year ended 31st December 2008

	Note	2008 £'000	2007 £'000
Administrative and other expenditure		(3)	(3)
Operating loss		(3)	(3)
Income from shares in group undertakings		-	8,300
(Loss) / profit on ordinary activities before taxation	4	(3)	8,297
Tax on (loss) / profit on ordinary activities	5	1	1
(Loss) / profit for the financial year		(2)	8,298

The Company has no recognised gains or losses other than the result for this or the last financial year. Accordingly a statement of total recognised gains and losses has not been prepared.

For the current and preceding year there were no discontinued operations or acquisitions.

The results disclosed in the profit and loss account are on an historical cost basis.

The notes to the accounts on pages 7 to 11 form part of these financial statements.

CHRISTIE'S EUROPE LIMITED

Balance Sheet As at 31st December 2008

	Note	2008		2007	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments (£2)	7		-		-
Current assets					
Debtors	8	532		534	
Creditors:					
Amounts falling due within one year	9	(3)		(3)	
Net assets			<u>529</u>		<u>531</u>
Capital and reserves					
Called up equity share capital (£2)	10		-		-
Profit and loss account	11		<u>529</u>		<u>531</u>
Equity shareholders' funds	12		<u>529</u>		<u>531</u>

The notes to the accounts on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the Board of Directors on 15th October 2009 and were signed on its behalf by:



A J Duncan
Director

CHRISTIE'S EUROPE LIMITED

Notes to the Accounts

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements therefore present the results of the entity, and not its group.

The Company is exempt from the requirements of FRS 1 "Cash Flow Statements (revised 1996)" to prepare a cash flow statement, as it is a wholly owned subsidiary of Financière Pinault SCA, an EC incorporated company, and its cash flows are included within the consolidated cash flow statement of that company.

The Company is exempt from the requirement to disclose related party transactions with other group companies under FRS8 "Related Party Disclosures" as it is a wholly owned subsidiary as detailed above.

Fixed asset investments

Fixed asset investments are shown at historical cost less any provision for impairment. If the carrying value of an investment exceeds the recoverable amount, it would be written down to its recoverable amount and an impairment loss would be recognised in the profit and loss account for the period.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred tax".

CHRISTIE'S EUROPE LIMITED

Notes to the Accounts (*continued*)

2 Directors emoluments

The Directors did not receive any emoluments in respect of their services for this company during the year (2007: £nil).

3 Staff numbers and costs

The company employs no staff (2007: nil)

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is shown after charging:

	2008	2007
	£'000	£'000
Auditors Remuneration		
Fees paid to the Company's auditor for the audit of the Company's annual accounts	3	3
Fees paid to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries, pursuant to legislation	133	130
Tax services	53	53
Fees in respect of the Group pension schemes:		
Audit	5	4

The audit fees borne by the Company were £3,000 (2007: £3,000). All other fees were borne by its subsidiary undertaking and its subsidiaries.

5 Tax on profit on ordinary activities

a) Analysis of credit in period

	2008	2007
	£'000	£'000
<i>UK corporation tax</i>		
Tax credit on (loss) / profit on ordinary activities	<u>(1)</u>	<u>(1)</u>

CHRISTIE'S EUROPE LIMITED

Notes to the Accounts (*continued*)

5 Tax on profit on ordinary activities (*continued*)

b) Factors affecting the tax credit for the current period

The current tax credit for the period is the same as (2007: lower than) the standard rate of corporation tax in the UK which is 28.5% (2007: 30%) representing the weighted average annual corporation tax rate for the full year following a reduction in the standard rate of UK corporation tax to 28% from 1st April 2008. The difference is explained below.

	2008	2007
	£'000	£'000
<i>Current tax reconciliation</i>		
(Loss) / profit on ordinary activities before taxation	(3)	8,297
Current tax at 28.5% (2007: 30%)	1	2,489
Effects of :		
Income not chargeable for tax purposes	-	(2,490)
Total current tax credit (see note 5a)	(1)	(1)

6 Equity dividends

	2008	2007
	£'000	£'000
Interim dividends paid	-	8,900

The Directors have not declared a dividend in the year (2007: an interim dividend of £8,900,000 was declared and paid).

CHRISTIE'S EUROPE LIMITED

Notes to the Accounts (*continued*)

7 Fixed asset investments

Shares in subsidiary undertaking

£

Cost

At beginning and end of year

2

Details of the Company's investment in the subsidiary undertaking are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
Christie's European Holdings Limited	England	Holding company	100% Ordinary

In the opinion of the Directors the investment in and amounts due from the subsidiary undertaking are worth at least the amounts at which they are stated in the balance sheet.

8 Debtors: amounts falling due within one year

	2008	2007
	£'000	£'000
Amounts owed by group undertaking	<u>532</u>	<u>534</u>

9 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Accruals and deferred income	<u>3</u>	<u>3</u>

10 Share capital

	2008	2007
	£	£
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

CHRISTIE'S EUROPE LIMITED

Notes to the Accounts (*continued*)

11 Movement in reserves

	Profit and loss account £'000
At beginning of year	531
Loss for the financial year	(2)
At end of year	<u>529</u>

12 Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
(Loss) / Profit for the financial year	(2)	8,298
Equity dividends	-	(8,900)
Decrease in shareholders' funds	(2)	(602)
At beginning of year	<u>531</u>	<u>1,133</u>
At end of year	<u>529</u>	<u>531</u>

13 Ultimate parent undertaking

The smallest and largest group in which the results of Christie's Europe Limited are consolidated is Financière Pinault SCA, a company incorporated in France. Financière Pinault SCA is the ultimate parent undertaking of Christie's Europe Limited. The financial statements of Financière Pinault SCA are filed with the Tribunal de Commerce de Paris, 1, Quai de Corse, 75004 Paris.