

Directors' report

For the year ended 31 December 2008

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

Principal activities and business review

Christie Group plc is the parent undertaking of a group of companies covering a range of related activities. These fall into two divisions – Professional Business Services and Stock & Inventory Systems & Services. Professional Business Services principally covers business valuation, consultancy and agency, mortgage and insurance services, and business appraisal. Stock & Inventory Systems & Services covers stock audit and counting, compliance and food safety audits, inventory preparation and valuation, hospitality and cinema software. A description of the Group's activities and a detailed business review of the year and future developments are given in the Chairman's Statement and the Review of Operations. In addition the Group's main Key Performance Indicators are explained in the Financial Review on page 13 and the risks and uncertainties in the Corporate Governance report on page 18.

Results and dividends

The results for the year are set out in the consolidated income statement on page 23. The Directors do not recommend the payment of a final dividend (2007: 2.75p per share). The interim dividend of 0.50p (2007: 1.50p) per share, makes a total of 0.50p (2007: 4.25p) per share totalling £123,000 (2007: £1,033,000) for the year. The loss for the year before tax from continuing activities was £4,573,000 (2007: £11,083,000 profit) and the loss attributable to equity holders of the Company for the financial year, after taxation and including discontinued activities, was £13,563,000 (2007: £4,648,000 profit). The loss from discontinued operations after tax was £10,163,000 (2007: £3,074,000).

Directors

The Directors of the Company in office at the date of this report, together with their biographical details, are shown on pages 14 and 15. All these Directors served throughout the year. David Rugg, Michael Likierman and Pommy Sarwal retire in accordance with the Company's Articles of Association. David Rugg, Michael Likierman and Pommy Sarwal being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. Directors' interests are shown in the Remuneration Report. During the year under review and as at the date of the Directors' report, appropriate directors' and officers' insurance was in place.

It is with regret that the Directors report the death of Lord Lane of Horsell on 9 January 2009 following many years of dedication and commitment to the Group in a non-executive role.

Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Group's performance. Each individual operating company adopts employee consultation as appropriate. The Company is committed to providing equality of opportunity to all employees regardless of nationality, ethnic origin, age, sex or sexual orientation and continues to be supportive of the employment and advancement of disabled persons.

Donations

The Group contributed £8,000 (2007: £21,000) to charities during the year. It made no political contributions. The Group also operates a Give As You Earn (GAYE) scheme for employees.

Policy on payments to suppliers

It is a policy of the Group in respect of all its suppliers, where reasonably practicable, to settle the terms of payment with those suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment, and to abide by the terms of payment. The Company (Christie Group plc) had no trade payables at the year end, or the previous year end. The Group's average trade payable days during the year was 38 (2007: 34).

Acquisition of own shares

During the year the Company funded the purchase of 72,000 (2007: 1,206,000) of its own ordinary shares, through an Employee Share Ownership Trust, for a consideration of £79,000 (2007: £2,994,000), to enable it to meet awards under its SAYE and other share schemes. The total holding of the Employee Share Ownership Trust as at 31 December 2008 was 775,000 shares (2007: 816,000 shares), which represents 3.07% (2007: 3.24%) of the current issued share capital.

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 Group 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

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements, which appear on pages 23 to 54.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that Nexia Smith & Williamson be re-appointed as auditors of the Company will be put to the Annual General Meeting.

Disclosure of information to auditors

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 auditors were 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 auditors were aware of that information.

This information is given and should be interpreted in accordance with the provision of s.234ZA of the Companies Act 1985.

This report was approved by the board on 26 March 2009.

R M Zenker

Company Secretary
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