

Company Registration No. 02001847 (England and Wales)

WASHINGTON GREEN FINE ART GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2021

WASHINGTON GREEN FINE ART GROUP LIMITED

COMPANY INFORMATION

Directors	P J S Green R Green G Washington E Sheleg I Weatherby-Blythe
Company number	02001847
Registered office	Unit 15 Spitfire Road Erdington Birmingham B24 9PR
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom

WASHINGTON GREEN FINE ART GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 21

WASHINGTON GREEN FINE ART GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 OCTOBER 2021

The directors present the strategic report for the period ended 31 October 2021.

Fair review of the business

As noted in the previous period, the impact of COVID-19 resulted in the temporary closure of the company's warehouse and customer retail outlets. However with its customer base offering an increased online presence and the reopening of their retail outlets, the company was able to generate a healthy turnover and return to profitability. The company also took the opportunity towards its period end of realigning its share capital to reflect a capital base more appropriate for the size of the company.

Principal risks and uncertainties

The principal risk and uncertainty facing the company relates to the volatility of high street retail. The company manages this risk by creating and offering unique and desirable products, through higher levels of information and marketing tools to enable the company to retain and attract customers.

Recent events of Covid-19 created disruption to the day to day operations of the company, however the implementation of a cost saving strategy helped to mitigate the impact of this.

Development and performance

The company made a profit of £1,375,905 (2020: pre-tax loss of £1,073,168) for the period on a turnover of £18,117,321 (2020: £10,708,212).

At 31 October 2021 the company had net assets of £3,529,632 (2020: £7,434,169).

Key performance indicators

In the opinion of the directors the Key Performance Indicators are the level of turnover generated and margin achieved.

Promoting the success of the company

Section 414CZA(1) of the Companies Act 2006 requires the directors to explain how they considered the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ('S172 (1)') when performing their duty to promote the success of the company. When making decisions, each director ensures that they act in the way that would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following matters:

(a) The likely consequences of any decision in the long term

The directors understand the business and the evolving environment in which the company operates. There were no changes to the strategic direction of the company in the period. The directors monitor changes in regulatory requirements to ensure the company remains compliant.

(b) The interests of the company's employees

The directors recognise that the success of the business depends on attracting, retaining and motivating high quality employees. The directors take into account the implications of decisions which may affect their perception as a responsible employer, on determining remuneration and benefits, and on providing a healthy and safe workplace environment, where relevant.

(c) The need to foster the company's business relationships with suppliers, customers and others

The directors seek to promote strong mutually beneficial relationships with suppliers, customers and authorities. Such general principles are critical in the delivery of the company's strategy.

(d) The impact of the company's operations on the community and the environment

The company is committed to understanding the interests of these stakeholder groups as is relevant to the company. The directors receive information on these topics on a periodic basis to provide relevant information for specific board decisions. The company seeks to work with suppliers of services who are certified to industry recognised standards.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The directors recognise the importance of acting in ways which promote high standards of business conduct. The board periodically reviews and approves clear operating frameworks to ensure that its high standards are maintained both within the businesses and the business relationships the company has with stakeholders.

(f) The need to act fairly as between members of the company

The directors aim to act fairly as between the company's members when delivering the company's strategy.

WASHINGTON GREEN FINE ART GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

On behalf of the board

P J S Green
Director

26 July 2022

WASHINGTON GREEN FINE ART GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 OCTOBER 2021

The directors present their report and accounts for the period ended 31 October 2021.

Principal activities

The principal activity of the company continues to be the publication and marketing of original fine art prints.

Results and dividends

The results for the period are set out on page 8.

Ordinary dividends were paid amounting to £5,000,000. The directors do not recommend payment of a final dividend.

Directors

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

P J S Green

R Green

G Washington

T J Dawson

(Resigned 16 March 2021)

E Sheleg

I Weatherby-Blythe

Business relationships

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information in respect of engagement with suppliers, customers and others in a business relationship with the company as required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Auditor

The auditor, HW Fisher LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

The company has taken the exemption not to report on their greenhouse gas emissions, on the basis they are a subsidiary undertaking, and their results are incorporated within the group accounts of Halcyon Fine Art Group Holdings Limited.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Financial Risk Management

The company manages its cash flow on a daily basis. In addition, credit risk is managed by generally not releasing artwork until it is fully paid for

On behalf of the board

P J S Green

Director

26 July 2022

WASHINGTON GREEN FINE ART GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 OCTOBER 2021

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

WASHINGTON GREEN FINE ART GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF WASHINGTON GREEN FINE ART GROUP LIMITED

Opinion

We have audited the financial statements of Washington Green Fine Art Group Limited (the 'company') for the period ended 31 October 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 October 2021 and of its profit for the period 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 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial period 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.

WASHINGTON GREEN FINE ART GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF WASHINGTON GREEN FINE ART GROUP LIMITED

Matters on which we are required to report by exception

In the 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 and the directors' report.

We have nothing to report in respect of the following matters where 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 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, 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 these financial statements.

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

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, specifically regarding stock provisions.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets and stock items (including testing of the stock system).
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party transactions.

WASHINGTON GREEN FINE ART GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF WASHINGTON GREEN FINE ART GROUP LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

David Selwyn (Senior Statutory Auditor)

For and on behalf of HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

26 July 2022

WASHINGTON GREEN FINE ART GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 OCTOBER 2021

		Period ended 31 October 2021 £	Year ended 30 April 2020 £
	Notes		
Turnover	3	18,117,321	10,708,212
Cost of sales		(13,485,228)	(7,908,597)
Gross profit		4,632,093	2,799,615
Distribution costs		(344,255)	(380,620)
Administrative expenses		(3,480,438)	(3,623,059)
Other operating income		555,260	130,173
Operating profit/(loss)	4	1,362,650	(1,073,891)
Interest receivable and similar income		19,231	723
Interest payable and similar expenses		(5,986)	-
Profit/(loss) before taxation		1,375,905	(1,073,168)
Tax on profit/(loss)	7	(280,442)	(1,722)
Profit/(loss) for the financial period		1,095,463	(1,074,890)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WASHINGTON GREEN FINE ART GROUP LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		83,274		173,814
Investments	10		5,000,003		5,000,003
			<u>5,083,277</u>		<u>5,173,817</u>
Current assets					
Stocks	12	8,966,046		12,084,764	
Debtors	13	6,430,043		8,249,773	
Cash at bank and in hand		124,896		55,351	
		<u>15,520,985</u>		<u>20,389,888</u>	
Creditors: amounts falling due within one year	14	<u>(16,791,924)</u>		<u>(17,964,103)</u>	
Net current (liabilities)/assets			<u>(1,270,939)</u>		<u>2,425,785</u>
Total assets less current liabilities			<u>3,812,338</u>		<u>7,599,602</u>
Accruals	16		<u>(282,706)</u>		<u>(165,433)</u>
Net assets			<u><u>3,529,632</u></u>		<u><u>7,434,169</u></u>
Capital and reserves					
Called up share capital	18	1,000,000		7,500,100	
Profit and loss reserves		2,529,632		(65,931)	
Total equity		<u><u>3,529,632</u></u>		<u><u>7,434,169</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 26 July 2022 and are signed on its behalf by:

P J S Green
Director

Company Registration No. 02001847

WASHINGTON GREEN FINE ART GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 OCTOBER 2021

		Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 May 2019		7,500,100	3,708,959	11,209,059
Year ended 30 April 2020:				
Loss and total comprehensive income for the period		-	(1,074,890)	(1,074,890)
Dividends	8	-	(2,700,000)	(2,700,000)
Balance at 30 April 2020		7,500,100	(65,931)	7,434,169
Period ended 31 October 2021:				
Profit and total comprehensive income for the period		-	1,095,463	1,095,463
Dividends	8	-	(5,000,000)	(5,000,000)
Reduction of share capital	18	(6,500,100)	6,500,100	-
Balance at 31 October 2021		1,000,000	2,529,632	3,529,632

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2021

1 Accounting policies

Company information

Washington Green Fine Art Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 15 Spitfire Road, Erdington, Birmingham, B24 9PR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Halcyon Fine Art Group Holdings Limited. These consolidated financial statements are available from its registered office, 29 New Bond Street, London, W1S 2RL

1.2 Reporting period length

The current period figures relate to 1 May 2020 to 31 October 2021. The comparative figures are for the year ended 30 April 2020. Therefore the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable. The reason for using a longer period is to align the period end date (31 October) with the parent company and other group companies.

1.3 Going concern

The company achieved a healthy level of turnover and profitability during the period under review, despite the impact of Covid-19. At the period end the company has net current liabilities resulting predominantly from intercompany debt. However, subsequently both the company and its subsidiary have continued to trade profitably and the directors are confident therefore of the company's ability to continue as a going concern for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for artwork sold in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Revenue from the sale of artwork is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	10-25% of cost or net book value per annum
Motor vehicles	33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries are 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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises printing costs for limited edition prints, and the initial agreed purchase price for original artwork, together with mounting and framing costs, where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, and amounts due from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

1 Accounting policies (Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants, which include the amounts received under the Coronavirus Job Retention Scheme, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The income is recognised in other income on a systematic basis over the periods in which the associated costs are incurred, using the accrual method.

1.16 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 in the period are included in profit or loss.

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.

Critical judgements

The following judgements, involving estimates, have had the most significant effect on amounts recognised in the financial statements.

Stock impairment and provision

Stocks are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving stocks. Calculation of these provisions require judgements to be made, which include forecasting consumer demand, competitive and economic environment and stock loss trends. During the period, net impairment losses of £233,280 (2020: £277,726) were reflected in the profit and loss account.

Investment impairment

Investments are held at the transaction price less impairment. The assessment of impairment requires judgements to be made, which include the assessment of the future performance of investments outside the control of the company.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

3 Turnover and other revenue

	2021 £	2020 £
Sale of prints and artwork	18,117,321	10,708,212
	<u>18,117,321</u>	<u>10,708,212</u>
	2021 £	2020 £
United Kingdom	17,115,714	10,206,279
EU	844,095	326,417
USA	6,499	17,244
Rest of World	151,013	158,272
	<u>18,117,321</u>	<u>10,708,212</u>

4 Operating profit/(loss)

	2021 £	2020 £
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(333,081)	308,634
Government grants	(319,236)	(130,173)
Fees payable to the company's auditor for the audit of the company's financial statements	87,280	61,875
Depreciation of owned tangible fixed assets	102,520	99,318
Operating lease charges	260,734	153,655
	<u>260,734</u>	<u>153,655</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2021 Number	2020 Number
Sales	7	12
Management, marketing & administration	24	22
Production	37	41
	<u>68</u>	<u>75</u>
Total	<u>68</u>	<u>75</u>

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

5	Employees		(Continued)
	Their aggregate remuneration comprised:		
		2021	2020
		£	£
	Wages and salaries	2,298,336	1,646,613
	Social security costs	282,899	224,128
	Pension costs	69,605	48,849
		<u>2,650,840</u>	<u>1,919,590</u>
		<u><u>2,650,840</u></u>	<u><u>1,919,590</u></u>
6	Directors' remuneration		
		2021	2020
		£	£
	Remuneration for qualifying services	183,054	287,472
	Company pension contributions to defined contribution schemes	10,832	6,840
		<u>193,886</u>	<u>294,312</u>
		<u><u>193,886</u></u>	<u><u>294,312</u></u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).		
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2021	2020
		£	£
	Remuneration for qualifying services	121,051	238,624
	Company pension contributions to defined contribution schemes	7,500	5,004
		<u>128,551</u>	<u>243,628</u>
		<u><u>128,551</u></u>	<u><u>243,628</u></u>
7	Taxation		
		2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	272,249	-
	Adjustments in respect of prior periods	-	1,722
	Total current tax	<u>272,249</u>	<u>1,722</u>
		<u><u>272,249</u></u>	<u><u>1,722</u></u>
	Deferred tax		
	Origination and reversal of timing differences	8,193	-
		<u>8,193</u>	<u>-</u>
		<u><u>8,193</u></u>	<u><u>-</u></u>
	Total tax charge	<u>280,442</u>	<u>1,722</u>
		<u><u>280,442</u></u>	<u><u>1,722</u></u>

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

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

	2021	2020
	£	£
Profit/(loss) before taxation	1,375,905	(1,073,168)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	261,422	(203,902)
Tax effect of expenses that are not deductible in determining taxable profit	1,081	2,339
Adjustments in respect of prior years	-	1,722
Other adjustments	17,361	61,094
Group relief	-	139,000
Depreciation on assets not qualifying for tax allowances	578	1,060
Other permanent differences	-	409
Taxation charge for the period	280,442	1,722
8 Dividends		
	2021	2020
	£	£
Interim paid	5,000,000	2,700,000

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

9 Tangible fixed assets

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 May 2020	2,126,160	64,890	2,191,050
Additions	11,985	-	11,985
Disposals	(1,617,323)	-	(1,617,323)
At 31 October 2021	520,822	64,890	585,712
Depreciation and impairment			
At 1 May 2020	1,966,398	50,838	2,017,236
Depreciation charged in the period	95,564	6,956	102,520
Eliminated in respect of disposals	(1,617,318)	-	(1,617,318)
At 31 October 2021	444,644	57,794	502,438
Carrying amount			
At 31 October 2021	76,178	7,096	83,274
At 30 April 2020	159,762	14,052	173,814

10 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	11	5,000,003	5,000,003

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 May 2020 & 31 October 2021	5,000,003
Carrying amount	
At 31 October 2021	5,000,003
At 30 April 2020	5,000,003

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

11 Subsidiaries

Details of the company's subsidiaries at 31 October 2021 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Artica Galleries Limited	1	Dormant	Ordinary	0	100.00
Castle Galleries Retail Limited	1	Dormant	Ordinary	100.00	0
Spitfire Fine Art Limited	1	Dormant	Ordinary	100.00	0
Washington Green Retail Limited	1	Art Retailer	Ordinary	100.00	0

Registered Office addresses:

1 Unit 15 Spitfire Road, Erdington, Birmingham, West Midlands, England, B24 9PR

12 Stocks

	2021	2020
	£	£
Artwork for sale	8,966,046	12,084,764

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,140,318	528,623
Tax debtor	110,321	93,487
Amount due from group undertaking	4,044,531	7,354,523
Other debtors	-	130,173
Prepayments and accrued income	134,873	134,774
	6,430,043	8,241,580
Amounts falling due after one year:		
Deferred tax asset (note 15)	-	8,193
Total debtors	6,430,043	8,249,773

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,295,077	9,296,243
Amounts owed to group undertakings	14,163,963	7,940,034
Corporation tax	257,546	286,471
Other taxation and social security	62,595	193,723
Other creditors	12,743	247,632
	<u>16,791,924</u>	<u>17,964,103</u>

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2021	Assets 2020
	£	£
Balances:		
Accelerated capital allowances	-	8,193
	<u>-</u>	<u>8,193</u>
Movements in the period:		2021
		£
Asset at 1 May 2020		(8,193)
Charge to profit or loss		8,193
		<u>-</u>
Asset at 31 October 2021		<u>-</u>

16 Accruals

	2021	2020
	£	£
Accruals	282,706	165,433
	<u>282,706</u>	<u>165,433</u>

17 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	69,605	48,849
	<u>69,605</u>	<u>48,849</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2021

18 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	1,000,000	7,500,100	1,000,000	7,500,100

During the period the company's share capital was reduced by £6,500,100 by the cancellation of 6,500,100 Ordinary shares of £1.00 each fully paid up in the capital of the company. That sum was transferred to the profit and loss account.

19 Financial commitments, guarantees and contingent liabilities

The company entered into a cross guarantee bank facility and loan with its ultimate parent and fellow subsidiary companies with a total group liability at 31 October 2021 of £12,013,415 (2020: £13,378,176). The bank has a fixed floating charge over the assets of the company.

As at 31 October 2021, the company acts as a guarantor to operating lease commitments for galleries of fellow subsidiary company, for future minimum lease payments of £760,167 (2020: £980,750).

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	316,394	376,632
Between two and five years	697,956	804,032
In over five years	-	198,872
	<u>1,014,350</u>	<u>1,379,536</u>

21 Related party transactions

At 31 October 2021, the company was owed £274,693 (2020: £274,693) by a related company against which a provision of £274,693 (2020: £274,693) has been made at the period end, leaving a net balance of £nil (2020: £nil) in the accounts. Certain directors of the company, are also directors and shareholders of the related company.

At 31 October 2021, the company was owed £1,975,402 (2020: the company owed £6,940,560) by a related company through ownership. During the period purchases of £609,016 (2020: £1,577,939) and other movements with a net debit of £9,524,978 (2020: net debit of £1,858,999) were processed with this related company.

22 Ultimate controlling party

The company's ultimate parent company is Halcyon Fine Art Group Holdings Limited, which is incorporated in the United Kingdom. Halcyon Fine Art Group Holdings Limited prepares group accounts, copies of which can be obtained from 29 New Bond Street, London, W1S 2RL.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.