

Company Registration No. 02001847 (England and Wales)

WASHINGTON GREEN FINE ART GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

WASHINGTON GREEN FINE ART GROUP LIMITED

COMPANY INFORMATION

Directors	P J S Green R Green G Washington T J Dawson E Sheleg I Weatherby-Blythe
Secretary	T J Dawson
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
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 19

WASHINGTON GREEN FINE ART GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present the strategic report for the year ended 30 April 2020.

Fair review of the business

As noted in the previous year, the company had repositioned itself to having a greater focus on the retail market resulting in improved profitability in that year. The current year under review however, was effected by the impact of Covid-19 towards the year end, resulting in the temporary closure of its warehouse and customer retail outlets. Consequently, committed orders outstanding at the year end could not be completed and delivered resulting in reduced turnover for the year in question. The benefit of those orders have however been rolled over into the following trading period after the reopening of the company's warehouse and the retail market it serves.

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 pre-tax loss of £1,073,168 (2019: profit of £1,471,208) for the year on a turnover of £10,708,212 (2019: £12,222,318).

At 30 April 2020 the company had net assets of £7,434,169 (2019: £11,209,059).

Key performance indicators

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

On behalf of the board

P J S Green

Director

3 September 2021

WASHINGTON GREEN FINE ART GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present their report and accounts for the year ended 30 April 2020.

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 year are set out on page 6.

Ordinary dividends were paid amounting to £2,700,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year 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
E Sheleg
I Weatherby-Blythe

Auditor

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

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.

On behalf of the board

P J S Green
Director

3 September 2021

WASHINGTON GREEN FINE ART GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2020

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 MEMBERS 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 year ended 30 April 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of 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 30 April 2020 and of its loss for the year 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 year 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 MEMBERS 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 directors' 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.

A further description of our responsibilities for the audit of the financial statements is located 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 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.

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

3 September 2021

WASHINGTON GREEN FINE ART GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	2019 £
Turnover	3	10,708,212	12,222,318
Cost of sales		(7,908,597)	(7,872,699)
Gross profit		2,799,615	4,349,619
Distribution costs		(380,620)	(392,494)
Administrative expenses		(3,623,059)	(2,487,554)
Other operating income		130,173	-
Operating (loss)/profit	4	(1,073,891)	1,469,571
Interest receivable and similar income	6	723	1,637
(Loss)/profit before taxation		(1,073,168)	1,471,208
Tax on (loss)/profit	7	(1,722)	(283,076)
(Loss)/profit for the financial year		(1,074,890)	1,188,132

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 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	9		173,814		270,963
Investments	10		5,000,003		5,000,003
			<u>5,173,817</u>		<u>5,270,966</u>
Current assets					
Stocks	12	12,084,764		12,111,212	
Debtors	13	8,249,773		11,093,681	
Cash at bank and in hand		55,351		84,184	
		<u>20,389,888</u>		<u>23,289,077</u>	
Creditors: amounts falling due within one year	14	(17,964,103)		(17,174,332)	
Net current assets			<u>2,425,785</u>		<u>6,114,745</u>
Total assets less current liabilities			<u>7,599,602</u>		<u>11,385,711</u>
Accruals	16		(165,433)		(176,652)
Net assets			<u><u>7,434,169</u></u>		<u><u>11,209,059</u></u>
Capital and reserves					
Called up share capital	18		7,500,100		7,500,100
Profit and loss reserves			(65,931)		3,708,959
Total equity			<u><u>7,434,169</u></u>		<u><u>11,209,059</u></u>

The financial statements were approved by the board of directors and authorised for issue on 3 September 2021 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 YEAR ENDED 30 APRIL 2020

		Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 May 2018		7,500,100	3,520,827	11,020,927
Year ended 30 April 2019:				
Profit and total comprehensive income for the year		-	1,188,132	1,188,132
Dividends	8	-	(1,000,000)	(1,000,000)
Balance at 30 April 2019		7,500,100	3,708,959	11,209,059
Year ended 30 April 2020:				
Loss and total comprehensive income for the year		-	(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

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

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 £.

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; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- 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 Going concern

The directors have considered the effect of the Covid-19 outbreak since early 2020, which caused a disruption to the company's operations as a result of the closure of its warehouse and customer retail outlets for part of the subsequent trading period.

The disruption has been mitigated by an increase in direct supply of artwork to end customers from the reopening of its warehouse, together with the gradual reopening of retail outlets. In addition, the company implemented a cost saving strategy. Accordingly, the directors have a reasonable expectation the company has adequate resources to continue in operation for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

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.

1.4 Tangible fixed assets

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

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

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.

1.5 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.

1.6 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).

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises of the agreed purchase price of the artwork.

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.

1.8 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.

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 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 year. 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.

1.11 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.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.12 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.

1.13 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.

1.14 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.

1.15 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 year, net impairment losses of £277,726 (2019: £549,746) were reflected in the profit and loss account.

Debtors impairment and provision

Debtors are initially held at the transaction price and are subsequently held at amortised cost including, where necessary, provisions for any debts that are not deemed to be recoverable. Calculations of these provisions require judgements to be made, which include the likelihood of receiving the monies owed, the situation of the debtor and any other external factors which may affect the ability to pay.

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 YEAR ENDED 30 APRIL 2020

3 Turnover and other revenue

	2020	2019
	£	£
Sale of goods	10,708,212	12,222,318
	2020	2019
	£	£
United Kingdom	10,206,279	11,715,413
EU	326,417	475,384
USA	17,244	-
Rest of World	158,272	31,521
	<u>10,708,212</u>	<u>12,222,318</u>

4 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	308,634	296,389
Fees payable to the company's auditor for the audit of the company's financial statements	61,875	61,250
Depreciation of owned tangible fixed assets	99,318	103,108
Operating lease charges	172,100	153,655
	<u>641,927</u>	<u>614,402</u>

5 Employees

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

	2020	2019
	Number	Number
Sales	12	12
Management, marketing & administration	22	26
Production	41	39
	<u>75</u>	<u>77</u>

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

5	Employees		(Continued)
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	1,646,613	1,894,104
	Social security costs	224,128	228,528
	Pension costs	48,849	35,412
		<u>1,919,590</u>	<u>2,158,044</u>
		<u><u>1,919,590</u></u>	<u><u>2,158,044</u></u>
6	Interest receivable and similar income		
		2020	2019
		£	£
	Interest income		
	Interest on bank deposits	723	1,637
		<u>723</u>	<u>1,637</u>
		<u><u>723</u></u>	<u><u>1,637</u></u>
7	Taxation		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	-	289,467
	Adjustments in respect of prior periods	1,722	-
		<u>1,722</u>	<u>289,467</u>
	Total current tax	<u>1,722</u>	<u>289,467</u>
		<u><u>1,722</u></u>	<u><u>289,467</u></u>
	Deferred tax		
	Origination and reversal of timing differences	-	(6,391)
		<u>-</u>	<u>(6,391)</u>
		<u><u>-</u></u>	<u><u>(6,391)</u></u>
	Total tax charge	<u>1,722</u>	<u>283,076</u>
		<u><u>1,722</u></u>	<u><u>283,076</u></u>

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

The actual 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:

	2020 £	2019 £
(Loss)/profit before taxation	(1,073,168)	1,471,208
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(203,902)	279,530
Tax effect of expenses that are not deductible in determining taxable profit	2,339	3,253
Tax effect of income not taxable in determining taxable profit	-	(458)
Adjustments in respect of prior years	1,722	-
Other adjustments	61,094	751
Group relief	139,000	-
Depreciation on assets not qualifying for tax allowances	1,060	-
Other permanent differences	409	-
Taxation charge for the year	1,722	283,076

8 Dividends

	2020 £	2019 £
Interim paid	2,700,000	1,000,000

9 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 May 2019	2,123,991	64,890	2,188,881
Additions	2,169	-	2,169
At 30 April 2020	2,126,160	64,890	2,191,050
Depreciation and impairment			
At 1 May 2019	1,874,001	43,917	1,917,918
Depreciation charged in the year	92,397	6,921	99,318
At 30 April 2020	1,966,398	50,838	2,017,236
Carrying amount			
At 30 April 2020	159,762	14,052	173,814
At 30 April 2019	249,990	20,973	270,963

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

10 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	11	5,000,003	5,000,003

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 May 2019 & 30 April 2020	5,000,003
Carrying amount	
At 30 April 2020	5,000,003
At 30 April 2019	5,000,003

11 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 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

	2020 £	2019 £
Finished goods and goods for resale	12,084,764	12,111,212

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

13 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	528,623	724,895
Tax debtor	93,487	332,691
Amount due from group undertaking	7,354,523	9,053,823
Other debtors	130,173	840,325
Prepayments and accrued income	134,774	133,754
	<u>8,241,580</u>	<u>11,085,488</u>
Amounts falling due after one year:		
Deferred tax asset (note 15)	8,193	8,193
	<u>8,193</u>	<u>8,193</u>
Total debtors	<u>8,249,773</u>	<u>11,093,681</u>

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	9,296,243	9,076,360
Amounts owed to group undertakings	7,940,034	7,375,783
Corporation tax	286,471	427,352
Other taxation and social security	193,723	60,368
Other creditors	247,632	234,469
	<u>17,964,103</u>	<u>17,174,332</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	Assets
	2020	2019
	£	£
Balances:		
Accelerated capital allowances	8,193	8,193
	<u>8,193</u>	<u>8,193</u>

16 Accruals

	2020	2019
	£	£
Accruals	165,433	176,652
	<u>165,433</u>	<u>176,652</u>

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

17 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	48,849	35,412

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.

18 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	7,500,100	7,500,100	7,500,100	7,500,100

19 Financial commitments, guarantees and contingent liabilities

The company has entered into a cross guarantee bank inventory finance facility during the year, with its ultimate parent and fellow subsidiary companies with a total group liability at 30 April 2020 of £13,378,176. The bank has a fixed floating charge over the assets of the company.

As at 30 April 2020, the company acts as a guarantor to operating lease commitments for galleries of fellow subsidiary company, for future minimum lease payments of £980,750 (2019: £1,124,750).

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:

	2020 £	2019 £
Within one year	376,632	403,007
Between two and five years	804,032	963,570
In over five years	198,872	369,334
	1,379,536	1,735,911

21 Related party transactions

At 30 April 2020, the company was owed £274,693 (2019: £274,693) by a related company against which a provision of £274,693 (2019: £274,693) has been made at the year end, leaving a net balance of £nil (2019: £nil) in the accounts. Certain directors of the company, are also directors and shareholders of the related company.

At 30 April 2020, the company owed £6,940,560 (2019: £7,221,620) to a related company through ownership. During the year purchases of £1,577,939 (2019: £2,931,967) and other movements with a net debit of £1,858,999 (2019: net debit of £2,763,433) were processed with this related company.

WASHINGTON GREEN FINE ART GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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.