REGISTERED NUMBER: 05613954 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2018

for

PIERCE PROTOCOLS LIMITED

Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2018

Company Information
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:	H M Pierce S Trood
REGISTERED OFFICE:	3rd Floor 126-134 Baker Street London W1U 6UE
REGISTERED NUMBER:	05613954 (England and Wales)
INDEPENDENT AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF THE BUSINESS
The company trades as an international art services company. The principal trading activities involve working with leading artists and estates across publishing, print-making, digital, film and art research.

Turnover for the year was £7.5m (2017 - £8.6m), a decrease of 13%. Gross profit for the year was £3.1m (2017 - £2.8m), an increase of 9%, and the number of employees increased from 37 in 2017 to 52 in 2018.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks and uncertainties faced by the company are:

Foreign Currency Risk
The company's activities expose it to the financial risk of changes in foreign currency, principally the Euro and US dollar. The company manages the risk by using appropriate hedging techniques.

Liquidity Risk
The company monitors cash as part of its day-to-day control procedures. The company does not use derivative financial instruments for speculative purposes.

Credit Risk
The company's credit risk is primarily due to trade receivables.

FUTURE DEVELOPMENTS
The directors expect the company to continue to trade as an international art services business for the foreseeable future. The company continues to seek improvements in operational efficiency and effective cost management.

KEY PERFORMANCE INDICATORS
The directors use both financial and non-financial performance indicators to monitor the company's position.

The key financial performance indicators are sales of £7.5m (2017 - £8.6m) and gross profit of £3.1m (2017 - £2.8m).

The key non-financial performance indicators are artist and stakeholder relationships.

The directors are of the belief that the monitoring of the above-mentioned indicators is an effective aspect of business performance review.

ON BEHALF OF THE BOARD:

S Trood - Director

25 September 2019

Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2018.

DIRECTORS
H M Pierce has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

S Trood - appointed 1 March 2018

POLITICAL DONATIONS AND EXPENDITURE
During the year the company did not make any political donations.

GOING CONCERN
The company made a loss before taxation for the year of £457,559 (2017 - profit of £97,761), which was mainly due to impairment losses of £656,030, arising from amounts written off investments.

At the balance sheet date, the company had net liabilities of £502,157 (2017 - net assets of £6,950). Included in creditors falling due after one year is a loan of £14.3m (2017 - £7.8m). The directors have received confirmation from the creditor that they will not seek repayment of this loan until such time when the company is in a position to repay it.

Therefore, in the opinion of the directors, the company has adequate resources to meet its liabilities as and when they fall due and to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

DISCLOSURE IN THE STRATEGIC REPORT
The principal risks and uncertainties that the company is exposed to in respect of foreign currency risk, liquidity risk and credit risk have been disclosed in the strategic report.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S Trood - Director

25 September 2019

Report of the Independent Auditors to the Members of
Pierce Protocols Limited

Opinion
We have audited the financial statements of Pierce Protocols Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 Financial Reporting Standard 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 December 2018 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 Auditors' 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.

Other Matters
The comparative figures are unaudited as the company was not subject to audit in the previous accounting period.

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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Pierce Protocols 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 or the Report of the Directors.

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 set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Mr Rajesh Patel (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

25 September 2019

Statement of Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 (Unaudited) £
TURNOVER	3	7,460,215	8,613,396
Cost of sales		4,368,215	5,786,297
GROSS PROFIT		3,092,000	2,827,099
Administrative expenses		3,989,623	2,909,459
		(897,623)	(82,360)
Other operating income		1,456,386	289,914
OPERATING PROFIT		558,763	207,554
Interest receivable and similar income		43,153	19,573
		601,916	227,127
Amounts written off investments	5	656,030	-
		(54,114)	227,127
Interest payable and similar expenses	6	403,445	129,366
(LOSS)/PROFIT BEFORE TAXATION	7	(457,559)	97,761
Tax on (loss)/profit	8	51,548	77,102
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(509,107)	20,659

The notes form part of these financial statements

Balance Sheet
31 DECEMBER 2018

		2018		2017 (Unaudited)	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		31,975
Tangible assets	11		717,242		889,471
Investments	12		1,832,901		1,395,681
			2,550,143		2,317,127
CURRENT ASSETS					
Stocks	13	3,711,391		3,707,233	
Debtors	14	10,269,343		5,102,832	
Cash at bank and in hand		257,530		528,702	
		14,238,264		9,338,767	
CREDITORS					
Amounts falling due within one year	15	2,910,003		3,808,394	
NET CURRENT ASSETS			11,328,261		5,530,373
TOTAL ASSETS LESS CURRENT LIABILITIES			13,878,404		7,847,500
CREDITORS					
Amounts falling due after more than one year	16		(14,276,749)		(7,773,147)
PROVISIONS FOR LIABILITIES	20		(103,812)		(67,403)
NET (LIABILITIES)/ASSETS			(502,157)		6,950
CAPITAL AND RESERVES					
Called up share capital	21		1		1
Retained earnings	22		(502,158)		6,949
SHAREHOLDERS' FUNDS			(502,157)		6,950

The financial statements were authorised for issue by the Board of Directors on 25 September 2019 and were signed on its behalf by:

S Trood - Director

The notes form part of these financial statements

Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	1	(13,710)	(13,709)
Changes in equity			
Total comprehensive income	-	20,659	20,659
Balance at 31 December 2017	1	6,949	6,950
Changes in equity			
Total comprehensive income	-	(509,107)	(509,107)
Balance at 31 December 2018	1	(502,158)	(502,157)

The notes form part of these financial statements

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2018

1. STATUTORY INFORMATION

Pierce Protocols Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern
The company made a loss before taxation for the year of £457,559 (2017 - profit of £97,761), which was mainly due to impairment losses of £656,030, arising from amounts written off investments.

At the balance sheet date, the company had net liabilities of £502,157 (2017 - net assets of £6,950). Included in creditors falling due after one year is a loan of £14.3m (2017 - £7.8m). The directors have received confirmation from the creditor that they will not seek repayment of this loan until such time when the company is in a position to repay it.

Therefore, in the opinion of the directors, the company has adequate resources to meet its liabilities as and when they fall due and to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements
The financial statements contain information about Pierce Protocols Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Heni Holdings Limited, 3rd Floor, 126-134 Baker Street, London, W1U 6UE.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements requires the directors to make significant judgements and estimates. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The areas of judgement and estimates applied by the directors are not considered sufficiently significant to require disclosure in these financial statements.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised when the company has delivered goods and no other significant obligation remains unfulfilled that may affect the customer's acceptance of the products.

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2. ACCOUNTING POLICIES - continued

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements	- over the lease term
Fixtures and fittings	- 33.33% and 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33.33% on cost

Tangible fixed assets are initially measured at cost, and subsequently measured at cost or valuation net of accumulated depreciation and impairment losses.

From 1 January 2018, the company changed its method of depreciation in respect of the following assets:

Asset Type	Previous method	New method
Leasehold improvement	straight line over 10 years	over the lease term
Fixture and fittings	10% on reducing balance	33.33% & 20% on cost
Motor Vehicles	25% on reducing balance	25% on cost

The effect of the above change in the method of depreciation has been an increase in the current year's depreciation charge by £30,757.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Stocks
Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Financial instruments
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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Financial costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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2. **ACCOUNTING POLICIES - continued**

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **TURNOVER**

The turnover and loss (2017 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018	2017 (Unaudited)
	£	£
Editions	7,134,071	7,513,231
Publishing	129,546	303,265
Others	196,598	796,900
	7,460,215	8,613,396

continued...

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2018	2017 (Unaudited)
	£	£
United Kingdom	2,438,912	2,143,908
Europe	589,798	1,359,163
United States of America	828,287	1,628,746
Rest of the World	3,603,218	3,481,579
	7,460,215	8,613,396

4. EMPLOYEES AND DIRECTORS

	2018	2017 (Unaudited)
	£	£
Wages and salaries	1,951,584	1,286,533
Social security costs	197,896	141,245
Other pension costs	28,704	8,717
	2,178,184	1,436,495

The average number of employees during the year was as follows:

	2018	2017 (Unaudited)
Direct Production	37	26
Administration	15	11
	52	37

	2018	2017 (Unaudited)
	£	£
Directors' remuneration	245,000	95,000
Directors' pension contributions to money purchase schemes	4,062	554

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	1

Information regarding the highest paid director for the year ended 31 December 2018 is as follows:

	2018
	£
Emoluments etc	150,000
Pension contributions to money purchase schemes	2,400

continued...

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2018	2017 (Unaudited)
	£	£
Impairment of fixed asset investments	656,030	-

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017 (Unaudited)
	£	£
Loan interest	403,445	129,366

7. (LOSS)/PROFIT BEFORE TAXATION

The loss (2017 - profit) is stated after charging/(crediting):

	2018	2017 (Unaudited)
	£	£
Hire of plant and machinery	11,470	42,120
Other operating leases	1,045,576	857,966
Depreciation - owned assets	253,145	113,402
Profit on disposal of fixed assets	(10,274)	-
Patents and licences amortisation	-	3,553
Auditors' remuneration	30,000	-
Foreign exchange differences	105,492	113,486
Auditors remuneration - non audit services	10,000	-

Auditors remuneration, for audit and non-audit services, include charges relating to audit and non audit services provided to the immediate parent, Heni Limited and ultimate parent, Heni Holdings Limited.

8. TAXATION

Analysis of the tax charge
The tax charge on the loss for the year was as follows:

	2018	2017 (Unaudited)
	£	£
Current tax:		
UK corporation tax	56,928	9,699
Adjustment in respect of prior years	18,211	-
Total current tax	75,139	9,699
Deferred tax	(23,591)	67,403
Tax on (loss)/profit	51,548	77,102

UK corporation tax has been charged at 19% .

continued...

8. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017 (Unaudited)
	£	£
(Loss)/profit before tax	(457,559)	97,761
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.246%)	(86,936)	18,815
Effects of:		
Expenses not deductible for tax purposes	15,481	12,990
Capital allowances in excess of depreciation	-	(22,106)
Depreciation in excess of capital allowances	31,388	-
Adjustments to tax charge in respect of previous periods	18,211	-
Deferred tax (credit) / charge	(23,591)	67,403
Amounts written off investments	124,646	-
Group relief claimed	(27,651)	-
Total tax charge	51,548	77,102

9. **RECLASSIFICATION OF COMPARATIVES**

Management fees receivable from group companies and expenses incurred and recharged, to other businesses, were included in turnover in the previous year. These amounts have been disclosed in the current year as other operating income. The corresponding figures in the previous year have therefore been reclassified accordingly for comparative purposes.

The effect of the above reclassification has been a reduction in previous year's turnover and an increase in other operating income of £289,914.

continued...

10. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 January 2018	35,528
Reclassification/transfer	(35,528)
At 31 December 2018	-
AMORTISATION	
At 1 January 2018	3,553
Charge written back	(3,553)
At 31 December 2018	-
NET BOOK VALUE	
At 31 December 2018	-
At 31 December 2017	31,975

11. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2018	401,222	516,369	18,754	565,029	1,501,374
Additions	4,892	17,202	-	182,834	204,928
Disposals	-	(171,355)	(2,254)	(390,753)	(564,362)
At 31 December 2018	406,114	362,216	16,500	357,110	1,141,940
DEPRECIATION					
At 1 January 2018	4,056	272,751	10,842	324,254	611,903
Charge for year	41,042	112,126	5,586	94,391	253,145
Eliminated on disposal	-	(171,355)	(1,303)	(267,692)	(440,350)
At 31 December 2018	45,098	213,522	15,125	150,953	424,698
NET BOOK VALUE					
At 31 December 2018	361,016	148,694	1,375	206,157	717,242
At 31 December 2017	397,166	243,618	7,912	240,775	889,471

continued...

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2018	1,395,681
Additions	1,093,250
Impairments	(656,030)
At 31 December 2018	1,832,901
NET BOOK VALUE	
At 31 December 2018	1,832,901
At 31 December 2017	1,395,681

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Kay Mounting Service Ltd
Registered office: United Kingdom
Nature of business: Artwork mounting and Diasec

Class of shares:	% holding
Ordinary	100.00

	2018 £	2017 £
Aggregate capital and reserves	286,794	289,800
Loss for the year	(3,006)	(205,228)

Prudence Cuming Associates Limited
Registered office: United Kingdom
Nature of business: Supplier of Fine Art photography and printing

Class of shares:	% holding
Ordinary	100.00

	2018 £	2017 £
Aggregate capital and reserves	244,578	428,498
(Loss)/profit for the year	(183,920)	18,975

Grieger GmbH
Registered office: Germany
Nature of business: Artwork mounting

Class of shares:	% holding
Ordinary	100.00

	2018 £	2017 £
Aggregate capital and reserves	3,448	7,764
Loss for the year	(928,238)	(414,309)

continued...

12. FIXED ASSET INVESTMENTS - continued

Heni GmbH
Registered office: Germany
Nature of business: Non-trading holding company

Class of shares:	% holding
Ordinary	100.00

	2018
	£
Aggregate capital and reserves	1,285
Loss for the year	(21,139)

13. STOCKS

	2018	2017 (Unaudited)
	£	£
Work-in-progress	250,251	-
Finished goods	3,461,140	3,707,233
	3,711,391	3,707,233

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 (Unaudited)
	£	£
Trade debtors	788,781	335,113
Amounts owed by group undertakings	4,362,832	1,481,759
Other debtors	564,568	554,615
Other loans	180,188	127,090
Directors' current accounts	1,476	1,384
VAT	34,255	-
Prepayments and accrued income	4,337,243	2,602,871
	10,269,343	5,102,832

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 (Unaudited)
	£	£
Other loans (see note 17)	-	500,000
Trade creditors	1,543,633	1,977,888
Amounts owed to group undertakings	191,683	124,088
Tax	75,139	9,316
Social security and other taxes	58,711	43,556
VAT	-	16,477
Other creditors	-	358
Pension liability	6,201	1,994
Accruals and deferred income	1,034,636	1,134,717
	2,910,003	3,808,394

continued...

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017 (Unaudited)
	£	£
Other loans (see note 17)	14,276,749	7,773,147

The above loans bear annual interest rates of Libor + 3%, Euribor + 3%, and 5%. The loans are repayable between 2 to 5 years from the balance sheet date.

17. LOANS

An analysis of the maturity of loans is given below:

	2018	2017 (Unaudited)
	£	£
Amounts falling due within one year or on demand:		
Other loans	-	500,000
Amounts falling due between two and five years:		
Other loans - 2-5 years	14,276,749	7,773,147

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017 (Unaudited)
	£	£
Within one year	806,829	682,527
Between one and five years	2,883,675	2,762,524
In more than five years	1,757,528	2,364,122
	5,448,032	5,809,173

19. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017 (Unaudited)
	£	£
Other loans	5,000,000	-

Included other loans payable at year-end of £14,276,749 is a loan of £5,000,000 which is secured by a first legal charge over some of the company's Edition stocks.

continued...

20. PROVISIONS FOR LIABILITIES

	2018	2017 (Unaudited)
	£	£
Deferred tax		
Accelerated capital allowances	43,812	67,403
Other provisions	60,000	-
	103,812	67,403

	Deferred tax	Other provisions
	£	£
Balance at 1 January 2018	67,403	-
(Credit)/charge to Statement of Comprehensive Income during year	(23,591)	60,000
Balance at 31 December 2018	43,812	60,000

Other provisions relate to provision for dilapidations.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
1	Ordinary	£1.00	1	1

22. RESERVES

	Retained earnings £
At 1 January 2018	6,949
Deficit for the year	(509,107)
At 31 December 2018	(502,158)

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the balance sheet date, a director owed the company £1,476 (2017: £1,384). The balance was repaid on 14 June 2019.

24. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At the balance sheet date, the company was owed £126,281 (2017: £127,090) from a community interest company with common directorship. The loan is repayable on demand.

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25. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Heni Holdings Limited, a company registered in England and Wales. The company's registered address is 3rd Floor, 126-134 Baker Street, London, W1U 6UE.

The immediate parent undertaking is Heni Limited, a company registered in England and Wales.

Heni Holdings Limited prepares group financial statements, which are the largest and the smallest group financial statements within which the results of the company are included, and which are publicly available from Companies House.