

**Strategic Report, Report of the Director and**  
**Financial Statements for the Year Ended 31 December 2021**  
**for**  
**PIERCE PROTOCOLS LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**PIERCE PROTOCOLS LIMITED**  
**Company Information**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**Strategic Report**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents her strategic report for the year ended 31 December 2021.

**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 £19.8m (2020 - £13.4m), an increase of 48%. Gross profit for the year was £8.2m (2020 - £3.1m), an increase of 165%, and the number of employees increased from 31 in 2020 to 66 in 2021.

**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 £19.8m (2020 - £13.4m) and gross profit of £8.2m (2020 - £3.1m).

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:**

Ms H M Pierce - Director

30 September 2022

**Report of the Director**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents her report with the financial statements of the company for the year ended 31 December 2021.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2021.

**DIRECTORS**

Ms H M Pierce has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

R Hare ceased to be a director after 31 December 2021 but prior to the date of this report.

**POLITICAL DONATIONS AND EXPENDITURE**

During the year the company did not make any political donations.

**GOING CONCERN**

The director considers that the financial resources available to the Company are adequate to meet its operational needs for the foreseeable future or at least 12 months from the date of signature of these accounts. Accordingly, the going concern basis has been adopted in preparing these financial statements.

There are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors. No provisions have been made in the financial statements in respect of these uncertainties.

**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.

**DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is 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 she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Director**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

Ms H M Pierce - Director

30 September 2022

**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 2021 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 2021 and of its profit 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.

**The impact of uncertainties due to the COVID19 pandemic on our audit**

Uncertainties related to the effects of COVID19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID19 is one of the most significant public health, social and economic event and at the date of this report. Its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardise firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company continues in operation.

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

**Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 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 the audit:

- the information given in the Strategic Report and the Report of the Director 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 Director have been prepared in accordance with applicable legal requirements.

**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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Director's Responsibilities Statement set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



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

**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.

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

- Enquiries of management, concerning the company's policies and procedures relating to:
  - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

- Performed analytical review procedures to identify any unusual transactions or relationships
- Tested journal entries to identify any unusual transactions
- Reviewed and tested material accounting estimates for reasonableness
- Reviewed for appropriateness and reasonableness of accounting policies used.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

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](http://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

30 September 2022

**Statement of Comprehensive**  
**Income**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>	3	19,809,894	13,390,942
Cost of sales		<u>11,573,092</u>	<u>10,337,451</u>
<b>GROSS PROFIT</b>		8,236,802	3,053,491
Administrative expenses		<u>5,327,957</u>	<u>3,254,680</u>
		2,908,845	(201,189)
Other operating income		<u>2,114,581</u>	<u>812,741</u>
<b>OPERATING PROFIT</b>		5,023,426	611,552
Interest receivable and similar income		<u>55,407</u>	<u>57,255</u>
		5,078,833	668,807
Interest payable and similar expenses	5	<u>375,045</u>	<u>513,498</u>
<b>PROFIT BEFORE TAXATION</b>	6	4,703,788	155,309
Tax on profit	7	<u>908,762</u>	<u>36,179</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,795,026	119,130
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-
<b>FOR THE YEAR</b>		<u>3,795,026</u>	<u>119,130</u>

The notes form part of these financial statements

**PIERCE PROTOCOLS LIMITED (REGISTERED NUMBER: 05613954)**

**Balance Sheet**  
**31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		461,206		117,105
Tangible assets	9		493,998		373,907
Investments	10		<u>1,855,509</u>		<u>1,855,509</u>
			2,810,713		2,346,521
<b>CURRENT ASSETS</b>					
Stocks	11	4,777,997		3,976,856	
Debtors	12	19,722,369		9,065,695	
Cash at bank and in hand		<u>1,465,205</u>		<u>3,264,843</u>	
		25,965,571		16,307,394	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>13,281,787</u>		<u>4,123,616</u>	
<b>NET CURRENT ASSETS</b>			<u>12,683,784</u>		<u>12,183,778</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			15,494,497		14,530,299
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(12,595,102)		(15,440,975)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(83,337)</u>		<u>(68,292)</u>
<b>NET ASSETS/(LIABILITIES)</b>			<u>2,816,058</u>		<u>(978,968)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		1		1
Retained earnings	20		<u>2,816,057</u>		<u>(978,969)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,816,058</u>		<u>(978,968)</u>

The financial statements were authorised for issue by the director and authorised for issue on 30 September 2022 and were signed by:

Ms H M Pierce - Director

The notes form part of these financial statements

**PIERCE PROTOCOLS LIMITED (REGISTERED NUMBER: 05613954)**

**Statement of Changes in Equity**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2020</b>	1	(1,098,099)	(1,098,098)
<b>Changes in equity</b>			
Total comprehensive income	-	119,130	119,130
<b>Balance at 31 December 2020</b>	<u>1</u>	<u>(978,969)</u>	<u>(978,968)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	3,795,026	3,795,026
<b>Balance at 31 December 2021</b>	<u>1</u>	<u>2,816,057</u>	<u>2,816,058</u>

The notes form part of these financial statements

**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 director considers that the financial resources available to the Company are adequate to meet its operational needs for the foreseeable future or at least 12 months from the date of signature of these accounts. Accordingly, the going concern basis has been adopted in preparing these financial statements.

There are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors. No provisions have been made in the financial statements in respect of these uncertainties.

**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 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.

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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.

Website development costs are being amortised evenly over their estimated useful life of ten years.

No amortisation is provided in respect of patents costs that are still in the process of registration.

No amortisation has been provided, in the year, respect of Website development costs as it was still under development at the year end.

**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.

**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.

**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.

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**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.

**Government grants**

Government grants are accounted for on an accrual model and are recognised when there is reasonable assurance that the entity has complied with the conditions attaching to the grants.

During the year the company received grants amounting to £55,225, in respect of the Coronavirus Job Retention Scheme, which are disclosed in the accounts as other income.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

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

	2021	2020
	£	£
Editions	17,211,034	12,946,486
Publishing	182,219	102,745
Others	2,416,641	341,711
	<u>19,809,894</u>	<u>13,390,942</u>

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	8,032,949	6,132,452
Europe	2,403,567	2,209,959
United States of America	3,938,699	2,381,828
Rest of the World	5,434,679	2,666,703
	<u>19,809,894</u>	<u>13,390,942</u>

**4. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	2,764,778	1,070,116
Social security costs	305,800	111,883
Other pension costs	76,355	29,714
	<u>3,146,933</u>	<u>1,211,713</u>

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

	2021	2020
Direct Production	29	21
Administration	37	10
	<u>66</u>	<u>31</u>

	2021	2020
	£	£
Directors' remuneration	60,725	35,000
Directors' pension contributions to money purchase schemes	<u>2,888</u>	<u>1,050</u>

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

	2021	2020
Money purchase schemes	<u>2</u>	<u>1</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Loan interest	<u>375,045</u>	<u>513,498</u>



**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**6. PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2021	2020
	£	£
Hire of plant and machinery	24,464	29,358
Other operating leases	774,268	884,619
Depreciation - owned assets	122,860	174,328
Profit on disposal of fixed assets	(55)	(3,711)
Auditors' remuneration	45,000	25,000
Foreign exchange differences	419,687	185,081
Auditors remuneration - non audit services	<u>29,089</u>	<u>22,000</u>

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.

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	893,717	47,539
Deferred tax	<u>15,045</u>	<u>(11,360)</u>
Tax on profit	<u>908,762</u>	<u>36,179</u>

UK corporation tax has been charged at 19% (2020 - 19%).

**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:

	2021	2020
	£	£
Profit before tax	<u>4,703,788</u>	<u>155,309</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	893,720	29,509
Effects of:		
Expenses not deductible for tax purposes	7,720	1,439
Capital allowances in excess of depreciation	(7,723)	-
Depreciation in excess of capital allowances	-	22,696
Deferred tax (credit) / charge	15,045	(11,360)
Group relief claimed	-	(6,105)
Total tax charge	<u>908,762</u>	<u>36,179</u>

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. INTANGIBLE FIXED ASSETS**

	Patents and licences £	Website development costs £	Totals £
<b>COST</b>			
At 1 January 2021	117,105	-	117,105
Additions	9,838	334,263	344,101
At 31 December 2021	<u>126,943</u>	<u>334,263</u>	<u>461,206</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>126,943</u>	<u>334,263</u>	<u>461,206</u>
At 31 December 2020	<u>117,105</u>	<u>-</u>	<u>117,105</u>

**9. TANGIBLE FIXED ASSETS**

	Leaschold improvements £	Short leaschold costs £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2021	406,114	46,373	364,566
Additions	138,186	-	6,110
At 31 December 2021	<u>544,300</u>	<u>46,373</u>	<u>370,676</u>
<b>DEPRECIATION</b>			
At 1 January 2021	133,510	15,458	324,544
Charge for year	49,448	15,457	22,105
At 31 December 2021	<u>182,958</u>	<u>30,915</u>	<u>346,649</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>361,342</u>	<u>15,458</u>	<u>24,027</u>
At 31 December 2020	<u>272,604</u>	<u>30,915</u>	<u>40,022</u>

**Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2021	16,500	346,722	1,180,275
Additions	-	98,655	242,951
At 31 December 2021	<u>16,500</u>	<u>445,377</u>	<u>1,423,226</u>
<b>DEPRECIATION</b>			
At 1 January 2021	16,500	316,356	806,368
Charge for year	-	35,850	122,860
At 31 December 2021	<u>16,500</u>	<u>352,206</u>	<u>929,228</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>-</u>	<u>93,171</u>	<u>493,998</u>
At 31 December 2020	<u>-</u>	<u>30,366</u>	<u>373,907</u>

**10. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2021 and 31 December 2021	<u>1,855,509</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>1,855,509</u>
At 31 December 2020	<u>1,855,509</u>

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

**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		
		2021	2020
		£	£
Aggregate capital and reserves		(45,779)	(79,580)
Profit/(loss) for the year		<u>33,801</u>	<u>(138,994)</u>

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. FIXED ASSET INVESTMENTS - continued**

**Grieger GmbH**

Registered office: Germany

Nature of business: Artwork mounting

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(429,221)	(589,506)
Profit for the year		<u>121,076</u>	<u>445,689</u>

**Heni GmbH**

Registered office: Germany

Nature of business: Non-trading holding company

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(343,753)	(375,224)
Profit/(loss) for the year		<u>4,575</u>	<u>(28,843)</u>

**Heni Arts Consulting Co Limited**

Registered office: China

Nature of business: Sale of Artwork

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		54,930	707
Profit for the year		<u>15,797</u>	<u>1,363</u>

**11. STOCKS**

	2021 £	2020 £
Work-in-progress	127,142	107,009
Finished goods	4,517,283	3,869,847
Other inventories	<u>133,572</u>	<u>-</u>
	<u>4,777,997</u>	<u>3,976,856</u>

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,409,626	2,298,605
Amounts owed by group undertakings	15,230,487	4,824,616
Other debtors	28,685	12,293
Other loans	174,016	126,728
Tax	-	1,205
VAT	137,327	-
Prepayments and accrued income	2,348,019	1,578,024
	<u>19,328,160</u>	<u>8,841,471</u>
Amounts falling due after more than one year:		
Other debtors	<u>394,209</u>	<u>224,224</u>
Aggregate amounts	<u>19,722,369</u>	<u>9,065,695</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	2,001,591	1,875,379
Amounts owed to group undertakings	6,538,097	-
Tax	892,692	47,539
Social security and other taxes	158,239	80,081
VAT	-	353,719
Other creditors	762,010	416,705
Pension liability	24,605	6,824
Accruals and deferred income	2,904,553	1,343,369
	<u>13,281,787</u>	<u>4,123,616</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Other loans (see note 15)	12,540,542	15,386,434
Other creditors	54,560	54,541
	<u>12,595,102</u>	<u>15,440,975</u>

The above other loans bear annual interest rates of Libor + 3%, Euribor + 3%, and 5%. The loans are repayable between 2 to 7 years from the balance sheet date.

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**15. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>4,522,316</u>	<u>5,411,491</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans more 5yrs non-inst	<u>8,018,226</u>	<u>9,974,943</u>

**16. LEASING AGREEMENTS**

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

	2021 £	2020 £
Within one year	880,378	640,900
Between one and five years	3,286,592	2,506,900
In more than five years	<u>79,561</u>	<u>532,600</u>
	<u>4,246,531</u>	<u>3,680,400</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2021 £	2020 £
Other loans	<u>2,652,193</u>	<u>5,000,000</u>

Included in other loans payable at year-end of £12,540,542 (2020: £15,386,434) is a loan of £2,652,193 (2020: £5,000,000) which is secured by a first legal charge over some of the company's Edition stocks.

**18. PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Deferred tax		
Accelerated capital allowances	23,337	8,292
Other provisions	<u>60,000</u>	<u>60,000</u>
	<u>83,337</u>	<u>68,292</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 January 2021	8,292	60,000
Provided during year	<u>15,045</u>	<u>-</u>
Balance at 31 December 2021	<u>23,337</u>	<u>60,000</u>

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

18. **PROVISIONS FOR LIABILITIES - continued**

Other provisions relate to provision for dilapidations.

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1	Ordinary	£1.00	<u>1</u>	<u>1</u>

20. **RESERVES**

Retained  
earnings  
£

At 1 January 2021	(978,969)
Profit for the year	<u>3,795,026</u>
At 31 December 2021	<u>2,816,057</u>

21. **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 £126,553 (2020: £126,728) from a community interest company with common directorship. The loan is repayable on demand.

22. **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.

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.