

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2020
for
PIERCE PROTOCOLS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020

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PIERCE PROTOCOLS LIMITED
Company Information
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS:

Ms H M Pierce
R Hare

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 2020

The directors present their strategic report for the year ended 31 December 2020.

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 £13.4m (2019 - £5.2m), an increase of 158%. Gross profit for the year was £3.1m (2019 - £2.8m), an increase of 11%, and the number of employees decreased from 39 in 2019 to 31 in 2020.

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 £13.4m (2019 - £5.2m) and gross profit of £3.1m (2019 - £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:

R Hare - Director

30 September 2021

Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

DIRECTORS

Ms H M Pierce has held office during the whole of the period from 1 January 2020 to the date of this report.

Other changes in directors holding office are as follows:

S Trood - resigned 19 May 2020

R Hare - appointed 19 May 2020

POLITICAL DONATIONS AND EXPENDITURE

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

GOING CONCERN

The company made a profit before taxation for the year of £155,309 (2019 - loss of £620,522).

At the balance sheet date, the company had net liabilities of £978,968 (2019 - £1,098,098). Included in creditors falling due after one year is a loan of £15.4m (2019 - £14.9m). 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 2020

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:

R Hare - Director

30 September 2021

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 2020 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 2020 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 property 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 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 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 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.

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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.

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. 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 2021

Statement of Comprehensive
Income
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
TURNOVER	3	13,390,942	5,243,658
Cost of sales		<u>10,337,451</u>	<u>2,409,002</u>
GROSS PROFIT		3,053,491	2,834,656
Administrative expenses		<u>3,254,680</u> (201,189)	<u>3,739,572</u> (904,916)
Other operating income		<u>812,741</u>	<u>812,395</u>
OPERATING PROFIT/(LOSS)		611,552	(92,521)
Interest receivable and similar income		<u>57,255</u>	<u>45,596</u>
		668,807	(46,925)
Amounts written off investments	6	<u>-</u>	<u>(22,608)</u>
		668,807	(24,317)
Interest payable and similar expenses	7	<u>513,498</u>	<u>596,205</u>
PROFIT/(LOSS) BEFORE TAXATION	8	155,309	(620,522)
Tax on profit/(loss)	9	<u>36,179</u>	<u>(24,581)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		119,130	(595,941)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>119,130</u>	<u>(595,941)</u>

The notes form part of these financial statements

PIERCE PROTOCOLS LIMITED (REGISTERED NUMBER: 05613954)

Balance Sheet
31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	10		117,105		54,534
Tangible assets	11		373,907		536,260
Investments	12		<u>1,855,509</u>		<u>1,855,509</u>
			2,346,521		2,446,303
CURRENT ASSETS					
Stocks	13	3,976,856		3,601,811	
Debtors	14	9,065,695		9,981,720	
Cash at bank and in hand		<u>3,264,843</u>		<u>313,947</u>	
		16,307,394		13,897,478	
CREDITORS					
Amounts falling due within one year	15	<u>4,123,616</u>		<u>2,434,833</u>	
NET CURRENT ASSETS			<u>12,183,778</u>		<u>11,462,645</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,530,299		13,908,948
CREDITORS					
Amounts falling due after more than one year	16		(15,440,975)		(14,927,394)
PROVISIONS FOR LIABILITIES	20		<u>(68,292)</u>		<u>(79,652)</u>
NET LIABILITIES			<u>(978,968)</u>		<u>(1,098,098)</u>
CAPITAL AND RESERVES					
Called up share capital	21		1		1
Retained earnings	22		<u>(978,969)</u>		<u>(1,098,099)</u>
SHAREHOLDERS' FUNDS			<u>(978,968)</u>		<u>(1,098,098)</u>

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

R Hare - 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 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	1	(502,158)	(502,157)
Changes in equity			
Total comprehensive income	-	(595,941)	(595,941)
Balance at 31 December 2019	<u>1</u>	<u>(1,098,099)</u>	<u>(1,098,098)</u>
Changes in equity			
Total comprehensive income	-	119,130	119,130
Balance at 31 December 2020	<u>1</u>	<u>(978,969)</u>	<u>(978,968)</u>

The notes form part of these financial statements

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2020

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 profit before taxation for the year of £155,309 (2019 - loss of £620,522).

At the balance sheet date, the company had net liabilities of £978,968 (2019 - £1,098,098). Included in creditors falling due after one year is a loan of £15.4m (2019 - £14.9m). 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.

Since the start of financial year, 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.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

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.

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.

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

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.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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 £176,260, in respect of the Coronavirus Job Retention Scheme, which are disclosed in the accounts as other income.

3. TURNOVER

The turnover and profit (2019 - loss) before taxation are attributable to the one principal activity of the company.

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

	2020	2019
	£	£
Editions	12,946,486	4,763,802
Publishing	102,745	112,945
Others	341,711	366,911
	<u>13,390,942</u>	<u>5,243,658</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	6,132,452	613,365
Europe	2,209,959	676,026
United States of America	2,381,828	71,144
Rest of the World	2,666,703	3,883,123
	<u>13,390,942</u>	<u>5,243,658</u>

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	1,070,116	1,552,997
Social security costs	111,883	164,734
Other pension costs	29,714	36,568
	<u>1,211,713</u>	<u>1,754,299</u>

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

	2020	2019
Direct Production	21	25
Administration	10	14
	<u>31</u>	<u>39</u>

	2020	2019
	£	£
Directors' remuneration	35,000	174,000
Directors' pension contributions to money purchase schemes	<u>1,050</u>	<u>4,532</u>

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

	2020	2019
Money purchase schemes	<u>1</u>	<u>2</u>

5. EXCEPTIONAL ITEMS

	2020	2019
	£	£
Inter company balance w/off	<u>-</u>	<u>(517,474)</u>

The above amount relates to an inter company balance due from one of the company's subsidiary, which went into liquidation after the balance sheet date.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2020	2019
	£	£
Impairment of fixed asset investments	-	(22,608)

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Interest on late paid CT	-	19
Loan interest	513,498	596,186
	<u>513,498</u>	<u>596,205</u>

8. PROFIT/(LOSS) BEFORE TAXATION

The profit (2019 - loss) is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	29,358	22,075
Other operating leases	884,619	959,498
Depreciation - owned assets	174,328	221,237
Profit on disposal of fixed assets	(3,711)	(8,083)
Auditors' remuneration	25,000	25,000
Foreign exchange differences	185,081	172,035
Auditors remuneration - non audit services	<u>22,000</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.

9. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	47,539	-
Adjustment in respect of prior years	-	(421)
Total current tax	<u>47,539</u>	<u>(421)</u>
Deferred tax	(11,360)	(24,160)
Tax on profit/(loss)	<u>36,179</u>	<u>(24,581)</u>

UK corporation tax has been charged at 19% .

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. **TAXATION - continued**

Reconciliation of total tax charge/(credit) 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:

	2020 £	2019 £
Profit/(loss) before tax	<u>155,309</u>	<u>(620,522)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	29,509	(117,899)
Effects of:		
Expenses not deductible for tax purposes	1,439	5,065
Income not taxable for tax purposes	-	(4,762)
Depreciation in excess of capital allowances	22,696	34,897
Adjustments to tax charge in respect of previous periods	-	(421)
Deferred tax (credit) / charge	(11,360)	(24,160)
Amounts written off investments	-	(4,296)
Group relief claimed	(6,105)	(11,325)
Inter company balance written off	-	98,320
Total tax charge/(credit)	<u>36,179</u>	<u>(24,581)</u>

10. **INTANGIBLE FIXED ASSETS**

	Patents and licences £
COST	
At 1 January 2020	54,534
Additions	<u>62,571</u>
At 31 December 2020	<u>117,105</u>
NET BOOK VALUE	
At 31 December 2020	<u>117,105</u>
At 31 December 2019	<u>54,534</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Short leasehold costs £	Fixtures and fittings £
COST			
At 1 January 2020	406,114	46,373	364,566
Additions	-	-	-
Disposals	-	-	-
At 31 December 2020	<u>406,114</u>	<u>46,373</u>	<u>364,566</u>
DEPRECIATION			
At 1 January 2020	89,304	-	287,926
Charge for year	44,206	15,458	36,618
Eliminated on disposal	-	-	-
At 31 December 2020	<u>133,510</u>	<u>15,458</u>	<u>324,544</u>
NET BOOK VALUE			
At 31 December 2020	<u>272,604</u>	<u>30,915</u>	<u>40,022</u>
At 31 December 2019	<u>316,810</u>	<u>46,373</u>	<u>76,640</u>

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2020	16,500	337,883	1,171,436
Additions	-	12,592	12,592
Disposals	-	(3,753)	(3,753)
At 31 December 2020	<u>16,500</u>	<u>346,722</u>	<u>1,180,275</u>
DEPRECIATION			
At 1 January 2020	16,500	241,446	635,176
Charge for year	-	78,046	174,328
Eliminated on disposal	-	(3,136)	(3,136)
At 31 December 2020	<u>16,500</u>	<u>316,356</u>	<u>806,368</u>
NET BOOK VALUE			
At 31 December 2020	<u>-</u>	<u>30,366</u>	<u>373,907</u>
At 31 December 2019	<u>-</u>	<u>96,437</u>	<u>536,260</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020	
and 31 December 2020	<u>1,855,509</u>
NET BOOK VALUE	
At 31 December 2020	<u>1,855,509</u>
At 31 December 2019	<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

	% holding	2020 £	2019 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(79,580)	59,414
Loss for the year		<u>(138,994)</u>	<u>(185,164)</u>

Grieger GmbH

Registered office: Germany

Nature of business: Artwork mounting

	% holding	2020 £	2019 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(589,506)	(1,035,195)
Profit/(loss) for the year		<u>445,689</u>	<u>(1,038,644)</u>

Heni GmbH

Registered office: Germany

Nature of business: Non-trading holding company

	% holding	2020 £	2019 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(375,224)	(346,381)
Loss for the year		<u>(28,843)</u>	<u>(347,666)</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

12. FIXED ASSET INVESTMENTS - continued

Heni Arts Consulting Co Limited

Registered office: China

Nature of business: Non Trading

Class of shares:	% holding	2020	2019
Ordinary	100.00	£	£
Aggregate capital and reserves		707	(656)
Profit/(loss) for the year		<u>1,363</u>	<u>(739)</u>

13. STOCKS

	2020	2019
	£	£
Work-in-progress	107,009	67,706
Finished goods	<u>3,869,847</u>	<u>3,534,105</u>
	<u>3,976,856</u>	<u>3,601,811</u>

14. DEBTORS

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	2,298,605	1,815,905
Amounts owed by group undertakings	4,824,616	5,368,814
Other debtors	12,293	95,360
Other loans	126,728	126,437
Tax	1,205	6,255
VAT	-	55,615
Prepayments and accrued income	<u>1,578,024</u>	<u>2,030,610</u>
	<u>8,841,471</u>	<u>9,498,996</u>
Amounts falling due after more than one year:		
Other debtors	<u>224,224</u>	<u>482,724</u>
Aggregate amounts	<u>9,065,695</u>	<u>9,981,720</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	1,875,379	1,476,076
Tax	47,539	-
Social security and other taxes	80,081	27,457
VAT	353,719	-
Other creditors	416,705	1,173
Pension liability	6,824	5,234
Accruals and deferred income	<u>1,343,369</u>	<u>924,893</u>
	<u>4,123,616</u>	<u>2,434,833</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 £	2019 £
Other loans (see note 17)	15,386,434	14,872,936
Other creditors	54,541	54,458
	<u>15,440,975</u>	<u>14,927,394</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.

17. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>5,411,491</u>	<u>5,171,454</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans more 5yrs non-inst	<u>9,974,943</u>	<u>9,701,482</u>

18. LEASING AGREEMENTS

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

	2020 £	2019 £
Within one year	640,900	857,924
Between one and five years	2,506,900	2,563,916
In more than five years	<u>532,600</u>	<u>1,116,549</u>
	<u>3,680,400</u>	<u>4,538,389</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Other loans	<u>5,000,000</u>	<u>5,000,000</u>

Included in other loans payable at year-end of £15,386,434 (2019: £14,872,935) is a loan of £5,000,000 (2019: £5,000,000) which is secured by a first legal charge over some of the company's Edition stocks.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

20. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	8,292	19,652
Other provisions	<u>60,000</u>	<u>60,000</u>
	<u>68,292</u>	<u>79,652</u>
	Deferred	Other
	tax	provisions
	£	£
Balance at 1 January 2020	19,652	60,000
Credit to Statement of Comprehensive Income during year	<u>(11,360)</u>	<u>-</u>
Balance at 31 December 2020	<u>8,292</u>	<u>60,000</u>

Other provisions relate to provision for dilapidations.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2020	2019
			£	£
1	Ordinary	£1.00	<u>1</u>	<u>1</u>

22. RESERVES

	Retained earnings
	£
At 1 January 2020	(1,098,099)
Profit for the year	<u>119,130</u>
At 31 December 2020	<u>(978,969)</u>

23. 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 £126,728 (2019: £126,437) from a community interest company with common directorship. The loan is repayable on demand.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

24. 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.