

REGISTERED NUMBER: 06088826 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
SAFFRONART (UK) LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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SAFFRONART (UK) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS: Mrs M Vazirani
Ms A Housego

SECRETARY: Stone Limited

REGISTERED OFFICE: First Floor
73 New Bond Street
London
W1S 1RS

REGISTERED NUMBER: 06088826 (England and Wales)

ACCOUNTANTS: Arithma LLP
Chartered Certified Accountants
5 Jardine House
Harrobian Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	4		1,891		1,847
CURRENT ASSETS					
Debtors	5	82,907		78,932	
Cash at bank		<u>10,606</u>		<u>9,264</u>	
		93,513		88,196	
CREDITORS					
Amounts falling due within one year	6	<u>104,121</u>		<u>115,942</u>	
NET CURRENT LIABILITIES			<u>(10,608)</u>		<u>(27,746)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(8,717)		(25,899)
PROVISIONS FOR LIABILITIES			<u>359</u>		<u>351</u>
NET LIABILITIES			<u>(9,076)</u>		<u>(26,250)</u>
CAPITAL AND RESERVES					
Called up share capital			1		1
Retained earnings			<u>(9,077)</u>		<u>(26,251)</u>
SHAREHOLDERS' FUNDS			<u>(9,076)</u>		<u>(26,250)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31 DECEMBER 2022

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2023 and were signed on its behalf by:

Ms A Housego - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. STATUTORY INFORMATION

Saffronart (UK) 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.

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

GOING CONCERN

As shown on the balance sheet, the company's liabilities exceeded its assets.

The directors are of the opinion that with continued financial support from its ultimate parent company, via its loan account and ongoing financial assistance, the company is able to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements. On this basis, the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

TURNOVER

The company's main turnover is derived from the service charge receivable from its parent company. The company occasionally sells artwork and also facilitates the acquisition of property on behalf of third parties. Revenue on artworks is recognised when the goods are delivered to the customer. Fees receivable on property transactions is recognised when the transaction has completed. The service charge receivable is based on a net cost plus mark up basis and is an annual adjustment.

TANGIBLE FIXED ASSETS

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

Fixtures and fittings - 25% on reducing balance

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. **ACCOUNTING POLICIES - continued**

FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise debtors, cash, short term deposits and creditors that arise directly from its operations. In addition there is a loan account with the parent company. The main purpose of these financial instruments is to fund the company's operations.

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost. Where contractual obligations of financial instruments are equivalent similar to debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued**HIRE PURCHASE AND LEASING COMMITMENTS****Finance lease**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Lease

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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2021 - 2) .

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2022	64,701	13,479	78,180
Additions	-	577	577
At 31 December 2022	<u>64,701</u>	<u>14,056</u>	<u>78,757</u>
DEPRECIATION			
At 1 January 2022	64,701	11,632	76,333
Charge for year	-	533	533
At 31 December 2022	<u>64,701</u>	<u>12,165</u>	<u>76,866</u>
NET BOOK VALUE			
At 31 December 2022	<u>-</u>	<u>1,891</u>	<u>1,891</u>
At 31 December 2021	<u>-</u>	<u>1,847</u>	<u>1,847</u>

The cost of land and buildings represents improvements carried out on the company's leased property.

5. DEBTORS

	2022 £	2021 £
Amounts falling due within one year:		
Amounts owed by group undertakings	12,078	-
Other debtors	<u>10,405</u>	<u>18,508</u>
	<u>22,483</u>	<u>18,508</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

5. DEBTORS - continued

	2022 £	2021 £
Amounts falling due after more than one year:		
Other debtors	<u>60,424</u>	<u>60,424</u>
Aggregate amounts	<u>82,907</u>	<u>78,932</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Amounts owed to group undertakings	45,089	4,115
Taxation and social security	11,156	14,286
Other creditors	<u>47,876</u>	<u>97,541</u>
	<u>104,121</u>	<u>115,942</u>

7. LEASING AGREEMENTS

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

	2022 £	2021 £
Between one and five years	<u>92,535</u>	<u>134,652</u>

8. 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.

9. ULTIMATE CONTROLLING PARTY

The company's parent company is Saffronart Management Corporation ("SAM"). SAM's registered office is P O Box 3175, Road Town, Tortola, British Virgin Islands and its principal place of business is Rue St Leger 8, 1205 Geneva, Switzerland.

During 2022, the group applied for an internal scheme of merger which, on approved, will result in a change in the company's parent company.

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.