

ANNELY JUDA FINE ART LIMITED

Report and Financial Statements

31 December 2016



ANNELY JUDA FINE ART LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

CONTENTS

Page

Officers and professional advisers	1
Strategic report	2
Director's report	3
Director's responsibilities statement	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Cash flow statement	10
Notes to the financial statements	11

ANNELY JUDA FINE ART LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

D Juda

SECRETARY

Y Juda

REGISTERED OFFICE

23 Dering Street
London
W1S 1AW

BANKERS

Barclays Bank PLC
Floor 27
1 Churchill Place
London
E14 5HP

SOLICITORS

Charles Russell
8-10 Fetter Lane
London
EC4A 1RS

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

ANNELY JUDA FINE ART LIMITED

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The principal activity of the company is that of dealers in fine art. There has not been any change in the company's principal activity in the year under review. The director is not aware, at the date of this report, of any likely changes in the company's activities in the forthcoming year.

As shown in the company's profit and loss account on page 7, turnover decreased to £5,410,153 (2015 - £16,769,422) and gross profit decreased to £2,372,563 (2015 - £4,724,504).

KEY PERFORMANCE INDICATORS

	2016	2015
Change in turnover	-68%	+22%
Change in gross profit	-50%	+3%

The nature of the company's business is such that financial benchmarks are difficult to establish with each work of art being unique and without there being any standard level of margin. The director seeks to control overheads within the level of margin achieved and thereby achieve a profit each year.

The balance sheet on page 8 shows that the company's financial position is, in net assets terms, an improvement on the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a highly competitive market which is a continuing risk to the company. It is important for the director to gauge the market and the direction in which it is developing and to avoid over investment in a particular artist or school.

The level of business is also extremely dependent on the state of the global economy with the company regularly making sales in both the US and Europe.

RESULTS AND DIVIDENDS

Details of the results for the year are set out in the profit and loss account on page 7. The profit after tax was £68,187 (2015 - £1,933,359). The company paid a dividend during the year of £nil (2015 - £800,000).

FUTURE PROSPECTS

The director is pleased with the results for the year ended 31 December 2016 considering the market. 2016 was a more difficult year and he expects 2017 to be much better.

BUSINESS RISKS

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The company has no significant concentration of credit risk with exposure spread over a range of customers. The company is well placed to manage its business risks, despite the current uncertain economic outlook. It has a reasonable level of liquidity and has no borrowing from third parties.

The director has considered going concern as detailed in note 1 in the accounting policies on page 11.

Approved by the Director



D Juda
Director

Date: 27/4/17

ANNELY JUDA FINE ART LIMITED

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 31 December 2016.

DIRECTOR

D Juda was the sole director and he served throughout the year and to the date of this report.

AUDITOR

The director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that it ought to have taken as a director to make itself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Director



D Juda

Director

Date: 27/4/17

ANNELY JUDA FINE ART LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Annual Report 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 FRS 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 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 them to ensure that the financial statements comply with the Companies Act 2006. He 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNELY JUDA FINE ART LIMITED

We have audited the financial statements of Annelly Juda Fine Art Limited for the year ended 31 December 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report and the Directors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ANNELY JUDA FINE ART LIMITED (continued)**

Matters on which we are required to report by exception

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.



Jeremy Black (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

27 April 2017

ANNELY JUDA FINE ART LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2016

	Note	2016 £	2015 £
TURNOVER	1,3	5,410,153	16,769,422
Cost of sales		<u>(3,037,590)</u>	<u>(12,044,918)</u>
Gross profit		<u>2,372,563</u>	<u>4,724,504</u>
Distribution and selling costs		(865,773)	(948,882)
Administrative expenses		<u>(1,404,606)</u>	<u>(1,334,338)</u>
		<u>(2,270,379)</u>	<u>(2,283,220)</u>
OPERATING PROFIT	4	102,184	2,441,284
Interest receivable and similar income	6	<u>2,367</u>	<u>3,264</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		104,551	2,444,548
Tax on profit on ordinary activities	7	<u>(36,364)</u>	<u>(511,189)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>68,187</u>	<u>1,933,359</u>

All activities derive from continuing operations.

There are no comprehensive income or expenses other than the profit for the financial year and the preceding financial year. Accordingly, no statement of comprehensive income is given.

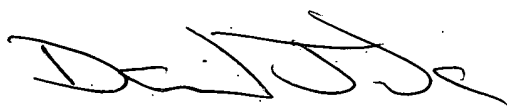
ANNELY JUDA FINE ART LIMITED

BALANCE SHEET

31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	61,497	105,881
CURRENT ASSETS			
Stocks	10	3,262,167	3,582,737
Debtors	11	1,081,624	545,798
Cash at bank and in hand		3,006,165	4,740,569
		<u>7,349,956</u>	<u>8,869,104</u>
CREDITORS: amounts falling due within one year	12	(742,255)	(2,378,744)
NET CURRENT ASSETS		<u>6,607,701</u>	<u>6,490,360</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,669,198	6,596,241
PROVISIONS FOR LIABILITIES AND CHARGES	13	(4,770)	-
NET ASSETS		<u>6,664,428</u>	<u>6,596,241</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Profit and loss account	14	6,654,428	6,586,241
SHAREHOLDERS' FUNDS		<u>6,664,428</u>	<u>6,596,241</u>

The financial statements of Annelly Juda Fine Art Limited, registered number 2261663, were approved by the Director and authorised for issue on 27/4/2017



D Juda
Director

ANNELY JUDA FINE ART LIMITED

STATEMENT OF CHANGES IN EQUITY **31 December 2016**

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2015	10,000	5,452,882	5,462,882
Profit for the financial year	-	1,933,359	1,933,359
Dividends paid (note 8)	-	(800,000)	(800,000)
At 31 December 2015	10,000	6,586,241	6,596,241
Profit for the financial year	-	68,187	68,187
At 31 December 2016	<u>10,000</u>	<u>6,654,428</u>	<u>6,664,428</u>

ANNELY JUDA FINE ART LIMITED

CASH FLOW STATEMENT **Year ended 31 December 2016**

	Note	2016 £	2015 £
Net cash flows from operating activities	15	(1,718,936)	2,068,364
Cash flows from investing activities			
Purchase of equipment		(17,835)	(10,073)
Interest received		2,367	3,264
Net cash flows from investing activities		(15,468)	(6,809)
Cash flows from financing activities			
Dividends paid		-	(800,000)
Net cash flows from financing activities		-	(800,000)
Net (decrease) increase in cash and cash equivalents		(1,734,404)	1,261,555
Cash and cash equivalents at beginning of year		4,740,569	3,479,014
Cash and cash equivalents at end of year		3,006,165	4,740,569
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		3,006,165	4,740,569

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies, which have been applied consistently throughout the year and preceding year, adopted are described below.

General information and basis of accounting

Annely Juda Fine Art Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Annely Juda Fine Art Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

The director has a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future and the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. This is based on the company having a strong balance sheet. Accordingly, the director continues to adopt the going concern basis in preparing the annual report and accounts.

Turnover

The turnover of the company is the total amount receivable for goods sold net of VAT.

Transfer of assets acquired from the unincorporated business

In preparing these financial statements, management has adopted the transitional arrangements within FRS102 Section 35 which does not require business combinations that took place pre-transition to be restated.

On commencement of trading on 1 January 2004, the assets of Annely Juda Fine Art, an unincorporated business, were transferred at book value as a group reconstruction under FRS 6, as the transfer involved no change to the ultimate owner. In order to achieve compliance with FRS 6, (now FRS 102 Section 18) goodwill, which arises on the difference between the consideration and the net assets acquired from the unincorporated business, has been eliminated against the profit and loss reserve. This represents a departure from the Companies Act 2006 conditions for merger accounting since there is no exchange of shares, and also from FRS 10 (now FRS 102 Section 18) which would have retained the goodwill as an asset and amortised it over its useful economic life. The director considers that, since there has been no change in the owner, or his rights, recognition of goodwill would not give a true and fair view.

The capitalisation of purchased goodwill would have created an intangible fixed asset of £500,000 in Annely Juda Fine Art Limited's balance sheet. An annual amortisation charge to the profit and loss account of £25,000 would be required, based on a useful economic life of 20 years.

Tangible fixed assets and depreciation

Depreciation of fixed assets is provided so as to write off the cost of the assets over their estimated useful lives at the following rates:

Fixtures and fittings	15% per annum
Computers and equipment	33% per annum
Leasehold improvements	10-20% per annum

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Pension costs

The company operates a defined contribution scheme for the benefit of certain employees. Contributions are charged to the profit and loss account as the contributions are made.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following is the only critical judgement involving estimations that the director has made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty - valuation of stock

The director considers each piece of artwork for impairment using judgement based on his experience in the industry taking into account past and present trends both in the industry as a whole and interest in the artist.

A provision is recognised when cost is considered to be in excess of net realisable value. The carrying value of stock at year end was £3,262,167 (2015: £3,582,737) after impairment losses of £21,400 (2015 - £231,481) were recognised in the year.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

3. TURNOVER

All turnover is derived from the company's principal activity.

	2016 £	2015 £
The turnover attributable to the company's geographical markets is:		
United Kingdom	1,161,713	2,754,626
Rest of Europe	1,722,680	4,180,127
USA	1,772,470	7,865,043
Rest of the World	753,290	1,969,626
	<u>5,410,153</u>	<u>16,769,422</u>

4. OPERATING PROFIT

	2016 £	2015 £
Operating profit is stated after charging (crediting):		
Depreciation	62,219	59,651
Impairment of stock	21,400	231,481
Rentals under operating leases		
Land and buildings	-	350,036
Exchange gain	(231,868)	(109,713)
Stock recognised as a cost	<u>3,037,590</u>	<u>12,044,918</u>

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor for the audit of the company's annual accounts	<u>17,850</u>	<u>18,515</u>
Tax services	4,630	3,980
Other services pursuant to legislation	-	2,700
Total non-audit fees	<u>4,630</u>	<u>6,680</u>

5. INFORMATION REGARDING THE DIRECTOR AND EMPLOYEES

	2016 No	2015 No
The average number of persons (including director) employed by the company during the year was:		
Administration	7	6
Sales	4	4
	<u>11</u>	<u>10</u>
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	609,648	568,050
Social security costs	71,966	67,311
Pension costs	29,737	10,972
	<u>711,351</u>	<u>646,333</u>
Emoluments of the director of the company included in staff costs were as follows:		
Emoluments	<u>70,000</u>	<u>70,000</u>

There were no pension payments in respect of the director for the year ended 31 December 2016 (2015 - £nil).

During the year, 2 members of key management were remunerated a total of £187,250.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Bank deposit interest	<u>2,367</u>	<u>3,264</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016 £	2015 £
United Kingdom corporation tax at 20% (2015 - 20.25%)	<u>31,502</u>	<u>511,577</u>
Total current tax	<u>31,502</u>	<u>511,577</u>
Deferred tax		
Timing differences, origination	531	(393)
Effect of changes in tax rates	-	5
Adjustments relating to previous periods	<u>4,331</u>	<u>-</u>
Total deferred tax	<u>4,862</u>	<u>(388)</u>
Tax on profit on ordinary activities	<u>36,364</u>	<u>511,189</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2015 - 20.25%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	2016 £	2015 £
Profit on ordinary activities before tax	<u>104,511</u>	<u>2,444,548</u>
Tax on profit on ordinary activities at standard rate	20,902	495,021
<i>Factors affecting charge for the year:</i>		
Expenses not deductible for tax purposes	11,131	16,163
Effect of changes in tax rates	-	5
Adjustments relating to previous periods	<u>4,331</u>	<u>-</u>
Total actual amount of tax	<u>36,364</u>	<u>511,189</u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 18% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 18%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this reduced rate. This rate change is to be included in the Finance Bill 2016 but this has not been substantively enacted at the balance sheet date.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

8. DIVIDENDS

	2016 £	2015 £
Dividends paid of £nil per share (2015 - £80 per share)	-	800,000

9. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures and fittings £	Computers and equipment £	Total £
Cost				
At 1 January 2016	728,978	74,652	73,861	877,491
Additions	11,053	92	6,690	17,835
Disposals	-	-	(9,703)	(9,703)
At 31 December 2016	740,031	74,744	70,848	885,623
Accumulated depreciation				
At 1 January 2016	655,199	45,892	70,519	771,610
Charge for the year	52,245	5,757	4,217	62,219
Eliminated on disposals	-	-	(9,703)	(9,703)
At 31 December 2016	707,444	51,649	65,033	824,126
Net book value				
At 31 December 2016	32,587	23,095	5,815	61,497
At 31 December 2015	73,779	28,760	3,342	105,881

10. STOCKS

	2016 £	2015 £
Goods for resale	3,262,167	3,582,737

Due to the nature of stock held it is not practicable to quantify any potential differences between carrying value and replacement cost.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

11. DEBTORS

	2016 £	2015 £
Trade debtors	679,821	389,251
VAT recoverable	33,260	36,359
Corporation tax	170,245	-
Deferred tax asset	-	92
Prepayments and accrued income	198,298	120,096
	<u>1,081,624</u>	<u>545,798</u>

All amounts are due within one year with the exception of the deferred tax asset.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	82,470	1,075,658
Director's current account (note 17)	556,077	943,347
Corporation tax	-	251,577
Other taxation and social security	56,326	49,526
Accruals and deferred income	47,382	58,636
	<u>742,255</u>	<u>2,378,744</u>

13. DEFERRED TAXATION

	£
Asset at 1 January 2016	92
Charge for the year	(4,862)
Liability at 31 December 2016	<u>(4,770)</u>

The amounts of deferred taxation provided in the accounts are as follows:

	Provided 2016 £	2015 £
Depreciation in (deficit) excess of capital allowances	<u>(4,770)</u>	<u>92</u>

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

14. CALLED UP SHARE CAPITAL AND RESERVES

	2016 £	2015 £
Called up, allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

The Company has one class of ordinary shares which carry no right to fixed income.

The profit and loss reserve represents cumulative profit net of dividends paid.

15. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED BY OPERATIONS

	2016 £	2015 £
Operating profit	102,184	2,441,284
Depreciation	62,219	59,651
Operating cash flow before movement in working capital	164,403	2,500,935
Decrease in stocks	320,570	515,544
(Increase) decrease in debtors	(365,673)	201,660
Decrease in creditors	(1,384,912)	(363,648)
UK corporation tax paid	(453,324)	(786,127)
Cash generated by operations	(1,718,936)	2,068,364

16. OPERATING LEASE COMMITMENTS

At 31 December 2016 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings 2016 £	2015 £
Leases which expire:		
Within one year	106,111	319,444
Between two to five years	14,583	120,694
	120,694	440,138

17. RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

D Juda as sole shareholder is the ultimate controlling party of the company. The director's loan account due within one year at 31 December 2016 was £556,077 (2015 - £943,347).

D Juda's wife, Y Shiraishi, is an established artist in her own right and is represented by Annelly Juda Fine Art Limited.

During the year ended 31 December 2016 the company purchased art works of £21,900 (2015 - £nil) from Y Shiraishi and sold art works by Y Shiraishi for £7,000 (2015 - £nil). At 31 December 2016 stock included £77,710 (2015 - £54,310) acquired from Y Shiraishi in prior years.