

Company Registration No. 2261663

ANNELY JUDA FINE ART LIMITED

Report and Financial Statements

31 December 2017



ANNELY JUDA FINE ART LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

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ANNELY JUDA FINE ART LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

D Juda

SECRETARY

Y Juda

REGISTERED OFFICE

23 Dering Street
London
W1S 1AW
United Kingdom

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
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 8, turnover increased to £21,994,765 (2016 - £5,410,153) and gross profit increased to £5,185,075 (2016 - £2,372,563).

KEY PERFORMANCE INDICATORS

	2017	2016
Change in turnover	+307%	-68%
Change in gross profit	+119%	-50%

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 9 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 8. The profit after tax was £1,992,765 (2016 - £68,187). The company paid a dividend during the year of £400,000 (2016 - £ nil).

FUTURE PROSPECTS

We were so pleased that 2017 was much better than expected and we expect 2018 to be a further successful year.

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.

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.

Approved by the Director

D Juda
Director
Date:


31/4/18

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 2017.

DIRECTOR

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

DIVIDENDS

The company paid a final dividend during the year of £400,000 (2016 - £nil).

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 2.

FINANCIAL RISKS AND RISK MANAGEMENT

Details of the business risks can be found in the Strategic Report on page 2.

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: 3/4/18

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 him 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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Annelly Juda Fine Art Limited (the 'company') 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is 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.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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.

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

Report on other legal and regulatory requirements

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 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 or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



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

Date: 17 April 2018

ANNELY JUDA FINE ART LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2017**

	Note	2017 £	2016 £
TURNOVER	1,3	21,994,765	5,410,153
Cost of sales		(16,809,690)	(3,037,590)
Gross profit		<u>5,185,075</u>	<u>2,372,563</u>
Distribution and selling costs		(985,205)	(865,773)
Administrative expenses		(1,723,661)	(1,404,606)
		<u>(2,708,866)</u>	<u>(2,270,379)</u>
OPERATING PROFIT	4	2,476,209	102,184
Interest receivable and similar income	6	<u>2,822</u>	<u>2,367</u>
PROFIT BEFORE TAXATION		2,479,031	104,551
Tax on profit	7	(486,266)	(36,364)
PROFIT AFTER TAXATION		<u><u>1,992,765</u></u>	<u><u>68,187</u></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.

The notes set out on pages 12 to 19 form part of these financial statements.

ANNELY JUDA FINE ART LIMITED

BALANCE SHEET **31 December 2017**

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	50,049	61,497
CURRENT ASSETS			
Stocks	10	4,622,427	3,262,167
Debtors	11	1,004,543	1,081,624
Cash at bank and in hand		3,934,619	3,006,165
		<u>9,561,589</u>	<u>7,349,956</u>
CREDITORS: amounts falling due within one year	12	(1,349,846)	(742,255)
NET CURRENT ASSETS		<u>8,211,743</u>	<u>6,607,701</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,261,792	6,669,198
PROVISIONS FOR LIABILITIES	13	(4,599)	(4,770)
NET ASSETS		<u>8,257,193</u>	<u>6,664,428</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Profit and loss account	14	8,247,193	6,654,428
SHAREHOLDERS' FUNDS		<u>8,257,193</u>	<u>6,664,428</u>

The notes set out on pages 12 to 19 form part of these financial statements.

The financial statements of Annelly Juda Fine Art Limited, registered number 2261663, were approved by the Director and authorised for issue on 3 April 2018



D Juda
Director

ANNELY JUDA FINE ART LIMITED

STATEMENT OF CHANGES IN EQUITY

31 December 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2016	10,000	6,586,241	6,596,241
Profit for the financial year, being total comprehensive income	-	68,187	68,187
At 31 December 2016	10,000	6,654,428	6,664,428
Profit for the financial year, being total comprehensive income	-	1,992,765	1,992,765
Dividend for the year (note 8)	-	(400,000)	(400,000)
At 31 December 2017	10,000	8,247,193	8,257,193

ANNELY JUDA FINE ART LIMITED

CASH FLOW STATEMENT **Year ended 31 December 2017**

	Note	2017 £	2016 £
Net cash flows from operating activities	15	<u>1,343,946</u>	<u>(1,718,936)</u>
Cash flows from investing activities			
Purchase of equipment		(18,314)	(17,835)
Interest received		<u>2,822</u>	<u>2,367</u>
Net cash flows from investing activities		<u>(15,492)</u>	<u>(15,468)</u>
Cash flows from financing activities			
Dividends paid		<u>(400,000)</u>	<u>-</u>
Net cash flows from financing activities		<u>(400,000)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		928,454	(1,734,404)
Cash and cash equivalents at beginning of year		<u>3,006,165</u>	<u>4,740,569</u>
Cash and cash equivalents at end of year		<u><u>3,934,619</u></u>	<u><u>3,006,165</u></u>
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		<u><u>3,934,619</u></u>	<u><u>3,006,165</u></u>

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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 private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. 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

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

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 2017

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.

Interest receivable

Interest is recognised when received.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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

In the application of the Company's accounting policies, which are described in note 1, the director is required to make judgements that have a significant impact on the amounts recognised. The director considers there are no critical accounting judgements.

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 £4,622,427 (2016: £3,262,167) after impairment losses of £83,525 (2016 - £21,400) were recognised in the year.

3. TURNOVER

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

	2017 £	2016 £
The turnover attributable to the company's geographical markets is:		
United Kingdom	2,879,804	1,161,713
Rest of Europe	9,895,213	1,722,680
USA	8,860,937	1,772,470
Rest of the World	358,811	753,290
	<u>21,994,765</u>	<u>5,410,153</u>

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2017**

4. OPERATING PROFIT

	2017 £	2016 £
Operating profit is stated after charging (crediting):		
Depreciation	29,762	62,219
Impairment of stock	83,525	21,400
Rentals under operating leases		
Land and buildings	434,500	430,772
Exchange loss (gain)	135,891	(231,868)
Stock recognised as a cost	<u>16,809,690</u>	<u>3,037,590</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>18,385</u>	<u>17,850</u>
Tax services	<u>5,850</u>	<u>4,630</u>
Total non-audit fees	<u><u>5,850</u></u>	<u><u>4,630</u></u>

5. INFORMATION REGARDING THE DIRECTOR AND EMPLOYEES

	2017 No	2016 No
The average number of persons (including director) employed by the company during the year was:		
Administration	7	7
Sales	4	4
	<u>11</u>	<u>11</u>
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	647,966	609,648
Social security costs	87,811	71,966
Pension costs	<u>35,627</u>	<u>29,737</u>
	<u><u>771,404</u></u>	<u><u>711,351</u></u>
 Emoluments of the director of the company included in staff costs were as follows:		
Emoluments	<u><u>70,000</u></u>	<u><u>70,000</u></u>

There were no pension payments in respect of the director for the year ended 31 December 2017 (2016 - £nil).

During the year, 2 members (2016 - 2) of key management were remunerated a total of £188,783 (2016 - £187,250).

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2017**

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Bank deposit interest	2,822	2,367

7. TAX ON PROFIT

	2017 £	2016 £
United Kingdom corporation tax at 19.25% (2016 - 20%)	485,325	31,502
Prior year tax charge	1,112	-
Total current tax	486,437	31,502
Deferred tax		
Deferred tax charge to the income statement for the period	55	531
Adjustments relating to previous periods	(226)	4,331
Total deferred tax	(171)	4,862
Tax on profit	486,266	36,364

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19.25% (2016 - 20%). 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.

	2017 £	2016 £
Profit before tax	2,479,031	104,551
Tax on profit at standard rate	477,129	20,902
<i>Factors affecting charge for the year:</i>		
Expenses not deductible for tax purposes	8,887	11,131
Effect of changes in tax rates	(779)	-
Adjustments relating to previous periods	886	4,331
Deferred tax not recognised	143	-
Total actual amount of tax	486,266	36,364

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 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

8. DIVIDENDS

	2017 £	2016 £
Dividends paid of £40 per share (2016 - £nil)	400,000	-

9. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures and fittings £	Computers and equipment £	Total £
Cost				
At 1 January 2017	740,031	74,744	70,848	885,623
Additions	-	15,392	2,922	18,314
Disposals	-	(10,402)	(1,786)	(12,188)
At 31 December 2017	740,031	79,734	71,984	891,749
Accumulated depreciation				
At 1 January 2017	707,444	51,649	65,033	824,126
Charge for the year	20,876	4,460	4,426	29,762
Eliminated on disposals	-	(10,402)	(1,786)	(12,188)
At 31 December 2017	728,320	45,707	67,673	841,700
Net book value				
At 31 December 2017	11,711	34,027	4,311	50,049
At 31 December 2016	32,587	23,095	5,815	61,497

10. STOCKS

	2017 £	2016 £
Goods for resale	4,622,427	3,262,167

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 2017

11. DEBTORS

	2017 £	2016 £
Trade debtors	562,960	679,821
VAT recoverable	18,254	33,260
Corporation tax	-	170,245
Prepayments and accrued income	164,668	198,298
Other debtors	258,661	-
	<u>1,004,543</u>	<u>1,081,624</u>

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	95,190	82,470
Director's current account (note 17)	657,768	556,077
Corporation tax	485,325	-
Other taxation and social security	65,376	56,326
Accruals and deferred income	46,187	47,382
	<u>1,349,846</u>	<u>742,255</u>

13. PROVISIONS FOR LIABILITIES

Deferred taxation	£
At 1 January 2017	(4,770)
Credit for the year	171
At 31 December 2017	<u>(4,599)</u>

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

	Provided 2017 £	2016 £
Depreciation in deficit of capital allowances	<u>(4,599)</u>	<u>(4,770)</u>

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2017**

14. CALLED UP SHARE CAPITAL AND RESERVES

	2017 £	2016 £
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 profits, net of dividends paid.

15. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED BY OPERATIONS

	2017 £	2016 £
Operating profit	2,476,209	102,184
Depreciation	29,762	62,219
Operating cash flow before movement in working capital	2,505,971	164,403
(Increase) decrease in stocks	(1,360,260)	320,570
Increase in debtors	(93,160)	(365,673)
Increase (decrease) in creditors	122,266	(1,384,912)
UK corporation tax received/(paid)	169,129	(453,324)
Cash generated by operations	1,343,946	(1,718,936)

16. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings 2017 £	2016 £
Within one year	433,412	106,111
Between one and two years	415,068	-
Between two to five years	885,292	14,583
	1,733,772	120,694

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 2017 was £657,768 (2016 - £556,077). The director's loan account is repayable on demand.

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 2017 the company purchased art works of £23,000 (2015 - £21,900) from Y Shiraishi and sold art works by Y Shiraishi for £79,582 (2016 - £7,000). At 31 December 2017 stock included £77,710 (2016 - £77,710) acquired from Y Shiraishi in prior years.