

Company Registration No. 02261663

ANNELY JUDA FINE ART LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2023



ANNELY JUDA FINE ART LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report	7
Profit and loss account	11
Balance sheet	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the accounts	15

ANNELY JUDA FINE ART LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Juda
N Fellmann

COMPANY 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 directors present their strategic report for the year ended 31 December 2023. The principal activity of the company is that of dealers in fine art. The directors were pleased with the profits in 2023, as they had not expected significant profits.

As shown in the company's profit and loss account on page 11, turnover decreased to £13,584,945 (2022 - £18,705,170) and gross profit decreased to £3,215,220 (2022 - £5,310,862).

KEY PERFORMANCE INDICATORS

	2023	2022
Change in turnover	-27.4%	+289.0%
Change in gross profit	-39.5%	+237.5%

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 directors seek to control overheads within the level of margin achieved and have achieved a profit in the year.

The balance sheet on page 12 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 directors 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 the US, Europe and other countries including the United Kingdom.

RESULTS AND DIVIDENDS

Details of the results for the year are set out in the profit and loss account on page 11. The profit after tax was £140,816 (2022 - £1,520,121). The company paid a dividend of £100,000 during the year (2022 - £400,000).

FUTURE PROSPECTS

The directors are concerned with the present economic climate and do not expect significant profits nor losses for 2024. However, they feel confident that the company has enough liquidity to cover any possible downturn.

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.

ANNELY JUDA FINE ART LIMITED

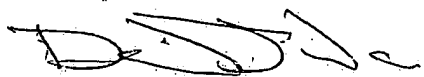
STRATEGIC REPORT

GOING CONCERN

The directors do not expect significant profits nor losses for 2024, but have 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.

The directors have reviewed their costs and consider the company has good liquidity to meet its cost commitments as they fall due. The cash at bank as 31 December 2023 was £6.0m (2022 - £6.8m). The net current assets at 31 December 2023 were £12.0m (2022 - £12.0m). The directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the next twelve months from the date of signing these financial statements 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 directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Approved by the Board of Directors
and signed on behalf of the Board



D Juda
Director
Date:

9th July 2024

ANNELY JUDA FINE ART LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2023.

DIRECTORS

The directors who served during the year and to the date of this report were as follows:

D Juda
N Fellmann

DIVIDENDS

The company paid a final dividend of £10 per share (2022 - £40 per share), during the year of £100,000 (2022 - £400,000).

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.

POST BALANCE SHEET EVENTS

There were no post balance sheet events since 31 December 2023.

GOING CONCERN

The directors do not expect significant profits nor losses for 2024, but have 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.

The directors have reviewed their costs and consider the company has good liquidity to meet its cost commitments as they fall due. The cash at bank at 31 December 2023 was £6.0m (2022 - £6.8m). The net current assets at 31 December 2023 were £12.0m (2022 - £12.0m). The directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the next twelve months from the date of signing these financial statements 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 directors continue to adopt the going concern basis in preparing the annual report and financial statements.

AUDITOR

Each of the directors 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 he/she ought to have taken as a director to make himself/herself 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.

ANNELY JUDA FINE ART LIMITED

DIRECTORS' REPORT

Approved by the Board of Directors and signed on behalf of the Board

D Juda
Director
Date:


9 July 2024

ANNELY JUDA FINE ART LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report 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 FRS 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; and
- 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.

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 of Annelly Juda Fine Art Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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 which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity
- the statement of cash flows; 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 Financial Reporting Council's (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

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pension legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our procedures performed to address it are described below:

- cut-off of revenue which was addressed by testing a sample of sales before and after the year end to evaluate whether the revenue had been recognised appropriately in the accounting year.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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.



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

Date: 9 July 2024

ANNELY JUDA FINE ART LIMITED

PROFIT AND LOSS ACCOUNT **For the year ended 31 December 2023**

	Note	2023 £	2022 £
TURNOVER	3	13,584,945	18,705,170
Cost of sales		(10,369,725)	(13,394,308)
GROSS PROFIT		<u>3,215,220</u>	<u>5,310,862</u>
Distribution costs		(952,659)	(1,252,633)
Administrative expenses		(2,249,637)	(2,207,959)
Other income – royalties		23	293
		<u>(3,202,273)</u>	<u>(3,460,299)</u>
OPERATING PROFIT	4	12,947	1,850,563
Interest receivable and similar income	6	212,110	32,415
PROFIT BEFORE TAXATION		225,057	1,882,978
Tax on profit	7	(84,241)	(362,857)
PROFIT AFTER TAXATION		<u>140,816</u>	<u>1,520,121</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 15 to 23 form part of these financial statements.

ANNELY JUDA FINE ART LIMITED

BALANCE SHEET **As at 31 December 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	9	103,819	34,428
CURRENT ASSETS			
Stocks	10	6,555,405	5,323,688
Debtors	11	430,196	1,219,658
Cash at bank and in hand		5,965,180	6,766,288
		<u>12,950,781</u>	<u>13,309,634</u>
CREDITORS: amounts falling due within one year	12	<u>(918,105)</u>	<u>(1,264,000)</u>
NET CURRENT ASSETS		<u>12,032,676</u>	<u>12,045,634</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,136,495	12,080,062
PROVISIONS FOR LIABILITIES	13	<u>(21,621)</u>	<u>(6,004)</u>
NET ASSETS		<u>12,114,874</u>	<u>12,074,058</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Profit and loss account	14	<u>12,104,874</u>	<u>12,064,058</u>
SHAREHOLDERS' FUNDS		<u>12,114,874</u>	<u>12,074,058</u>

The notes set out on pages 15 to 23 form part of these financial statements.

The financial statements of Annelly Juda Fine Art Limited, registered number 02261663, were approved by the Board of Directors and authorised for issue on 9 July 2024.

Signed on behalf of the Board of Directors

D Juda

Director

ANNELY JUDA FINE ART LIMITED

STATEMENT OF CHANGES IN EQUITY **For the year ended 31 December 2023**

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2022	10,000	10,943,937	10,953,937
Profit for the financial year, being total comprehensive income	-	1,520,121	1,520,121
Dividend for the year (note 8)	-	(400,000)	(400,000)
At 31 December 2022	10,000	12,064,058	12,074,058
Profit for the financial year, being total comprehensive income	-	140,816	140,816
Dividend for the year (note 8)	-	(100,000)	(100,000)
At 31 December 2023	<u>10,000</u>	<u>12,104,874</u>	<u>12,114,874</u>

ANNELY JUDA FINE ART LIMITED

STATEMENT OF CASH FLOWS **For the year ended 31 December 2023**

	Note	2023 £	2022 £
Cash flows from operative activities:			
Operating profit for the financial year		12,947	1,850,563
Adjustments for:			
Depreciation of property, plant & equipment	9	20,746	15,335
Loss on disposal of equipment		260	-
Decrease in trade and other receivables	11	814,642	442,927
Increase in inventories	10	(1,231,717)	(319,684)
Increase / (decrease) in trade creditors	12	16,936	(211,016)
Cash from operations		(366,186)	1,778,125
Income taxes paid	7	(456,635)	(70,812)
Net cash from operating activities		(822,821)	1,707,313
Cash flows from investing activities:			
Purchases of property, plant and equipment	9	(90,397)	(14,863)
Interest received	6	212,110	32,415
Net cash from investing activities		121,713	17,552
Cash flows from financing activities:			
Dividends paid	8	(100,000)	(400,000)
Net cash used in financing activities		(100,000)	(400,000)
Net (decrease)/increase in cash and cash equivalents		(801,108)	1,324,865
Cash and cash equivalents at beginning of year		6,766,288	5,441,423
Cash and cash equivalents at end of year		5,965,180	6,766,288

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

Annelly 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 Annelly 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. The financial statements are also presented in pounds sterling.

Going concern

The directors do not expect significant profits nor losses for 2024, but have 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.

The directors have reviewed their costs and consider the company has good liquidity to meet its cost commitments as they fall due. The cash at bank at 31 December 2023 was £6.0m (2022: £6.8m). The net current assets at 31 December 2023 were £12.0m (2022 - £12.0m). The directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the next twelve months 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 directors continue 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, when the significant risks and rewards are considered to have been transferred to the buyer.

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 Annelly Juda Fine Art Limited, 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 directors consider 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 Annelly 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.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

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:

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

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 are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

Interest receivable

Interest is recognised when received.

Other income

Royalties are recognised in the year to which they relate.

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.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(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.

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 directors are 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 directors are required to make judgements that have a significant impact on the amounts recognised. The directors consider there are no critical accounting judgements.

Key source of estimation uncertainty - valuation of stock

The directors consider each piece of artwork for impairment using judgement based on their 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 £6,555,405 (2022: £5,323,688) after impairment losses of £46,700 (2022 - £121,000) were recognised in the year.

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. TURNOVER

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

	2023 £	2022 £
The turnover attributable to the company's geographical markets is:		
United Kingdom	679,978	3,884,368
Rest of Europe	4,089,603	8,907,178
USA	1,384,555	1,375,097
Rest of the World	7,430,809	4,538,527
	<u>13,584,945</u>	<u>18,705,170</u>

4. OPERATING PROFIT

	2023 £	2022 £
Operating profit is stated after charging (crediting):		
Depreciation of tangible fixed assets (note 9)	20,746	15,335
Impairment of stock	46,700	121,000
Rentals under operating leases:		
Land and buildings	582,638	613,665
Foreign exchange loss	74,708	88,490
Royalty income	(23)	(293)
	<u>32,000</u>	<u>22,950</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>32,000</u>	<u>22,950</u>
Fees Payable to the company's auditor for the provision of taxation compliance services	<u>7,400</u>	<u>6,400</u>
Total non-audit fees	<u>7,400</u>	<u>6,400</u>

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

5. INFORMATION REGARDING THE DIRECTORS AND EMPLOYEES

	2023 No	2022 No
The average monthly number of persons (including directors) employed by the company during the year was:		
Administration	7	8
Sales	5	4
	<u>12</u>	<u>12</u>
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	904,894	966,597
Social security costs	96,759	108,297
Pension costs	28,763	128,764
	<u>1,030,416</u>	<u>1,203,658</u>
Emoluments of the directors of the company included in staff costs were as follows:		
Emoluments	<u>215,000</u>	<u>278,000</u>
The remuneration of the highest paid director was:		
Emoluments	145,000	208,000
Pension costs	5,250	4,750
	<u>150,250</u>	<u>212,750</u>

There were pension payments in respect of the directors for the year ended 31 December 2023 of £5,250 (2022 - £4,750).

During the year, two members (2022 - two) of key management were remunerated a total of £215,000 (2022 - £278,000).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £	2022 £
Bank deposit interest	<u>212,110</u>	<u>32,415</u>

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

7. TAX ON PROFIT

	2023 £	2022 £
United Kingdom corporation tax on profits for the period	68,622	362,543
Adjustment in respect of previous periods	6	-
Total current tax	68,628	362,543
Deferred tax:		
Origination and reversal of timing differences	14,698	239
Adjustment in respect of previous periods	(9)	-
Effect of change of rates	924	75
Total deferred tax	15,613	314
Total tax per income statement	84,241	362,857

The charge for the year can be reconciled to the profit per the income statement as follows:

	2023 £	2022 £
Profit for the period:	225,057	1,882,978
Tax on profit at standard rate UK tax rate of 23.52% (2022: 19%)	52,935	357,766
<i>Factors affecting charge for the year:</i>		
Expenses not deductible for tax purposes	30,395	5,865
Income not taxable	(10)	-
Impact of Marginal relief	-	(849)
Adjustment from previous periods	(3)	-
Tax rate changes	924	75
Total actual amount of tax	84,241	362,857

The Finance Act 2021, under which the main rate of UK corporation tax remained at 19% from 1 April 2022, will increase to 25% from 1 April 2023, was substantively enacted on 24 May 2021. The closing deferred tax assets and liabilities have been calculated at 25%, 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 **For the year ended 31 December 2023**

8. DIVIDENDS

	2023 £	2022 £
Dividends paid of £10 per ordinary share (2022 – £40 per ordinary share)	100,000	400,000

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Computers and equipment £	Total £
Cost				
At 1 January 2023	740,031	114,922	73,404	928,357
Additions	-	64,758	25,639	90,397
Disposals	-	(4,638)	(2,902)	(7,540)
At 31 December 2023	740,031	175,042	96,141	1,011,214
Accumulated depreciation				
At 1 January 2023	740,031	92,618	61,280	893,929
Charge for the year	-	12,416	8,330	20,746
Eliminated on disposals	-	(4,410)	(2,870)	(7,280)
At 31 December 2023	740,031	100,624	66,740	907,395
Net book value				
At 31 December 2023	-	74,418	29,401	103,819
At 31 December 2022	-	22,304	12,124	34,428

10. STOCKS

	2023 £	2022 £
Goods for resale	6,555,405	5,323,688

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

For the year ended 31 December 2023

11. DEBTORS

	2023 £	2022 £
Trade debtors	70,855	1,040,039
VAT recoverable	49,893	-
Prepayments	284,268	179,619
Corporation Tax	25,180	-
	<u>430,196</u>	<u>1,219,658</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	178,017	75,921
Director's current account (note 16)	412,851	558,054
Corporation tax	-	362,831
Other taxation and social security	110,763	114,071
Accruals	216,474	124,082
VAT payable	-	29,041
	<u>918,105</u>	<u>1,264,000</u>

13. PROVISIONS FOR LIABILITIES

Deferred taxation

	2023 £	2022 £
Provision at start of period	6,004	5,690
Adjustment in respect of prior years	(5)	-
Charge for the year	15,622	314
Total	<u>21,621</u>	<u>6,004</u>

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

	2023 £	2022 £
Fixed asset timing differences	22,191	6,529
Short term timing differences	(570)	(525)
Total	<u>21,621</u>	<u>6,004</u>

ANNELY JUDA FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

14. CALLED UP SHARE CAPITAL AND RESERVES

	2023 £	2022 £
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 account reserve represents cumulative profits, net of dividends paid.

15. OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	2023 £	2022 £
Within one year	376,729	482,440
Between one and five years	448,633	277,322
	<u>825,362</u>	<u>759,762</u>

16. 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 2023 was £412,851 (2022 - £588,054). 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 2023 the company purchased art works of £22,800 (2022 - £15,000) from Y Shiraishi and sold art works by Y Shiraishi for £28,143 (2022 - £7,451). At 31 December 2023 stock included £116,715 (2022 - £108,415) by Y Shiraishi, including £85,350 which was purchased directly from Y Shiraishi and £31,365 acquired from third parties.

Donations of £50,000 (2022: £100,000) were paid to David and Yuko Juda Art Foundation. D Juda and his wife Y Shiraishi are trustees of the David and Yuko Juda Art Foundation.

17. POST BALANCE SHEET EVENTS

There were no post balance sheet events since 31 December 2023.