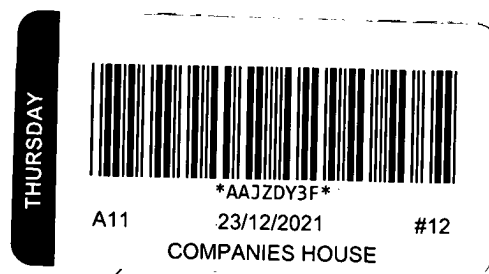


COMPANY REGISTRATION NUMBER: 3334798

Helly Nahmad Gallery Limited
Filleted Financial Statements
30 June 2021



Helly Nahmad Gallery Limited

Statement of Financial Position

30 June 2021

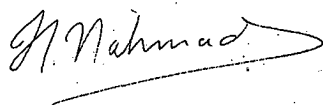
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	915,597	1,036,004
Current assets			
Stocks		414,636	414,636
Debtors: due within one year	6	1,297,308	294,153
Debtors: due after more than one year	6	900,000	900,000
Cash at bank and in hand		842,286	2,147,145
		<u>3,454,230</u>	<u>3,755,934</u>
Creditors: amounts falling due within one year	7	<u>4,675,125</u>	<u>5,270,109</u>
Net current liabilities		<u>1,220,895</u>	<u>1,514,175</u>
Total assets less current liabilities		<u>(305,298)</u>	<u>(478,171)</u>
Net liabilities		<u>(305,298)</u>	<u>(478,171)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>(305,300)</u>	<u>(478,173)</u>
Shareholder deficit		<u>(305,298)</u>	<u>(478,171)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 20 December 2021, and are signed on behalf of the board by:



H Nahmad
Director

Company registration number: 3334798

The notes on pages 2 to 7 form part of these financial statements.

Helly Nahmad Gallery Limited

Notes to the Financial Statements

Year ended 30 June 2021

1. Statutory information

Helly Nahmad Gallery Limited is a private company, limited by shares, domiciled and registered in England and Wales under the registration number 3334798.

The address of the registered office is 2 Cork Street, London W1S 3LB.

The principal activity of the company during the year continued to be that of buying and selling works of art.

Summary of the significant accounting policies, judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. Management do not consider that there are any areas involving significant judgements or estimates in the preparation of these financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied in the current and prior year.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Helly Nahmad Gallery Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Going concern

The director has considered the deficiency of shareholder funds and the net liability position of the company of £305,298 (2020: deficiency £478,171). The company has prepared cash flow forecast for the period to 31 December 2022 ("the going concern review period") on a severe downside scenario assuming no sales. The director has prepared the financial statements on a going concern basis, which the director believes to be appropriate for the following reason: the company is reliant on funds provided by H Nahmad, the company's shareholder. H Nahmad has provided the company with a letter confirming that for the period to 31 December 2022, he will provide appropriate financial support to the company. This should enable the company to continue in operational existence and meet its liabilities as and when they fall due for payment over the going concern review period.

The ability of the company to continue as a going concern is dependent on ability to meet its cash flow forecasts and secure the necessary financing to cover its costs. Whilst the company has a letter of support from its major shareholder, there is uncertainty as to whether sufficient funds would be available from that source to allow the company to meet its obligations in a downside scenario, and therefore the company considers that this constitutes a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern.

The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Helly Nahmad Gallery Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property/improvements	- Over the term of lease
Furniture & fittings	- Over 5 years
Office and computer equipment	- Over 3 years

The carrying values of the tangible fixed assets are reviewed for impairment in periods or events or changes in circumstances indicate the carrying value of may not be recoverable.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Helly Nahmad Gallery Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2021

3. Accounting policies (continued)

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Particulars of employees

The average number of persons employed by the company during the year amounted to 7 (2020: 7).

	Leasehold property / improvements £	Furniture and fittings £	Office and computer equipment £	Total £
Cost				
At 1 July 2020 and 30 June 2021	<u>2,129,135</u>	<u>186,683</u>	<u>52,500</u>	<u>2,368,318</u>
Depreciation				
At 1 July 2020	1,097,090	185,478	49,746	1,332,314
Charge for the year	117,697	1,205	1,505	120,407
At 30 June 2021	<u>1,214,787</u>	<u>186,683</u>	<u>51,251</u>	<u>1,452,721</u>
Carrying amount				
At 30 June 2021	<u>914,348</u>	<u>—</u>	<u>1,249</u>	<u>915,597</u>
At 30 June 2020	<u>1,032,045</u>	<u>1,205</u>	<u>2,754</u>	<u>1,036,004</u>

6. Debtors

Debtors falling due within one year are as follows:

	2021 £	2020 £
Trade debtors	1,011,941	—
Other debtors	285,367	294,153
	<u>1,297,308</u>	<u>294,153</u>

Debtors falling due after one year are as follows:

	2021 £	2020 £
Other debtors	<u>900,000</u>	<u>900,000</u>

Prior year figures have been recategorised to include prepayments in "other debtors", as permitted in accordance with Section 1A of FRS102.

Helly Nahmad Gallery Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

7. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4,285,468	4,959,959
Social security and other taxes	11,837	6,739
Other creditors	377,820	303,411
	<u>4,675,125</u>	<u>5,270,109</u>

Included in other creditors is a loan from the director (note 10)

Prior year figures have been recategorised to include accruals and director's loan account in "other creditors", as permitted in accordance with Section 1A of FRS102.

8. Commitments under operating leases

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

	2021	2020
	£	£
Not later than 1 year	887,148	874,750
Later than 1 year and not later than 5 years	2,334,842	2,629,000
Later than 5 years	2,112,743	2,641,000
	<u>5,334,733</u>	<u>6,144,750</u>

9. Summary audit opinion

The auditor's report for the year dated 20 December 2021 was unqualified.

The senior statutory auditor was Neil Warnock, for and on behalf of Ernst & Young LLP.

10. Transactions with the director

The balance of £41,239 (2020: £31,239) in other creditors (note 7) is a loan from Mr H Nahmad, a director of the company. The director's loan is interest free and has no fixed terms of payment.

All transactions entered into were on an arms-length basis.

11. Related party transactions

The company purchased works of art during the year from uncle of Helly Nahmad, the sole director of the company. The balance owed to the uncle at the year-end was £2,998,048 (2020 - £3,712,688).

Helly Nahmad Gallery Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

12. Covid-19 impact

The COVID-19 pandemic developed rapidly in 2020, and remains prevalent, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken several measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

The impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. Although the gallery has followed government guidelines on opening, sales are not dependent on this, which is evident by the increase in sales during the year. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.