PARENT COMPANY ACCOUNTS FOR CULTURELABEL UK LTD Company number 09258940

Company registration number 01056394 (England and Wales)

BRIDGEMAN ART LIBRARY LIMITED (THE)

(TRADING AS BRIDGEMAN IMAGES)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
COMPANY INFORMATION

Directors	E Bridgeman	
	Viscount Bridgeman	
	Viscountess Bridgeman	
	P Russell-Cobb	(Appointed 24 May 2021)
Secretary	J Hulse	
Company number	01056394	
Registered office and business address	17-19 Garway Road London W2 4PH	
Auditor	Goodman Jones LLP *29/30 Fitzroy Square* London W1T 6LQ	

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
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BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Review of the Business
Bridgeman Images is the leading global source of video, photography, and illustrations from the past and present worlds of art, culture and history. Working with museums, photographers, galleries, collections, and artists, Bridgeman Images provides a central resource of art and archive images, both still and moving, to creative professionals. Every subject, concept, style and medium is represented, from the masterpieces of national museums to the hidden treasures of private collections. With offices in London, New York, Paris, Berlin, and Bologna, as well as numerous agents world-wide, it offers a truly global service that is second-to-none for professionals and novices alike.

During 2021, the business benefited from the continued contribution of Leemage within the existing business. This Paris based company provides the group with access to both a high-quality library of photography, exclusive content and an extensive archive ranging from masterpieces to the modern day, further strengthening the group's offering in key European markets.

Development and performance

The key financial performance indicators are those that communicate the financial performance and strength of the group, these being turnover, EBITDA and cash balances.

Revenue for the year was £9.1m (2020: £8.7m). EBITDA for the year was £0.92m (2020: £0.54m). The group cash balance of £1.45m (2020: £2.02m) reflects a healthy balance sheet with liquid resources adequate to meet the working capital requirements of the group.

Bridgeman Images is continuing to recover from the global impact of the Covid-19 pandemic. The related economic challenges have continued to impact sales in 2021 though not as severely as in 2020. We continue to see that key industry trends that were already clear before the pandemic have been accelerating and the year after the major impact of the pandemic has seen little to reverse these trends. Customer demand in several key sectors has been depressed. Museums, Galleries and Auction houses have all seen a significant change in the balance between in person and remote activity and substantial changes in their business models for the longer term. On the other hand, Print on Demand sales have continued positively from the growth in 2020 that we saw as customers spent more of their time at home. While this sector's sales growth has plateaued during 2021 we continue to support these clients' innovations to maintain this revenue at a historically high level.

The company is continuing to accelerate its strategic transformation and is investing in simplifying the customer journey on the website, improving the online customer experience, and develop the implementation of HubSpot to support its sales and marketing activities including a simplification of the internal administrative processes.

Principal risks and uncertainties

The financial risk management objectives and policies of the group are focussed on effectively managing foreign exchange risk and credit risk as follows:

The group's principal foreign currency exposures arise from trading overseas. Although a certain degree of natural hedging occurs, as the group operates in foreign markets the trading performance is affected by exchange rate movements, the risk of which is not actively managed, other than by selling currency at opportune rates where appropriate as well as ensuring sufficient foreign currency is held to meet future outgoings.

Credit facilities are provided to customers who meet the required criteria. Risk of default is minimized by a robust credit control function and the use of professional debt-collection services where appropriate.

Any changes in access to the European single market following the UK's exit from the European Union could adversely influence overall industry performance. However, with our international trading locations well established, we have a good structure to manage and mitigate against difficulties which arise from the new trading relationship between the UK and the EU. Equally, our operations in multiple territories provide a good structure from which to manage volatility in exchange rates.

As the world has become used to the presence of Covid-19 in daily lives there have also been other changes in the macroeconomic conditions that became new threats and cause of uncertainty in 2021. In particular higher raw material costs in the supply chains in which our images might be used have caused some projects to be postponed, slowing the recovery towards the pre-pandemic level of revenue.

In response to the pandemic there were significant changes in production, publishing and arts industries which have meant sales in 2021 have not yet returned to the pre-pandemic levels in these industries. However, the business has now experienced an acceleration in activity migrating from offline to online which has directly benefited the Group's performance. The Group has also benefited from being more geographically diverse, due to its recent acquisitions and expansion overseas, and its portals which cater for direct sales to consumers have benefited from the current macroeconomic environment.

The Group currently has sufficient liquidity to enable all operations of the business to continue. The Directors have considered this and do not expect there to be an adverse impact to the company and its operations.

Strategic relationships

We believe our employees are the most valuable asset of the group of which their dedication, professionalism and drive have contributed to the continued success of the group. A discretionary bonus scheme has long been established to enable staff to share business success.

The group is committed to prompt payment to its suppliers and always maintains adequate cash reserves to cover its supplier balances. In the event of a dispute, the group informs the supplier without delay and seeks to settle the dispute quickly and efficiently.

The group believes the way in which it behaves and interacts with its stakeholders is essential to the business', success, and development. To this end corporate and social responsibility issues are reviewed ensuring that sufficient focus and resource are given to implementing and monitoring these issues.

On behalf of the board

V4L Bridgeman
....
Viscountess Bridgeman
Director
12-09-22...........

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities
The principal activity of the group continued to be that of the licensing of digital images and footage.

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £150,000. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E Bridgeman	
L Bridgeman	(Resigned 16 November 2021)
Viscount Bridgeman	
Viscountess Bridgeman	
P Russell-Cobb	(Appointed 24 May 2021)

Auditor
The auditor, Goodman Jones LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report
As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, Directors' 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). 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 group and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Employee involvement

The group's policy is to consult and discuss with employees at meetings matters likely to affect employees' interests.

Information of matters of concern to employees is given through updates which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Going concern

The directors have therefore considered the forecast position of both the company and the wider group in reaching their conclusions in respect of going concern.

At the balance sheet date, the Company's net current liability position is due to the funding structure of the business and which comprises bank loans. The Company has significant net assets. The Group has net current assets and significant net assets.

At the date of this report, the group is funded by £1.3m long-term bank debt with repayment due in 2023. In considering the forecast trading performance of the company and the enlarged group, the directors have considered the impact of the coronavirus pandemic. The assessment made recognises the inherent uncertainty associated with any forecasting at the present time.

As outlined in the Strategic Report, the Group is continuing to recover from the immediate impact of the Coronavirus pandemic. Due to recent performance the directors believe that trading performance will remain robust and do not expect any adverse scenarios where the operations of the Group continue to be adversely affected by Covid.

In assessing the appropriateness of the going concern assumption, the directors have considered the ability of the group to meet the bank debt covenants and maintain adequate liquidity through the forecast period. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is able to operate comfortably within the level of its current facilities and meet its debt covenant obligations. Sensitivities have been modelled to understand the impact of the various risks outlined above.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that it remains appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

On behalf of the board

VHL Bridgeman

....

Viscountess Bridgeman

Director

12-09-22

Date: ....

TO THE MEMBERS OF BRIDGEMAN ART LIBRARY LIMITED (THE)

Opinion

We have audited the financial statements of Bridgeman Art Library Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's 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.

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 group and parent 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

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 group's and parent 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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 parent 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 parent 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

• Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

• Reading minutes of meetings of those charged with governance;

• Obtaining and reading correspondence from legal and regulatory bodies including HMRC;

• Identifying and testing journal entries;

• Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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.

SSMalik

Sarf Malik (Senior Statutory Auditor)
For and on behalf of Goodman Jones LLP

Date: 12-09-22

Chartered Accountants
Statutory Auditor

29/30 Fitzroy Square
London
W1T 6LQ

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Revenue	3	9,109,239	8,669,976
Cost of sales		(3,452,167)	(3,327,774)
Gross profit		5,657,072	5,342,202
Administrative expenses		(5,195,044)	(5,555,136)
Other operating income		147,172	238,688
Operating profit	4	609,200	25,754
Investment income	8	154	5,217
Finance costs	9	(22,770)	(33,469)
Profit/(loss) before taxation		586,584	(2,498)
Tax on profit/(loss)	10	(170,345)	(236,222)
Profit/(loss) for the financial year		416,239	(238,720)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Profit/(loss) for the year	416,239	(238,720)
Other comprehensive income		
Currency translation differences	-	(48,687)
Total comprehensive income for the year	416,239	(287,407)

Total comprehensive income for the year is all attributable to the owners of the parent company.

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Non-current assets					
Goodwill	12		3,136,193		3,525,921
Other intangible assets	12		246,697		102,131
Total intangible assets			3,382,890		3,628,052
Property, plant and equipment	14		441,032		332,633
Investments	15		106,090		106,090
			3,930,012		4,066,775
Current assets					
Inventories	18	2,039		2,039	
Trade and other receivables	19	1,799,159		2,315,638	
Cash and cash equivalents		1,453,049		2,016,754	
		3,254,247		4,334,431	
Current liabilities	20	(2,637,925)		(3,749,350)	
Net current assets			616,322		585,081
Total assets less current liabilities			4,546,334		4,651,856
Non-current liabilities	21		(516,918)		(888,679)
Provisions for liabilities					
Deferred tax liability	23	(2,395)		(2,395)	
			2,395		2,395
Net assets			4,031,811		3,765,572
Equity					
Called up share capital	25		200		200
Retained earnings			4,031,611		3,765,372
Total equity			4,031,811		3,765,572

The financial statements were approved by the board of directors and authorised for issue on 12-09-22 and are signed on its behalf by:

VHL Bridgeman

....

Viscountess Bridgeman
Director

BRIDGEMAN ART LIBRARY LIMITED (THE) (TRADING AS BRIDGEMAN IMAGES)
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Non-current assets					
Goodwill	**12**		184,167		-
Property, plant and equipment	**14**		419,433		306,387
Investments	**15**		5,699,787		5,699,215
			6,303,387		6,005,602
Current assets					
Trade and other receivables	**19**	667,827		1,089,650	
Cash and cash equivalents		262,140		785,629	
		929,967		1,875,279	
Current liabilities	**20**	(2,444,563)		(2,891,436)	
Net current liabilities			(1,514,596)		(1,016,157)
Total assets less current liabilities			4,788,791		4,989,445
Non-current liabilities	**21**		(516,918)		(888,679)
Net assets			4,271,873		4,100,766
Equity					
Called up share capital	**25**		200		200
Retained earnings			4,271,673		4,100,566
Total equity			4,271,873		4,100,766

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the period was £321,107 (2020 - £271,576).

The financial statements were approved by the board of directors and authorised for issue on 12-09-22 and are signed on its behalf by:

VHL Bridgeman
....
Viscountess Bridgeman
Director

Company Registration No. 01056394

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2020		200	4,052,779	4,052,979
Year ended 31 December 2020:				
Loss for the year		-	(238,720)	(238,720)
Other comprehensive income:				
Currency translation differences		-	(48,687)	(48,687)
Total comprehensive income for the year		-	(287,407)	(287,407)
Balance at 31 December 2020		200	3,765,372	3,765,572
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	416,239	416,239
Dividends	11	-	(150,000)	(150,000)
Balance at 31 December 2021		200	4,031,611	4,031,811

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2020		200	3,855,978	3,856,178
Year ended 31 December 2020:				
Profit for the year		-	271,576	271,576
Other comprehensive income:				
Currency translation differences		-	(26,988)	(26,988)
Total comprehensive income for the year		-	244,588	244,588
Balance at 31 December 2020		200	4,100,566	4,100,766
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	321,107	321,107
Dividends	11	-	(150,000)	(150,000)
Balance at 31 December 2021		200	4,271,673	4,271,873

BRIDGEMAN ART LIBRARY LIMITED (THE)
(TRADING AS BRIDGEMAN IMAGES)
GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	29		162,901		1,736,542
Interest paid			(22,770)		(33,469)
Income taxes paid			(118,199)		(190,235)
Net cash inflow from operating activities			21,932		1,512,838
Investing activities					
Purchase of property, plant and equipment		(172,731)		(82,518)	
Proceeds on disposal of property, plant and equipment		1,114		4,263	
Interest received		154		5,217	
Net cash used in investing activities			(171,463)		(73,038)
Financing activities					
Proceeds of new bank loans		-		260,000	
Repayment of bank loans		(343,601)		(354,899)	
Dividends paid to equity shareholders		(150,000)		-	
Net cash used in financing activities			(493,601)		(94,899)
Net (decrease)/increase in cash and cash equivalents			(643,132)		1,344,901
Cash and cash equivalents at beginning of year			2,016,754		720,540
Effect of foreign exchange rates			(570)		(48,687)
Cash and cash equivalents at end of year			1,453,049		2,016,754

1 Accounting policies

Company information

Bridgeman Art Library Limited (The) ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 17-19 Garway Road, London, W2 4PH.

The group consists of Bridgeman Art Library Limited (The) and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies **(Continued)**

The consolidated group financial statements consist of the financial statements of the parent company Bridgeman Art Library Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report further describes the financial position of the group; the group's objectives and policies; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

The group operated at a profit for the year of £416,239 (2020: loss £238,720) of which non-cash goodwill amortisation charges amounted to £245,162 (2020: £245,162). The group generated £162,901 (2020: £1,736,542) of operating cashflow. At the year-end net current assets amounted to £616,322 (2020: £585,081) and net assets amounted to £4,031,811 (2020: £3,765,572).

The directors have therefore considered the forecast position of both the company and the wider group in reaching their conclusion in respect of going concern. At the balance sheet date, the Company's net liability position is due to amounts owed to group undertakings and bank loans.

At the date of this report, the group is funded by £1.3m long-term bank debt with repayment due in 2023. In considering the forecast trading performance of the company and the enlarged group, the directors have considered the impact of the coronavirus pandemic. The assessment made recognises the inherent uncertainty associated with any forecasting at the present time.

As outlined in the Strategic Report, the Group is continuing to recover from the immediate impact of the Coronavirus pandemic. Due to recent performance the directors believe that trading performance will remain robust and do not expect any adverse scenarios where the operations of the Group continue to be adversely affected by Covid.

The Group currently has sufficient liquidity to enable all operations of the business to continue. The Directors have considered this and do not expect there to be an adverse impact to the company and its operations.

In assessing the appropriateness of the going concern assumption, the directors have considered the ability of the group to meet the bank debt covenants and maintain adequate liquidity through the forecast period. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is able to operate comfortably within the level of its current and new facilities and meet its debt covenant obligations. Sensitivities have been modelled to understand the impact of the various risks outlined above.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that it remains appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

1.4 Revenue

Revenue from the licensing of digital images is recognised when the usage is declared.

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

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Purchased Goodwill	20 years straight line
Image Library	20 years straight line

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold Property	5% straight line
Master transparencies & images	15% reducing balance
Fixtures & fittings	7 years straight line
Equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1 Accounting policies **(Continued)**

1.9 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black -Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1 Accounting policies **(Continued)**

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of fixed assets and goodwill

At each reporting year end date, the group reviews the carrying amounts of goodwill and fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The estimated future cash flows used to assess the impairment of goodwill are based on management's assumptions.

3 Revenue

An analysis of the group's revenue is as follows:

	2021	2020
	£	£
Revenue analysed by class of business		
Licensing of digital images and footage	9,109,239	8,669,976

	2021	2020
	£	£
Other significant revenue		
Interest income	154	5,217
Coronavirus job retenetion scheme grants	95,942	214,931

3 Revenue (Continued)

	2021 £	2020 £
Revenue analysed by geographical market		
United Kingdom	1,348,959	1,346,418
Rest of the World	7,760,280	7,323,558
	9,109,239	8,669,976

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	15,695	(71,508)
Coronavirus job retention scheme grants	(95,942)	(214,931)
Depreciation of owned property, plant and equipment	63,788	67,559
Amortisation of intangible assets	245,162	245,162
Impairment of intangible assets	-	200,000

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	19,000	18,000
For other services		
All other non-audit services	8,000	7,000

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2021 Number	2020 Number
United Kingdom	40	52
United States of America	10	7
Germany	4	4
France	11	13
Italy	3	3
	68	79

6 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	3,081,281	2,988,949
Social security costs	323,118	331,331
Pension costs	100,896	87,685
	3,505,295	3,407,965

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	318,001	278,660

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	82,312	62,667

The total remuneration for key management personnel for the year totalled £318,001 (2020: £294,763).

8 Investment income

	2021 £	2020 £
Interest income		
Interest on bank deposits	154	3
Other interest income	-	5,214
Total income	154	5,217

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	154	3

9 Finance costs

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	22,770	33,469

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	161,196	62,417
Foreign current tax on profits for the current period	9,149	178,805
Total current tax	170,345	241,222
Deferred tax		
Origination and reversal of timing differences	-	(5,000)
Total tax charge	170,345	236,222

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit/(loss) before taxation	586,584	(2,498)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	111,451	(475)
Tax effect of expenses that are not deductible in determining taxable profit	(1,939)	3,069
Tax effect of income not taxable in determining taxable profit	(18,229)	-
Unutilised tax losses carried forward	(19,102)	51,589
Permanent capital allowances in excess of depreciation	7,184	1,234
Amortisation on assets not qualifying for tax allowances	46,234	84,234
Effect of overseas tax rates	52,580	75,053
Foreign branch losses (utilised)/unutilised	(7,834)	26,518
Deferred tax - timing differences	-	(5,000)
Taxation charge	170,345	236,222

The standard rate of corporation tax in the United Kingdom for the year is 19% (2021: 19%). The Finance (No.2) Act 2017 was substantively enacted on 16 November 2017 and a reduction in the main rate of corporation tax to 17% was to be in effect from 1 April 2020. This will now remain at 19% increasing to 25% from 1 April 2023. Deferred tax has therefore currently been provided, where applicable at 25%. Finance Act 2022 was substantively enacted on 24 February 2022 but has not amended the main rate of corporation tax in the UK.

11 Dividends

	2021	2020
Recognised as distributions to equity holders:	£	£
Interim paid	150,000	-

12 Intangible fixed assets

Group	Goodwill on consolidation	Purchased Goodwill	Image Library	Total
	£	£	£	£
Cost				
At 1 January 2021 and 31 December 2021	4,543,394	242,000	117,843	4,903,237
Amortisation and impairment				
At 1 January 2021	1,180,031	79,442	15,712	1,275,185
Amortisation charged for the year	227,170	12,100	5,892	245,162
At 31 December 2021	1,407,201	91,542	21,604	1,520,347
Carrying amount				
At 31 December 2021	3,136,193	150,458	96,239	3,382,890
At 31 December 2020	3,363,363	162,558	102,131	3,628,052

Company	Purchased Goodwill
	£
Cost	
At 1 January 2021	-
Additions	184,167
At 31 December 2021	184,167
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount	
At 31 December 2021	184,167
At 31 December 2020	-

13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Goodwill	12	-	200,000
Recognised in:			
Administrative expenses		-	200,000

The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.

14 Property, plant and equipment

Group	Leasehold Property	Master transparencies & images	Fixtures & fittings	Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2021	85,428	2,494,984	411,572	559,873	3,551,857
Additions	-	159,667	1,553	11,511	172,731
Disposals	-	-	-	(544)	(544)
At 31 December 2021	85,428	2,654,651	413,125	570,840	3,724,044
Depreciation and impairment					
At 1 January 2021	35,215	2,308,589	362,947	512,473	3,219,224
Depreciation charged in the year	2,893	29,539	8,698	22,658	63,788
At 31 December 2021	38,108	2,338,128	371,645	535,131	3,283,012
Carrying amount					
At 31 December 2021	47,320	316,523	41,480	35,709	441,032
At 31 December 2020	50,213	186,395	48,625	47,400	332,633

14 Property, plant and equipment (Continued)

Company	Leasehold Property	Master transparencies & images	Fixtures & fittings	Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2021	85,428	2,477,229	124,259	522,327	3,209,243
Additions	-	159,667	-	11,511	171,178
Disposals	-	-	-	(544)	(544)
At 31 December 2021	85,428	2,636,896	124,259	533,294	3,379,877
Depreciation and impairment					
At 1 January 2021	35,215	2,292,659	100,191	474,791	2,902,856
Depreciation charged in the year	2,893	27,444	4,594	22,657	57,588
At 31 December 2021	38,108	2,320,103	104,785	497,448	2,960,444
Carrying amount					
At 31 December 2021	47,320	316,793	19,474	35,846	419,433
At 31 December 2020	50,213	184,570	24,068	47,536	306,387

15 Fixed asset investments

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Investments in subsidiaries	16	-	-	5,595,652	5,595,080
Unlisted investments		106,090	106,090	104,135	104,135
		106,090	106,090	5,699,787	5,699,215

Movements in non-current investments

Group	Investments other than loans
	£
Cost or valuation	
At 1 January 2021 and 31 December 2021	106,090
Carrying amount	
At 31 December 2021	106,090
At 31 December 2020	106,090

15 Fixed asset investments **(Continued)**

Movements in non-current investments

Company	**Shares in group undertakings**	**Other investments other than loans**	**Total**
	£	**£**	**£**
Cost or valuation			
At 1 January 2021 and 31 December 2021	6,071,580	104,135	6,175,715
Additions	572	-	572
Impairment			
At 1 January 2021 and 31 December 2021	476,500	-	476,500
Carrying amount			
At 31 December 2021	5,595,652	104,135	5,699,787
At 31 December 2020	5,595,080	104,135	5,699,215

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Bridgeman Art Library International Limited	England and Wales	Licensing	Ordinary	100.00
Bridgeman Images Limited	England and Wales	Dormant	Ordinary	100.00
Bridgeman Images S.r.l	Italy	Licensing	Ordinary	100.00
CultureLabel UK Limited	England and Wales	Dormant	Ordinary	100.00
Lebrecht Limited	England and Wales	Licensing	Ordinary	100.00
Leemage S.A.S	France	Licensing	Ordinary	100.00

For the financial period ended 31 December 2021, the following subsidiary companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

- Culturelabel UK Ltd, company registration number 09258940.
- Lebrecht Limited, company registration number 06937508.

17 Financial instruments

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,380,383	2,010,017	374,908	805,612
Equity instruments measured at cost less impairment	106,090	106,090	104,135	104,135
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
Measured at amortised cost	2,869,736	4,431,844	2,961,481	3,743,291

18 Inventories

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Finished goods and goods for resale	2,039	2,039	-	-

19 Trade and other receivables

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade receivables	1,287,862	1,490,972	348,201	372,697
Corporation tax recoverable	186,551	105,520	102,640	104,140
Other receivables	121,879	524,759	54,724	438,629
Prepayments and accrued income	202,867	194,387	162,262	174,184
	1,799,159	2,315,638	667,827	1,089,650

20 Current liabilities

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	22	387,937	359,777	387,937	359,777
Trade payables		1,353,751	2,253,369	788,645	1,648,613
Amounts owed to group undertakings		-	-	865,239	345,636
Corporation tax payable		175,969	42,792	-	-
Other taxation and social security		109,138	163,393	-	36,824
Other payables		190,563	268,862	42,122	19,895
Accruals and deferred income		420,567	661,157	360,620	480,691
		2,637,925	3,749,350	2,444,563	2,891,436

21 Non-current liabilities

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	22	516,918	888,679	516,918	888,679

22 Borrowings

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	904,855	1,248,456	904,855	1,248,456
Payable within one year	387,937	359,777	387,937	359,777
Payable after one year	516,918	888,679	516,918	888,679

Included within bank loans is £904,855 (2020: £1,248,456) which is secured by a fixed and floating charge over all assets of the company both present and future.

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	82,518	38,948
Tax losses	(84,913)	(41,343)
	(2,395)	(2,395)

Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	82,518	38,948
Tax losses	(82,518)	(38,948)
	-	-

There were no deferred tax movements in the year.

24 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	100,896	87,685

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

Group and company Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
Ordinary A shares of 1p each	1,000	1,000	10	10
Ordinary B shares of 1p each	19,000	19,000	190	190
	20,000	20,000	200	200

25 Share capital **(Continued)**

Ordinary A shares have attached to them full voting, dividend and capital distribution rights. Ordinary B shares have attached to them dividend and capital distribution rights.

26 Share-based payment transactions

Group	Number of share options		Weighted average exercise price	
	2021	2020	2021	2020
	Number	Number	£	£
Outstanding at 1 January 2021	926	1,296	37.60	35.52
Forfeited	(283)	(370)	42.44	30.32
Outstanding at 31 December 2021	643	926	35.47	37.60
Exercisable at 31 December 2021	-	-	-	-

Group
The Group is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes.

27 Financial commitments, guarantees and contingent liabilities

The company's assets are secured by way of a guarantee and debenture securing bank loans obtained by the company.

28 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	231,754	215,120	100,000	100,755
Between two and five years	144,966	285,985	-	-
	376,720	501,105	100,000	100,755

29 Cash generated from group operations

	2021	2020
	£	£
Profit/(loss) for the year after tax	416,239	(238,720)
Adjustments for:		
Taxation charged	170,345	236,222
Finance costs	22,770	33,469
Investment income	(154)	(5,217)
Amortisation and impairment of intangible assets	245,162	445,162
Depreciation and impairment of property, plant and equipment	63,788	66,989
Movements in working capital:		
Decrease in trade and other receivables	504,058	213,845
(Decrease)/increase in trade and other payables	(1,268,236)	984,792
Cash generated from operations	153,972	1,736,542

30 Analysis of changes in net funds - group

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	2,016,754	(563,705)	1,453,049
Borrowings excluding overdrafts	(1,248,456)	343,601	(904,855)
	768,298	(220,104)	548,194

31 Analysis of changes in net debt - company

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	785,629	(523,489)	262,140
Borrowings excluding overdrafts	(1,248,456)	343,601	(904,855)
	(462,827)	(179,888)	(642,715)

32 Controlling party

There is no single ultimate controlling party.

33 Related party transactions

At the balance sheet date, Viscountess Bridgeman, director, owed the company £6,955 (2020: £213,768). Interest is charged at the official HMRC rate currently 2.5%. This amounted to £2,745 (2020: £5,214).

At the balance sheet date, Victoria Bridgeman, a former director, owed the company £nil (2020: £200,000). No interest was charged on this balance in the 2021 year (2020: £nil).

The company purchased the head lease in respect of the property at 17-23 Garway Road, London on 7 December 1999. As part of the same transaction, the Trustees of the Bridgeman Pension Scheme acquired the underlease of the office space at 17-19 Garway Road for a term of 980 years expiring 28 September 2979. The Bridgeman Art Library now rent the office space from the pension scheme. Rent of £99,997 (2020: £99,997) was charged during the period.

In October 2010 the company entered into a 10 year non-cancellable operating lease agreement with Bridgeman Art Property, a company incorporated in France of which Viscountess Bridgeman is a director and shareholder, for the use of office space at a total cost of £212,904, invoiced in full at the start of the agreement. During the year, rent of £17,977 (2020: £17,997) was charged to the profit and loss account in respect of this agreement.

During the year, services amounting to £1,179 (2020: £nil) were provided to the company by Megascroll Limited, a company in which Esmond Bridgeman is a director. Services amounting to £11,015 (2020: £nil) were provided to the company by MediaFund Ltd, a company in which Piers Russell-Cobb is a director.