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ROBIN SYMES LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 1993

 **Hacker
Young**
Chartered Accountants

∴ Alphage House 2 Fore Street London EC2Y 5DH



AUDITORS' REPORT TO THE MEMBERS OF

ROBIN SYMES LIMITED

We have audited the accounts set out on pages 2 to 10 which have been prepared on the basis of the accounting policies set out on pages 5 and 6.

Respective responsibilities of Directors and Auditors

As described on page 1 the company's director is responsible for the preparation of accounts. It is our responsibility to form an opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

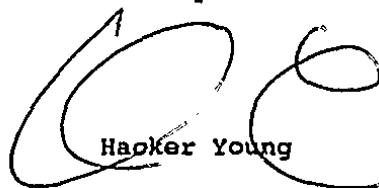
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

23 September 1994


Hacker Young
Registered Auditor
Chartered Accountants

DIRECTOR'S REPORT

The director presents his report and the audited accounts for the year ended 31 December 1993.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of antique dealers.

REVIEW OF THE BUSINESS

The director is of the opinion that the company will be able to sustain its current level of activity in the forthcoming year.

RESULTS AND DIVIDENDS

The results for the year are set out on page 2. The profit for the year has been transferred to reserves.

The director does not recommend the payment of a dividend.

FIXED ASSETS

The movements in fixed assets during the year are set out in notes 6 and 7 to the accounts.

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detection of fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis, and that applicable accounting standards have been followed.

DONATIONS

During the year charitable donations amounted to £3,019.

TAXATION STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution will be proposed at the annual general meeting to reappoint Hacker Young until the conclusion of the next annual general meeting.

Registered office:
St Alphage House
2 Fore Street
London EC2Y 5DH

By order of the Board

C. SPARWASSER

Secretary

23 September 1994

C. Sparwasser

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u>	<u>1992</u>
		£	£
TURNOVER		5,657,493	6,813,975
Cost of sales		(3,023,427)	(6,539,962)
GROSS PROFIT		2,634,066	274,013
Selling and distribution costs		390,836	286,369
Administration expenses		1,214,654	1,213,183
		1,605,490	1,499,552
OPERATING PROFIT/(LOSS)	2	1,028,576	(1,225,539)
Interest receivable		19,091	83,866
Interest payable and similar charges	4	(437,440)	(580,605)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		610,227	(1,722,278)
Taxation charge/(credit)	5	275,000	(539,721)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		335,227	(1,182,557)
Retained profit brought forward		1,652,284	2,834,841
RETAINED PROFIT CARRIED FORWARD		£1,987,511	£1,652,284
		=====	=====


There are no recognised gains or losses other than the profit for the year.

The accompanying notes are an integral part of these accounts.

BALANCE SHEET AS AT 31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u>	<u>1992</u>
		£	£
FIXED ASSETS			
Intangible asset	6	10,625	11,875
Tangible assets	7	584,124	610,100
		<hr/>	<hr/>
		594,749	621,975
CURRENT ASSETS			
Stocks	8	6,940,496	6,036,301
Debtors	9	662,133	1,496,136
Cash at bank and in hand		286,602	291,314
		<hr/>	<hr/>
		7,889,231	7,823,751
CREDITORS: Amounts falling due within one year	10	(6,480,192)	(6,777,165)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,434,039	1,046,586
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/>	<hr/>
		£2,003,788	£1,668,561
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Share premium account		16,177	16,177
Profit and loss account		1,987,511	1,652,284
		<hr/>	<hr/>
		£2,003,788	£1,668,561
		=====	=====

The accounts were approved by the
director on 23 September 1994


R J SYMES - DIRECTOR

The accompanying notes are an integral part of these accounts.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u>	<u>1992</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	13	661,964	1,932,748
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		19,479	138,575
Interest paid		(348,195)	(446,788)
		<hr/>	<hr/>
		(328,716)	(308,213)
TAXATION			
Corporation tax paid		(600,000)	(100,000)
INVESTING ACTIVITIES			
Purchase of fixed assets		(4,095)	(15,926)
		<hr/>	<hr/>
NET CASH FLOW	14	£ (270,847)	£1,508,609
		=====	=====

The accompanying notes are an integral part of these accounts.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993

1. PRINCIPAL ACCOUNTING POLICIES

a) ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards except where stated in note 1(c) below.

b) GOODWILL

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is being written off evenly over its estimated economic life of 20 years.

c) FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold land and buildings	- over the term of the lease
Improvements to leasehold premises	- 15% on reducing balance
Plant and equipment	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

No depreciation is charged on the freehold property or the library. It is the policy of the company to maintain these assets in good repair, the costs of repairs and replacements being charged to the profit and loss account. Accordingly the assets retain residual values, based on prices prevailing at the date of purchase or subsequent valuation, at least equal to their book values, and depreciation is therefore insignificant.

Provisions are made to reduce cost to estimated realisable value where, in the opinion of the directors, a permanent diminution in value has arisen. Such provisions are charged to the profit and loss account.

d) STOCKS

Stocks are stated at the lower of cost and net realisable value after making due provision to write down the cost of individual items to net realisable value.

The director makes provisions so as to give the best estimate of realisable value, but this process is highly subjective due to the uniqueness of stock held, its desirability to certain collectors and changing market trends.

e) TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, and is stated net of value added tax. Sales outside the UK are not recognised until an export licence has been granted by the Department of Trade and Industry.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993

(CONTINUED)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

f) FOREIGN CURRENCIES

Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

g) DEFERRED TAXATION

Provision is made for deferred taxation using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise in the future.

2. OPERATING PROFIT/(LOSS)

This is stated after charging:

	£	£
Auditors' remuneration	15,000	13,500
Non audit services - tax	19,550	15,400
Non audit services - accountancy	25,100	35,450
Depreciation	30,071	35,885
Amortisation of goodwill	1,250	1,250
	=====	=====

3. STAFF COSTS

	£	£
Wages and salaries	399,555	453,337
Social security costs	28,805	43,234
Other pension costs including Key-man life insurance	61,148	49,203
	=====	=====
	£ 489,508	£ 545,774
	=====	=====

The average weekly number of employees during the year was made up as follows:

	<u>Number</u>	<u>Number</u>
Administration	3	3
Sales and distribution	4	4
	=====	=====
	7	7
	=====	=====

Director's remuneration comprises:

	£	£
Emoluments	230,105	262,083
Pension contributions	40,000	40,000
Key-man life insurance	15,884	5,265
	=====	=====
	£ 285,989	£ 307,348
	=====	=====

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993

(CONTINUED)

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1993</u> £	<u>1992</u> £
Bank loans and overdraft and other loans wholly repayable within five years		
- interest and charges	345,495	437,062
Other interest payable	91,945	143,543
	<hr/>	<hr/>
	£ 437,440	£ 580,605
	=====	=====

5. TAXATION

	£	£
The taxation charge/(credit) is made up as follows:		
UK corporation tax at 33% based on the profit for the year	275,000	(472,000)
Over provision in prior years	-	(52,721)
Deferred taxation	-	(15,000)
	<hr/>	<hr/>
	£ 275,000	£ (539,721)
	=====	=====

6. INTANGIBLE FIXED ASSET

	Goodwill
	£
Cost	
At 31 December 1992 and 1993	25,000
Amortisation:	
At 1 January 1993	13,125
Provided during the year	1,250
	<hr/>
At 31 December 1993	14,375
Net book value:	
At 31 December 1993	£ 10,625
	=====
At 31 December 1992	£ 11,875
	=====

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993

(CONTINUED)

7. TANGIBLE FIXED ASSETS

	Freehold property £	Long Leasehold property £	Short Leasehold property £	Leasehold improve- ments £	Equipment, fixtures and fittings £	Library £	Motor vehicles £	Total £
Cost								
At 1 January								
1993	£ 180,000	£ 137,000	£ 11,500	£ 179,745	£ 182,123	£ 159,840	£ 173,683	£1,023,891
Additions	-	-	-	-	4,095	-	-	4,095
At 31 December								
1993	180,000	137,000	11,500	179,745	186,218	159,840	173,683	1,027,986
Depreciation:								
At 1 January								
1993	£ -	£ 62,908	£ 11,500	£ 142,477	£ 71,286	£ -	£ 125,620	£ 413,791
Provided during the year	-	972	-	5,590	11,493	-	12,016	30,071
At 31 December								
1993	-	63,880	11,500	148,067	82,779	-	137,636	443,862
Net book value:								
At 31 December								
1993	£ 180,000	£ 73,120	£ -	£ 31,678	£ 103,439	£ 159,840	£ 36,047	£ 584,124
At 31 December								
1992	£ 180,000	£ 74,092	£ -	£ 37,268	£ 110,837	£ 159,840	£ 48,063	£ 610,100

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993

(CONTINUED)

8. STOCKS

	<u>1993</u>	<u>1992</u>
Articles for resale	£ 6,940,496	£ 6,036,301
	=====	=====

CONSIGNMENT STOCK

The company holds consignment stock owned by certain suppliers on terms that give the company the right to sell the stock in the normal course of its business or, at its option, to return it unsold to the legal owner without penalty. The purchase price of this stock is independent of the time for which the company holds it and no deposit is required.

The company has no obligation to purchase consignment stock from the consignors until such time as the stock is sold to a third party, at which time the purchase and the associated liability are recorded.

At 31 December 1993 the company held consignment stock amounting to £4,690,449 (1992 - £5,606,158).

9. DEBTORS

	£	£
Trade debtors	549,426	1,077,121
Other debtors	8,618	338,522
Other taxes and social security costs	11,391	12,259
Prepayments and accrued income	92,698	68,234
	-----	-----
	£ 662,133	£1,496,136
	=====	=====

10. CREDITORS: Amounts falling due within one year

	£	£
Bank overdraft (see below)	4,066,448	3,800,313
Trade creditors	600,722	895,236
Corporation tax	606,811	931,811
Other taxes and social security costs	139,827	89,302
Other creditors	905,031	1,021,616
Accruals and deferred income	161,353	38,887
	-----	-----
	£6,480,192	£6,777,165
	=====	=====

The bank overdraft is secured by fixed and floating charges over all the company's assets, present and future.

11. SHARE CAPITAL

	<u>1993</u>	<u>1992</u>
Authorised:		
100 ordinary shares of £1 each	£ 100	£ 100
	=====	=====
Allotted, issued and fully paid:		
100 ordinary shares of £1 each	£ 100	£ 100
	=====	=====

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993

(CONTINUED)

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1993</u> £	<u>1992</u> £
Profit for the financial year	360,227	(1,182,557)
Shareholders funds brought forward	1,668,561	2,851,118
	<hr/>	<hr/>
Shareholders funds carried forward	£2,028,788	£1,668,561
	=====	=====

13. NET CASH INFLOW FROM OPERATING ACTIVITIES

	£	£
Operating profit/(loss)	1,028,576	(1,225,539)
Depreciation and amortisation	31,321	37,135
(Increase)/decrease in stocks	(904,195)	1,071,871
Decrease in debtors	850,616	2,241,388
Decrease in creditors	(344,354)	(192,107)
	<hr/>	<hr/>
	£ 661,964	£1,932,748
	=====	=====

14. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	£
Balance at 1 January 1993	(3,508,999)
Net cash outflow	(270,847)
	<hr/>
Balance at 31 December 1993	£(3,779,846)
	=====

15. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1993</u> £	<u>1992</u> £	Change in the year £
Cash at bank and in hand	286,602	291,314	(4,712)
Bank overdraft	(4,066,448)	(3,800,313)	(266,135)
	<hr/>	<hr/>	<hr/>
	£(3,779,846)	£(3,508,999)	£ (270,847)
	=====	=====	=====

16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had a capital commitment at the year end of £25,000 relating to the purchase of the freehold of the Chatfield Road warehouse.

The company had no contingent liabilities at the balance sheet date.