

COMPANY REGISTRATION NUMBER 2447155

SOLOMON FINE ARTS LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2004

SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
1 Lumley Street
Mayfair
London
W1K 6TT



SOLOMON FINE ARTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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SOLOMON FINE ARTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	Lumley Management Limited
Company secretary	JD Secretariat Limited
Registered office	1 Lumley Street Mayfair London W1K 6TT
Accountants	Slaven Jeffcote LLP Chartered Certified Accountants 1 Lumley Street Mayfair London W1K 6TT
Bankers	Allied Irish Bank (GB) 10 Berkeley Square London W1X 6DN

SOLOMON FINE ARTS LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2004

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of trading in art and antiques.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

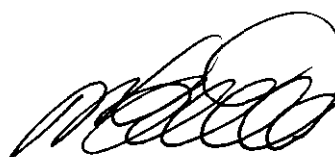
	Ordinary Shares of £1 each	
	At 31 March 2004	At 1 April 2003
Lumley Management Limited	—	—

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
1 Lumley Street
Mayfair
London
W1K 6TT

Signed by order of the director



JD SECRETARIAT LIMITED
Company Secretary

Approved by the director on 17/0/05

SOLOMON FINE ARTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
TURNOVER		500,000	419,412
Cost of sales		<u>450,004</u>	<u>353,705</u>
GROSS PROFIT		49,996	65,707
Administrative expenses		<u>8,328</u>	<u>10,322</u>
OPERATING PROFIT	2	41,668	55,385
Interest receivable		3	4,707
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>41,671</u>	<u>60,092</u>
Tax on profit on ordinary activities	3	<u>8,246</u>	10,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		33,425	50,092
Balance brought forward		<u>177,037</u>	<u>126,945</u>
Balance carried forward		<u>210,462</u>	<u>177,037</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

SOLOMON FINE ARTS LIMITED

BALANCE SHEET

31 MARCH 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Stocks	4	1,779,459	1,888,276
Debtors	5	27,106	172,656
Cash at bank		24,958	38,309
		<u>1,831,523</u>	<u>2,099,241</u>
CREDITORS: Amounts falling due within one year	6	<u>1,620,961</u>	<u>1,922,104</u>
NET CURRENT ASSETS		<u>210,562</u>	<u>177,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>210,562</u>	<u>177,137</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	100	100
Profit and loss account		<u>210,462</u>	<u>177,037</u>
SHAREHOLDERS' FUNDS	9	<u>210,562</u>	<u>177,137</u>

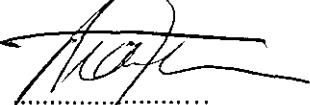
The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 17/01/05



LUMLEY MANAGEMENT LIMITED

SOLOMON FINE ARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis, which dependent upon continued support of the creditor.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004 £	2003 £
Director's emoluments	—	—
Net loss on foreign currency translation	<u>3,396</u>	<u>673</u>

3. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2004 £	2003 £
Current tax:		
UK Corporation tax based on the results for the year at 18.05% (2003 - 16.64%)	7,522	10,000
Over/under provision in prior year	<u>724</u>	—
Total current tax	<u>8,246</u>	<u>10,000</u>

SOLOMON FINE ARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

3. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 18.05% (2003 - 16.64%).

	2004	2003
	£	£
Profit on ordinary activities before taxation	<u>41,671</u>	<u>60,092</u>
Profit/(loss) on ord actvs by rate of tax	7,522	10,000
Adjustments to tax charge in respect of previous periods	<u>724</u>	<u>—</u>
Total current tax (note 3(a))	<u>8,246</u>	<u>10,000</u>

4. STOCKS

	2004	2003
	£	£
Stock	<u>1,779,459</u>	<u>1,888,276</u>

The company holds consignment stock that is legally owned by third parties, on terms that give the company the right to sell the stock in the normal course of business or, at the company's option return it unsold. The value of the consignment stock as at 31st March 2004 is £200,000. (2003:£200,000) and because the transfer of title has not crystallised this amount is not included in the balance sheet.

5. DEBTORS

	2004	2003
	£	£
Trade debtors	26,295	89,217
VAT recoverable	811	1,107
Other debtors	—	82,332
	<u>27,106</u>	<u>172,656</u>

6. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	1,464,140	1,771,212
Corporation tax	18,246	10,000
Other creditors	138,575	140,892
	<u>1,620,961</u>	<u>1,922,104</u>

7. RELATED PARTY TRANSACTIONS

There is no one controlling party as at the Balance Sheet date.

SOLOMON FINE ARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

8. SHARE CAPITAL**Authorised share capital:**

	2004	2003
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	33,425	50,092
Opening shareholders' equity funds	<u>177,137</u>	<u>127,045</u>
Closing shareholders' equity funds	<u>210,562</u>	<u>177,137</u>