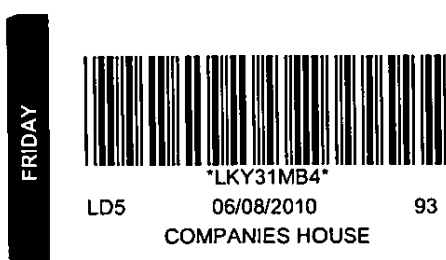


COMPANY REGISTRATION NUMBER 2447155

**SOLOMON FINE ARTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 MARCH 2010**



**SLAVEN JEFFCOTE LLP**  
Chartered Certified Accountants & Statutory Auditor  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

**SOLOMON FINE ARTS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2010**

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**SOLOMON FINE ARTS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The director</b>	Lumley Management Limited
<b>Company secretary</b>	JD Secretariat Limited
<b>Registered office</b>	1 Lumley Street Mayfair London W1K 6TT
<b>Auditor</b>	Slaven Jeffcote LLP Chartered Certified Accountants & Statutory Auditor 1 Lumley Street Mayfair London W1K 6TT
<b>Bankers</b>	HSBC Bank Plc 90 Baker Street London W1U 6AX

# SOLOMON FINE ARTS LIMITED

## THE DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2010

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 March 2010

### 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 2010	At 1 April 2009
Lumley Management Limited	-	-

### DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

# SOLOMON FINE ARTS LIMITED

## THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

### AUDITOR

Slaven Jeffcote LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

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

29/1/10

**SOLOMON FINE ARTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**SOLOMON FINE ARTS LIMITED**  
**YEAR ENDED 31 MARCH 2010**

We have audited the financial statements of Solomon Fine Arts Limited for the year ended 31 March 2010. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

The whole of the company's stock of antiques and works of art are held abroad. We were unable to physically verify the existence of the stock and have relied upon third party confirmation as to its existence as at 31st March 2010. Any adjustment to the stock figure would have a consequential effect on the results for the year.

**QUALIFIED OPINION**

**QUALIFIED OPINION ARISING FROM A LIMITATION IN SCOPE**

Except for any adjustment that might have been found necessary had we been able to physically verify the stock, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs at 31st March 2010 and of its profit/loss 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**SOLOMON FINE ARTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SOLOMON FINE ARTS LIMITED *(continued)***

**YEAR ENDED 31 MARCH 2010**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

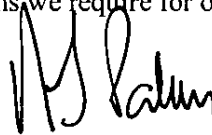
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

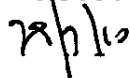
certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit



NICHOLAS J PALING (Senior  
Statutory Auditor)  
For and on behalf of  
SLAVEN JEFFCOTE LLP  
Chartered Certified Accountants  
& Statutory Auditor

1 Lumley Street  
Mayfair  
London  
W1K 6TT



# **SOLOMON FINE ARTS LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
<b>TURNOVER</b>		<b>1,754,535</b>	<b>2,078,059</b>
Cost of sales		<u>1,660,775</u>	<u>1,934,098</u>
<b>GROSS PROFIT</b>		<b>93,760</b>	<b>143,961</b>
Administrative expenses		<u>23,713</u>	<u>5,439</u>
<b>OPERATING PROFIT</b>	3	<b>70,047</b>	<b>138,522</b>
Interest receivable		<u>279</u>	<u>1,215</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>70,326</b>	<b>139,737</b>
Tax on profit on ordinary activities	4	<u>13,678</u>	<u>(4,925)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>56,648</u></b>	<b><u>144,662</u></b>

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

The notes on pages 8 to 10 form part of these financial statements



# SOLOMON FINE ARTS LIMITED

## BALANCE SHEET

31 MARCH 2010

	Note	2010 £	2009 £
<b>CURRENT ASSETS</b>			
Stocks	5	1,193,637	2,080,400
Debtors	6	2,554,697	1,188,307
Cash at bank		342,356	193,299
		<u>4,090,690</u>	<u>3,462,006</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>3,648,967</u>	<u>3,076,931</u>
<b>NET CURRENT ASSETS</b>		<u>441,723</u>	<u>385,075</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>441,723</u>	<u>385,075</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	9	100	100
Profit and loss account	10	441,623	384,975
<b>SHAREHOLDERS' FUNDS</b>	11	<u>441,723</u>	<u>385,075</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved and signed by the director and authorised for issue on 29/7/2010 -

  
LUMLEY MANAGEMENT LIMITED

Company Registration Number 2447155

The notes on pages 8 to 10 form part of these financial statements

**SOLOMON FINE ARTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2010**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

**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

**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

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

**2. GOING CONCERN**

The company's ability to trade as a going concern is dependent upon it being able to sell its stock profitably, collect its trade debtors and pay the corresponding trade creditors

Since the balance sheet date the company has sold stock profitably and collected £1,984,697 of its trade debtors, which has enabled it settle a significant proportion of its trade creditors

Therefore the directors are satisfied that the company is a going concern

**SOLOMON FINE ARTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2010**

**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Director's remuneration	—	—
Auditor's fees	4,000	4,000
Net loss/(profit) on foreign currency translation	<u>5,470</u>	<u>(6,215)</u>

**4. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2010 £	2009 £
Current tax		
UK Corporation tax based on the results for the year at 21% (2009 - 21%)	14,768	2,930
Over/under provision in prior year	<u>(1,090)</u>	<u>(7,855)</u>
Total current tax	<u>13,678</u>	<u>(4,925)</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2009 - 21%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>70,326</u>	<u>139,737</u>
Profit on ordinary activities by rate of tax	14,768	29,345
Utilisation of tax losses	—	(26,415)
Adjustments to tax charge in respect of previous periods	<u>(1,090)</u>	<u>(7,855)</u>
Total current tax (note 4(a))	<u>13,678</u>	<u>(4,925)</u>

**5. STOCKS**

	2010 £	2009 £
Stock	<u>1,193,637</u>	<u>2,080,400</u>

**6. DEBTORS**

	2010 £	2009 £
Trade debtors	<u>2,554,697</u>	<u>1,188,307</u>

**SOLOMON FINE ARTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2010**

**7. CREDITORS: Amounts falling due within one year**

	2010 £	2009 £
Trade creditors	3,512,300	3,058,314
Corporation tax	14,768	3,765
Other taxation	11,855	–
Other creditors	110,044	14,852
	<u>3,648,967</u>	<u>3,076,931</u>

**8. RELATED PARTY TRANSACTIONS**

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

**9. SHARE CAPITAL**

**Authorised share capital:**

	2010 £	2009 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Allotted, called up and fully paid:**

	2010 No	£	2009 No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**10. PROFIT AND LOSS ACCOUNT**

	2010 £	2009 £
Balance brought forward	384,975	240,313
Profit for the financial year	56,648	144,662
Balance carried forward	<u>441,623</u>	<u>384,975</u>

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Profit for the financial year	56,648	144,662
Opening shareholders' funds	385,075	240,413
Closing shareholders' funds	<u>441,723</u>	<u>385,075</u>