

ART DEVELOPMENT (INDIA) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2007

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DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the financial statements, for the year ended 31 March 2007

PRINCIPAL ACTIVITY

The company has been dormant, as defined in section 249AA of the Companies Act 1985, throughout the year

DIRECTORS

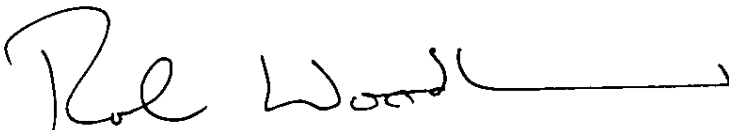
The directors who served during the year were as follows

R Woodhead
G H S Bailey

The interests of the director who held office as 31 March 2007 in both Art Development (India) Limited and Sotheby's in the United States are included in the financial statements of the ultimate parent company, Sotheby's in the United States, which are publicly available (see note 4 for registered address)

At no time during the year did any of the directors, except as noted above, have any interests in the company or any other group company

Approved by the Board of Directors
and signed on its behalf by

A handwritten signature in black ink, appearing to read 'R G Woodhead', followed by a long horizontal line.

R G Woodhead
Director

ART DEVELOPMENT (INDIA) LIMITED

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	Note	2007 £	2006 £
FIXED ASSETS			
Investments	1	-	-
CREDITORS: Amounts falling due within one year			
Amount due to parent company		(773)	(773)
NET CURRENT LIABILITIES		<u>(773)</u>	<u>(773)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(773)</u>	<u>(773)</u>
CAPITAL AND RESERVES			
Called up share capital	2	10,000	10,000
Profit and loss account		<u>(10,773)</u>	<u>(10,773)</u>
		<u>(773)</u>	<u>(773)</u>

The financial statements have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these accounts in accordance with section 249B(2)

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts 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 section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

This balance sheet was approved by the Board of Directors on 10th October 2007

Signed on behalf of the Board of Directors



Director

ART DEVELOPMENT (INDIA) LIMITED

NOTES TO THE BALANCE SHEET AS AT 31 MARCH 2007

1. INVESTMENTS

Investments in associated undertaking	2007	2006
	£	£
Cost	8,660	8,660
Provisions	(8,660)	(8,660)
	<u>-</u>	<u>-</u>

The associated undertaking is Sotheby's India Private Limited, a company registered in India engaged in auctioneering. The proportion of its issued ordinary share capital held is 40%.

2. CALLED UP SHARE CAPITAL

	2007	2006
	£	£
Authorised allotted and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

3. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with Sotheby's, group companies or interests of the group who are related parties.

4. PARENT COMPANY

At 31 March 2007 the company's ultimate holding and controlling party was Sotheby's, a company incorporated in the USA. Copies of the financial statements of Sotheby's can be obtained from

Shareholder Relations
1334 York Avenue
New York
NY 10021