
BLAINS LIMITED

Blains Limited

**Directors' report and financial
statements**

Registered number 02725811

31 December 2007

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COMPANIES HOUSE

BLAINS LIMITED

COMPANY INFORMATION

DIRECTORS

H C P Blain
C G Southern
J Chesworth (appointed 2 February 2007)
E J Dolman (appointed 2 February 2007)

SECRETARY

N Deeming

COMPANY NUMBER

02725811

REGISTERED OFFICE

8 King Street
St James's
London
SW1Y 6QT

AUDITORS

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

BLAINS LIMITED

CONTENTS

	Page
Directors' report	1 – 2
Statement of directors responsibilities	3
Independent auditors' report to the members of Blains Limited	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

BLAINS LIMITED

Directors' report

The directors present their directors' report and financial statements for the 15 month period ended 31 December 2007

Principal activities

The principal activity of the company is that of fine art dealer. The Company held the short term property lease on 6 Haunch of Venison Yard and charges on costs relating to this to the parent company and external parties.

Business review

The directors consider the results for the year to be in line with expectations as the main trading was moved to Haunch of Venison Partners Ltd.

The company will however, continue to trade and will make limited further fine art acquisitions whilst continuing to realise existing stock.

The company's parent undertaking, Haunch of Venison Partners Limited, was acquired on 2 February 2007 by Christie's Private Sales Holdings Limited, a company incorporated in England and Wales. The Company's year end was changed to 31 December to align with that of Christie's.

Results and dividends

The loss after taxation is £14,520 (2006 -- Loss £251,374)

The directors do not recommend the payment of a dividend (2006 - £nil)

Directors

The directors who held office during the year were as follows

H C P Blain

C G Southern

J Chesworth (appointed 2 February 2007)

E J Dolman (appointed 2 February 2007)

Employees

The Company has no employees (2006 -- nil)

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2006 - £nil).

Disclosure of information to auditors

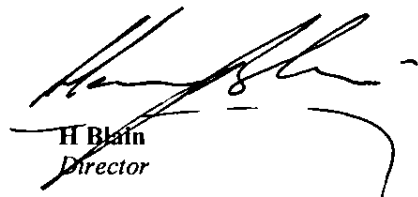
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BLAINS LIMITED

Auditors

KPMG Audit Plc were appointed auditors to the Company during the period

This report was approved by order of the board on 30 October 2008 and signed on its behalf



H Blain
Director

8 King Street
St James's
London
SW1Y 6QT

BLAINS LIMITED

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the 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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Blains Limited

We have audited the financial statements of Blains Limited for the period ended 31 December 2007 which comprise the Profit and Loss Account the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements 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 financial statements 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.

Independent auditors' report to the members of Blains Limited (*continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

31 October 2008

KPMG Audit Plc
Chartered Accountants
Registered Auditor

BLAINS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2007**

	Note	15 month period ended 31 December 2007 £	Year ended 30 September 2006 £
TURNOVER	1,2	448,447	3,698,962
Cost of sales		<u>(12,315)</u>	<u>(3,613,137)</u>
GROSS PROFIT		436,132	85,825
Administrative expenses		<u>(618,384)</u>	<u>(330,364)</u>
OPERATING LOSS	3	(182,252)	(244,539)
Profit on disposal of fixed assets		167,159	-
Interest receivable and similar income		740	264
Interest payable and similar charges	4	<u>(167)</u>	<u>(7,099)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,520)	(251,374)
TAX ON LOSS ON ORDINARY ACTIVITIES	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(14,520)</u>	<u>(251,374)</u>

All amounts relate to continuing operations

The Company has no other recognised gains and losses for the period

The notes on pages 8 to 13 form part of these financial statements


The results disclosed in the profit and loss account are on an historical cost basis. Therefore, a note on historical profit and losses has not been included as part of these financial statements

BLAINS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	31 December 2007		30 September 2006	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	6		-		234,798
CURRENT ASSETS					
Stocks	7	823,615		99,010	
Debtors	8	1,121,439		1,684,299	
Cash at bank and in hand		<u>61,899</u>		<u>11,352</u>	
		2,006,953		1,794,661	
CREDITORS: amounts falling due within one year	9	-		<u>(7,986)</u>	
			<u>2,006,953</u>		<u>1,786,675</u>
NET CURRENT ASSETS					
			<u>2,006,953</u>		<u>2,021,473</u>
NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	10		1,834		1,834
Share premium account			2,578,642		2,578,642
Profit and loss account	11		<u>(573,523)</u>		<u>(559,003)</u>
SHAREHOLDERS' FUNDS	12		<u>2,006,953</u>		<u>2,021,473</u>

The financial statements were approved by the board of directors on 30 October 2008 and signed on its behalf by


H. Blain
Director

The notes on pages 8 to 13 form part of these financial statements

BLAINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

1.1 Basis of preparation of financial statements

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

The Company is exempt from the requirement of FRS 1 "Cash Flow Statements (revised 1996)" to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking of Financière Pinault SCA, an EC incorporated company, and its cash flows are included within the consolidated cash flow statement of that company.

The Company is exempt from the requirement to disclose related party transactions with other Group companies under FRS 8 "Related Party Disclosures", as it is a wholly owned subsidiary as detailed above.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of sale of artworks and associated services supplied, exclusive of Value Added Tax and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short leasehold property	-	straight line basis over the remaining period of the lease
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1.4 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term

1.5 Stock

Stock, which comprises of art held for resale, is valued at the lower of cost and net realisable value

1.6 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

1.7 Deferred Taxation

The charge for taxation is based on the results for the period. Deferred taxation is provided, on a full provision basis, at anticipated future corporation tax rates in respect of timing differences in the recognition of income and expenditure for accounting and taxation purposes, to the extent that the liability is likely to crystallise in the foreseeable future.

BLAINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2007**

2 TURNOVER

The whole of the turnover is attributable to the company's principal activities

A geographical analysis of turnover is as follows

	15 Month Period Ended 31 December 2007 £	Year Ended 30 September 2006 £
UK	448,447	3,131,232
Rest of world	-	567,730
	<u>448,447</u>	<u>3,698,962</u>

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating loss is stated after charging/(crediting)

	15 Month Period Ended 31 December 2007 £	Year Ended 30 September 2006 £
Depreciation of tangible fixed assets	1,947	23,474
Operating lease rentals - other operating leases	511,470	485,475
Difference on foreign exchange	<u>(216,123)</u>	<u>(263,997)</u>

The audit fee of £5,000 was borne by parent company. In 2006 the company paid an audit fee of £7,850

During the year, no director received any emoluments (2006 - *Nil*)

The company has no employees (2006 - *nil*)

4. INTEREST PAYABLE

	15 Month Period Ended 31 December 2007 £	Year Ended 30 September 2006 £
On bank loans and overdrafts	<u>167</u>	<u>7,099</u>

BLAINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2007**

5. TAXATION

Analysis of the credit in the period

	15 Month Period Ended 31 December 2007 £	Year Ended 30 September 2006 £
Current tax on loss for the period	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower (2006: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below

	15 Month Period Ended 31 December 2007 £	Year Ended 30 September 2006 £
Loss on ordinary activities before tax	<u>(14,520)</u>	<u>(251,374)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	(4,356)	(75,412)
Effects of:		
Depreciation in excess of capital allowances	(267)	6,085
Tax losses carried forward	<u>4,623</u>	<u>69,327</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

The company has not recognised deferred taxation as it is not material

Factors that may affect future tax charges

The company has taxation losses available for offset against future trading profits amounting to £312,000 (2006 - £240,000)

BLAINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2007**

6. TANGIBLE FIXED ASSETS

	Short leasehold property £
Cost	
At 1 October 2006	453,361
Disposal	(453,361)
At 31 December 2007	-
Depreciation	
At 1 October 2006	218,563
Charge for the year	1,957
Depreciation on disposal	(220,520)
At 31 December 2007	-
Net book value	
At 31 December 2007	-
At 30 September 2006	<u>234,798</u>

The Company sold the lease on 23 Bruton Street for £400,000 during the year. This gave rise to a profit of £167,159

7. STOCK

	31 December 2007 £	30 September 2006 £
Works of art for resale	<u>823,615</u>	<u>99,010</u>

8. DEBTORS

	31 December 2007 £	30 September 2006 £
Trade debtors	33,041	77,196
Amounts owed by parent undertakings	988,219	1,509,539
Other debtors	14,054	9,055
Prepayments and accrued income	86,125	88,509
	<u>1,121,439</u>	<u>1,684,299</u>

BLAINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2007**

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

	31 December 2007 £	30 September 2006 £
Bank loans and overdrafts	-	10
Social security and other taxes	-	953
Accruals and deferred income	-	7,023
	<u>-</u>	<u>7,986</u>

10 SHARE CAPITAL

	31 December 2007 £	30 September 2006 £
Authorised		
100,100 Ordinary shares of £1 each	<u>100,100</u>	<u>100,100</u>
Allotted, called up and fully paid		
1,834 Ordinary shares of £1 each	<u>1,834</u>	<u>1,834</u>

11. RESERVES

	Profit and loss account £
At 1 October 2006	(559,003)
Loss for the year	(14,520)
	<u>-</u>
At 31 December 2007	<u>(573,523)</u>

BLAINS LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2007**

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2007 £	30 September 2006 £
Opening shareholders' funds	2,021,473	2,272,847
Loss for the year	<u>(14,520)</u>	<u>(251,374)</u>
Closing shareholders' funds	<u><u>2,006,953</u></u>	<u><u>2,021,473</u></u>

13. CONTINGENT LIABILITIES

At 31 December the company had no contingent liabilities. At 30 September 2006 there was a contingent liability in respect of a charge in favour of Canadian and Portland Estates plc totalling £101,197 relating to rental deposits. This has now been discharged.

14. OPERATING LEASE COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 31 December 2007 £	30 September 2006 £
Expiry date:		
Less than one year	<u>-</u>	<u>444,500</u>

15. RELATED PARTY TRANSACTIONS

It is policy that any related party transactions must be disclosed to and approved by Christies International plc prior to the transaction taking place. All such transactions are carried out at arms length. All transactions in the course of the year were neither material to the company nor to any of the Directors concerned.

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The smallest and largest group in which the results of Haunch of Venison Partners Ltd are consolidated is Financière Pinault SCA, a company incorporated in France. Financière Pinault SCA is the ultimate parent undertaking of Haunch of Venison Partners Ltd. The financial statements of Financière Pinault SCA are filed with the Tribunal de Commerce de Paris, 1, Quai de Corse, 75004 Paris.