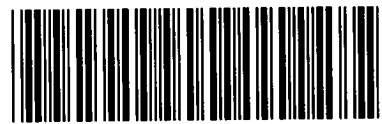


Company Registration No. 02799219 (England and Wales)

ARTEUS (UK) HOLDING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
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ARTEUS (UK) HOLDING LIMITED

COMPANY INFORMATION

Directors	Buckingham Directors Limited Michael Frenzel (Appointed 27 December 2018)
Secretary	Wigmore Secretaries Limited
Company number	02799219
Registered office	Unit 203 Second Floor, China House 401 Edgware Road London NW2 6GY
Auditor	Pitts & SeeUs Statutory auditor Chartered Certified Accountants Studio 6 6 Hornsey Street London N7 8GR

ARTEUS (UK) HOLDING LIMITED

STATEMENT OF FINANCIAL POSITION

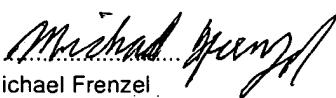
AS AT 31 DECEMBER 2018

	Notes	2018 CHF	CHF	2017 CHF	CHF
Fixed assets					
Investments	4		1		1
Current assets					
Debtors	6	118,731		143,026	
Cash at bank and in hand		1,158		4,741	
		<u>119,889</u>		<u>147,767</u>	
Creditors: amounts falling due within one year	7	<u>(8,059,412)</u>		<u>(8,072,292)</u>	
Net current liabilities			<u>(7,939,523)</u>		<u>(7,924,525)</u>
Total assets less current liabilities			<u>(7,939,522)</u>		<u>(7,924,524)</u>
Capital and reserves					
Called up share capital	8		2,198		2,198
Profit and loss reserves			<u>(7,941,720)</u>		<u>(7,926,722)</u>
Total equity			<u>(7,939,522)</u>		<u>(7,924,524)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 15/01/2020 and are signed on its behalf by:


Michael Frenzel
Director

Company Registration No. 02799219

ARTEUS (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

ARTEUS (UK) HOLDING LIMITED is a private company limited by shares incorporated in England and Wales. The registered office is Unit 203, Second Floor, China House, 401 Edgware Road, London, NW2 6GY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Swiss Francs, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest CHF.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 Section 1A. The principal accounting policies adopted are set out below.

1.2 Group accounts

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.3 Going concern

The financial statements have been prepared under the going concern basis of accounting which is dependent upon the continued financial support from the parent undertaking which has agreed to subordinate sums due to it in favour of third party creditors of the company. The parent undertaking has also undertaken to provide such cash resources as required to meet the company's liabilities as and when these fall due for payment. The directors are not aware of any factors that may lead to this support being withdrawn. Given this undertaking, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

ARTEUS (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.5 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Foreign exchange

Transactions in currencies other than Swiss Francs are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

ARTEUS (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2017 - 2).

4 Fixed asset investments

	Notes	2018 CHF	2017 CHF
Investments in subsidiaries	5	1	1

Movements in fixed asset investments

	Shares in group undertakings CHF
Cost or valuation	
At 1 January 2018 & 31 December 2018	6,835,129
Impairment	
At 1 January 2018 & 31 December 2018	6,835,128
Carrying amount	
At 31 December 2018	1
At 31 December 2017	1

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
County Hall Gallery Limited	England	Exhibition and sale of art works	Ordinary	100.00 -

ARTEUS (UK) HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

5 Subsidiaries

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
County Hall Gallery Limited	(CHF189,554)	(CHF3,525,066)

6 Debtors

	2018 CHF	2017 CHF
Amounts falling due within one year:		
Other debtors	118,731	143,026

7 Creditors: amounts falling due within one year

	2018 CHF	2017 CHF
Amounts owed to group undertakings	3,886,724	3,886,724
Other creditors	4,172,688	4,185,568
	<u>8,059,412</u>	<u>8,072,292</u>

Amounts owed to group undertakings are interest free and unsecured. Other creditors include amounts owed to related parties and these are interest free and unsecured.

8 Called up share capital

	2018 CHF	2017 CHF
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	2,198	2,198
	<u>2,198</u>	<u>2,198</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

ARTEUS (UK) HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

9 Audit report information

Qualified opinion on financial statements

We have audited the financial statements of ARTEUS (UK) HOLDING LIMITED (the 'company') for the year ended 31 December 2018 which comprise, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its 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.

Basis for Qualified opinion

Included in debtors shown on the balance sheet is an amount of CHF 82,386 due from a related company. As this sum has been outstanding for several years and there is no security for this debt, in our opinion a full provision for impairment of CHF82,386 should have been made, thereby increasing the reported loss for the year and reducing the current assets at 31 December 2017 by this amount. If the receivable of CHF 82,386 would have been security backed, we might have formed a different opinion on the financial statements.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusion relating to going concern

The directors have relied on the financial support from the parent undertaking of the company as referred to in note 1 but they did not prepare cash flow forecasts nor provide other relevant information needed for a proper assessment of the appropriateness of the going concern basis of preparation of the financial statements. The circumstances of the company and the nature of the business require that such information be prepared and reviewed by the directors and us for a period of at least twelve months from the date of approval of the financial statements. Had this information been made available to us we might have formed a different opinion on the going concern status of the company.

The senior statutory auditor was A K Seechurn (FCCA).

The auditor was Pitts & SeeUs.

10 Related party transactions

The following amounts were outstanding at the reporting end date:

ARTEUS (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Related party transactions

- a) Amounts owed to Mr. Beniamino Levi CHF4,155,229 (2017: CHF NIL).
- b) Amounts owed to Inter Art Resources (UK) Inc. CHF NIL (2017: CHF4,155,229).
- c) Amounts owed by Fondazione Ambrosiana CHF82,386 (2017: CHF82,386).
- d) Amounts owed by Perseo SA CHF30,937 (2017: CHF54,937).

Fondazione Ambrosiana, Perseo SA and Inter Art Resources (UK) Inc. are connected to Arteus (UK) Holding Limited through Mr. Beniamino Levi.

The company has taken advantage of the exemption available within FRS 102 not to disclose transaction and balances between the parent and its subsidiary on the grounds that the subsidiary is wholly owned by its parent.

11 Parent company

The ultimate parent undertaking of the company is I.A.R Art Resources Limited, a company incorporated in Cyprus, which owns 100% of Arteus (UK) Holding Limited. The ultimate controlling party of I.A.R Art Resources Limited is Mr. Beniamino Levi.