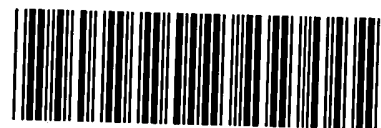


Company Registration No. 02799219 (England and Wales)

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
COMPANY INFORMATION

Directors	Zenah Landman Buckingham Directors Limited
Secretary	Wigmore Secretaries Limited
Company number	02799219
Registered office	Charles House 108 -110 Finchley Road London NW3 5JJ
Auditor	Pitts & SeeUs Statutory auditor Chartered Certified Accountants Omnibus Business Centre 39-41 North Road London England N7 9DP

**ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
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**ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of an investment holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Zenah Landman
Buckingham Directors Limited

Auditor

The auditor, Pitts & SeeUs, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


Buckingham Directors Limited

Director

Date: 23/05/2018

**ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF ARTEUS (UK) HOLDING LIMITED

We have audited the financial statements of ARTEUS (UK) HOLDING LIMITED for the year ended 31 December 2016 set out on pages 4 to 12. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are 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 and express an opinion on 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 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

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 2016 by that amount. Furthermore, 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 ourselves for a period of at least twelve months from the date of approval of the financial statements. Had this information been available to us and if the receivable of CHF 82,386 would have been security backed we might have formed a different opinion on the financial statements

Qualified opinion on the financial statements

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

**ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ARTEUS (UK) HOLDING LIMITED**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

In respect solely of the limitation on our work relating to the recoverability of other debtors and the assessment of the appropriateness of the going concern basis of preparation of the financial statements, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



**A K Seechurn (FCCA) (Senior Statutory Auditor)
for and on behalf of Pitts & SeeUs
Chartered Certified Accountants
Statutory Auditor**

23/05/2018

Omnibus Business Centre
39-41 North Road
London
England
N7 9DP

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 CHF	2015 CHF
Administrative expenses		(21,160)	(14,371)
Loss before taxation		(21,160)	(14,371)
Tax on loss		-	-
Loss for the financial year		(21,160)	(14,371)

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	CHF	CHF
Loss for the year	(21,160)	(14,371)
Other comprehensive income	-	-
Total comprehensive income for the year	(21,160)	(14,371)

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

		2016		2015	
	Notes	CHF	CHF	CHF	CHF
Fixed assets					
Investments	4		1		1
Current assets					
Debtors	5	183,170		183,170	
Cash at bank and in hand		610		1,353	
		<u>183,780</u>		<u>184,523</u>	
Creditors: amounts falling due within one year	6	<u>(8,072,918)</u>		<u>(76,342)</u>	
Net current (liabilities)/assets			<u>(7,889,138)</u>		<u>108,181</u>
Total assets less current liabilities			<u>(7,889,137)</u>		<u>108,182</u>
Creditors: amounts falling due after more than one year	7		-		(7,976,159)
Net liabilities			<u>(7,889,137)</u>		<u>(7,867,977)</u>
Capital and reserves					
Called up share capital	8		2,198		2,198
Profit and loss reserves			<u>(7,891,335)</u>		<u>(7,870,175)</u>
Total equity			<u>(7,889,137)</u>		<u>(7,867,977)</u>

These financial statements have been prepared 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 23/05/2018 and are signed on its behalf by:


Jemah Lardman
Buckingham Directors Limited
Director

Company Registration No. 02799219

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Profit and loss reserves	Total
	CHF	CHF	CHF
Balance at 1 January 2015	2,198	(7,855,804)	(7,853,606)
Year ended 31 December 2015:			
Loss and total comprehensive income for the year	-	(14,371)	(14,371)
Balance at 31 December 2015	2,198	(7,870,175)	(7,867,977)
Year ended 31 December 2016:			
Loss and total comprehensive income for the year	-	(21,160)	(21,160)
Balance at 31 December 2016	2,198	(7,891,335)	(7,889,137)

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 Charles House, 108 -110 Finchley Road, London, NW3 5JJ.

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.

These financial statements for the year ended 31 December 2016 are the first financial statements of ARTEUS (UK) HOLDING LIMITED prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 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.

1.4 Cash at bank and in hand

Cash at bank and in hand 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.

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 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.

1.6 Equity instruments

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

1.7 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
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

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 (2015 - 2).

4 Fixed asset investments

	2016 CHF	2015 CHF
Investments	1	1
	<u>1</u>	<u>1</u>
Movements in fixed asset investments		
		Shares in group undertakings CHF
Cost or valuation		
At 1 January 2016 & 31 December 2016		6,835,129
		<u>6,835,129</u>
Impairment		
At 1 January 2016 & 31 December 2016		6,835,128
		<u>6,835,128</u>
Carrying amount		
At 31 December 2016		1
		<u>1</u>
At 31 December 2015		1
		<u>1</u>

5 Debtors

	2016 CHF	2015 CHF
Amounts falling due within one year:		
Other debtors	183,170	183,170
	<u>183,170</u>	<u>183,170</u>

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

6 Creditors: amounts falling due within one year

	2016	2015
	CHF	CHF
Amounts due to group undertakings	56,189	42,358
Other creditors	8,016,729	33,984
	<u>8,072,918</u>	<u>76,342</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.

7 Creditors: amounts falling due after more than one year

	2016	2015
	CHF	CHF
Other creditors	-	7,976,159
	<u>-</u>	<u>7,976,159</u>

8 Called up share capital

	2016	2015
	CHF	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 Events after the reporting date

At the balance sheet date, Arteus (UK) Holding Limited owed a sum of CHF3,820,930 to an unconnected company. On 31 December 2017, as a result of financial restructuring, the debt was unconditionally transferred across to the parent undertaking and the debt became payable to the parent undertaking instead.

10 Related party transactions

The following amounts were outstanding at the reporting end date:

- a) Amounts owed to Inter Art Resources (UK) Inc. CHF4,155,229 (2015: CHF4,155,229).
- b) Amounts owed to Denby Ltd CHF3,820,930 (2015: CHF3,820,930).
- c) Amounts owed by Fondazione Ambrosiana CHF82,386 (2015: CHF82,386).
- d) Amounts owed by Perseo SA CHF100,784 (2015: CHF100,784).

Fondazione Ambrosiana, Perseo SA, Denby Ltd and Inter Art Resources (UK) Inc. are connected to Arteus (UK) Holding Limited through Mr. Beniamino Levi who is a director of County Hall Gallery Limited, the subsidiary of Arteus (UK) Holding Limited.

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.

ARTEUS (UK) HOLDING LIMITED
(FORMERLY KNOWN AS ARTEUS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

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.