

Registered number
4312853

Fine Art Management Services Limited

Report and Accounts

31 December 2010

THURSDAY



A4WRWXY5

A57

29/09/2011

322

COMPANIES HOUSE

Fine Art Management Services Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the accounts	5-7
Company detailed profit and loss 1	8
Company detailed profit and loss 2	9

Fine Art Management Services Limited
Company Information

Directors

D A Abramson
P M Hoffman
E C R Schneider
C Wright
A S Fernandes
J S Bean

Secretary

Ruth Johnson
P M Hoffman

Accountants

Celerity Professional Services Ltd
1st Floor
55-59 Shaftesbury Avenue
London
W1D 6LD

Registered office

35 Cremorne Road
Chelsea
London
SW10 0NB

Registered number

4312853

Fine Art Management Services Limited
Registered number 4312853
Directors' Report

The directors present their report and accounts for the year ended 31 December 2010

Principal activities

The company's principal activity during the year continued to be that of advising on the management of a Fine Art Fund and research and assistance in connection with the creation of further Fine Art Funds

Directors

The following persons served as directors during the year

D A Abramson
P M Hoffman
E C R Schneider
C Wright
A S Fernandes
J S Bean

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts 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 accounts 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.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 15 September 2011 and signed on its behalf



Philip Hoffman
Director

Fine Art Management Services Limited
Profit and Loss Account
for the year ended 31 December 2010

	Notes	2010 £	2009 £
Turnover		1,067,618	970,408
Administrative expenses		(860,519)	(800,832)
Operating profit	3	<u>207,099</u>	<u>169,576</u>
Interest receivable		12	132
Profit on ordinary activities before taxation		<u>207,111</u>	<u>169,708</u>
Tax on profit on ordinary activities		-	-
Profit for the financial year		<u>207,111</u>	<u>169,708</u>

Fine Art Management Services Limited
Balance Sheet
as at 31 December 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	6	414,758	309,814
Cash at bank and in hand		<u>16,303</u>	<u>29,455</u>
		431,061	339,269
Creditors amounts falling due within one year	7	(793,514)	(607,537)
Net current liabilities		<u>(362,453)</u>	<u>(268,268)</u>
Total assets less current liabilities		<u>(362,453)</u>	<u>(268,268)</u>
Creditors amounts falling due after more than one year	8	-	(301,296)
Net liabilities		<u>(362,453)</u>	<u>(569,564)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(362,454)	(569,565)
Shareholders' funds		<u>(362,453)</u>	<u>(569,564)</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006

Members have not required the company to obtain an audit in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime



Philip Hoffman
Director

Approved by the board on 15 September 2011

Fine Art Management Services Limited
Notes to the Accounts
for the year ended 31 December 2010

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers

Cash flow statement

The company is a wholly owned subsidiary of The Fine Art Fund Group Limited and the cash flows of the Company are included in the consolidated cash flow statement of that Company. Consequently the company is exempt under the terms of Financial Reporting Standard 1 from publishing a cash flow statement

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

Plant and machinery	20% straight line
Motor vehicles	25% straight line

Stocks

Stock is valued at the lower of cost and net realisable value

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Fine Art Management Services Limited
Notes to the Accounts
for the year ended 31 December 2010

2 Fundamental accounting principle

The financial statements have been prepared on the going concern concept because the ultimate parent company has indicated its willingness to provide financial support to the company to enable it to remain as a going concern

3 Operating profit

	2010 £	2009 £
This is stated after charging		
Directors' remuneration	<u>69,000</u>	<u>69,000</u>

4 Taxation

The company has tax losses carried forward of £300,781 (2009 £516,262) which have not been recognised as a deferred tax asset due to the uncertainty concerning the timescale of recoverability. It is anticipated that the deferred tax will be recovered when the company makes sufficient taxable profits

5 Staff number and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2010 £	2009 £
Executive Assistants	10	10
Directors	<u>1</u>	<u>1</u>
	<u>11</u>	<u>11</u>

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	414,173	394,878
Social security costs	<u>-</u>	<u>-</u>
	<u>414,173</u>	<u>394,878</u>

6 Debtors

	2010 £	2009 £
Trade debtors	-	4,862
Amounts owed by group undertakings and undertakings in which the company has a participating interest	406,795	293,120
VAT debtor	4,366	2,766
Prepayments & other debtors	<u>3,597</u>	<u>9,066</u>
	<u>414,758</u>	<u>309,814</u>

7 Creditors amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	318,411	136,720
Other taxes and social security costs	13,654	25,606
Accruals	<u>461,449</u>	<u>445,211</u>
	<u>793,514</u>	<u>607,537</u>

Fine Art Management Services Limited
Notes to the Accounts
for the year ended 31 December 2010

8 Creditors amounts falling due after one year	2010	2009
	£	£

Amounts owed to group undertakings and undertakings in which the company has a participating interest

-	301,296
---	---------

9 Share capital	Nominal value	2010 Number	2010 £	2009 £
Allotted, called up and fully paid				
Ordinary shares	£1 each	1	1	1
B Ordinary shares	£1 each	-	1	1
			<u>1</u>	<u>1</u>

10 Profit and loss account	2010 £
At 1 January 2010	(569,565)
Profit for the year	207,111
	<u>(362,454)</u>
At 31 December 2010	

11 Post balance sheet events

The company has not entered into any material financial commitments since the date of the balance sheet, nor have there been any significant events requiring further disclosure

12 Related party transactions	2010 £	2009 £
--------------------------------------	---------------	---------------

D A Abramson and P M Hoffman
Directors of both companies

The company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" from disclosing all transactions or balances between group entities

The Company, of which D A Abramson and P M Hoffman are directors assisted and advised in respect of the management of The Fine Art Fund Limited Partnership (Delaware)

650,641	646,460
---------	---------

E C R Schneider

Non executive director

The company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" from disclosing all transactions or balances between group entities

The Company, of which D A Abramson and P M Hoffman are directors assisted and advised in respect of the management of The Fine Art Fund Limited Partnership (Delaware)

650,641	646,460
---------	---------

13 Ultimate controlling party

The ultimate parent company is Fine Art Management Limited, a company registered in Grand Cayman

Fine Art Management Services Limited
Profit and Loss Account
for the year ended 31 December 2010
for the information of the directors only

	2010	2009
	£	£
Sales	1,067,618	970,408
Administrative expenses	(860,519)	(800,832)
Operating profit	<u>207,099</u>	<u>169,576</u>
Interest receivable	12	132
Profit before tax	<u>207,111</u>	<u>169,708</u>

Fine Art Management Services Limited
Schedule to the Profit and Loss Account
for the year ended 31 December 2010
for the information of the directors only

	2010 £	2009 £
Sales		
Sales	<u>1,067,618</u>	<u>970,408</u>
Administrative expenses		
Employee costs		
Wages and salaries	414,173	394,878
Travel and subsistence	167,955	132,618
Entertaining	8,370	-
	<u>590,498</u>	<u>527,496</u>
Premises costs		
Rent	33,000	30,000
Service charges	607	-
Office move	-	4,687
	<u>33,607</u>	<u>34,687</u>
General administrative expenses		
China partner reimburse	6,261	31,646
Telephone and fax	8,581	13,713
Stationery and printing	11,515	5,596
Courier services	1,317	1,242
IT Software & maintenance	8,674	21,504
Computer website costs	522	3,210
Subscriptions	2,795	2,700
Bank charges	1,730	2,117
Insurance	8,436	1,363
Equipment expensed	3,377	10,000
Conference expenses	298	-
Marketing costs	3,250	5,338
Bad debts	(738)	1,241
Exchange (gain)/loss	3,282	(1,298)
Sundry expenses	2,384	14,495
	<u>61,684</u>	<u>112,867</u>
Legal and professional costs		
Accountancy fees	10,000	11,635
Solicitors fees	-	39,742
Consultancy fees	48,075	47,493
Art advisory services	-	13,685
Board members fees	24,348	7,697
Investor event	6,521	-
Placing Fee	66,368	-
Other legal and professional	19,418	5,530
	<u>174,730</u>	<u>125,782</u>
	<u>860,519</u>	<u>800,832</u>