

COMPANY REGISTRATION NUMBER 4348253

**OLD & MODERN MASTERS LIMITED**  
**FINANCIAL STATEMENTS**  
**31 JANUARY 2004**



**SLAVEN JEFFCOTE LLP**  
Chartered Certified Accountants & Registered Auditors  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

**OLD & MODERN MASTERS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2004**

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**OLD & MODERN MASTERS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The director</b>	Lumley Management Limited
<b>Company secretary</b>	JD Secretariat Limited
<b>Registered office</b>	1 Lumley Street Mayfair London W1K 6TT
<b>Auditors</b>	Slaven Jeffcote LLP Chartered Certified Accountants & Registered Auditors 1 Lumley Street Mayfair London W1K 6TT
<b>Bankers</b>	Allied Irish Bank 10 Berkeley Square London W1X 6DN

# OLD & MODERN MASTERS LIMITED

## THE DIRECTOR'S REPORT

### YEAR ENDED 31 JANUARY 2004

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 January 2004.

#### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a dealer in works of art and antiques.

#### THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 January 2004	At 1 February 2003
Lumley Management Limited	—	—

#### DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

#### AUDITORS

A resolution to re-appoint Slaven Jeffcote LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# OLD & MODERN MASTERS LIMITED

## THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 JANUARY 2004

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

Signed by order of the director



JD SECRETARIAT LIMITED  
Company Secretary

Approved by the director on 30/11/04

**OLD & MODERN MASTERS LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**OLD & MODERN MASTERS LIMITED**  
**YEAR ENDED 31 JANUARY 2004**

We have audited the financial statements of Old & Modern Masters Limited for the year ended 31 January 2004 on pages 6 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Director's Report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 judgements made by the director 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 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.

The stock of antiques and works of art amounting to £375,237 (2003 £103,911) is held abroad and as a result we were not able to verify the physical existence of this stock. Any adjustment to this figure would have a consequential effect on the results for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OLD & MODERN MASTERS LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**OLD & MODERN MASTERS LIMITED** *(continued)*

**YEAR ENDED 31 JANUARY 2004**

**QUALIFIED OPINION ARISING FROM A LIMITATION IN SCOPE**

Except for any adjustment that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

*Slaven Jeffcote*

SLAVEN JEFFCOTE LLP  
Chartered Certified Accountants  
& Registered Auditors

1 Lumley Street  
Mayfair  
London  
W1K 6TT

*30/11/04*

**OLD & MODERN MASTERS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 2004**

	Note	Year to 31 Jan 04 £	Period from 7 Jan 02 to 31 Jan 03 £
<b>TURNOVER</b>		3,740,798	3,508,979
Cost of sales		3,384,606	3,223,049
<b>GROSS PROFIT</b>		356,192	285,930
Distribution costs		26,173	24,923
Administrative expenses		105,285	49,889
<b>OPERATING PROFIT</b>	2	224,734	211,118
Interest receivable		189	1,570
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		224,923	212,688
Tax on profit on ordinary activities	3	47,827	39,486
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		177,096	173,202
Balance brought forward		173,202	—
Balance carried forward		350,298	173,202

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the  
year as set out above.



# OLD & MODERN MASTERS LIMITED

## BALANCE SHEET

31 JANUARY 2004

	Note	2004 £	£	2003 £	£
<b>CURRENT ASSETS</b>					
Stocks		375,237		103,911	
Debtors	4	488,125		347,821	
Cash at bank		113,301		266,561	
		<u>976,663</u>		<u>718,293</u>	
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>626,265</u>		<u>544,991</u>	
<b>NET CURRENT ASSETS</b>			<b>350,398</b>		<b>173,302</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>350,398</b></u>		<u><b>173,302</b></u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	7		100		100
Profit and loss account			<u>350,298</u>		<u>173,202</u>
<b>SHAREHOLDERS' FUNDS</b>	8		<u><b>350,398</b></u>		<u><b>173,302</b></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 30/11/04

  
LIMLEY MANAGEMENT LIMITED

**OLD & MODERN MASTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2004**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Cash flow statement**

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>Year to 31 Jan 04 £</b>	<b>Period from 7 Jan 02 to 31 Jan 03 £</b>
Director's emoluments	—	—
Auditors' fees	3,000	3,000
Net loss/(profit) on foreign currency translation	<u>8,818</u>	<u>(12,249)</u>

**OLD & MODERN MASTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2004**

**3. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	Year to 31 Jan 04 £	Period from 7 Jan 02 to 31 Jan 03 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - 18.17%)	45,445	39,486
Over/under provision in prior year	2,382	—
Total current tax	<u>47,827</u>	<u>39,486</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2003 - 18.17%).

	Year to 31 Jan 04 £	Period from 7 Jan 02 to 31 Jan 03 £
Profit on ordinary activities before taxation	<u>224,923</u>	<u>212,688</u>
Profit/(loss) on ord actvs by rate of tax	42,735	38,645
Expenses not deductible for tax purposes	2,710	841
Adjustments to tax charge in respect of previous periods	2,382	—
Total current tax (note 3(a))	<u>47,827</u>	<u>39,486</u>

**4. DEBTORS**

	2004 £	2003 £
Trade debtors	473,367	342,821
Other debtors	14,758	5,000
	<u>488,125</u>	<u>347,821</u>

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

	2004 £	2003 £
Trade creditors	348,019	310,626
Corporation tax	45,445	39,486
Other taxation	16,108	21,873
Other creditors	216,693	173,006
	<u>626,265</u>	<u>544,991</u>

**OLD & MODERN MASTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2004**

**6. RELATED PARTY TRANSACTIONS**

The controlling party is Artinvest Foundation.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**7. SHARE CAPITAL**

**Authorised share capital:**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
100,000 Ordinary shares of £1 each	<b><u>100,000</u></b>	<b><u>100,000</u></b>

**Allotted, called up and fully paid:**

	<b>2004</b>		<b>2003</b>
	<b>No</b>	<b>£</b>	<b>No</b>
	<b>100</b>	<b>100</b>	<b>100</b>
Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>	<b><u>100</u></b>

**8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>177,096</b>	<b>173,202</b>
New equity share capital subscribed	<b>—</b>	<b>100</b>
Net addition to shareholders' equity funds	<b><u>177,096</u></b>	<b><u>173,302</u></b>
Opening shareholders' equity funds	<b><u>173,302</u></b>	<b><u>—</u></b>
Closing shareholders' equity funds	<b><u>350,398</u></b>	<b><u>173,302</u></b>