

COMPANY REGISTRATION NUMBER 4348253

OLD & MODERN MASTERS LIMITED
FINANCIAL STATEMENTS
31 JANUARY 2005



SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
1 Lumley Street
Mayfair
London
W1K 6TT

OLD & MODERN MASTERS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2005

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OLD & MODERN MASTERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

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

OLD & MODERN MASTERS LIMITED**THE DIRECTOR'S REPORT****YEAR ENDED 31 JANUARY 2005**

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 January 2005.

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 2005	At 1 February 2004
Lumley Management Limited	—	—

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 25/10/05

OLD & MODERN MASTERS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2005

	Note	2005 £	2004 £
TURNOVER		3,181,535	3,740,798
Cost of sales		2,994,132	3,384,606
GROSS PROFIT		187,403	356,192
Distribution costs		33,367	26,173
Administrative expenses		116,658	105,285
OPERATING PROFIT	2	37,378	224,734
Interest receivable		617	189
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,995	224,923
Tax on profit on ordinary activities	3	10,004	47,827
RETAINED PROFIT FOR THE FINANCIAL YEAR		27,991	177,096
Balance brought forward		350,298	173,202
Balance carried forward		378,289	350,298

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 2005

	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	4		38,875		—
CURRENT ASSETS					
Stocks		1,826,520		375,237	
Debtors	5	123,756		488,125	
Cash at bank		496,164		113,301	
		<u>2,446,440</u>		<u>976,663</u>	
CREDITORS: Amounts falling due within one year	6	<u>1,235,027</u>		<u>626,265</u>	
NET CURRENT ASSETS			<u>1,211,413</u>		<u>350,398</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,250,288</u>		<u>350,398</u>
CREDITORS: Amounts falling due after more than one year	7		<u>871,899</u>		<u>—</u>
			<u>378,389</u>		<u>350,398</u>

The Balance sheet continues on the following page.
The notes on pages 6 to 9 form part of these financial statements.

OLD & MODERN MASTERS LIMITED**BALANCE SHEET** *(continued)***31 JANUARY 2005**

	Note	2005 £	2004 £
CAPITAL AND RESERVES			
Called-up equity share capital	10	100	100
Profit and loss account		<u>378,289</u>	<u>350,298</u>
SHAREHOLDERS' FUNDS	11	<u>378,389</u>	<u>350,398</u>

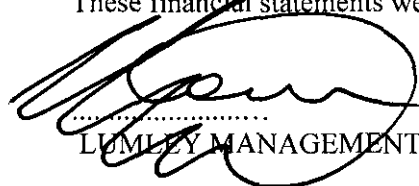
The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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 25/10/05



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LUMLEY MANAGEMENT LIMITED

OLD & MODERN MASTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2005

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - over 15 years

Equipment - over 3 years

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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.

OLD & MODERN MASTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2005

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Director's emoluments	—	—
Depreciation of owned fixed assets	3,426	—
Auditors' fees	—	3,000
Operating lease costs:		
Land and buildings	3,467	—
Net (profit)/loss on foreign currency translation	<u>(8,585)</u>	<u>8,818</u>

3. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2004 - 19%)	10,004	45,445
Over/under provision in prior year	—	2,382
Total current tax	<u>10,004</u>	<u>47,827</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% (2004 - 19%).

	2005	2004
	£	£
Profit on ordinary activities before taxation	<u>37,995</u>	<u>224,923</u>
Profit/(loss) on ord actvs by rate of tax	7,219	42,735
Expenses not deductible for tax purposes	2,134	2,710
Adjustments to tax charge in respect of previous periods	—	2,382
Depreciation in excess of capital allowances	651	—
Total current tax (note 3(a))	<u>10,004</u>	<u>47,827</u>

OLD & MODERN MASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2005

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
Additions	42,301
At 31 January 2005	<u>42,301</u>
DEPRECIATION	
Charge for the year	3,426
At 31 January 2005	<u>3,426</u>
NET BOOK VALUE	
At 31 January 2005	<u>38,875</u>
At 31 January 2004	<u>—</u>

5. DEBTORS

	2005 £	2004 £
Trade debtors	109,026	473,367
VAT recoverable	7,797	—
Other debtors	6,933	14,758
	<u>123,756</u>	<u>488,125</u>

6. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	2,882	—
Trade creditors	1,033,985	348,019
Corporation tax	10,004	45,445
Other taxation	—	16,108
Other creditors	188,156	216,693
	<u>1,235,027</u>	<u>626,265</u>

7. CREDITORS: Amounts falling due after more than one year

	2005 £	2004 £
Other creditors	<u>871,899</u>	<u>—</u>

OLD & MODERN MASTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2005

8. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2005	2004
	£	£
Operating leases which expire:		
After more than 5 years	<u>17,333</u>	<u>—</u>

The operating lease is held in the name of Mr M Voena on behalf of the company.

9. 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.

10. SHARE CAPITAL**Authorised share capital:**

	2005	2004
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2005		2004
	No	£	No
			£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit for the financial year	27,991	177,096
Opening shareholders' equity funds	<u>350,398</u>	<u>173,302</u>
Closing shareholders' equity funds	<u>378,389</u>	<u>350,398</u>