

**OLD & MODERN MASTERS LIMITED**  
**FINANCIAL STATEMENTS**  
**31 JANUARY 2009**



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

**OLD & MODERN MASTERS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2009**

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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>Auditor</b>	Slaven Jeffcote LLP Chartered Certified Accountants & Registered Auditor 1 Lumley Street Mayfair London W1K 6TT
<b>Bankers</b>	HSBC Bank Plc 90 Baker Street London W1U 6AX

# **OLD & MODERN MASTERS LIMITED**

## **THE DIRECTOR'S REPORT**

**YEAR ENDED 31 JANUARY 2009**

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 January 2009.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of a dealer in works of art and antiques and acting as an agent on behalf of other dealers in works of art and antiques.

### **DIRECTOR**

The director who served the company during the year was as follows:

Lumley Management Limited

### **DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He 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.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **AUDITOR**

Slaven Jeffcote LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

# OLD & MODERN MASTERS LIMITED

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

YEAR ENDED 31 JANUARY 2009

### 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 05/10/09

**OLD & MODERN MASTERS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**OLD & MODERN MASTERS LIMITED**  
**YEAR ENDED 31 JANUARY 2009**

We have audited the financial statements of Old & Modern Masters Limited for the year ended 31 January 2009 on pages 6 to 12, which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

We were not able to verify the physical existence of the stock of antiques and works of art amounting to £3,562,532 (2008 £2,233,060), which is partially held abroad.

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 AUDITOR'S REPORT TO THE SHAREHOLDERS OF OLD & MODERN MASTERS LIMITED *(continued)***

**YEAR ENDED 31 JANUARY 2009**

### **QUALIFIED OPINION**

#### **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 2009 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 LLP  
Chartered Certified Accountants  
& Registered Auditor

1 Lumley Street  
Mayfair  
London  
W1K 6TT

5/10/09.....

# **OLD & MODERN MASTERS LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 JANUARY 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>		<b>3,479,741</b>	<b>2,724,044</b>
Cost of sales		<u>3,184,003</u>	<u>2,273,887</u>
<b>GROSS PROFIT</b>		<b>295,738</b>	<b>450,157</b>
Distribution costs		196,571	209,227
Administrative expenses		558,323	383,249
Other operating income	2	<u>(578,554)</u>	<u>(279,819)</u>
<b>OPERATING PROFIT</b>	3	<b>119,398</b>	<b>137,500</b>
Interest receivable		19,802	6,983
Interest payable and similar charges		<u>(19,671)</u>	<u>—</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>119,529</b>	<b>144,483</b>
Tax on profit on ordinary activities	4	<u>33,270</u>	<u>76,551</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>86,259</u></b>	<b><u>67,932</u></b>

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.

The notes on pages 8 to 12 form part of these financial statements.



# OLD & MODERN MASTERS LIMITED

## BALANCE SHEET

31 JANUARY 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	5	<u>32,618</u>	<u>29,333</u>
<b>CURRENT ASSETS</b>			
Stocks		3,562,532	2,233,060
Debtors	6	1,752,146	1,129,035
Cash at bank and in hand		<u>573,669</u>	<u>236,116</u>
		<u>5,888,347</u>	<u>3,598,211</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>5,381,473</u>	<u>3,174,311</u>
<b>NET CURRENT ASSETS</b>		<u>506,874</u>	<u>423,900</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>539,492</u>	<u>453,233</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	8	<u>5,974</u>	<u>5,974</u>
		<u>533,518</u>	<u>447,259</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	100	100
Profit and loss account	12	<u>533,418</u>	<u>447,159</u>
<b>SHAREHOLDERS' FUNDS</b>	13	<u>533,518</u>	<u>447,259</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 and authorised for issue on

5/10/09.....



LUMLEY MANAGEMENT LIMITED

The notes on pages 8 to 12 form part of these financial statements.

# **OLD & MODERN MASTERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 JANUARY 2009**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

#### **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.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

# OLD & MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2009

### 1. ACCOUNTING POLICIES *(continued)*

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 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.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. OTHER OPERATING INCOME

	2009 £	2008 £
Commission receivable	<u>578,554</u>	<u>279,819</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Director's emoluments	—	—
Depreciation of owned fixed assets	3,304	3,210
Auditor's fees	4,000	4,000
Net (profit)/loss on foreign currency translation	<u>(42,703)</u>	<u>37,311</u>

### 4. TAXATION ON ORDINARY ACTIVITIES

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

	2009 £	2008 £
Current tax:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	53,614	56,229
Over/under provision in prior year	<u>(20,344)</u>	<u>20,322</u>
Total current tax	<u>33,270</u>	<u>76,551</u>

# OLD & MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2009

### 4. TAXATION ON ORDINARY ACTIVITIES *(continued)*

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

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>119,529</u>	<u>144,483</u>
Profit on ordinary activities by rate of tax	33,468	43,345
Expenses not deductible for tax purposes	20,120	12,869
Adjustments to tax charge in respect of previous periods	(20,344)	20,322
Depreciation in excess of capital allowances	26	15
Total current tax (note 4(a))	<u>33,270</u>	<u>76,551</u>

### 5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>			
At 1 February 2008	40,000	1,630	41,630
Additions	<u>5,845</u>	<u>744</u>	<u>6,589</u>
<b>At 31 January 2009</b>	<u>45,845</u>	<u>2,374</u>	<u>48,219</u>
<b>DEPRECIATION</b>			
At 1 February 2008	10,667	1,630	12,297
Charge for the year	<u>3,056</u>	<u>248</u>	<u>3,304</u>
<b>At 31 January 2009</b>	<u>13,723</u>	<u>1,878</u>	<u>15,601</u>
<b>NET BOOK VALUE</b>			
<b>At 31 January 2009</b>	<u>32,122</u>	<u>496</u>	<u>32,618</u>
At 31 January 2008	<u>29,333</u>	<u>—</u>	<u>29,333</u>

### 6. DEBTORS

	2009 £	2008 £
Trade debtors	1,676,179	1,070,208
VAT recoverable	6,393	—
Other debtors	69,574	58,827
	<u>1,752,146</u>	<u>1,129,035</u>

# OLD & MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2009

### 7. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	763,179	1,099,424
Corporation tax	53,614	56,229
Other taxation	-	7,585
Other creditors	4,564,680	2,011,073
	<u>5,381,473</u>	<u>3,174,311</u>

### 8. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £5,974.

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	5,974	5,974
	<u>5,974</u>	<u>5,974</u>

### 9. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2009 £	2008 £
Operating leases which expire:		
After more than 5 years	-	52,000

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

### 10. RELATED PARTY TRANSACTIONS

There was no sole controlling party during the year under review.

### 11. SHARE CAPITAL

Authorised share capital:

	2009 £	2008 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

# OLD & MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2009

### 11. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 12. PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
Balance brought forward	447,159	379,227
Profit for the financial year	<u>86,259</u>	<u>67,932</u>
Balance carried forward	<u>533,418</u>	<u>447,159</u>

### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit for the financial year	86,259	67,932
Opening shareholders' funds	<u>447,259</u>	<u>379,327</u>
Closing shareholders' funds	<u>533,518</u>	<u>447,259</u>

### 14. ULTIMATE PARENT COMPANY

The parent company is Wainwright Investment Holdings Limited, a company registered in the British Virgin Isles.