

Company Registration No. 04348253 (England and Wales)

**OLD AND MODERN MASTERS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2018**

**Slaven Jeffcote LLP**

Chartered Certified Accountants & Statutory Auditor

1 Lumley Street

Mayfair

London

W1K 6TT

# OLD AND MODERN MASTERS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Mr M Voena
<b>Secretary</b>	JD Secretariat Limited
<b>Company number</b>	04348253
<b>Registered office</b>	5th Floor, 1 Lumley Street Mayfair London W1K 6TT
<b>Auditor</b>	Slaven Jeffcote LLP 5th Floor, 1 Lumley Street Mayfair London W1K 6TT

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# OLD AND MODERN MASTERS LIMITED

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# OLD AND MODERN MASTERS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JANUARY 2018**

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The director presents the strategic report for the year ended 31 January 2018.

### **Review of the business and key performance indicators**

The company showed an improved performance during the year mainly due to a small number of larger deals that were successfully executed. This has resulted in an increase in turnover and an acceptable level of profitability. The Director continues to focus on ensuring that the company remains profitable in the future by trying to select specific pieces of artwork and antiques that in his professional view will generate a reasonable return.

Turnover has increased from £26,313,957 to £32,720,545, with the gross profit improving from £1,441,315 to £2,470,166. The profit/loss before taxation has also improved from a loss of £229,021 to a profit of £569,079.

### **Future Development**

The outlook for 2019 appears positive and the director is hopeful that with the application of prudent purchasing, the company will continue to trade profitably.

### **Principal risks and uncertainties**

The principal risk and uncertainty that the company is facing is the inherent unpredictability to changing fashions and fads that are to a degree based on what the general public, dealers and auctions houses view as desirable. With this in mind it is often difficult to anticipate which specific pieces will generate the highest return.

The company has established a risk and financial management framework which is based primarily on using its expertise in this field to minimize the risk of acquiring art and antiques which may not have a realizable value that exceeds the purchase price. The company also tries to ensure that it has sufficient working capital to meet the day to day requirements for funding acquisition of new art and antiques.

### **Exposure to price, credit, liquidity and cash flow risk**

Cash flow risk is the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability. The Company finances its operations with cash and working capital items primarily through trade debtors and trade creditors that arise directly from trading.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations and credit facilities.

Credit risk is the risk that one party to financial instruments will cause a financial loss for that other party failing to discharge an obligation. The policy is aimed at minimizing such losses, and requires that the deferred terms are granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. With this in mind the director has strengthened the review process of the working capital requirements including following up with those customers on deals that have exceeded a reasonable time frame within which to settle. This ensures that the number of outstanding balances that are significantly overdue are kept within an acceptable level.

By order of the board

JD Secretariat Limited

**Secretary**

31 October 2018

# **OLD AND MODERN MASTERS LIMITED**

## **DIRECTOR'S REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2018***

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The director presents his annual report and financial statements for the year ended 31 January 2018.

### **Principal activities**

The principal activity of the company continued to be that of a dealer in works of art and antiques and acting as agent on behalf of other dealers in works of art and antiques.

### **Director**

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

Mr M Voena

### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

### **Auditor**

Slaven Jeffcote LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **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.

By order of the board

JD Secretariat Limited

**Secretary**

31 October 2018

## **OLD AND MODERN MASTERS LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JANUARY 2018***

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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). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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. 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.

# OLD AND MODERN MASTERS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF OLD AND MODERN MASTERS LIMITED

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#### Opinion

We have audited the financial statements of Old And Modern Masters Limited (the 'company') for the year ended 31 January 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2018 and of its profit 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

Without qualifying our opinion, during the course of the audit we were unable to obtain direct confirmation of a small number of balances due to and/or from certain key trading partners with whom the company conducts its business. Notwithstanding this, we were able to satisfy ourselves in respect of all other customer and supplier balances. The financial statements do not include any adjustments.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **OLD AND MODERN MASTERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF OLD AND MODERN MASTERS LIMITED**

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#### **Opinions 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have 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 strategic report and the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Nicholas John Paling FCCA (Senior Statutory Auditor)**  
for and on behalf of Slaven Jeffcote LLP

31 October 2018

**Chartered Certified Accountants**  
**Statutory Auditor**

5th Floor, 1 Lumley Street  
Mayfair  
London  
W1K 6TT



## OLD AND MODERN MASTERS LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	32,720,545	26,313,957
Cost of sales		(30,250,379)	(24,872,642)
<b>Gross profit</b>		2,470,166	1,441,315
Administrative expenses		(2,121,568)	(1,765,035)
Other operating income		219,667	93,839
<b>Operating profit/(loss)</b>	<b>4</b>	568,265	(229,881)
Interest receivable and similar income	<b>6</b>	814	860
<b>Profit/(loss) before taxation</b>		569,079	(229,021)
Tax on profit/(loss)	<b>7</b>	(151,965)	47,192
<b>Profit/(loss) for the financial year</b>		417,114	(181,829)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# **OLD AND MODERN MASTERS LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 JANUARY 2018***

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	417,114	(181,829)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>417,114</u>	<u>(181,829)</u>

# OLD AND MODERN MASTERS LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	8		40,484		46,480
Investments	9		874		874
			<u>41,358</u>		<u>47,354</u>
<b>Current assets</b>					
Stocks	11	10,812,044		13,137,289	
Debtors	12	6,069,949		8,183,006	
Cash at bank and in hand		514,150		31,465	
		<u>17,396,143</u>		<u>21,351,760</u>	
<b>Creditors: amounts falling due within one year</b>	13	(16,104,013)		(20,482,740)	
<b>Net current assets</b>			<u>1,292,130</u>		<u>869,020</u>
<b>Total assets less current liabilities</b>			<u>1,333,488</u>		<u>916,374</u>
<b>Provisions for liabilities</b>	15		(12,799)		(12,799)
<b>Net assets</b>			<u><u>1,320,689</u></u>		<u><u>903,575</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		100		100
Profit and loss reserves			<u>1,320,589</u>		<u>903,475</u>
<b>Total equity</b>			<u><u>1,320,689</u></u>		<u><u>903,575</u></u>

The financial statements were approved and signed by the director and authorised for issue on 31 October 2018

Mr M Voena  
Director

Company Registration No. 04348253

## OLD AND MODERN MASTERS LIMITED

### STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 JANUARY 2018*

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 February 2016</b>	100	1,085,304	1,085,404
<b>Year ended 31 January 2017:</b>			
Loss and total comprehensive income for the year	-	(181,829)	(181,829)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 January 2017</b>	100	903,475	903,575
<b>Year ended 31 January 2018:</b>			
Profit and total comprehensive income for the year	-	417,114	417,114
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 January 2018</b>	100	1,320,589	1,320,689
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# **OLD AND MODERN MASTERS LIMITED**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 JANUARY 2018**

		2018		2017	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	21		530,483		(8,586)
Income taxes paid			(48,612)		(100,000)
<b>Net cash inflow/(outflow) from operating activities</b>			481,871		(108,586)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(2,678)	
Interest received		814		860	
<b>Net cash generated from/(used in) investing activities</b>			814		(1,818)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			482,685		(110,404)
Cash and cash equivalents at beginning of year			31,465		141,869
<b>Cash and cash equivalents at end of year</b>			514,150		31,465

# OLD AND MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

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### 1 Accounting policies

#### Company information

Old And Modern Masters Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5th Floor, 1 Lumley Street, Mayfair, London, W1K 6TT.

#### 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# OLD AND MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 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.

#### 1.8 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 balance sheet 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.

# OLD AND MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

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### 1 Accounting policies

(Continued)

#### **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.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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.

### 1.9 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.



# OLD AND MODERN MASTERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

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### 1 Accounting policies

(Continued)

#### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling 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 profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

## OLD AND MODERN MASTERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Sale of works of art and antiques	30,912,505	25,676,150
Recharged expenses	1,808,040	637,807
	<u>32,720,545</u>	<u>26,313,957</u>
	2018 £	2017 £
<b>Other significant revenue</b>		
Interest income	814	860
Commissions received	219,667	93,839
	<u>219,667</u>	<u>93,839</u>
	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	14,695,485	12,584,591
Europe	11,355,155	10,967,418
Other	6,669,905	2,761,948
	<u>32,720,545</u>	<u>26,313,957</u>

#### 4 Operating profit/(loss)

	2018 £	2017 £
Operating profit/(loss) for the year is stated after charging:		
Exchange losses	313,225	205,877
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	8,000
Depreciation of owned tangible fixed assets	5,996	9,600
Cost of stocks recognised as an expense	29,974,916	24,669,932

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £313,225 (2017 - £205,877).

# **OLD AND MODERN MASTERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

### **5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

2018 Number	2017 Number
1	1
<u>1</u>	<u>1</u>

### **6 Interest receivable and similar income**

2018 £	2017 £
-----------	-----------

#### **Interest income**

Interest on bank deposits	814	860
	<u>814</u>	<u>860</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	814	860
	<u>814</u>	<u>860</u>

### **7 Taxation**

2018 £	2017 £
-----------	-----------

#### **Current tax**

UK corporation tax on profits for the current period	128,633	(45,804)
Adjustments in respect of prior periods	23,332	(1,388)
	<u>151,965</u>	<u>(47,192)</u>

Total current tax	151,965	(47,192)
	<u>151,965</u>	<u>(47,192)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

2018 £	2017 £
-----------	-----------

Profit/(loss) before taxation	569,079	(229,021)
	<u>569,079</u>	<u>(229,021)</u>

Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)

108,125	(45,804)
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Tax effect of expenses that are not deductible in determining taxable profit

43,840	-
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Adjustments in respect of prior years

-	(1,388)
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Taxation charge/(credit) for the year	151,965	(47,192)
	<u>151,965</u>	<u>(47,192)</u>

# **OLD AND MODERN MASTERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

### **8 Tangible fixed assets**

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 February 2017 and 31 January 2018	113,634
<b>Depreciation and impairment</b>	
At 1 February 2017	67,154
Depreciation charged in the year	5,996
At 31 January 2018	73,150
<b>Carrying amount</b>	
At 31 January 2018	40,484
At 31 January 2017	46,480

### **9 Fixed asset investments**

	2018 £	2017 £
Unlisted investments	874	874

#### **Movements in fixed asset investments**

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 February 2017 & 31 January 2018	874
<b>Carrying amount</b>	
At 31 January 2018	874
At 31 January 2017	874

### **10 Financial instruments**

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	6,027,125	8,081,371
Equity instruments measured at cost less impairment	874	874
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	15,910,434	20,434,128

# **OLD AND MODERN MASTERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

### **11 Stocks**

	2018 £	2017 £
Finished goods and goods for resale	10,812,044	13,137,289

### **12 Debtors**

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,493,049	7,471,099
Corporation tax recoverable	22,472	45,804
Other debtors	534,076	646,144
Prepayments and accrued income	20,352	19,959
	<u>6,069,949</u>	<u>8,183,006</u>

### **13 Creditors: amounts falling due within one year**

	2018 £	2017 £
Trade creditors	10,211,859	12,207,117
Amounts due to group undertakings	5,084,886	6,550,418
Corporation tax	128,633	48,612
Other taxation and social security	64,946	-
Other creditors	13,519	399,153
Accruals and deferred income	600,170	1,277,440
	<u>16,104,013</u>	<u>20,482,740</u>

2018  
£

2017  
£

### **15 Provisions for liabilities**

	Notes	2018 £	2017 £
Deferred tax liabilities	17	12,799	12,799

## OLD AND MODERN MASTERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

#### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
ACAs	12,799	12,799

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

#### 18 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary of £1 each	100	100

#### 19 Related party transactions

No remuneration was paid to the director.

##### Transactions with related parties

Included in other creditors is an amount of £5,804,886 (2017- £6,550,418) payable to the ultimate parent company.

Included in creditors is an amount of £698,669 (2017- £442,771) payable to a company under common control and an amount of £Nil (2017-£399,153) payable to the director.

#### 20 Controlling party

The ultimate parent company is Wainwright Investments Limited, a company registered in the British Virgin Islands

The ultimate controlling party is the director, Marco Voena.

# **OLD AND MODERN MASTERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

### **21 Cash generated from operations**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year after tax	417,114	(181,829)
<b>Adjustments for:</b>		
Taxation charged/(credited)	151,965	(47,192)
Investment income	(814)	(860)
Depreciation and impairment of tangible fixed assets	5,996	9,600
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	2,325,245	(57,058)
Decrease/(increase) in debtors	2,053,853	(2,934,581)
(Decrease)/increase in creditors	(4,422,876)	3,203,334
<b>Cash generated from/(absorbed by) operations</b>	<u>530,483</u>	<u>(8,586)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.