

Old And Modern Masters Limited

Annual Report and Financial Statements
for the Year Ended 30 June 2023

Brebners

Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

OLD AND MODERN MASTERS LIMITED

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OLD AND MODERN MASTERS LIMITED

Company Information

Director	M Voena
Registered office	1st Floor 38 Dover Street London W1S 4NL
Auditor	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue W1D 5AR

OLD AND MODERN MASTERS LIMITED

Strategic Report for the Year Ended 30 June 2023

The director presents his strategic report for the year ended 30 June 2023.

Fair review of the business

The company was incorporated in 2002 to specialise in the acquisition and sale of works of art to and from private and institutional collectors and other dealers specialising in Old Master, Nineteenth Century, Modern and Contemporary fine art which linked to the director's extensive expertise and heritage. It has staged important monographic exhibitions, as well as studies on Italian city landscapes and the International Caravaggesque Movement, which are a core specialism. Over time it has developed expertise in other sectors of the market, both out of demand and as a way of adapting to the ever-evolving art market, including but not limited to the Italian Modern and Post-War Art. The company also trades in antique furniture and sculptures. This multi-faceted approach helps mitigate a certain degree of risk within the art market, which can be highly volatile. Following the lifting of travel restrictions and the cancellation of art fairs and auctions during the Covid-19 pandemic, the company has been returning to pre-pandemic levels of trade, with art fairs and auctions being held as normal. Accordingly, along with the director's reliance on personal relationships with existing clients, this has enabled the company to maintain its turnover at pre-pandemic levels in the year.

Key performance indicators

Turnover for the year was £20,139,622 (2022 - £21,286,067). The gross profit for the period was £1,763,887 (2022 - £1,735,390). Due to increased overheads the company made a loss before tax of £283,807 in the year (2022 - profit before tax of £9,831).

Net assets have decreased from £1,294,487 to £1,013,323 as a result of the loss for the year. Cash at bank increased from £727,802 to £2,210,373 offset by the decrease in stock from £15,284,715 to £14,425,361. Creditors increased from £17,855,998 to £22,238,720 while debtors increased from £3,118,892 to £6,574,184.

The company has continued to make significant changes to ensure that the financial reporting and stock management systems for the company provide the director with frequent financial reporting across key financial performance indicators including cash flow management, stock volumes, creditor and debtor reporting. The company and its advisors believe this will further help increase profitability in future years.

Principal risks and uncertainties

The company's principal financial liabilities comprise trade creditors and a shareholder loan. The company has no other lending but is exposed to foreign exchange, liquidity and cash flow and price risk. After 30 June 2020, the company became exposed to a new EU Anti-Money Laundering Directive.

The principal risk and uncertainties are all individually monitored by the director and deemed necessary for the continuation of the business activity, whilst the external risks are closely monitored by the director.

OLD AND MODERN MASTERS LIMITED

Strategic Report for the Year Ended 30 June 2023

Risk associated with financial instruments

- **Price risk**

As the company solely deals in the purchase and sale of pieces of art, the company is exposed to significant price risk. The company is largely dependent on the expert knowledge of its sole director, Mr M Voena, who has been involved in the art market since 1984 and is widely respected as an expert in his field.

Mr Voena also consults with third parties to assess market shifts in fair market value and has managed the stock book of the company to avoid too much accumulation of risk in a single market segment, as he has done successfully throughout his international career.

Stock is valued at £14,425,361 at 30 June 2023 which is deemed suitable to further protect against segment down-valuations, as the company holds sufficient stock in non-correlated alternative segments which protect against the need to consider undervalued sales to manage cash flow.

- **Liquidity and cash flow risk**

The company is exposed to liquidity and cash flow risk. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations as they fall due. This is achieved by holding regular financial management meetings with the company's outsourced finance professionals to review creditor invoices and note any expected short-term cash flow needs. At 30 June 2023 the company held £2,210,373 in cash at bank.

- **Foreign exchange risk**

This is linked to the company buying and selling pieces of art in multiple jurisdictions so revenue or expenses may not be in pound sterling. The company operates bank accounts in multiple currencies to help mitigate against this exposure where possible. Sterling has been volatile during the year with the current global political climate proving to have had a direct impact on sterling value.

Trade debtors

Trade debtors are managed by the director who has had a personal relationship with the associated parties for many years, while the ledgers are updated by the outsourced finance professionals. At 30 June 2023, the director reviewed the position and significant movement was made. It is the intention of the director to continuously review these positions to address the aged debtor positions. Trade debtors increased from £2,449,840 in 2022 to £5,673,994 due to a number of high-value sales being completed shortly before the year end.

5th EU Anti-Money Laundering Directive

The European art market saw further changes with the introduction of anti-money laundering regulations under the fifth anti-money laundering directive, that was adopted into UK law in January 2020. These regulations introduced a requirement for art market participants to register with HMRC by January 2021 and collect due diligence information on the individuals involved in art transactions worth in excess of €10,000 or equivalent. The company registered with HMRC as required and adopted the relevant procedures when purchasing and selling pieces of art to identify and hold due diligence information on the seller/purchaser. The company does not expect a major impact on its financial performance as a result of the regulations.

OLD AND MODERN MASTERS LIMITED

Strategic Report for the Year Ended 30 June 2023

Future developments

The company continues to review the status of the market very carefully, taking into consideration the cost-of-living crisis and the war in Ukraine. With a full third year of normal trade post-Covid, the company is confident of further improvement in its financial performance.

Approved by the director on 27 March 2024 and signed on its behalf by:

.....
M Voena
Director

OLD AND MODERN MASTERS LIMITED

Director's Report for the Year Ended 30 June 2023

The director presents his report and the financial statements for the year ended 30 June 2023.

Director of the company

The director who held office during the year was as follows:

M Voena

Dividends

No interim dividends were paid in the year (2022 - £Nil). No final dividend is proposed.

Information included in the Strategic Report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management and exposure.

Director's liabilities

The company has made qualifying third-party indemnity provisions for the benefit of its director which were made during the year and remain in force at the date of this report.

Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Approved by the director on 27 March 2024 and signed by:

.....
M Voena
Director

OLD AND MODERN MASTERS LIMITED

Statement of Director's Responsibilities

The director acknowledges his responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 him 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 Members of Old And Modern Masters Limited for the Year Ended 30 June 2023

Opinion

We have audited the financial statements of Old And Modern Masters Limited (the 'company') for the year ended 30 June 2023, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, 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 Financial Reporting Standard 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 30 June 2023 and of its loss 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 to the Members of Old And Modern Masters Limited for the Year Ended 30 June 2023

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for qualified opinion, we have been unable to form an opinion whether, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and 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 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 our 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 the director

As explained more fully in the Statement of Director's Responsibilities, 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 director 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 intends 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.

OLD AND MODERN MASTERS LIMITED

Independent Auditor's Report to the Members of Old And Modern Masters Limited for the Year Ended 30 June 2023

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry in which it operates, we determined that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006), UK corporate taxation laws, data protection legislation, Proceeds of Crime Act 2002 (POCA), VAT Act 1994 and Money Laundering Regulations 2017. These risks were communicated to our audit team and we remained alert to any indications of non-compliance throughout our audit.

We understood how the company is complying with relevant legislation by making enquiries of management. We also considered the results of our audit procedures and to what extent these corroborate this understanding and assessed the susceptibility of the company's financial statements to material misstatement. This included consideration of how fraud might occur and evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements.

We designed our audit procedures to identify any non-compliance with laws and regulations. Such procedures included, but were not limited to, inspection of any regulatory or legal correspondence; challenging assumptions and judgements made by management; identifying and testing journal entries with a focus on large or unusual transactions as determined based on our understanding of the business; and identifying and assessing the effectiveness of controls in place to prevent and detect fraud.

Owing to the inherent limitations of an audit, there remains a risk that a material misstatement may not have been detected, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance with laws and regulations and cannot be expected to detect all instances of non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The primary responsibility for the detection and prevention of fraud rests with those responsible for governance and management. The further removed non-compliance with laws and regulations is from the events reflected in the financial statements, the less likely the auditor will become aware of it.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission, misrepresentation or forgery.

OLD AND MODERN MASTERS LIMITED

Independent Auditor's Report to the Members of Old And Modern Masters Limited for the Year Ended 30 June 2023

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Martin Widdowson (Senior Statutory Auditor)
For and on behalf of
Brebners, Statutory Auditor
130 Shaftesbury Avenue
W1D 5AR

27 March 2024

OLD AND MODERN MASTERS LIMITED

Income Statement for the Year Ended 30 June 2023

	Note	2023 £	2022 £
Turnover	<u>4</u>	20,139,622	21,286,067
Cost of sales		<u>(18,375,735)</u>	<u>(19,550,677)</u>
Gross profit		1,763,887	1,735,390
Administrative expenses		<u>(2,024,767)</u>	<u>(1,725,721)</u>
Operating (loss)/profit	<u>5</u>	<u>(260,880)</u>	<u>9,669</u>
Other interest receivable and similar income	<u>6</u>	194	162
Interest payable and similar expenses		<u>(23,121)</u>	<u>-</u>
		<u>(22,927)</u>	<u>162</u>
(Loss)/profit before tax		(283,807)	9,831
Tax on (loss)/profit	<u>9</u>	<u>2,643</u>	<u>29,204</u>
(Loss)/profit for the financial year		<u><u>(281,164)</u></u>	<u><u>39,035</u></u>

The notes on pages 15 to 25 form an integral part of these financial statements.

OLD AND MODERN MASTERS LIMITED

Statement of Financial Position as at 30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	<u>10</u>	177,271	25,335
Investments	<u>11</u>	75	75
		<u>177,346</u>	<u>25,410</u>
Current assets			
Stocks	<u>12</u>	14,425,361	15,284,715
Debtors	<u>13</u>	6,574,184	3,118,892
Cash at bank and in hand		<u>2,210,373</u>	<u>727,802</u>
		23,209,918	19,131,409
Creditors: Amounts falling due within one year	<u>14</u>	<u>(22,238,720)</u>	<u>(17,855,998)</u>
Net current assets		<u>971,198</u>	<u>1,275,411</u>
Total assets less current liabilities		1,148,544	1,300,821
Creditors: Amounts falling due after more than one year	<u>14</u>	(131,048)	-
Provisions for liabilities	<u>15</u>	<u>(4,173)</u>	<u>(6,334)</u>
Net assets		<u><u>1,013,323</u></u>	<u><u>1,294,487</u></u>
Capital and reserves			
Called up share capital		100	100
Retained earnings		<u>1,013,223</u>	<u>1,294,387</u>
Shareholders' funds		<u><u>1,013,323</u></u>	<u><u>1,294,487</u></u>

Approved and authorised by the director on 27 March 2024

.....
M Voena

Director

Company registration number: 04348253

The notes on pages 15 to 25 form an integral part of these financial statements.

OLD AND MODERN MASTERS LIMITED

Statement of Changes in Equity for the Year Ended 30 June 2023

	Share capital £	Retained earnings £	Total £
At 1 July 2022	100	1,294,387	1,294,487
Loss for the year	-	(281,164)	(281,164)
At 30 June 2023	100	1,013,223	1,013,323

	Share capital £	Retained earnings £	Total £
At 1 July 2021	100	1,255,352	1,255,452
Profit for the year	-	39,035	39,035
At 30 June 2022	100	1,294,387	1,294,487

The notes on pages 15 to 25 form an integral part of these financial statements.

OLD AND MODERN MASTERS LIMITED

Statement of Cash Flows for the Year Ended 30 June 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
(Loss)/profit for the year		(281,164)	39,035
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	19,625	5,863
Finance income	6	(194)	(162)
Finance costs		23,121	-
Income tax expense	9	(2,643)	(29,204)
		(241,255)	15,532
Working capital adjustments			
Decrease in stocks		859,354	276,046
(Increase)/decrease in trade and other debtors		(3,456,994)	1,251,745
Increase/(decrease) in trade and other creditors		4,369,225	(855,145)
Cash generated from operations		1,530,330	688,178
Income taxes received/(paid)		2,184	(25,998)
Net cash flow from operating activities		1,532,514	662,180
Cash flows from investing activities			
Interest received		194	162
Acquisitions of tangible assets		(171,561)	-
Net cash flows from investing activities		(171,367)	162
Cash flows from financing activities			
Interest paid		(23,121)	-
Payments to finance lease creditors		144,545	-
Net cash flows from financing activities		121,424	-
Net increase in cash and cash equivalents		1,482,571	662,342
Cash and cash equivalents at 1 July		727,802	65,459
Effect of exchange rate fluctuations on cash held		-	1
Cash and cash equivalents at 30 June		2,210,373	727,802

The notes on pages 15 to 25 form an integral part of these financial statements.

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

1st Floor
38 Dover Street
London
W1S 4NL

The principal activity of the company is that of a dealer and agent for the sale of works of art and antiques

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Significant judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements, are considered to be:

Stock

Significant estimates are involved in the determination of the net realisable value of stock held by the company. Management exercises judgement in assessing the likely realisable value of stock and appropriate provisions are made where it is considered that realisable value may be considered to be less than the original cost of the relevant items.

Trade debtors

Management exercises judgement in assessing the quantum of any provisions which may be required for potential bad or doubtful debts.

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Going concern

The company made a loss for the year ending 30 June 2023 but had net assets of £1,013,323 at that date, including cash at bank of £2,210,373.

The director has considered the potential impact of the current global political and economic climate and the director's view is that there will be no significant impact. The company's activities have remained at pre-pandemic levels and it has experienced strong turnover subsequent to 30 June 2023. Additionally, the company's long-standing private relationships with a number of highly reputable private collectors has ensured the continued success of the company.

On the basis of the above, and after making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

Revenue recognition

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.

The company recognises revenue from the sale of art and antiques when the significant risks and rewards of ownership have passed to the buyer based upon the contractual terms of title and possession of the works, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity.

The company recognises revenue from acting as agent when the underlying transaction has been completed, the amount of revenue can be measured reliably and it is probable that economic benefit will flow to the company.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences at the reporting date. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	3-15 years straight line
Motor vehicles	4 years straight line

Investments

Investments in equity share which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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.

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Assets held under hire purchase contracts are capitalised at the lesser of fair value or present value of minimum lease payments in the statement of financial position. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. A corresponding liability is recognised at the same value in the statement of financial position. The asset is then depreciated over its useful life.

The minimum lease payments are apportioned between the finance charge recognised in the income statement and the reduction of the outstanding liability using the effective interest method. The finance charge in each period is allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

3 Staff numbers

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

	2023 No.	2022 No.
Administration and support	1	-
	<u>1</u>	<u>-</u>

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2023 £	2022 £
Sale of artwork	<u>20,139,622</u>	<u>21,286,067</u>

The company operates from a gallery in London and sells to customers all over the world as well as selling at international fairs. It is not practicable to provide a geographical analysis of turnover.

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	19,625	5,863
Foreign exchange losses	<u>149,601</u>	<u>214,368</u>

6 Other interest receivable and similar income

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

	2023 £	2022 £
Interest income	114	162
Other finance income	80	-
	<u>194</u>	<u>162</u>

7 Director's remuneration

The director's remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	15,000	-
Contributions paid to money purchase schemes	110	-
	<u>15,110</u>	<u>-</u>

8 Auditor's remuneration

	2023 £	2022 £
Audit of the financial statements	15,000	17,000
Other fees to auditors		
Taxation compliance services	<u>2,000</u>	<u>1,564</u>

9 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
Current taxation		
UK corporation tax	-	3,987
Adjustment in respect of prior periods	<u>(482)</u>	<u>(33,955)</u>
	(482)	(29,968)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(2,161)</u>	<u>764</u>
Tax receipt in the income statement	<u>(2,643)</u>	<u>(29,204)</u>

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

The tax on profit before tax / (loss before tax) for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
(Loss)/profit before tax	<u>(283,807)</u>	<u>9,831</u>
Corporation tax at standard rate	(53,923)	1,868
Effect of expense not deductible in determining taxable profit (tax loss)	-	3,108
Effect of tax losses	48,605	-
Deferred tax (credit)/expense from unrecognised tax loss or credit	(2,161)	765
Decrease in UK and foreign current tax from adjustment for prior periods	(482)	(33,955)
Tax increase/(decrease) from effect of capital allowances and depreciation	5,188	(990)
Tax increase from other short-term timing differences	<u>130</u>	<u>-</u>
Total tax credit	<u>(2,643)</u>	<u>(29,204)</u>

10 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 July 2022	123,343	-	123,343
Additions	<u>-</u>	<u>171,561</u>	<u>171,561</u>
At 30 June 2023	<u>123,343</u>	<u>171,561</u>	<u>294,904</u>
Depreciation			
At 1 July 2022	98,008	-	98,008
Charge for the year	<u>5,432</u>	<u>14,193</u>	<u>19,625</u>
At 30 June 2023	<u>103,440</u>	<u>14,193</u>	<u>117,633</u>
Carrying amount			
At 30 June 2023	<u>19,903</u>	<u>157,368</u>	<u>177,271</u>
At 30 June 2022	<u>25,335</u>	<u>-</u>	<u>25,335</u>

Assets held under finance leases and hire purchase contracts

The carrying value of tangible assets held under finance leases and hire purchase contracts is as follows:

	2023 £	2022 £
Motor vehicles	<u>157,368</u>	<u>-</u>

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

11 Investments

	2022 £	2021 £
Investments in joint ventures	<u>75</u>	<u>75</u>
Joint ventures		£
Cost		
At 1 July 2022 and 30 June 2023		<u>75</u>
Carrying amount		
At 30 June 2023		<u><u>75</u></u>
At 30 June 2022		<u><u>75</u></u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Robilant and Voena USA Limited	3000 Marcus Avenue, #3E6 Lake Success, New York 11042 USA	Ordinary	50%	50%

Robilant and Voena USA Limited

The principal activity of Robilant and Voena USA Limited is that of a dealer and agent for the sale of works of art and antiques.

12 Stocks

	2023 £	2022 £
Other inventories	<u>14,425,361</u>	<u>15,284,715</u>

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

13 Debtors

	2023 £	2022 £
Trade debtors	5,673,994	2,449,840
Other debtors	190,604	452,549
Prepayments	119,878	214,801
Accrued income	589,708	-
Corporation tax recoverable	-	1,702
	6,574,184	3,118,892

14 Creditors

	Note	2023 £	2022 £
Due within one year			
Loans and borrowings	18	13,497	-
Trade creditors		13,337,252	10,008,607
Amounts due to group undertakings		17,182	30,908
Social security and other taxes		68	-
Other creditors		273,482	11,697
Accruals		8,597,239	7,804,786
		22,238,720	17,855,998

Due after one year

Loans and borrowings	18	131,048	-
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15 Provisions for liabilities

	Deferred tax £	Total £
At 1 July 2022	6,334	6,334
Increase (decrease) in existing provisions	(2,161)	(2,161)
At 30 June 2023	4,173	4,173

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £686 (2022 - £Nil).

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

17 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

There are no restrictions on the repayment of capital or the distribution of dividends.

18 Loans and borrowings

Current loans and borrowings

	2023 £	2022 £
Hire purchase contracts	13,497	-

Non-current loans and borrowings

	2023 £	2022 £
Hire purchase contracts	131,048	-

Amounts due under hire purchase contracts are secured on the assets involved.

19 Analysis of changes in net debt

	At 1 July 2022 £	Cash flows £	At 30 June 2023 £
Cash and cash equivalents			
Cash	727,802	1,482,571	2,210,373
	<u>727,802</u>	<u>1,482,571</u>	<u>2,210,373</u>

OLD AND MODERN MASTERS LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

20 Related party transactions

Exemption is taken in accordance with FRS 102 paragraph 33.1A not to disclose transactions or amounts falling due between undertakings wholly owned within the group.

At 30 June 2023 an amount of £510,072 (2022 - £397,681) was due from a company over which the director is able to exert significant influence. During the year there was a management recharge of £116,750 (2022 - £225,000) from this company.

At 30 June 2023 an amount of £97,863 (2022 - £130,481) was due from a joint venture undertaking.

The company operates from a property leased from various parties including the director. Rent paid during the year amounted to £33,625 (2022 - £33,625).

21 TRANSACTIONS WITH DIRECTORS

During the year advances of £116,641 and repayments of £116,721 were made to the director. Interest of £80 (2022 - £Nil) has been charged at 2.00% p.a. There were no set terms in place.

22 Parent and ultimate parent undertaking

The company's immediate parent and ultimate parent undertaking is Wainwright Invest Holdings Ltd, a company incorporated in the British Virgin Islands, whose registered office is located at 54/58 Athol Street, Douglas, Isle of Man, IM1 1JD.

The ultimate controlling party is M Voena.

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.