

OLD & MODERN MASTERS LIMITED
FINANCIAL STATEMENTS
31 JANUARY 2003

Company Registration Number 4348253

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



OLD & MODERN MASTERS LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003

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OLD & MODERN MASTERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

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

OLD & MODERN MASTERS LIMITED

THE DIRECTOR'S REPORT

PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003

The director has pleasure in presenting his report and the financial statements of the company for the period from 7 January 2002 to 31 January 2003.

PRINCIPAL ACTIVITIES

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

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At 31 January 2003	At 7 January 2002 or later date of appointment
Lumley Management Limited	—	—

Lumley Management Limited was appointed as a director on 7 January 2002.

DIRECTOR'S RESPONSIBILITIES

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

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

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

OLD & MODERN MASTERS LIMITED

THE DIRECTOR'S REPORT *(continued)*

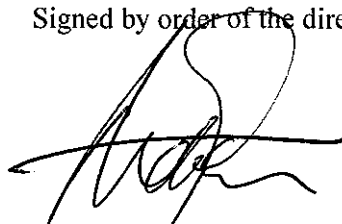
PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003

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 9/8/03

OLD & MODERN MASTERS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Director's Responsibilities on page 2.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 and performed 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2003 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
& Registered Auditors

1 Lumley Street
Mayfair
London
W1K 6TT

9/3/03.....

OLD & MODERN MASTERS LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003

	Note	Period from 7 Jan 02 to 31 Jan 03 £
TURNOVER		3,508,979
Cost of sales		3,223,049
GROSS PROFIT		<u>285,930</u>
Distribution costs		24,923
Administrative expenses		49,889
OPERATING PROFIT	2	<u>211,118</u>
Interest receivable		1,570
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>212,688</u>
Tax on profit on ordinary activities	3	39,486
RETAINED PROFIT FOR THE FINANCIAL PERIOD		<u><u>173,202</u></u>

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 period as set out above.

OLD & MODERN MASTERS LIMITED**BALANCE SHEET****31 JANUARY 2003**

	Note	31 Jan 03 £	£
CURRENT ASSETS			
Stocks		103,911	
Debtors	4	347,821	
Cash at bank		266,561	
		<u>718,293</u>	
CREDITORS: Amounts falling due within one year	5	<u>544,991</u>	
NET CURRENT ASSETS			<u>173,302</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>173,302</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7		100
Profit and loss account			<u>173,202</u>
SHAREHOLDERS' FUNDS	8		<u>173,302</u>

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

These financial statements were approved and signed by the director on 9 August 2003.



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LUMLEY MANAGEMENT LIMITED

OLD & MODERN MASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) 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 period, exclusive of Value Added Tax.

Stocks

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

Foreign currencies

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

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

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

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 7 Jan 02 to 31 Jan 03 £
Current tax:	
Corporation tax	—
Over/under provision in prior year	39,486
Total current tax	<u>39,486</u>

OLD & MODERN MASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003

3. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 18.17%.

	Period from 7 Jan 02 to 31 Jan 03 £
Profit on ordinary activities before taxation	<u>212,688</u>
Profit/(loss) on ord actvs by rate of tax	38,650
Expenses not deductible for tax purposes	<u>836</u>
Total current tax (note 3(a))	<u>39,486</u>

4. DEBTORS

	31 Jan 03 £
Trade debtors	342,821
Other debtors	<u>5,000</u>
	<u>347,821</u>

5. CREDITORS: Amounts falling due within one year

	31 Jan 03 £
Trade creditors	310,626
Corporation tax	39,486
Other taxation	21,873
Other creditors	<u>173,006</u>
	<u>544,991</u>

6. RELATED PARTY TRANSACTIONS

In the opinion of the director there is no one controlling party.

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

OLD & MODERN MASTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 7 JANUARY 2002 TO 31 JANUARY 2003****7. SHARE CAPITAL****Authorised share capital:**

	31 Jan 03
	£
100,000 Ordinary shares of £1 each	<u>100,000</u>

Allotted, called up and fully paid:

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

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Jan 03
	£
Profit for the financial period	173,202
New equity share capital subscribed	<u>100</u>
Net addition to funds	<u>173,302</u>
Closing shareholders' equity funds	<u>173,302</u>