

MARTIN SUMMERS FINE ART LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004

Registered Number: 4371584



MARTIN SUMMERS FINE ART LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2004

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MARTIN SUMMERS FINE ART LIMITED

COMPANY INFORMATION

DIRECTORS

S M Summers
Mrs A T Summers

SECRETARY

R V Francis

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

LEGAL ADVISORS

Hunters Solicitors
9 New Square
Lincoln's Inn
London WC2A 3QN

BANKERS

C. Hoare & Co
32 Lowndes Street
London
SW1X 9HZ

REGISTERED OFFICE

Fairfax House
15 Fulwood Place
London
WC1V 6AY

MARTIN SUMMERS FINE ART LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2004

The directors have pleasure in submitting their report and the audited financial statements for the year ended 31st December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of Fine Art Dealer.

DIRECTORS

Directors who served during the year and their interests in the company's shares at 31st December 2004 were as follows:

Ordinary

S M Summers	101
Mrs A T Summers	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

MARTIN SUMMERS FINE ART LIMITED

DIRECTORS' REPORT (continued)

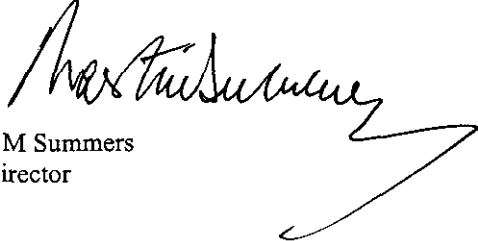
YEAR ENDED 31ST DECEMBER 2004

AUDITORS

A resolution to reappoint haysmacintyre as auditors will be represented to the members at the A.G.M.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'S M Summers', with a long, sweeping horizontal stroke extending to the right.

S M Summers
Director

Registered Office:

Fairfax House
15 Fulwood Place
London WC1V 6AY

21st October 2005

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MARTIN SUMMERS FINE ART LIMITED**

We have audited the financial statements of Martin Summers Fine Art Limited for the year ended 31st December 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

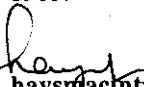
Basis of audit opinion

We conducted our audit in accordance with 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 directors 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 31st December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hay MacIntyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AX

21st October 2005

MARTIN SUMMERS FINE ART LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST DECEMBER 2004**

		2004		2003	
	Note	£	£	£	£
TURNOVER	2	1,243,193		2,632,498	
Cost of sales		(673,055)		(2,146,528)	
GROSS PROFIT			570,138		485,970
Distribution costs		17,269		16,833	
Administrative expenses		353,005		242,452	
Other operating expenses		233,793		197,098	
			(604,067)		(456,383)
OPERATING (LOSS)/PROFIT			(33,929)		29,587
Interest receivable			-		-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(33,929)		29,587
Taxation charge on (loss)/profit on ordinary activities	5		(135)		(7,661)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			(34,064)		21,926
Dividends	6		-		(25,000)
LOSS FOR THE YEAR			(34,064)		(3,074)
RETAINED PROFIT brought forward			32,164		35,238
RETAINED (LOSS)/PROFIT carried forward			£(1,900)		£32,164

All turnover and operating profit is derived from continuing operations.

All recognised gains and losses are included in the profit and loss account.

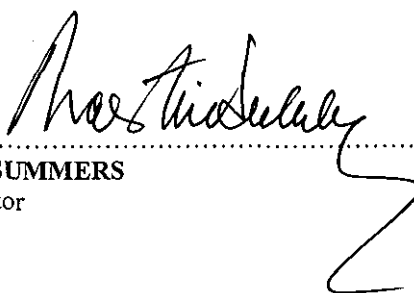
A separate movement of shareholders' funds statement is not provided as there are no changes for the current or previous years other than the retained profit in the profit and loss account.

MARTIN SUMMERS FINE ART LIMITED**BALANCE SHEET****AT 31ST DECEMBER 2004**

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	7	86,700	113,773
CURRENT ASSETS			
Stock	8	2,009,608	1,133,773
Debtors	9	108,043	270,657
Cash at bank and in hand		11,188	215,376
		<u>2,128,839</u>	<u>1,619,806</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		<u>(2,217,338)</u>	<u>(1,701,314)</u>
NET CURRENT LIABILITIES		(88,499)	(81,508)
NET ASSETS		<u>£(1,799)</u>	<u>£32,265</u>
CAPITAL AND RESERVES			
Called up share capital	11	101	101
Profit and loss account		(1,900)	32,164
EQUITY SHAREHOLDERS' FUNDS		<u>£(1,799)</u>	<u>£32,265</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board of Directors on 21st October 2005 and signed on its behalf by:


.....
S M SUMMERS
Director

MARTIN SUMMERS FINE ART LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2004

1. ACCOUNTING POLICIES

(i) Basis of preparation

The financial statements have been prepared on the historical cost basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(ii) Cashflow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

(iii) Depreciation

Depreciation is provided at the following annual rates:

Computer equipment	25% straight line
Furniture and fittings	25% straight line
Motor vehicles	25% straight line

Books are subject to an annual impairment review, the consequence of which is that depreciation has not been provided.

(iv) Foreign currency

Transactions denominated in foreign currencies are recorded at the rate ruling on the day on which the transaction took place. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

(v) Deferred taxation

Full provision is made for deferred tax in respect of all material non-permanent timing differences that have originated but not reversed at the balance sheet date.

(vi) Stocks

Stocks are stated at the lower of cost and net realisable value.

(vii) Pensions

The expected cost of providing pension benefits is charged in the profit and loss account.

2. TURNOVER

Turnover is derived from direct sales and commission receivable thereon, which are earned for acting as a fine art dealer.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit	6,000	5,775
- non-audit services	2,750	2,305
Depreciation	33,544	32,782

MARTIN SUMMERS FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2004

4. DIRECTORS' EMOLUMENTS	2004 £	2003 £
Emoluments	<u>£10,000</u>	<u>£9,844</u>
5. TAXATION		
UK corporation tax at 19%	-	7,865
Under/(over) provision in prior year	135	(204)
	<u>£135</u>	<u>£7,661</u>

There were no significant timing differences at 31st December 2004 and therefore no deferred taxation provision is required (2003: None).

6. DIVIDENDS	2004 £	2003 £
Dividends paid during the year	<u>£ -</u>	<u>£25,000</u>

7. FIXED ASSETS	Computers £	Furniture and Fittings £	Motor Vehicles £	Books £	Total £
COST					
At 1st January 2004	37,838	84,433	8,855	46,907	178,033
Additions	3,049	-	-	3,422	6,471
	<u>40,887</u>	<u>84,433</u>	<u>8,855</u>	<u>50,329</u>	<u>184,504</u>
DEPRECIATION					
At 1st January 2004	17,616	42,216	4,428	-	64,260
Charge for year	10,222	21,108	2,214	-	33,544
	<u>27,838</u>	<u>63,324</u>	<u>6,642</u>	<u>-</u>	<u>97,804</u>
NET BOOK VALUE					
At 31st December 2004	<u>£13,049</u>	<u>£21,109</u>	<u>£2,213</u>	<u>£50,329</u>	<u>£86,700</u>
At 31st December 2003	<u>£20,222</u>	<u>£42,217</u>	<u>£4,427</u>	<u>£46,907</u>	<u>£113,773</u>

During the year, an impairment review of the books was carried out in accordance with Financial Reporting Standard No 11 (FRS 11) and Financial Reporting Standard No 15 (FRS 15). The result was that the length of the estimated remaining useful economic life of the books was such that any depreciation charge would be immaterial to the financial statements.

MARTIN SUMMERS FINE ART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2004

8.	STOCKS	2004 £	2003 £
	Goods for re-sale	<u>£2,009,608</u>	<u>£1,133,773</u>
9.	DEBTORS	2004 £	2003 £
	Trade debtors	71,053	254,863
	Other debtors	4,682	2,459
	Prepayments and accrued income	<u>32,308</u>	<u>13,335</u>
		<u>£108,043</u>	<u>£270,657</u>
10.	CREDITORS: Amounts falling due within one year	2004 £	2003 £
	Bank overdraft	2,176,415	1,557,637
	Trade creditors	-	85,644
	Corporation tax	-	7,865
	Other taxes and social security	7,043	13,062
	Accruals and deferred income	13,853	12,106
	Proposed dividend	-	25,000
	Other creditors	<u>20,027</u>	-
		<u>£2,217,338</u>	<u>£1,701,314</u>
11.	CALLED UP SHARE CAPITAL		
	Authorised:		
	1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
	Allotted, issued and fully paid:		
	101 ordinary shares at £1 each	<u>£101</u>	<u>£101</u>
12.	RELATED PARTY TRANSACTIONS		

There were no related party transactions during the year ended 31st December 2004.