

MARTIN SUMMERS FINE ART LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



MARTIN SUMMERS FINE ART LIMITED

COMPANY INFORMATION

DIRECTORS	S M Summers A T Summers
COMPANY SECRETARY	R V Francis
COMPANY NUMBER	04371584
REGISTERED OFFICE	Fairfax House 15 Fulwood Place London WC1V 6AY
ACCOUNTANTS	haysmacintyre Chartered Accountants Fairfax House 15 Fulwood Place London WC1V 6AY
BANKERS	C Hoare & Co 32 Lowndes Street London SW1X 9HZ
SOLICITORS	Hunters 9 New Square Lincolns Inn London WC2A 3QN

MARTIN SUMMERS FINE ART LIMITED

CONTENTS

	Page
Directors' report	1
Directors' statement	2
Assurance report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

MARTIN SUMMERS FINE ART LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report and the financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The company's principal activity is that of a Fine Art Dealer. The company has had an satisfactory year of trading and incurred a loss before tax of £317,408 (2009 loss of £452,013). As detailed in note 16 the directors have considered the company's ability to continue as a going concern and due to the willingness of Mr S M Summers to continue to offer financial support, they have concluded that it is appropriate to prepare the financial statements on the going concern basis.

DIRECTORS

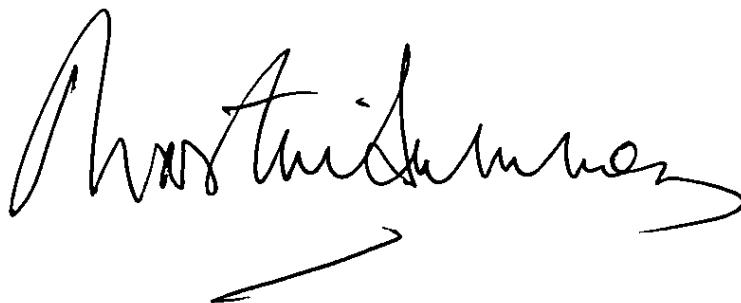
The directors who served during the year were

S M Summers
A T Summers

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 September 2011 and signed on its behalf

Director

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

Spencer Martin Summers

MARTIN SUMMERS FINE ART LIMITED

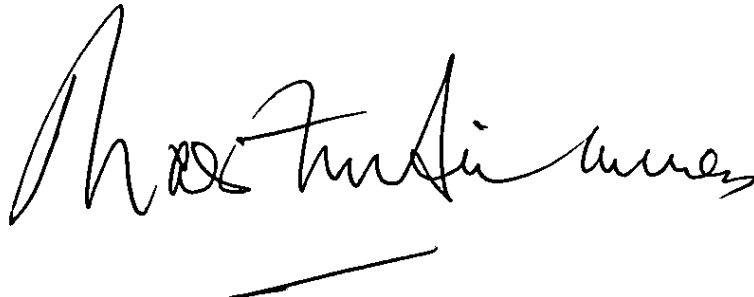
**DIRECTORS' STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

We confirm that as directors we have met our duty in accordance with the Companies Act 2006 to

- ensure that the company has kept adequate accounting records,
- prepare financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2010 and of profit and loss for that period in accordance with the Financial Reporting Standard for Smaller Entities, and
- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements

On behalf of the board 29 September 2011

Director

A handwritten signature in black ink, appearing to read 'Spencer Martin Summers', with a horizontal line drawn underneath it.

Spencer Martin Summers

MARTIN SUMMERS FINE ART LIMITED

**CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT
ON THE UNAUDITED FINANCIAL STATEMENTS OF MARTIN SUMMERS FINE ART LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2010**

TO THE BOARD OF DIRECTORS OF MARTIN SUMMERS FINE ART LIMITED ("THE COMPANY")

We have performed certain procedures in respect of the company's unaudited financial statements for the year ended 31 December 2010 as set out on pages 4 to 9, made enquiries of the company's directors and assessed accounting policies adopted by the directors, in order to gather sufficient evidence for our conclusion in this report

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement. It has been released to the directors on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the directors' own internal purposes or as may be required by law or by a competent regulator) or in part, without our prior written consent. Our work has been undertaken so that we might state to the directors those matters that we have agreed to state to them in this 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 directors, as a body, for our work, for this report or the conclusions we have formed.

RESPECTIVE RESPONSIBILITIES

You have confirmed that you have met your duty as set out in the Directors' statement on page 2. You consider that the company is exempt from the statutory requirement for an audit for the year. Our responsibility is to form and express an independent conclusion, based on the work carried out, to you on the financial statements.

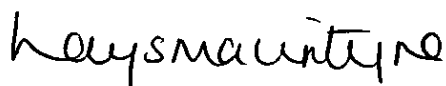
SCOPE

We conducted our engagement in accordance with the Institute of Chartered Accountants in England & Wales Interim Technical Release AAF 03/06. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with the Financial Reporting Standard for Smaller Entities. If we considered it to be necessary, we also performed limited examination of evidence relevant to certain balances and disclosures in the financial statements where we became aware of matters that might indicate a risk of material misstatement in the financial statements.

The terms of our engagement exclude any requirement to carry out a comprehensive assessment of the risks of material misstatement, a consideration of fraud, laws, regulations and internal controls, and we have not done so. We are not required to, and we do not, express an audit opinion on these financial statements.

CONCLUSION

Based on our work, nothing has come to our attention to refute the directors' confirmation that in accordance with the Companies Act 2006 the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended and have been properly prepared in accordance with the Financial Reporting Standard for Smaller Entities.

**HAYSMACINTYRE**

Chartered Accountants

Fairfax House
15 Fulwood Place
London
WC1V 6AY

29 September 2011

MARTIN SUMMERS FINE ART LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
TURNOVER	1	1,323,149	1,434,429
Cost of sales		(612,403)	(1,185,153)
GROSS PROFIT		710,746	249,276
Distribution costs		(19,304)	(11,437)
Administrative expenses		(363,167)	(510,489)
OPERATING PROFIT/(LOSS)	2	328,275	(272,650)
Interest payable and similar charges		(10,867)	(179,363)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		317,408	(452,013)
Tax on profit/(loss) on ordinary activities	4	-	1,667
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	9	317,408	(450,346)

The notes on pages 6 to 9 form part of these financial statements

MARTIN SUMMERS FINE ART LIMITED
REGISTERED NUMBER: 04371584

BALANCE SHEET
AS AT 31 DECEMBER 2010

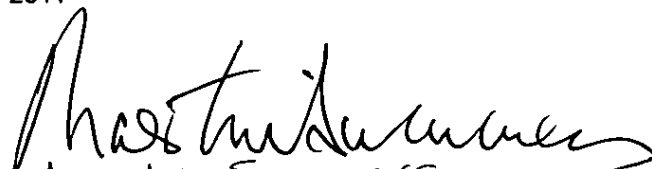
	Note	£	2010	£	2009	£
FIXED ASSETS						
Tangible assets	5			52,949		52,949
CURRENT ASSETS						
Stocks		814,978			1,162,831	
Debtors	6	15,636			17,383	
Cash at bank and in hand		575,971			3,693	
		<u>1,406,585</u>			<u>1,183,907</u>	
CREDITORS: amounts falling due within one year	7	<u>(3,419,994)</u>			<u>(3,514,724)</u>	
NET CURRENT LIABILITIES				<u>(2,013,409)</u>		<u>(2,330,817)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>(1,960,460)</u>		<u>(2,277,868)</u>
CAPITAL AND RESERVES						
Called up share capital	8			101		101
Profit and loss account	9			<u>(1,960,561)</u>		<u>(2,277,969)</u>
SHAREHOLDERS' DEFICIT				<u>(1,960,460)</u>		<u>(2,277,868)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2010 and of its profit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2011

Director

 Spencer Martin Summers
 The notes on pages 6 to 9 form part of these financial statements

MARTIN SUMMERS FINE ART LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	25% straight line

1.4 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.6 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.7 GOING CONCERN

The financial statements have been prepared on the going concern basis as Mr S M Summers, a director of the company, is willing to financially support the company for the foreseeable future. Mr S M Summers has indicated to the company that he will not recall the amounts due to him until the resources of the company allow

MARTIN SUMMERS FINE ART LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2010 £	2009 £
Pension costs	-	6,300

3. DIRECTORS' REMUNERATION

	2010 £	2009 £
Aggregate emoluments	12,833	22,000

4. TAXATION

	2010 £	2009 £
Adjustments in respect of prior periods	-	(1,667)
TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES	-	(1,667)

5. TANGIBLE FIXED ASSETS

	Other fixed assets £
COST	
At 1 January 2010 and 31 December 2010	52,949
DEPRECIATION	
At 1 January 2010 and 31 December 2010	-
NET BOOK VALUE	
At 31 December 2010	52,949
At 31 December 2009	52,949

6. DEBTORS

	2010 £	2009 £
Other debtors	15,636	17,383

MARTIN SUMMERS FINE ART LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

**7. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Bank loans and overdrafts	-	3,000,100
Trade creditors	573,248	443,458
Social security and other taxes	6,731	12,347
Other creditors	2,840,015	58,819
	<u>3,419,994</u>	<u>3,514,724</u>

During the year the bank loan of £3,000,100 was repaid personally by Mr S M Summers, a director of the company, and the said amount became due to Mr S M Summers

8. SHARE CAPITAL

	2010 £	2009 £
ALLOTTED, CALLED UP AND FULLY PAID		
101 Ordinary shares of £1 each	<u>101</u>	<u>101</u>

9. RESERVES

	Profit and loss account £
At 1 January 2010	(2,277,969)
Profit for the year	317,408
At 31 December 2010	<u>(1,960,561)</u>

10. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £nil (2009 £6,300). No contributions (2009 £Nil) were payable to the fund at the balance sheet date.

MARTIN SUMMERS FINE ART LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

11. OPERATING LEASE COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
EXPIRY DATE:		
Between 2 and 5 years	15,000	15,000

12. RELATED PARTY TRANSACTIONS

During the year the company was charged rent of £85,850 (2009 £75,574) by Mr S M Summers, a director of the company, and owner of the property out of which the company operated during part of the year. At the year end, £2,838,976 was owed to Mr S M Summers (2009 £443,458) and this amount is included within other creditors in note 7.