

**MARTIN SUMMERS FINE ART LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**MARTIN SUMMERS FINE ART LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	S.M. Summers A.T. Summers
<b>COMPANY SECRETARY</b>	R.V. Francis
<b>COMPANY NUMBER</b>	4371584
<b>REGISTERED OFFICE</b>	Fairfax House 15 Fulwood Place London WC1V 6AY
<b>ACCOUNTANTS</b>	haysmacintyre Chartered Accountants Fairfax House 15 Fulwood Place London WC1V 6AY
<b>BANKERS</b>	C. Hoare & Co 32 Lowndes Street London SW1X 9HZ
<b>SOLICITORS</b>	Hunters 9 New Square Lincolns Inn London WC2A 3QN

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**MARTIN SUMMERS FINE ART LIMITED**

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**MARTIN SUMMERS FINE ART LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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The directors present their report and the financial statements for the year ended 31 December 2008.

**PRINCIPAL ACTIVITIES**

The company's principal activity is that of a Fine Art Dealer. The company has had an unsatisfactory year of trading and incurred a loss of £632,828. As detailed in note 1.6 the directors have considered the company's ability to continue as a going concern and due to the bank's willingness to continue to offer financial support, they have concluded that it is appropriate to prepare the financial statements on the going concern basis.

**DIRECTORS**

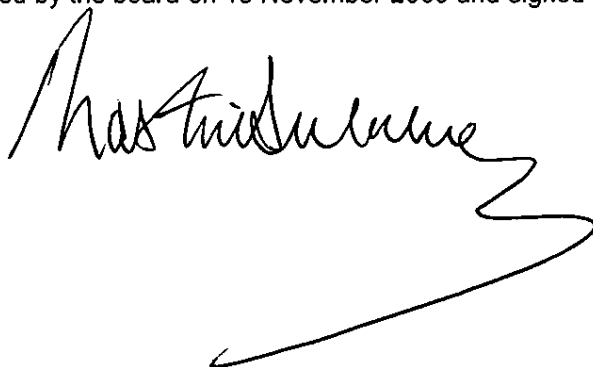
The directors who served during the year were:

S.M. Summers  
A.T. Summers

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.

This report was approved by the board on 18 November 2009 and signed on its behalf.

S.M. Summers  
Director

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

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**MARTIN SUMMERS FINE ART LIMITED**

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**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE  
UNAUDITED FINANCIAL STATEMENTS OF MARTIN SUMMERS FINE ART LIMITED**

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In accordance with our engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and loss account, the Balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance sheet as at 31 December 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*haysmacintyre*

**haysmacintyre**

Chartered Accountants

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

18 November 2009

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**MARTIN SUMMERS FINE ART LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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	Note	2008 £	2007 £
<b>TURNOVER</b>	1	547,673	565,037
Cost of sales		(327,360)	(346,165)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		220,313	218,872
Selling and distribution costs		(18,014)	(22,942)
Administrative expenses		(651,138)	(1,026,470)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	2	(448,839)	(830,540)
Interest payable		(183,989)	(140,103)
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(632,828)	(970,643)
Tax on loss on ordinary activities	4	-	23
		<hr/>	<hr/>
<b>LOSS FOR THE FINANCIAL YEAR</b>	9	(632,828)	(970,620)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 5 to 8 form part of these financial statements.

**MARTIN SUMMERS FINE ART LIMITED**  
**REGISTERED NUMBER: 4371584**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

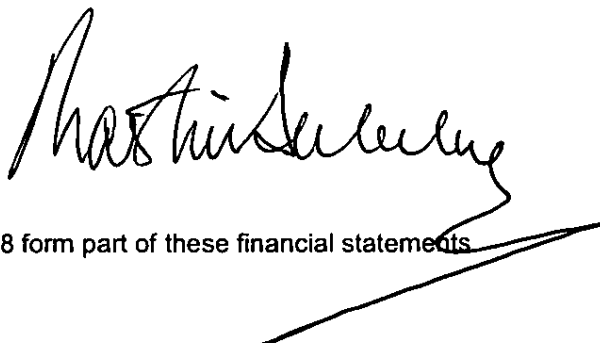
	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	52,949	96,182
<b>CURRENT ASSETS</b>			
Stocks		1,191,831	1,193,372
Debtors	6	34,636	119,449
Cash in hand		1,032	1,411
		<u>1,227,499</u>	<u>1,314,232</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(3,107,970)</u>	<u>(2,605,108)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,880,471)</u>	<u>(1,290,876)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,827,522)</u>	<u>(1,194,694)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	101	101
Profit and loss account	9	<u>(1,827,623)</u>	<u>(1,194,795)</u>
<b>SHAREHOLDERS' DEFICIT</b>		<u>(1,827,522)</u>	<u>(1,194,694)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 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 2008 and of its loss for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 November 2009.

**S.M. Summers**  
Director



The notes on pages 5 to 8 form part of these financial statements

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**MARTIN SUMMERS FINE ART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**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 January 2007).

**1.2 TURNOVER**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, 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 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.

**1.5 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.

**1.6 GOING CONCERN**

The financial statements have been prepared on the going concern basis as the company's bankers have confirmed that they will continue to financially support the company, with such support being under regular review. The company's overdraft is secured on personal assets of the director, S M Summers.

**2. OPERATING LOSS**

The operating loss is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	43,233	43,234
Auditors' remuneration	-	6,900
Pension costs	24,187	28,326
	<u>          </u>	<u>          </u>



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**MARTIN SUMMERS FINE ART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**3. DIRECTORS' REMUNERATION**

	2008 £	2007 £
Aggregate emoluments	22,000	23,283

**4. TAXATION**

	2008 £	2007 £
Adjustments in respect of prior periods	-	(23)
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	-	(23)

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

Unrelieved tax losses of £1,721,893 (2007: £1,135,555) were carried forward at the year end.

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**5. TANGIBLE FIXED ASSETS**

	Other fixed assets £
<b>COST</b>	
At 1 January 2008 and 31 December 2008	360,056
<b>DEPRECIATION</b>	
At 1 January 2008	263,874
Charge for the year	43,233
At 31 December 2008	307,107
<b>NET BOOK VALUE</b>	
At 31 December 2008	52,949
At 31 December 2007	96,182

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**MARTIN SUMMERS FINE ART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**6. DEBTORS**

	2008 £	2007 £
Trade debtors	1,801	37,670
Other debtors	14,885	63,829
Tax recoverable	17,950	17,950
	<u>34,636</u>	<u>119,449</u>

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

	2008 £	2007 £
Bank loans and overdrafts	2,893,130	2,400,413
Trade creditors	2,145	51,209
Social security and other taxes	6,857	10,620
Other creditors	205,838	142,866
	<u>3,107,970</u>	<u>2,605,108</u>

**8. SHARE CAPITAL**

	2008 £	2007 £
<b>AUTHORISED</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
101 Ordinary shares of £1 each	<u>101</u>	<u>101</u>

**9. RESERVES**

	Profit and loss account £
At 1 January 2008	(1,194,795)
Loss for the year	(632,828)
	<u>(1,827,623)</u>
At 31 December 2008	<u>(1,827,623)</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 £24,187 (2007: £28,326).

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**MARTIN SUMMERS FINE ART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**10. PENSION COMMITMENTS (continued)**

No contributions (2007: £Nil) were payable to the fund at the balance sheet date.

**11. TRANSACTIONS WITH DIRECTORS**

During the year the company was charged rent of £140,000 (2007: £140,000) by Mr S.M. Summers, a director of the company, and owner of the property out of which the company operated during the year. At the year end, £191,087 was owed to Mr S.M. Summers (2007: £115,915).