

**MARTIN SUMMERS FINE ART LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Post balance sheet events**

At the time of approving these financial statements, the directors recognise that the country is facing the uncertainties of the COVID-19 pandemic. Nevertheless, the directors are working on various mitigation strategies and will work with affected parties in a collaborative manner to protect the interests of the company and its stakeholders.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

			2019 £	2018 £
<b>Fixed assets</b>				
Tangible assets	4		52,949	52,949
			<u>52,949</u>	<u>52,949</u>
<b>Current assets</b>				
Stocks	5	431,155	437,725	
Debtors: amounts falling due within one year	6	2,609	13,662	
Cash at bank and in hand	7	1,734	9,684	
		<u>435,498</u>	<u>461,071</u>	
Creditors: amounts falling due within one year	8	(563,795)	(518,857)	
<b>Net current liabilities</b>			<u>(128,297)</u>	<u>(57,786)</u>
<b>Total assets less current liabilities</b>			<u>(75,348)</u>	<u>(4,837)</u>
<b>Net liabilities</b>			<u>(75,348)</u>	<u>(4,837)</u>
<b>Capital and reserves</b>				
Called up share capital			101	101
Profit and loss account			<u>(75,449)</u>	<u>(4,938)</u>
			<u>(75,348)</u>	<u>(4,837)</u>

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 October 2020.

**S M Summers**  
Director

The notes on pages 2 to 6 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

Martin Summers Fine Art Limited, registered number 04371584, is a private company limited by shares incorporated in England & Wales. The registered office is 10 Queen Street Place, London, EC4R 1AG. The principal place of business is 38 Elizabeth Street, London, SW1W 9NZ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have considered the impact of COVID-19 and does not believe this will affect the going concern assumption. Although the situation surrounding COVID-19 is still developing at the date of signing the financial statements, the directors consider that, whilst the UK economy is likely to be significantly impacted, the company is unlikely to suffer to the same extent.

The worldwide outbreak of the COVID-19 virus represents a significant event occurring after the end of the financial year. The company has reviewed its cash flow forecasts and considered the impact of the coronavirus on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the relatively low impact to cash flow and liquidity for the 12 months from the date of signing this report. COVID-19 has had very little impact on cash flows and operations subsequent to the year end.

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Tangible fixed assets and depreciation**

Other fixed assets comprise reference books and are stated at cost. In the opinion of the directors the books have an enduring value to the business and a residual value materially equal to their cost. For this reason the directors consider it appropriate not to charge depreciation against this fixed asset class.

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the purchase price.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.8 Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2018 - 2).

4. Tangible fixed assets

	Other fixed assets £
<b>Cost or valuation</b>	
At 1 January 2019	52,949
At 31 December 2019	<u>52,949</u>
<b>Net book value</b>	
At 31 December 2019	<u>52,949</u>
At 31 December 2018	<u>52,949</u>

5. Stocks

	2019 £	2018 £
Finished goods and goods for resale	431,155	437,725
	<u>431,155</u>	<u>437,725</u>

6. Debtors

	2019 £	2018 £
Other debtors	1,291	12,352
Prepayments and accrued income	1,318	1,310
	<u>2,609</u>	<u>13,662</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**7. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<u>1,734</u>	<u>9,684</u>

**8. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	75,728	83,600
Other taxation and social security	1,913	1,112
Other creditors	483,654	431,645
Accruals and deferred income	2,500	2,500
	<u>563,795</u>	<u>518,857</u>

**9. Related party transactions**

At the year end, £483,654 was owed to S M Summers, a director of the company, (2018: £431,645) and this amount is included within other creditors.

**10. Controlling party**

In the opinion of the directors, S M Summers is the ultimate controlling party.

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.