

**DANIELLA LUXEMBOURG ART LIMITED**

**REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2007**

FRIDAY



\*ANUAH208\*

29/08/2008

A50

285

COMPANIES HOUSE

# **DANIELLA LUXEMBOURG ART LIMITED**

## **I N D E X**

**Year ended 31 December 2007**

---

	<b>Page</b>
General information	2
Report of the director	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Accounting policies	7
Notes to the financial statements	8
Detailed trading and profit and loss account (not filed at Companies House)	11

# **DANIELLA LUXEMBOURG ART LIMITED**

## **GENERAL INFORMATION**

**Year ended 31 December 2007**

---

<b>Director</b>	D Luxembourg
<b>Secretary</b>	J A Talbot
<b>Registered office</b>	(PO Box 900) Rotherwick House 3 Thomas More Street London EIW 1YX
<b>Company number</b>	5063197
<b>Auditors</b>	Dixon Wilson (PO Box 900) Rotherwick House 3 Thomas More Street London EIW 1YX
<b>Bankers</b>	Union Bancaire Privée 26 St James's Square London SW1Y 4JH

# **DANIELLA LUXEMBOURG ART LIMITED**

## **REPORT OF THE DIRECTOR**

**Year ended 31 December 2007**

---

The director submits her report and accounts for the year ended 31 December 2007

### **Principal activity**

The company deals in works of art, and act as advisers for the purchase and sale of art works

### **Director**

The director who held office during the year was as shown on page 2.

### **Director's responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 and of the profit or loss of the company for that period. 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,
- 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 them to ensure that the financial statements comply with the Companies Act 1985. She 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

### **Statement as to disclosure of information to auditors**

The director has taken all appropriate steps to identify any relevant audit information and all such information has been made available to the company's auditors

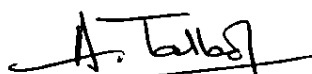
### **Auditors**

A resolution to re-appoint Dixon Wilson as auditors in accordance with Section 385 of the Companies Act 1985 will be proposed at the forthcoming annual general meeting

### **Special provisions**

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

By order of the board



J A TALBOT  
Secretary

London  
28 06 2008

# **DANIELLA LUXEMBOURG ART LIMITED**

## **AUDITORS' REPORT**

**Year ended 31 December 2007**

---

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DANIELLA LUXEMBOURG ART LIMITED**

We have audited the financial statements of Daniella Luxembourg Art Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of director and auditors**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Auditing Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 Director's 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 International Standards on Auditing (UK and Ireland) 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 in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company as at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985
- the information given in the Director's Report is consistent with the financial statements



DIXON WILSON  
Chartered Accountants and Registered Auditors  
Rotherwick House  
3 Thomas More Street  
London E1W 1YX  
30.6.2008

**DANIELLA LUXEMBOURG ART LIMITED****PROFIT AND LOSS ACCOUNT****Year ended 31 December 2007**

	<b>Note</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
<b>Turnover</b>	<b>1</b>	<b>1,947,634</b>	<b>1,411,322</b>
Cost of sales		<u>(1,110,526)</u>	<u>(1,043,924)</u>
<b>Gross profit</b>		<b>837,108</b>	<b>367,398</b>
Administrative expenses		<u>(547,586)</u>	<u>(327,400)</u>
<b>Operating profit</b>	<b>2</b>	<b>289,522</b>	<b>39,998</b>
Interest receivable		8,256	1,882
Interest payable		<u>(746)</u>	<u>(1,007)</u>
<b>Profit on ordinary activities before taxation</b>		<b>297,032</b>	<b>40,873</b>
Tax on profit on ordinary activities	<b>4</b>	<u>(92,122)</u>	<u>(11,056)</u>
<b>Profit on ordinary activities after taxation</b>		<b><u>204,910</u></b>	<b><u>29,817</u></b>

**DANIELLA LUXEMBOURG ART LIMITED****BALANCE SHEET****At 31 December 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	5	<u>26,530</u>	<u>15,321</u>
<b>Current assets</b>			
Stock		224,711	-
Debtors	6	844,292	2,307,053
Cash at bank and in hand		491,419	20,096
		<u>1,560,422</u>	<u>2,327,149</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,011,429)</u>	<u>(1,971,857)</u>
<b>Net current assets</b>		<u>548,993</u>	<u>355,292</u>
<b>Total assets less current liabilities</b>		<u>575,523</u>	<u>370,613</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	<u>575,521</u>	<u>370,611</u>
<b>Equity shareholders' funds</b>		<u>575,523</u>	<u>370,613</u>

**Special provisions**

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements on pages 5 to 10 were approved by the director on 28.6.2008

  
D LUXEMBOURG  
Director

# **DANIELLA LUXEMBOURG ART LIMITED**

## **ACCOUNTING POLICIES**

**Year ended 31 December 2007**

---

The particular accounting policies adopted are described below.

### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

### **Income recognition**

Income from direct sales of works of art and commission income is recognised when works of art are sold

### **Stock**

Stocks, being completed works of art held for resale, are stated at the lower of cost and the director's opinion of net realisable value. Cost represents the price paid to acquire stock items

### **Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows

Building improvements	- over the length of the lease
Plant and machinery	- 25% reducing balance basis
Fixtures, fittings and equipment	- 25% reducing balance basis

### **Operating leases**

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

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the time of transaction. Monetary assets held and liabilities outstanding at the year end are translated at the rates ruling at the balance sheet date. Any adjustments resulting are taken to the profit and loss account accordingly

### **Deferred taxation**

Full provision without discounting is made for deferred taxation to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes



**DANIELLA LUXEMBOURG ART LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2007****1. Turnover**

Turnover represents the commissions invoiced in respect of fine art transactions stated and management services provided

---

<b>2. Operating profit</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting)		
Operating lease rentals	77,137	32,812
Depreciation of tangible fixed assets (note 5)	8,843	5,107

---

**3. Director's remuneration**

---

Emoluments	44,464	40,000
------------	--------	--------

---

**4. Tax on profit on ordinary activities**

Current tax		
UK corporation tax on profit for the year	92,122	11,056
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	92,122	11,056

---

**DANIELLA LUXEMBOURG ART LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2007**

**5. Tangible fixed assets**

	<b>Building improvements £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2007	-	10,176	18,891	29,067
Additions	18,484	-	1,568	20,052
At 31 December 2007	18,484	10,176	20,459	49,119
<b>Depreciation</b>				
At 1 January 2007	-	4,102	9,644	13,746
Charge for year	4,621	1,518	2,704	8,843
At 31 December 2007	4,621	5,620	12,348	22,589
<b>Net book value</b>				
At 31 December 2007	13,863	4,556	8,111	26,530
At 31 December 2006	-	6,074	9,247	15,321

**6. Debtors**

	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	774,611	2,224,749
Other debtors	52,018	25,500
Prepayments and accrued income	17,663	56,804
	<u>844,292</u>	<u>2,307,053</u>

**7. Creditors: amounts falling due within one year**

Bank overdraft	28,445	30,716
Trade creditors	596,781	1,861,189
Corporation tax	92,122	24,964
Other creditors	206,893	4,007
Accruals and deferred income	13,800	37,520
Social security and other taxes	73,388	13,461
	<u>1,011,429</u>	<u>1,971,857</u>

**8. Operating lease commitments**

At the year end the company had annual commitments to make payments under non-cancellable operating leases in respect of land and buildings which expire as follows

	<b>2007 £</b>	<b>2006 £</b>
Within 2 to 5 years	60,000	-

**DANIELLA LUXEMBOURG ART LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2007****9. Share capital**

Authorised		
1,000 (2006 - 1,000) ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
Allotted and fully paid		
2 (2006 - 2) ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

<b>10. Reconciliation of movements on the profit and loss account</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the financial year after taxation	204,910	29,817
Opening profit and loss account at 1 January 2007	370,611	340,794
	<u>          </u>	<u>          </u>
Closing profit and loss account at 31 December 2007	575,521	370,611

**11. Ultimate parent company**

The company's ultimate parent company is Luxembourg Art Limited, a company incorporated in Jersey

**12. Related party transactions**

During the year a loan was made by Luxembourg Art Limited for £130,000 to the company. The whole amount was outstanding at the year end.

During the year the company charged £110,159 (2006 - £100,000) of management fees to Luxembourg Art Limited.

The company incurred £40,094 (2006 - £69,953) of expenses on behalf of Luxembourg Art Limited. These have been recharged to Luxembourg Art Limited. Of this amount, £35,177 was outstanding at the year end.

Luxembourg Art Limited incurred £3,468 (2006 - £nil) of expenses on behalf of the company. These were recharged to the company during the year. Of this amount, £256 was outstanding at the year end.

At the end of the year the company owed \$206,894 (2006 - £257,511) to Luxembourg Art Limited.

**13. Transactions with directors**

The following loans to directors subsisted during the year ended 31 December 2007

	<b>£</b>
D Luxembourg	
Balance due to D Luxembourg at 1 January 2007	(4,007)
Balance due from D Luxembourg at 31 December 2007	44,019
Maximum balance outstanding during the year	<u>44,019</u>