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ROBIN SYMES LIMITED
REPORT AND ACCOUNTS
for the year ended
31 DECEMBER 1997



ROBIN SYMES LIMITED

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ROBIN SYMES LIMITED

DIRECTORS AND ADVISERS

DIRECTOR R. Symes

SECRETARY C. Sparwasser

REGISTERED OFFICE St. Alphage House
2 Fore Street
London EC2Y 5DH

BANKERS The Citibank Private Bank
Berkeley Square House
4-19 Berkeley Square
London W1 5LA

AUDITORS Smith & Williamson
Chartered Accountants
No 1 Riding House Street
London W1A 3AS

COMPANY'S REGISTERED NUMBER 1315755

ROBIN SYMES LIMITED

DIRECTOR'S REPORT

The director presents his report and the accounts for the year ended 31 December 1997.

Activities

The principal activity of the company continues to be that of dealing in antiquities.

Review of business

The director considers the year's trading and the future prospects of the company to be satisfactory.

Results for the year and dividends

The loss for the year after taxation was £941,545 (1996: profit £476,873). The directors do not recommend the payment of a dividend.

Charitable contributions

During the year the company made charitable contributions of £4,450 (1996: £4,192).

Directors and their interests

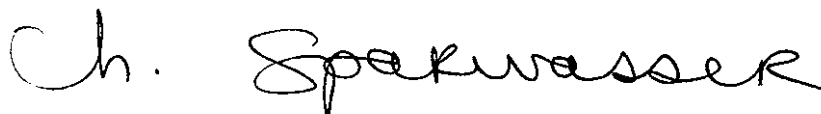
The director of the company at 31 December 1997, who served throughout the year, and his interests in the share capital of the company, together with his interests at 31 December 1996, were:

	1997	1996
R. Symes	99	99

Auditors

A resolution to reappoint Smith & Williamson as auditors will be proposed at the next Annual General Meeting.

APPROVED BY THE BOARD OF DIRECTORS
AND SIGNED ON BEHALF OF THE BOARD



SECRETARY/DIRECTOR

ROBIN SYMES LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the director to prepare accounts 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 accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the accounts.
- prepare the accounts 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 accounts comply with the Companies Act 1985. He 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.

Smith & Williamson

Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF ROBIN SYMES LIMITED

We have audited the accounts on pages 6 to 16 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 to 10.

Respective responsibilities of director and auditors

As described on page 4, the company's director is responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith & Williamson

22 October 1998

SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

No 1 Riding House Street
London W1A 3AS

ROBIN SYMES LIMITED**PROFIT AND LOSS ACCOUNT for the year ended 31 DECEMBER 1997**

	Notes	1997 £	1996 £
Turnover	1	2,115,459	14,543,713
Cost of sales		(1,218,683)	(12,140,808)
		<hr/>	<hr/>
Gross profit		896,776	2,402,905
Distribution costs		(302,307)	(382,516)
Administrative expenses		(1,149,167)	(780,892)
Other operating income		-	1,843
		<hr/>	<hr/>
Operating (loss)/profit		(554,698)	1,241,340
Interest receivable and similar income		10,499	9,771
Interest payable and similar charges	3	(657,346)	(513,538)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	4	(1,201,545)	737,573
Tax credit/(charge) on (loss)/profit on ordinary activities	5	260,000	(260,700)
		<hr/>	<hr/>
Retained (loss) /profit for the financial year	13	(941,545)	476,873
		<hr/>	<hr/>

All of the company's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

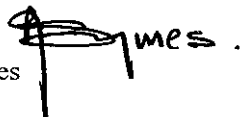
ROBIN SYMES LIMITED

BALANCE SHEET as at 31 DECEMBER 1997

	Notes	1997	1996
		£	£
Fixed assets			
Intangible assets	6	5,625	6,875
Tangible assets	7	579,274	654,500
		<u>584,899</u>	<u>661,375</u>
Current assets			
Stocks	8	8,022,090	6,792,184
Debtors	9	845,569	827,325
Cash at bank and in hand		370,984	348,698
		<u>9,238,643</u>	<u>7,968,207</u>
Creditors: amounts falling due within one year	10	(9,437,966)	(7,302,461)
		<u>(199,323)</u>	<u>665,746</u>
Net current (liabilities)/assets			
		<u>385,576</u>	<u>1,327,121</u>
Net assets			
Capital and reserves			
Called up share capital	11	100	100
Share premium account	12	16,177	16,177
Profit and loss account	12	369,299	1,310,844
		<u>385,576</u>	<u>1,327,121</u>
Shareholders' funds	13		
		<u>385,576</u>	<u>1,327,121</u>

The accounts were approved by the Board of Directors on 22/9/98 and were signed on its behalf by:

R. Symes
Director

mes.

ROBIN SYMES LIMITED

CASH FLOW STATEMENT for the year ended 31 DECEMBER 1997

	Notes	1997	1996
		£	£
Net cash (outflow)/inflow from operating activities	15	(1,780,894)	1,524,624
Returns on investments and servicing of finance			
Interest received		10,499	9,771
Interest paid		(657,346)	(597,269)
Net cash (outflow) from returns on investments and servicing of finance		(646,847)	(587,498)
Taxation			
Corporation tax paid		(2,369)	(100,000)
Corporation tax refunded		129,214	-
		126,845	(100,000)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3,074)	(6,395)
Net cash outflow for capital expenditure and financial investment		(3,074)	(6,395)
Cash (outflow)/inflow before financing		(2,303,970)	830,731
(Decrease)/increase in cash in the year	16	(2,303,970)	830,731

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

Fixed assets

Tangible assets are stated at cost less depreciation. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

Land and Buildings Freehold	-	2% straight line
Land and Buildings Leasehold	-	Lease costs - over the term of the lease
		Improvements - 15% reducing balance
Library	-	10% reducing balance
Fixtures and fittings	-	10% reducing balance
Motor vehicles	-	25% reducing balance

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension costs

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Leases

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

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997 (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in a foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the profit and loss account.

Stocks

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

The director makes provisions so as to give the best estimate of realisable value, but this process is highly subjective due to the uniqueness of stock held, its desirability to certain collectors and changing market trends. The value is based on stock being realised in the normal course of business, which may be in excess of one year.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

2 Employees and directors	1997 £	1996 £
Directors' remuneration	125,000	320,266
Company pension contributions to money purchase schemes	20,000	40,000

The average number of persons, including directors, employed by the company during the year was:

	No.	No.
Selling and distribution	4	4
Administration	3	3
	<hr/> 7	<hr/> 7
Staff costs for the above persons were:	£	£
Wages and salaries	302,641	463,318
Social security costs	30,363	30,052
Pension costs	26,545	49,350
	<hr/> 359,549	<hr/> 542,720

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997 (continued)

	1997	1996
	£	£
3 Interest payable and similar charges		
Bank loans and overdrafts	657,346	513,670
On overdue tax	-	(132)
	<u>657,346</u>	<u>513,538</u>
4 (Loss)/profit on ordinary activities before taxation	£	£
is stated after charging/(crediting):-		
Amortisation of intangible assets	1,250	1,250
Depreciation - owned assets	78,300	39,148
Auditors' remuneration	12,000	12,000
Exchange loss/(profit)	212,385	(302,942)
Operating leases	48,817	50,100
	<u></u>	<u></u>
5 Tax (credit)/charge on loss/profit on ordinary activities	£	£
UK corporation tax at 31% (1996: 33%)	-	260,000
(Over)/under provision in respect of prior years	(260,000)	700
	<u>(260,000)</u>	<u>260,700</u>

The tax credit of £260,000 has arisen due to the availability of losses carried back against the previous years tax charges.

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997 (continued)

6 Intangible fixed assets

	Goodwill £
Cost or valuation	
At 1 January 1997 and at 31 December 1997	25,000
	<hr/>
Depreciation	
At 1 January 1997	18,125
Charge for the year	1,250
	<hr/>
At 31 December 1997	19,375
	<hr/>
Net book value	
At 31 December 1997	5,625
	<hr/>
At 31 December 1996	6,875
	<hr/>

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997 (continued)

7	Tangible fixed assets	Leasehold Land and Buildings £	Freehold Land and Buildings £	Motor Vehicles £	Library £	Fixtures and Fittings £	Total £
	Cost or valuation						
	At 1 January 1997	312,138	273,223	155,235	159,840	208,543	1,108,979
	Additions	-	-	-	-	3,074	3,074
	At 31 December 1997	312,138	273,223	155,235	159,840	211,617	1,112,053
	Depreciation						
	At 1 January 1997	178,125	3,729	142,337	15,984	114,304	454,479
	Charge for the year	5,894	45,065	3,224	14,386	9,731	78,300
	At 31 December 1997	184,019	48,794	145,561	30,370	124,035	532,779
	Net book value						
	At 31 December 1997	128,119	224,429	9,674	129,470	87,582	579,274
	At 31 December 1996	134,013	269,494	12,898	143,856	94,239	654,500

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997 (continued)

8 Stocks

	1997 £	1996 £
Finished goods and goods for resale	8,022,090	6,792,184

Certain of the stock items included in this total have been assigned to the company's bankers as security for the payment and discharge of the bank overdraft included in creditors below.

Consignment Stock

The company holds consignment stock owned by certain suppliers on terms which give the company the right to sell the stock in the normal course of business or, at its option, to return it unsold to the legal owner without penalty. The purchase price of this stock is independent of the time for which the company holds it and no deposit is required. The company has no obligation to purchase consignment stock from its consignors until such time as the stock is sold to a third party, at which time the purchase and associated liability are recorded.

At 31 December 1997 the company held consignment stock amounting to £4,559,932 (1996 - £4,657,566).

9 Debtors	1997 £	1996 £
Trade debtors	572,077	694,963
Other debtors	194,804	33,452
Prepayments and accrued income	78,688	98,910
	<u>845,569</u>	<u>827,325</u>

10 Creditors: amounts falling due within one year

	£	£
Bank overdraft	8,690,113	6,363,857
Trade creditors	363,623	56,506
Corporation tax	-	130,786
Other taxation and social security	-	86,455
Other creditors	353,075	568,369
Accruals and deferred income	31,155	96,488
	<u>9,437,966</u>	<u>7,302,461</u>

The company's overdraft is secured by fixed and floating charges over all of the company's assets.

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997 (continued)

11	Called up share capital	£	£
	Authorised, allotted, called up and fully paid		
	100 ordinary shares of £1 each	100	100
		<hr/>	<hr/>
12	Reserves	Share premium	Profit and loss account
		£	£
	At 1 January 1997	16,177	1,310,844
	Retained loss for the year	-	(941,545)
		<hr/>	<hr/>
	At 31 December 1997	16,177	369,299
		<hr/>	<hr/>
		1997	1996
13	Reconciliation of movements in shareholders' funds	£	£
	(Loss)/profit for the financial year	(941,545)	476,873
	Opening shareholders' funds	1,327,121	850,248
		<hr/>	<hr/>
	Closing shareholders' funds	385,576	1,327,121
		<hr/>	<hr/>

ROBIN SYMES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1997 (Continued)

14 Operating lease commitments

At 31 December 1997 the company had annual commitments under operating leases as follows:

	1997 Land and buildings £	1996 £
For leases expiring:		
After five years	35,000	35,000

	1997 £	1996 £
15. Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		
Operating (loss)/profit	(554,698)	1,241,340
Depreciation	78,300	39,148
Amortisation	1,250	1,250
(Increase)/decrease in stocks	(1,229,906)	4,276,125
(Increase)/decrease in debtors	(17,088)	574,229
Decrease in creditors	(58,752)	(4,607,468)
Net cash (outflow)/inflow from operating activities	(1,780,894)	1,524,624

	At 1 Jan 1997 £	Cash flow £	At 31 December 1997 £
16. Analysis of net debt			
Cash in hand, at bank	348,698	22,286	370,984
Overdrafts	(6,363,857)	(2,326,256)	(8,690,113)
Total	(6,015,159)	(2,303,970)	(8,319,129)