

CRANE KALMAN GALLERY LIMITED

Company No: 912987

FINANCIAL STATEMENTS

- for the year ended -

31 JANUARY 1995

GOODMAN JONES

Chartered Accountants
29/30 Fitzroy Square
London, W1P 6LQ

Reference MPGA/5723/IAB



CRANE KALMAN GALLERY LIMITED

DIRECTORS

A.T. Kalman
S. Kalman
A. Kalman

SECRETARY

S. Kalman

BUSINESS ADDRESS

178 Brompton Road
London
SW3

REGISTERED OFFICE

29/30 Fitzroy Square
London
W1P 6LQ

AUDITORS

Goodman Jones
Chartered Accountants
29/30 Fitzroy Square
London
W1P 6LQ

PRINCIPAL BANKERS

Royal Bank of Scotland
46-48 Deansgate
Bolton
BL1 1BH

CRANE KALMAN GALLERY LIMITED

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CRANE KALMAN GALLERY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 January 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the sale of fine paintings.

The directors are satisfied with the company's performance during the year and look forward to the future with confidence.

DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £38,092 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1995</u>	<u>1994</u>
A.T. Kalman	Ordinary shares	45	45
S. Kalman	Ordinary shares	45	45
A. Kalman	Ordinary shares	-	-

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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 directors are 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. They are 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.

CHARITABLE CONTRIBUTIONS

During the year the company made various charitable contributions totalling £365.

CRANE KALMAN GALLERY LIMITED

REPORT OF THE DIRECTORS **(Continued)**

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Goodman Jones, Chartered Accountants, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

Date: 30 January 1996

**S Kalman
Secretary**

A handwritten signature in cursive script, appearing to read "Sally Kalman", with a horizontal line extending from the end of the signature.

CRANE KALMAN GALLERY LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS OF CRANE KALMAN GALLERY LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described on the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

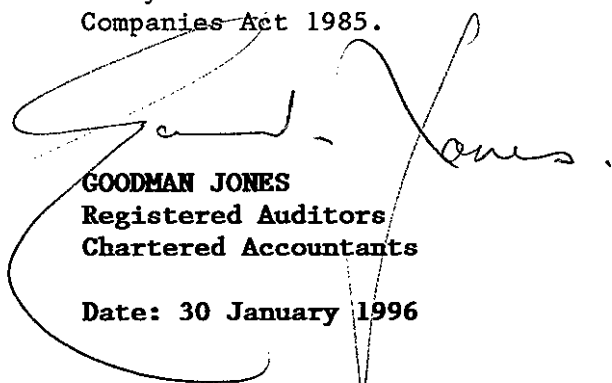
Basis of opinion

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 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 full financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 January 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GOODMAN JONES
Registered Auditors
Chartered Accountants

Date: 30 January 1996

**29/30 Fitzroy Square
London
W1P 6LQ**

CRANE KALMAN GALLERY LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 1995**

	Notes	1995 £	1994 £
TURNOVER		2,075,371	2,189,953
Cost of sales		(1,753,679)	(1,884,293)
GROSS PROFIT		321,692	305,660
Administrative expenses		(276,931)	(299,537)
		44,761	6,123
Other operating income		521	2,387
OPERATING PROFIT	2	45,282	8,510
Interest receivable	3	-	1,639
Interest payable	4	(636)	(114)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		44,646	10,035
Tax on profit on ordinary activities	6	(6,554)	-
PROFIT FOR THE FINANCIAL YEAR	12	38,092	10,035

The company's activities were acquired during the previous year. It had previously been dormant. No activities were discontinued in either year.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements.

CRANE KALMAN GALLERY LIMITED

BALANCE SHEET AT 31 JANUARY 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	7	2,269	730
CURRENT ASSETS			
Stocks	8	303,793	290,422
Debtors	9	40,621	55,105
Cash at bank and in hand		160,787	22,477
		<u>505,201</u>	<u>368,004</u>
CREDITORS: Amounts falling due within one year	10	(479,971)	(379,327)
NET CURRENT ASSETS		<u>25,230</u>	<u>(11,323)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,499</u>	<u>(10,593)</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	27,399	(10,693)
		<u>27,499</u>	<u>(10,593)</u>

The financial statements were approved
by the board on 30 January 1996 and
signed on its behalf by

... *Anders Kalman*)
... *Anders Kalman*) Directors

The notes on pages 6 to 10 form part of these financial statements.

CRANE KALMAN GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings 15% Reducing balance

1.4 STOCKS

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

1.5 FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

1.6 LEASING AND HIRE PURCHASE

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

2. OPERATING PROFIT

The operating profit is stated after charging:-

	1995 £	1994 £
Depreciation	401	129
Auditors' remuneration	2,500	2,675
Hire of equipment	1,445	-
Operating lease rentals:-		
Land and buildings	30,000	30,000
and after crediting:-		
Profit on foreign currencies	3	(124)

CRANE KALMAN GALLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1995**

3. INTEREST RECEIVABLE	1995	1994
	£	£
Bank and other interest receivable	-	1,639
	<hr/>	<hr/>
	-	1,639
	<hr/>	<hr/>
4. INTEREST PAYABLE	1995	1994
	£	£
On bank loans and overdrafts and on loans repayable in full within five years	542	56
Other interest	-	58
On overdue tax	94	-
	<hr/>	<hr/>
	636	114
	<hr/>	<hr/>
5. DIRECTORS AND EMPLOYEES	1995	1994
	£	£
Staff costs:-		
Wages and salaries	118,164	117,811
Social security costs	11,547	11,528
	<hr/>	<hr/>
	129,711	129,339
	<hr/>	<hr/>
The average weekly number of employees during the year was made up as follows:	Number	Number
Administration	3	9
	<hr/>	<hr/>
	£	£
Directors' emoluments:-		
Remuneration for management services	76,188	71,092
	<hr/>	<hr/>
The division of directors' emoluments, excluding pension contributions, is as follows:-		
Highest paid director	38,400	32,000
	<hr/>	<hr/>
Other directors' remuneration fell within the following ranges:	Number	Number
£15,001 - £20,000	1	2
£20,001 - £25,000	1	-
	<hr/>	<hr/>

CRANE KALMAN GALLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1995****6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1995 £	1994 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 25% (1994 - 25%)	6,144	-
	<hr/>	<hr/>
	6,144	-
Adjustment in respect of prior years	410	-
	<hr/>	<hr/>
	6,554	-
	<hr/>	<hr/>

7. TANGIBLE ASSETS

	Fixtures & fittings £
<u>Cost</u>	
At 1 February 1994	859
Additions	1,940
	<hr/>
At 31 January 1995	2,799
	<hr/>
<u>Depreciation</u>	
At 1 February 1994	129
Charge for year	401
	<hr/>
At 31 January 1995	530
	<hr/>
<u>Net book value at 31 January 1995</u>	2,269
	<hr/>
<u>Net book value at 31 January 1994</u>	730
	<hr/>

8. STOCKS

	1995 £	1994 £
Finished goods and goods for resale	303,793	290,422
	<hr/>	<hr/>
	303,793	290,422
	<hr/>	<hr/>

CRANE KALMAN GALLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1995**

9. DEBTORS	1995	1994
	£	£
Trade debtors	28,660	28,981
Prepayments and accrued income	11,961	26,124
	<hr/>	<hr/>
	40,621	55,105
	<hr/>	<hr/>
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995	1994
	£	£
Payments received on account	31,500	-
Trade creditors	59,889	105,951
Corporation tax	6,144	-
Other taxes and social security costs	12,809	3,211
Directors' current accounts	271,179	258,652
Accruals and deferred income	98,450	11,513
	<hr/>	<hr/>
	479,971	379,327
	<hr/>	<hr/>
11. SHARE CAPITAL	1995	1994
	£	£
<u>Authorised</u>		
Equity interests:		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
12. PROFIT AND LOSS ACCOUNT	1995	1994
	£	£
Accumulated losses at 1 February 1994	(10,693)	(20,728)
Profit for the financial year	38,092	10,035
	<hr/>	<hr/>
Retained profits at 31 January 1995	27,399	(10,693)
	<hr/>	<hr/>

CRANE KALMAN GALLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1995

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year	38,092	10,035
Shareholders' funds at 1 February 1994	(10,593)	(20,628)
Shareholders' funds at 31 January 1995	27,499	(10,593)
Represented by:-		
Equity interests	27,499	(10,593)
	27,499	(10,593)

14. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

<u>Land and buildings</u>	1995 £	1994 £
Expiry date:		
Between one and five years	30,000	30,000
	30,000	30,000