

Company Registration No. 1315755 (England and Wales)

ROBIN SYMES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996



 **Hacker
Young**
Chartered Accountants

St. Alphage House 2 Fore Street London EC2Y 5DH

ROBIN SYMES LIMITED

COMPANY INFORMATION

Director	R Symes
Secretary	C Sparwasser
Company number	1315755
Registered office	St Alphage House 2 Fore Street London EC2Y 5DH
Auditors	Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH
Business address	3 Ormond Yard London SW1Y 6JT

ROBIN SYMES LIMITED

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ROBIN SYMES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

The director presents his report and financial statements for the year ended 31 December 1996.

Principal activities and review of the business

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

Results and dividends

The results for the year are set out on page 4.

The director does not recommend payment of an ordinary dividend.

Market value of land and buildings

In the opinion of the director the market value of land and buildings exceeds the current net book value.

Director

The following director has held office since 1 January 1996:

R Symes

Director's interests

The director in office during the year and his beneficial interest in the issued ordinary share capital was as follows:-

	Ordinary of £1 each	
	31 December 1996	1 January 1996
R Symes	99	99

Charitable contributions

During the year the company made charitable donations of £4,192 (1995 : £9,815).

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

ROBIN SYMES LIMITED

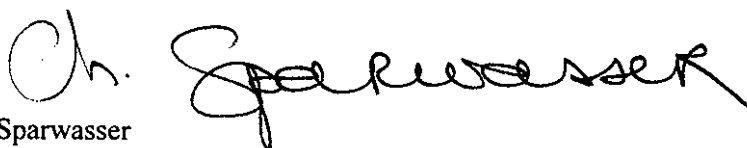
DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

Director's responsibilities

The director is required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the director's responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The director confirms that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis.

By order of the board

A handwritten signature in black ink, appearing to read 'Ch. Sparwasser', written over the printed name.

C Sparwasser
Secretary

29 October 1997

ROBIN SYMES LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF ROBIN SYMES LIMITED**

We have audited the financial statements on pages 4 to 14. These have been prepared in accordance with the basis and the accounting policies set out on pages 7 and 8.

Respective responsibilities of the director and auditors

As described on page 2 the company's director is 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.

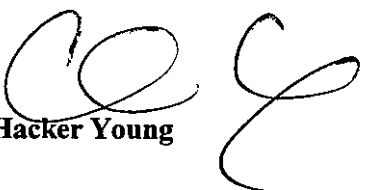
Basis of opinion

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 director 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 of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hacker Young

Chartered Accountants
Registered Auditor

29 October 1997

ROBIN SYMES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996

	Notes	1996 £	1995 £
Turnover	2	14,543,713	6,095,169
Cost of sales		(12,140,808)	(4,654,127)
Gross profit		2,402,905	1,441,042
Selling and distribution costs		(382,516)	(426,453)
Administrative expenses		(780,892)	(1,085,927)
Other operating income		1,843	67,595
Operating profit/(loss)	3	1,241,340	(3,743)
Endowment of fellowship		-	(743,921)
Profit/(loss) on ordinary activities before interest		1,241,340	(747,664)
Other interest receivable and similar income	4	9,771	8,520
Interest payable and similar charges	5	(513,538)	(129,258)
Profit/(loss) on ordinary activities before taxation		737,573	(868,402)
Tax on profit/(loss) on ordinary activities	6	(260,700)	129,914
Profit/(loss) on ordinary activities after taxation	14	476,873	(738,488)

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

There are no recognised gains and losses other than those passing through the profit and loss account.

ROBIN SYMES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

	Notes	1996 £	£	1995 £	£
Fixed assets					
Intangible assets	7	6,875		8,125	
Tangible assets	8	654,500		687,253	
		<u>661,375</u>		<u>695,378</u>	
Current assets					
Stocks	9	6,792,184	11,068,309		
Debtors	10	827,325	1,401,554		
Cash at bank and in hand		348,698	365,666		
		<u>7,968,207</u>	<u>12,835,529</u>		
Creditors: amounts falling due within one year	11	<u>(7,302,461)</u>	<u>(12,680,659)</u>		
Net current assets		665,746		154,870	
Total assets less current liabilities		<u>1,327,121</u>		<u>850,248</u>	
Capital and reserves					
Called up share capital	13	100		100	
Share premium account	14	16,177		16,177	
Profit and loss account	14	1,310,844		833,971	
Shareholders' funds - equity interests	18	<u>1,327,121</u>		<u>850,248</u>	

The financial statements were approved by the Board on 29 October 1997


R Symes
Director

ROBIN SYMES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1996

	Notes	1996 £	1995 £
Net cash inflow/(outflow) from operating activities	15	1,524,624	(1,612,486)
Returns on investments and servicing of finance			
Interest received	9,771	8,520	
Interest paid	(597,269)	(502,526)	
Net cash outflow for returns on investments and servicing of finance		(587,498)	(494,006)
Taxation		(100,000)	(107,364)
Capital expenditure			
Payments to acquire tangible assets	(6,395)	(153,169)	
Compensation for loss of lease and other income	-	67,595	
Receipts from sales of tangible assets	-	6,000	
Net cash outflow for capital expenditure		(6,395)	(79,574)
Net cash inflow/(outflow) before management of liquid resources and financing		830,731	(2,293,430)
Increase/(decrease) in cash in the year	16	830,731	(2,293,430)

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation.

No depreciation is charged on the company's freehold property. It is the policy of the company to maintain these assets in good repair, the costs of repairs and replacements being charged to the profit and loss account. Accordingly the assets retain residual values, based on prices prevailing at the date of purchase or subsequent valuation, at least equal to their book values, and depreciation is therefore insignificant.

Provisions are made to reduce cost to estimated realisable value where, in the opinion of the director, a permanent diminution in value has occurred. Such provisions are charged to the profit and loss account.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	none
Land and buildings Leasehold	Lease costs - over the term of the lease
	Improvements - 15 % reducing balance
Library	10% reducing balance
Fixtures, fittings & equipment	10% reducing balance
Motor vehicles	25 % reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value after making due provision to write down the cost of individual items to 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.

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1.7 Pensions

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit/(loss)	1996 £	1995 £
	Operating profit/(loss) is stated after charging:		
	Amortisation of intangible assets	1,250	1,250
	Depreciation of tangible assets	39,148	25,585
	Operating lease rentals	50,100	68,608
	Auditors' remuneration	12,000	15,250
		<hr/>	<hr/>
4	Other interest receivable and similar income	1996 £	1995 £
	Bank interest	9,771	8,520
		<hr/>	<hr/>
5	Interest payable	1996 £	1995 £
	On bank loans and overdrafts	513,670	518,255
	On overdue tax	(132)	(388,997)
		<hr/>	<hr/>
		513,538	129,258
		<hr/>	<hr/>

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

6 Taxation	1996	1995
	£	£
U.K. current year taxation		
U.K. corporation tax at 33% (1995 - 33%)	260,000	(129,914)
Prior years		
U.K. Corporation tax	700	-
	<u>260,700</u>	<u>(129,914)</u>
7 Intangible fixed assets		
		Goodwill
		£
Cost		
At 1 January 1996 & at 31 December 1996		<u>25,000</u>
Amortisation		
At 1 January 1996		16,875
Charge for year		<u>1,250</u>
At 31 December 1996		<u>18,125</u>
Net book value		
At 31 December 1996		<u>6,875</u>
At 31 December 1995		<u>8,125</u>

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

8 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Library £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 1996	273,223	312,138	159,840	202,148	155,235	1,102,584
Additions	-	-	-	6,395	-	6,395
At 31 December 1996	273,223	312,138	159,840	208,543	155,235	1,108,979
Depreciation						
At 1 January 1996	1,864	171,596	-	103,834	138,037	415,331
Charge for the year	1,865	6,529	15,984	10,470	4,300	39,148
At 31 December 1996	3,729	178,125	15,984	114,304	142,337	454,479
Net book value						
At 31 December 1996	269,494	134,013	143,856	94,239	12,898	654,500
At 31 December 1995	271,359	140,542	159,840	98,314	17,198	687,253

9 Stocks

	1996 £	1995 £
Finished goods and goods for resale	6,792,184	11,068,309

Certain of the stock items included in this total have been assigned to the companies 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 its 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 1996 the company held consignment stock amounting to £4,657,566 (1995 - £9,098,199).

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

10 Debtors	1996 £	1995 £
Trade debtors	694,963	1,210,363
Other debtors	33,452	112,731
Prepayments and accrued income	98,910	78,460
	<u>827,325</u>	<u>1,401,554</u>

11 Creditors: amounts falling due within one year	1996 £	1995 £
Bank loans and overdrafts	6,363,857	7,211,556
Trade creditors	56,506	4,011,648
Corporation tax	130,786	(29,914)
Other taxes and social security costs	86,455	135,760
Director's current accounts	101,590	35,237
Other creditors	466,779	1,126,983
Accruals and deferred income	96,488	189,389
	<u>7,302,461</u>	<u>12,680,659</u>

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

12 Pension costs

The company operates a defined contribution 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 £ 40,000 (1995 - £ 40,000). Contributions totaling £ 40,000 (1995 - £ 40,000) were payable to the fund at the year end and are included in creditors.

13 Share capital	1996 £	1995 £
Authorised		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 1996	16,177	833,971
Retained profit for the year	-	476,873
Balance at 31 December 1996	16,177	1,310,844

15 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	1996 £	1995 £
Operating profit/(loss)	1,241,340	(3,743)
Depreciation of tangible assets	39,148	25,585
Amortisation of intangible assets	1,250	1,250
Profit on disposal of tangible assets	-	(1,896)
Decrease/(increase) in stocks	4,276,125	(1,818,388)
Decrease/(increase) in debtors	574,229	(846,510)
(Decrease)/Increase in creditors within one year	(4,607,468)	1,031,216
Net cash inflow/(outflow) from operating activities	1,524,624	(1,612,486)

16 Analysis of net debt

	1 January 1996 £	Cash flow £	31 December 1996 £
Net cash:			
Cash at bank and in hand	365,666	(16,968)	348,698
Bank overdrafts	(7,211,556)	847,699	(6,363,857)
Net debt	(6,845,890)	830,731	(6,015,159)

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

17 Reconciliation of net cash flow to movement in net debt	1996 £	1995 £
Increase/(decrease) in cash in the year	830,731	(2,293,430)
Movement in net debt in the year	830,731	(2,293,430)
Opening net debt	(6,845,890)	(4,552,460)
Closing net debt	(6,015,159)	(6,845,890)

18 Reconciliation of movements in shareholders' funds	1996 £	1995 £
Profit/(Loss) for the financial year	476,873	(738,488)
Opening shareholders' funds	850,248	1,588,736
Closing shareholders' funds	1,327,121	850,248

19 Financial commitments

At 31 December 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1996 £	1995 £	1996 £	1995 £
Expiry date:				
Within one year	-	-	-	18,265
In over five years	35,000	35,000	-	-
	35,000	35,000	-	18,265

20 Director's emoluments	1996 £	1995 £
Remuneration	320,266	247,265
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman and the highest paid director	275,000	202,000

ROBIN SYMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

21 Employees

Number of employees

The average monthly number of employees (including director) during the year was:

	1996 Number	1995 Number
Administration	3	3
Sales and distribution	4	4
	<u>7</u>	<u>7</u>

Employment costs

	£	£
Wages and salaries	463,318	376,924
Social security costs	30,052	36,040
Other pension costs	49,350	47,508
	<u>542,720</u>	<u>460,472</u>