

Company Registration No. 2455350 (England and Wales)

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

TUESDAY



AIFCE4QR

A50

11/11/2008

88

COMPANIES HOUSE

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

DIRECTORS AND ADVISERS

Directors

J G Radcliffe OBE
J Emson CBE
P Davidson FCA
S Wood
A J Le Fevre

Secretary

A J Le Fevre

Company number

2455350

Registered office

1st Floor
63-66 Hatton Gardens
London
EC1N 8LE

Registered auditors

Robson Taylor LLP
Charter House
The Square
Lower Bristol Road
Bath
BA2 3BH

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

CONTENTS

	Page
Chairman's Report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Notes to the financial statements	8 - 19

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

As we indicated in our report for 2006, we expected a better result in 2007 than in 2006 since we had a good pipeline of recoveries and the sale of these for underwriters resulted in a profit for the year of £14,415. There was also some £100,000 of revenue which was credited to the company for expert witness work undertaken by the Chairman where the work is not directly related to the company but was undertaken in company time but is unlikely to be repeated.

We continue our strategy of consolidating our leading position as the international searchable database for stolen art, its recovery and due diligence searching for the art trade. We have made this the priority through a deliberate programme of investment including opening an office in Paris, extensive marketing efforts through the media world wide and to the art trade by attendance at art fairs. As a result we expect a loss of the order of £300,000 for 2008 but this is, as always, very dependent on the timing and quantum of some major recoveries which could improve that figure. We have arranged for any additional finance which may be required.

We could maximise short term profits by reducing those activities which do not generate any immediate revenue, but this would be at the expense of the increase in the capital value of the company.

We are pleased with the development of our contract with our sister out sourcing company Albion in India where, out of a total of Albion staff of 60, 17 staff work for the Art Loss Register.

Initially they were engaged primarily on the searching of catalogues and web sites but we have transferred most of our searching for dealers and museums onto our web site which has improved our efficiency significantly.

In July 2008 we increased our charges to reflect different levels of service such as searches for objects which require additional archive or similar research, in addition to a search of the database or where the search has to be completed immediately. Our search certificates are becoming a standard requirement for transactions in the art market and our revenues from art trade searching are increasing.

There has been a significant increase in the number of title, fake, fraud or similar disputes where the Art Loss Register has been asked to assist with a settlement, sometimes when the item was not registered with us originally.

It is clear that our professional reputation for independent investigation and research, good relations with law enforcement, the legal profession, insurance industry, and the art trade and expertise in mediation and dispute resolution are attracting a strong client base.

Although many in the art trade have been reluctant to incur the cost and the possible inconvenience of finding that they are selling a stolen item, the likelihood and penalties for such a lack of due diligence are increasing.

The environment is therefore moving strongly in favour of the company's operations. The police recognise the contribution which the private sector must make and as the company becomes better known more victims of crime register with us.

All of these factors should lead to a virtuous circle of increasing searching and recovery rates leading to a significant increase in revenues. Since the company has relatively fixed costs this should result in rising profitability and the ability to invest further to develop our business and its unique services.

None of this would be possible without the efforts of each of our staff and I am pleased to be able to thank them on behalf of all those who work with us, the police, the art trade, insurers, victims and our shareholders.

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Directors

The following directors have held office since 1 January 2007

J G Radcliffe OBE

J Emson CBE

P Davidson FCA

S Wood

A J Le Fevre

Principal activities and review of the business

The principal activity of the company continued to be that of the continued development of an international register of stolen works of fine art, acting in relation to the recovery of fine art and providing expert services. There are subsidiary companies in New York and Cologne.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6

Directors' interests

The directors' interests in the shares of the company and other group companies were as stated below

International Art & Antique Loss Register Limited

	Ordinary 'A'/'R1' of £1 each	
	31 December 2007	1 January 2007
J G Radcliffe OBE	76,919	76,919
J Emson CBE	-	-
P Davidson FCA	-	-
S Wood	-	-
A J Le Fevre	-	-

	Ordinary 'B'/'R2' of 1p each	
	31 December 2007	1 January 2007
J G Radcliffe OBE	8,856,808	8,856,808
J Emson CBE	237,000	237,000
P Davidson FCA	117,546	117,546
S Wood	-	-
A J Le Fevre	-	-

	Preference 'R' of £1 each	
	31 December 2007	1 January 2007
J G Radcliffe OBE	384,583	384,583
J Emson CBE	-	-
P Davidson FCA	-	-
S Wood	-	-
A J Le Fevre	-	-

Auditors

In accordance with the Company's Articles, a resolution proposing that Robson Taylor LLP be reappointed as auditors of the company will be put at a General Meeting

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board


A. LeFevre

Director

28/10/08

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

We have audited the group and parent company financial statements (the "financial statements") of International Art & Antique Loss Register Limited for the year ended 31 December 2007 set out on pages 6 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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 other transactions is not disclosed.

We read the directors' 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 group's and 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.

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

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 the group's and parent company's affairs as at 31 December 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Emphasis of matter

In forming our opinion we have considered the adequacy of the disclosures in note 111 of the financial statements concerning the company and the group's trading positions and the continuing financial support being provided by JG Radcliffe. As at 31 December 2007 the group's liabilities exceeded its assets by £149,792 and, although a profit was made in the year to 31 December 2007, a loss is forecast for the year to 31 December 2008. As stated the company and the group's positions as trading concerns are dependent on the undertaking provided by JG Radcliffe to provide the ongoing financial support required. In view of the significance of this uncertainty we consider it should be drawn to your attention but our opinion is not qualified in this respect.

Robson Taylor LLP

Chartered Accountants

Registered Auditor

Robson Taylor LLP

Charter House
The Square
Lower Bristol Road
Bath
BA2 3BH

7 November 2008

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

		2007	2006
	Notes	£	£
Turnover		1,245,800	996,951
Cost of sales		-	(26,924)
Gross profit		1,245,800	970,027
Administrative expenses		(1,231,385)	(1,079,104)
Operating profit/(loss)	3	14,415	(109,077)
Other interest receivable and similar income		-	41
Interest payable and similar charges	4	-	(73)
Profit/(loss) on ordinary activities before taxation	3	14,415	(109,109)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation		14,415	(109,109)

The profit and loss account has been prepared on the basis that all operations are continuing operations

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

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2007

	Notes	Group 2007 £	2006 £	Company 2007 £	2006 £
Fixed assets					
Tangible assets	7	98,801	42,201	94,825	32,451
Investments	8	-	-	1	1
		<u>98,801</u>	<u>42,201</u>	<u>94,826</u>	<u>32,452</u>
Current assets					
Debtors	9	327,024	418,390	355,470	517,601
Cash at bank and in hand		70,694	319,310	30,565	143,292
		<u>397,718</u>	<u>737,700</u>	<u>386,035</u>	<u>660,893</u>
Creditors: amounts falling due within one year	10	<u>(561,104)</u>	<u>(858,901)</u>	<u>(525,967)</u>	<u>(754,547)</u>
Net current liabilities		<u>(163,386)</u>	<u>(121,201)</u>	<u>(139,932)</u>	<u>(93,654)</u>
Total assets less current liabilities		<u>(64,585)</u>	<u>(79,000)</u>	<u>(45,106)</u>	<u>(61,202)</u>
Creditors: amounts falling due after more than one year	11	<u>(85,207)</u>	<u>(85,207)</u>	<u>(85,207)</u>	<u>(85,207)</u>
		<u>(149,792)</u>	<u>(164,207)</u>	<u>(130,313)</u>	<u>(146,409)</u>
Capital and reserves					
Called up share capital	13	818,614	818,614	818,614	818,614
Share premium account	14	177,081	177,081	177,081	177,081
Profit and loss account	14	<u>(1,145,487)</u>	<u>(1,159,902)</u>	<u>(1,126,008)</u>	<u>(1,142,104)</u>
Shareholders' funds	15	<u>(149,792)</u>	<u>(164,207)</u>	<u>(130,313)</u>	<u>(146,409)</u>

Approved by the Board and authorised for issue on 28/10/08.

A. J. Le Fevre
Director

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2007. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents the invoiced value of services by the company net of value added tax.

Recovery fees are due to the Group when works of art are recovered. Recovery fee income is recognised in the profit and loss account when the recovery has been made, the fee in relation to the recovery has been agreed with the client and in the company's view, the fee is collectible.

1.5 Goodwill

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

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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 Leasehold	Over the life of the lease until the first break clause
Computer equipment	Straight line over 5 years
Fixtures, fittings & equipment	Straight line over 5 years

The Group continues to develop software projects for its own use. The costs involved in developing these projects are capitalised in the accounts. The costs attributable to each project are then written off to the profit and loss account over a three year period starting with the date on which the project software is fully operational.

Any costs incurred in software projects which are not considered to have any future value to the Group are written off to the profit and loss account as they are incurred or if later, on the day when the Group first recognises that the relevant project has no future value.

1.7 Leasing

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

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

(continued)

1.10 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.

1.11 Going Concern

The group made a consolidated profit of £14,415 for the year ending 31 December 2007.

Management accounts for the period January to June 2008 indicate a loss in the period of £173,545 and the current indications suggest a loss for 2008 of around £360,000.

The cash flow requirements for the first nine months of 2008 have been provided by Loss Management Group, a company which is also controlled by JG Radcliffe. In addition JG Radcliffe has recently invested a further £150,000 into the company and has agreed to provide additional unlimited funding and not to request payment.

On the basis of JG Radcliffe's continued financial support for the company, the Directors consider that the company is a going concern at the balance sheet date.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below.

	2007	2006
	£	£
Geographical segment		
UK	903,171	684,153
US	182,466	194,069
Europe	160,163	118,729
	<u>1,245,800</u>	<u>996,951</u>

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

3	Operating profit/(loss)	2007 £	2006 £
	Operating profit/(loss) is stated after charging		
	Depreciation of tangible assets	28,296	10,647
	Loss on foreign exchange transactions	11,087	25,469
	Operating lease rentals	49,090	26,683
	Auditors' remuneration (company £8,175, 2006 £9,350)	8,175	9,350
	Remuneration of auditors for non-audit work	1,000	1,850
	and after crediting		
	Profit on foreign exchange transactions	(1,009)	-

4	Interest payable	2007 £	2006 £
	On bank loans and overdrafts	-	73

5 Taxation

The company has estimated losses of £ 742,540 (2006 - £ 732,840) available for carry forward against future trading profits

On the basis of these financial statements no provision has been made for corporation tax

6 Profit/(loss) for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows

	2007 £	2006 £
Holding company's profit/(loss) for the financial year	16,096	(90,728)

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

7 Tangible fixed assets

Group

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2007	9,880	228,309	-	130,805	368,994
Additions	-	56,364	24,428	-	80,792
Disposals	-	-	-	(130,805)	(130,805)
At 31 December 2007	9,880	284,673	24,428	-	318,981
Depreciation					
At 1 January 2007	9,880	182,005	-	130,805	322,690
On disposals	-	-	-	(130,805)	(130,805)
Charge for the year	-	23,934	4,361	-	28,295
At 31 December 2007	9,880	205,939	4,361	-	220,180
Net book value					
At 31 December 2007	-	78,734	20,067	-	98,801
At 31 December 2006	-	42,201	-	-	42,201

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Tangible fixed assets (continued)

Company

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2007	9,880	131,218	19,655	130,805	291,558
Additions	-	56,364	24,428	-	80,792
Disposals	-	-	-	(130,805)	(130,805)
At 31 December 2007	9,880	187,582	44,083	-	241,545
Depreciation					
At 1 January 2007	9,880	101,374	17,048	130,805	259,107
On disposals	-	-	-	(130,805)	(130,805)
Charge for the year	-	14,057	4,361	-	18,418
At 31 December 2007	9,880	115,431	21,409	-	146,720
Net book value					
At 31 December 2007	-	72,151	22,674	-	94,825
At 31 December 2006	-	29,844	2,607	-	32,451

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

7 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2007 & at 31 December 2007	3,053
Provisions for diminution in value	
At 1 January 2007 & at 31 December 2007	3,052
Net book value	
At 31 December 2007	1
At 31 December 2006	1

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Art Loss Register Inc	USA	Ordinary	100
Art Loss Register (Deutschland) Gmbh	Germany	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Art Loss Register Inc	International register of stolen works of fine art
Art Loss Register (Deutschland) Gmbh	International register of stolen works of fine art

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

9 Debtors

	Group 2007 £	2006 £	Company 2007 £	2006 £
Trade debtors	57,518	268,279	20,850	230,756
Amounts owed by group undertakings	-	-	67,482	136,734
Other debtors	28,288	17,483	25,920	17,483
Prepayments and accrued income	241,218	132,628	241,218	132,628
	<u>327,024</u>	<u>418,390</u>	<u>355,470</u>	<u>517,601</u>

10 Creditors . amounts falling due within one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Trade creditors	98,582	107,628	53,022	3,274
Amounts owed to group undertakings	-	-	10,423	-
Corporation tax	-	1,216	-	1,216
Taxes and social security costs	1,629	23,618	1,629	23,618
Other creditors	307,479	365,827	307,479	365,827
Accruals and deferred income	153,414	360,612	153,414	360,612
	<u>561,104</u>	<u>858,901</u>	<u>525,967</u>	<u>754,547</u>

11 Creditors : amounts falling due after more than one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Other loans	<u>85,207</u>	<u>85,207</u>	<u>85,207</u>	<u>85,207</u>

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

12 Pension and other post-retirement benefit commitments

Defined contribution

	2007 £	2006 £
Contributions payable by the group for the year	9,870	9,291

13 Share capital

	2007 £	2006 £
Authorised		
125,003 Ordinary 'A'/'R1' of each	125,003	125,003
50,000,000 Ordinary 'B'/'R2' of each	250,000	250,000
625,000 Preference 'R' of each	625,000	625,000
	<u>1,000,003</u>	<u>1,000,003</u>
Allotted, called up and fully paid		
125,003 Ordinary 'A'/'R1' of each	125,003	125,003
13,722,200 Ordinary 'B'/'R2' of each	68,611	68,611
625,000 Preference 'R' of each	625,000	625,000
	<u>818,614</u>	<u>818,614</u>

The company may at its initiation redeem the preference shares in multiples of 5,000 shares at any one time with the prior consent of not less than 75% in value of the holders of the preference shares. Any redemption will be at nominal value.

The preference shares carry no voting rights. On winding up the preference shares shall be entitled to repayment of the nominal value of their holdings plus all dividends declared but not yet paid in priority to any payment of capital or dividend to any other shareholder.

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

14 Statement of movements on reserves

Group

	Share premium account £	Profit and loss account £
Balance at 1 January 2007	177,081	(1,159,902)
Profit for the year	-	14,415
Balance at 31 December 2007	<u>177,081</u>	<u>(1,145,487)</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2007	177,081	(1,142,104)
Profit for the year	-	16,096
Balance at 31 December 2007	<u>177,081</u>	<u>(1,126,008)</u>

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

15 Reconciliation of movements in shareholders' funds	2007	2006
Group	£	£
Profit/(Loss) for the financial year	14,415	(109,109)
Proceeds from issue of shares	-	100,000
Net addition to/(depletion in) shareholders' funds	14,415	(9,109)
Opening shareholders' funds	(164,207)	(155,098)
Closing shareholders' funds	(149,792)	(164,207)
	2007	2006
Company	£	£
Profit/(Loss) for the financial year	16,096	(90,728)
Proceeds from issue of shares	-	100,000
Net addition to shareholders' funds	16,096	9,272
Opening shareholders' funds	(146,409)	(155,681)
Closing shareholders' funds	(130,313)	(146,409)

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

16 Financial commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
Between two and five years	29,708	-
In over five years	-	22,208
	<u>29,708</u>	<u>22,208</u>

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
Between two and five years	29,708	-
In over five years	-	22,208
	<u>29,708</u>	<u>22,208</u>

17 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services	82,500	80,000
Company pension contributions to money purchase schemes	-	1,875
	<u>82,500</u>	<u>81,875</u>

18 Control

The company is controlled by J G Radcliffe OBE by virtue of his shareholding and directorship of the company

INTERNATIONAL ART & ANTIQUE LOSS REGISTER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

19 Related party transactions

Group

The group transacts business on an arms length basis with a number of its shareholders providing logging of losses, searching for the art trade, recoveries and investigations

The Loss Management Group Ltd (LMG) provides support services to the group, charged at commercial rates. The total charged for the year was £38,000 (2006 £46,500). Additionally, LMG has advanced funds to the group totalling £307,479 (2006 £365,827). The loan is interest free and repayable on demand. LMG is a related party due to the common control of JGY Radcliffe and common directorships of JGY Radcliffe and AJ Le Fevre.

Included in other creditors is £85,207 due to JG Radcliffe (2006 £85,207). This loan is interest free and is not repayable without 12 months notice being given by either party.

Albion Consulting Pvt Ltd, a company controlled by A J Le Fevre and JG Radcliffe, provides on an arms length basis administrative support to the group, to the value of £98,733 in the year (2006 £22,855).

Company

The Company transacts business on an arms length basis with a number of its shareholders providing logging of losses, searching for the art trade, recoveries and investigations.

The Loss Management Group Ltd (LMG) provide support services to the company, charged at commercial rates. The total charged for the year was £38,000 (2006 £46,500). Additionally, LMG has advanced funds to the company totalling £307,479 (2006 £365,827). The loan is interest free and repayable on demand. LMG is a related party due to the common control of JG Radcliffe and common directorships of JG Radcliffe and AJ Le Fevre.

Included in other creditors is £85,207 due to JG Radcliffe (2006 £85,207). This loan is interest free and is not repayable without 12 months notice being given by either party.

Albion Consulting Pvt Ltd, a company controlled by A J Le Fevre and JG Radcliffe, provides on an arms length basis administrative support to the company, to the value of £98,733 in the year (2006 £22,855).