

Salehurst Trading Company Limited

Financial statements

31 December 2006

COMPANY NUMBER: 03891455 (England & Wales)



DIRECTORS' REPORT

The directors present their report and financial statements for the year to 31 December 2006

Principal activities

The principal activities of the company continue to be the trading of goods and ancillary professional auction services. The company operates principally in the United Kingdom.

Directors

The following directors held office during the period

MC Thoms

JW Braxton

PJL Floyd

Directors' interests

The directors' beneficial interests in the shares of the parent undertaking are disclosed in the financial statements of The Fine Art Auction Group Limited.

Directors' responsibilities

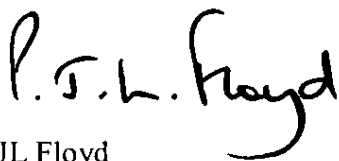
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



PJL Floyd
Company Secretary
30 October 2006

SALEHURST TRADING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£	£
Turnover	0	0
Cost of sales	0	0
Gross profit	<u>0</u>	<u>0</u>
Administrative expenses	0	0
Other operating income	0	0
Operating profit	<u>0</u>	<u>0</u>
Other Interest receivable and similar income	0	0
Profit on ordinary activities before taxation	0	0
Tax on profit on ordinary activities	<u>0</u>	<u>0</u>
Profit on ordinary activities after taxation	<u><u>0</u></u>	<u><u>0</u></u>

All recognised gains are included in the profit and loss account

SALEHURST TRADING COMPANY LIMITED

BALANCE SHEET AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
<i>Current assets</i>			
Debtors	4	2,224	2,224
Cash at bank and in hand		<u>1,809</u>	<u>1,809</u>
		4,033	4,033
Creditors (amounts falling due within one year)	5	11,490	11,490
<i>Net current assets/(liabilities)</i>		-7,457	-7,457
<i>Total assets less current liabilities</i>			
		<u>-7,457</u>	<u>-7,457</u>
<i>Capital and reserves</i>			
Called up share capital	6	2	2
Profit and loss account	7	<u>-7,459</u>	<u>-7,459</u>
		<u>-7,457</u>	<u>-7,457</u>

For the year ended 31 December 2006 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for

- (i) Ensuring the company keeps accounting records which comply with section 221, and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the board on 30 October 2007

P.J.L. Floyd

PJL Floyd

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2006

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). They are prepared on the basis that the company will continue in operational existence for the foreseeable future and to do this the company relies on the continuing support of its parent company. The parent company has confirmed its continuing support for the foreseeable future.

Turnover

Turnover represents the amounts receivable for the provision of goods and services excluding value added tax. The income from auction sales is recognised at the point where the bid is accepted, which is when the hammer falls.

Deferred Taxation

Deferred tax assets are recognised to the extent that they are regarded as recoverable.

2 Other interest receivable and similar income

	2006 £	2005 £
Bank interest	-	-

3 Taxation

The company has estimated losses of £7,300 (2005 - £7,300) to carry forward against future trading profits.

SALEHURST TRADING COMPANY LIMITED

4 Debtors

	2006	2005
	£	£
Trade debtors	0	0
Other debtors	2,224	2,224
	<u>2,224</u>	<u>2,224</u>

5 Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	165	165
Amounts owed to group undertakings	11,325	11,325
	<u>11,490</u>	<u>11,490</u>

6 Share capital

	2006	2005
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

7 Statement of movements on reserves

	Profit and loss account
	£
At 1 January	-7,459
Retained loss for the year	0
At 31 December	<u>-7,459</u>

8 Ultimate holding company and control

The ultimate holding company is The Fine Art Auction Group Limited, which is a company registered in England and Wales

9 Related party transactions

During the year The Fine Art Auction Group Limited recharged management expenses totalling £ nil (2005 nil) to the company

At 31 December, the company owed The Fine Art Auction Group Limited £ nil (2005 - nil)

Audit fees were payable by The Fine Art Auction Group Limited on behalf of the company totalling £ nil (2005 nil)