

**CUSTOT GALLERY LTD**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2014**

TUESDAY



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COMPANIES HOUSE

# **CUSTOT GALLERY LTD**

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The following pages do not form part of the statutory financial statements:

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**CUSTOT GALLERY LTD**  
**COMPANY INFORMATION**

**Director** Mr Stephane Felix Jerome Custot

**Company secretary** Mr Nizar Kanji

**Registered office** 18, The Fairway  
Northwood  
Middlesex  
HA6 3DY

**Auditors** MCA Group  
Greenway House  
Sugarswell Business Park  
Banbury  
Oxfordshire  
OX15 6HW

## CUSTOT GALLERY LTD

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

The director presents his strategic report for the year ended 31 March 2014.

#### **Business review**

##### ***Fair review of the business***

It was a quiet year for Custot Gallery Ltd with a reduced turnover and profit. However the company maintained a healthy level of shareholder funds at the end of the year.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2014	2013
Return on Capital Employed	%	2	62
Current Ratio	Times	16	5
Stock Turnover	Days	370	151
Creditor Days	Days	-	-
Debtor Days	Days	41	-

##### ***Principal risks and uncertainties***

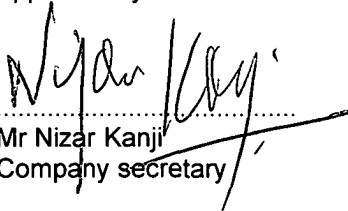
The principle risks and uncertainties affecting the business include the following:

Foreign currency exchange, the company monitors the exchange rates and buys and sells paintings and artefacts in native currencies.

Legal title and authenticity, the company sources paintings and artefacts directly from the artists. Those items not sourced directly are researched and legal title and warranties secured from the seller.

Valuation, the company regularly reviews the value of its stock, taking into account current market value and trends.

Approved by the Board on 11 December 2014 and signed on its behalf by:

  
Mr Nizar Kanji  
Company secretary

## **CUSTOT GALLERY LTD**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2014**

The director presents his report and the financial statements for the year ended 31 March 2014.

#### **Director of the company**

The director who held office during the year was as follows:

Mr Stephane Felix Jerome Custot

#### **Financial instruments**

##### ***Objectives and policies***

If applicable, information on financial instruments are disclosed in the notes to the accounts.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

Profitability and cash flow, the director regularly reviews and considers the cash flow of the business for the year and considers there are no material doubts over the ability of the company to continue as a going concern.

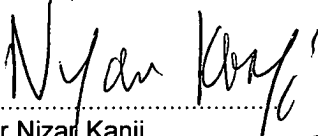
#### **Future developments**

The company continues to research, maintain and develop art for the gallery.

#### **Disclosure of information to the auditor**

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and which he knows the auditor is unaware of.

Approved by the Board on 11 December 2014 and signed on its behalf by:

  
.....  
Mr Nizar Kanji  
Company secretary

## **CUSTOT GALLERY LTD**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUSTOT GALLERY LTD**

We have audited the financial statements of Custot Gallery Ltd for the year ended 31 March 2014, set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Statement of Director's Responsibilities (set out on page 4), the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

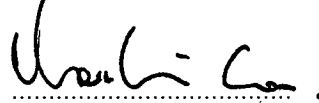
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CUSTOT GALLERY LTD**

**..... CONTINUED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Martin Cox (Senior Statutory Auditor)  
For and on behalf of MCA Group, Statutory Auditor

Greenway House  
Sugarswell Business Park  
Banbury  
Oxfordshire  
OX15 6HW

Date: 12th December 2014



**CUSTOT GALLERY LTD****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
Turnover		2,998,203	11,949,921
Cost of sales		<u>(2,570,238)</u>	<u>(9,361,520)</u>
Gross profit		427,965	2,588,401
Administrative expenses		(333,664)	(591,654)
Other operating income		<u>93</u>	<u>626</u>
Operating profit	2	<u>94,394</u>	<u>1,997,373</u>
Profit on ordinary activities before taxation		94,394	1,997,373
Tax on profit on ordinary activities	4	<u>(19,764)</u>	<u>(471,261)</u>
Profit for the financial year	11	<u><u>74,630</u></u>	<u><u>1,526,112</u></u>

Turnover and operating profit derive wholly from continuing operations.

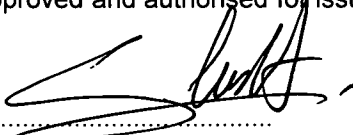
The company has no recognised gains or losses for the year other than the results above.

**The notes on pages 10 to 15 form an integral part of these financial statements.**

**CUSTOT GALLERY LTD**  
**(REGISTRATION NUMBER: 05415789)**  
**BALANCE SHEET AT 31 MARCH 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible fixed assets	5	<u>2,147</u>	<u>4,630</u>
<b>Current assets</b>			
Stocks	6	2,688,286	3,712,075
Debtors	7	392,834	38,501
Cash at bank and in hand		<u>459,509</u>	<u>254,363</u>
		3,540,629	4,004,939
Creditors: Amounts falling due within one year	8	<u>(229,270)</u>	<u>(770,693)</u>
Net current assets		<u>3,311,359</u>	<u>3,234,246</u>
Net assets		<u>3,313,506</u>	<u>3,238,876</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,001	1,001
Profit and loss account	11	<u>3,312,505</u>	<u>3,237,875</u>
Shareholders' funds	12	<u>3,313,506</u>	<u>3,238,876</u>

Approved and authorised for issue by the director on 11 December 2014

  
 .....  
 Mr Stephane Felix Jerome Custot  
 Director

**CUSTOT GALLERY LTD****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014****Reconciliation of operating profit to net cash flow from operating activities**

	<b>2014 £</b>	<b>2013 £</b>
Operating profit	94,394	1,997,373
Depreciation, amortisation and impairment charges	2,733	8,703
Profit on disposal of fixed assets	-	(20,769)
Decrease in stocks	1,023,789	148,980
(Increase)/decrease in debtors	(354,333)	874,631
Decrease in creditors	(109,304)	(3,285,895)
Net cash inflow/(outflow) from operating activities	<u>657,279</u>	<u>(276,977)</u>

**Cash flow statement**

	<b>2014 £</b>	<b>2013 £</b>
Net cash inflow/(outflow) from operating activities	<u>657,279</u>	<u>(276,977)</u>
Taxation paid	<u>(451,883)</u>	<u>(26,623)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(250)	(3,914)
Sale of tangible fixed assets	-	22,000
	<u>(250)</u>	<u>18,086</u>
Equity dividends paid	-	(260,000)
Net cash inflow/(outflow) before management of liquid resources and financing	<u>205,146</u>	<u>(545,514)</u>
Increase/(decrease) in cash	<u>205,146</u>	<u>(545,514)</u>

**Reconciliation of net cash flow to movement in net debt**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
Increase/(decrease) in cash		<u>205,146</u>	<u>(545,514)</u>
Movement in net debt	13	205,146	(545,514)
Net funds at 1 April	13	<u>254,363</u>	<u>799,877</u>
Net funds at 31 March	13	<u>459,509</u>	<u>254,363</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

# **CUSTOT GALLERY LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **1 Accounting policies**

#### **Basis of preparation**

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

#### **Going concern**

The financial statements have been prepared on a going concern basis.

#### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods to customers.

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	25% straight line basis

#### **Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### **Deferred tax**

Deferred taxation is provided on timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

#### **Foreign currency**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

#### **Hire purchase and leasing**

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

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

# CUSTOT GALLERY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

..... **CONTINUED**

### 2 Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Operating leases - other assets	24,638	24,638
Foreign currency losses	52,924	5,506
Profit on sale of tangible fixed assets	-	(20,769)
Depreciation of owned assets	2,733	8,703

### 3 Particulars of employees

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2014 No.	2013 No.
Administration and support	1	2

The aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	-	44,795

### 4 Taxation

#### Tax on profit on ordinary activities

	2014 £	2013 £
<b>Current tax</b>		
Corporation tax charge	19,764	472,754
Adjustments in respect of previous years	-	(1,493)
UK Corporation tax	19,764	471,261

# CUSTOT GALLERY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

..... **CONTINUED**

### Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 24%).

The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	94,394	1,997,373
Corporation tax at standard rate	18,879	479,370
Depreciation in excess of capital allowances	440	(7,516)
Prior year tax adjustment	-	(1,493)
Expenses dis-allowed for tax	445	901
Total current tax	19,764	471,262

### 5 Tangible fixed assets

	Fixtures and fittings £	Total £
<b>Cost or valuation</b>		
At 1 April 2013	60,261	60,261
Additions	250	250
At 31 March 2014	60,511	60,511
<b>Depreciation</b>		
At 1 April 2013	55,631	55,631
Charge for the year	2,733	2,733
At 31 March 2014	58,364	58,364
<b>Net book value</b>		
At 31 March 2014	2,147	2,147
At 31 March 2013	4,630	4,630

**CUSTOT GALLERY LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**..... CONTINUED**

**6 Stocks**

	<b>2014 £</b>	<b>2013 £</b>
Stocks	<u>2,688,286</u>	<u>3,712,075</u>

**7 Debtors**

	<b>2014 £</b>	<b>2013 £</b>
Trade debtors	340,305	-
Other debtors	39,069	22,444
Prepayments and accrued income	<u>13,460</u>	<u>16,057</u>
	<u>392,834</u>	<u>38,501</u>

**8 Creditors: Amounts falling due within one year**

	<b>2014 £</b>	<b>2013 £</b>
Corporation tax	12,519	444,638
Other taxes and social security	1,239	1,448
Directors' current accounts	130,702	2,966
Accruals and deferred income	<u>84,810</u>	<u>321,641</u>
	<u>229,270</u>	<u>770,693</u>

**9 Share capital**

**Allotted, called up and fully paid shares**

	<b>2014</b>		<b>2013</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary Shares of £1 each	<u>1,001</u>	<u>1,001</u>	<u>1,001</u>	<u>1,001</u>

# CUSTOT GALLERY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

..... CONTINUED

### 10 Dividends

	2014 £	2013 £
<b>Dividends paid</b>		
Prior year final dividend paid	-	260,000

### 11 Reserves

	Profit and loss account £	Total £
At 1 April 2013	3,237,875	3,237,875
Profit for the year	74,630	74,630
At 31 March 2014	3,312,505	3,312,505

### 12 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit attributable to the members of the company	74,630	1,526,112
Dividends	-	(260,000)
Net addition to shareholders' funds	74,630	1,266,112
Shareholders' funds at 1 April	3,238,876	1,972,764
Shareholders' funds at 31 March	3,313,506	3,238,876

### 13 Analysis of net debt

	At 1 April 2013 £	Cash flow £	At 31 March 2014 £
Cash at bank and in hand	254,363	205,146	459,509
Net funds	254,363	205,146	459,509



## **CUSTOT GALLERY LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**..... CONTINUED**

#### **14 Related party transactions**

##### **Other related party transactions**

During the year the company made the following related party transactions:

##### **Waddington Custot Galleries Ltd**

(The company's sole director is also a director and shareholder in Waddington Custot Galleries Ltd)

Sales in the year £1,859,083 (2013:£496,532), acquired works of art of £419,800 (2013:£395,570).

At the balance sheet date the amount due to Waddington Custot Galleries Ltd was £nil (2013 - £nil).

#### **15 Control**

The company is controlled by the director who owns 100% of the called up share capital.