

REGISTERED NUMBER: 07912633 (England and Wales)

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 March 2016
for
Alon Zakaim Fine Art Limited

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for the Year Ended 31 March 2016

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Alon Zakaim Fine Art Limited

Company Information
for the Year Ended 31 March 2016

DIRECTOR: Mr A Zakaim

SECRETARY: Mrs K Zakaim

REGISTERED OFFICE: 1st Floor
314 Regents Park Road
Finchley
London
N3 2LT

REGISTERED NUMBER: 07912633 (England and Wales)

SENIOR STATUTORY AUDITOR: Daniel Baum FCA

AUDITORS: Cameron Baum Ltd
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

Alon Zakaim Fine Art Limited
Strategic Report
for the Year Ended 31 March 2016

The director presents his strategic report for the year ended 31 March 2016.

REVIEW OF BUSINESS

Business environment

Over the accounts year, Alon Zakaim Fine Art has continued to perform in a strong and positive manner within the art market. Overall turnover for the tax year has decreased by £6,555,816, with profits for the year decreasing by 38.8% from £1,907,472 to £1,166,702. The balance sheet of the company is robust both in terms of physical assets and funds available, allowing for further future growth in terms of purchases of high end paintings and sculpture.

Future developments and strategy

The financial year has again seen the acquisition and sale of numerous, high quality works by artists key to the strength of today's market. Both independent purchasing power and collaboration with other trusted art dealers have allowed for such purchases. Communal ownership of individual works has allowed for a continued increase in the range of clients offered such works, and increased the overall turnover of high value works. The gallery continues to operate from its Mayfair headquarters.

PRINCIPAL RISKS AND UNCERTAINTIES

In terms of principal risks and uncertainties facing the company, the gallery has continued to protect itself by investing in the highest quality works, which remain relatively immune to the price fluctuations which are related to low and medium value works in times of market turmoil.

FINANCIAL RISK MANAGEMENT

Alongside an increasing emphasis on the higher end of the art market in terms of stock, the company continues to sell low and medium value works both privately and at auction. Continuing to place artworks for sale at auction has aided the turnover of stock, and created further capital for investing in important pieces.

Aside from a few select good value purchases, the company has stayed away from the 19th Century and Old Master markets due to increased difficulty in selling works from this sector, and continues to focus on Impressionist and Modern works. The company has also invested more in Contemporary artworks by both emerging and established names due to the buoyancy of the Contemporary art market and the increasing number of requests. Sales of photography have also been strong and provide a steady source of income.

The gallery continues to exhibit at TEFAF Maastricht, performing well this year with a record number of sales made, and expanding our network of key clients. The gallery was also accepted into the Paris Biennale des Antiquaires and Art Miami, both of which will be covered in the next financial year. A continued focus on maintaining a strong network of clients both private and from the trade has enabled a variety of worldwide sales and the network continues to grow. Whilst predominantly based within the UK, EU and USA, these contacts have continued to allow links with other markets in Asia.

KEY PERFORMANCE INDICATORS

The gallery controls a large quantity of stock whilst operating from one premises with loyal and long serving staff. Bank balances remain strong in all currencies, the gallery dealing in Euros, US dollars and British sterling. Capital is reinvested in new stock whenever commercially strong works are available at the acceptable prices, whilst expenses and outgoings are limited and moderated wherever possible.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'A Zakaim', written over a horizontal line.

Mr A Zakaim - Director

21 December 2016

Alon Zakaim Fine Art Limited

Report of the Director
for the Year Ended 31 March 2016

The director presents his report with the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of antique and fine art dealers.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2016 will be £80,000.

DIRECTOR

Mr A Zakaim held office during the whole of the period from 1 April 2015 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director 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 then apply them consistently;
- make judgements and accounting 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 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.

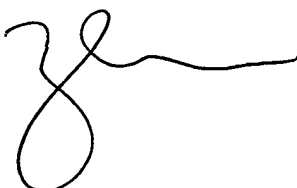
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the 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 auditors are aware of that information.

AUDITORS

The auditors, Cameron Baum Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr A Zakaim - Director

21 December 2016

Report of the Independent Auditors to the Members of
Alon Zakaim Fine Art Limited

We have audited the financial statements of Alon Zakaim Fine Art Limited for the year ended 31 March 2016 on pages six to twenty. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, 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 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director 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 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 2016 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

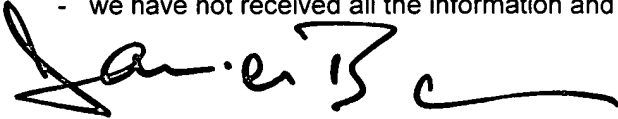
In our opinion the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Alon Zakaim Fine Art Limited

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Daniel Baum FCA (Senior Statutory Auditor)
for and on behalf of Cameron Baum Ltd
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

Date: 21/12/2016

Alon Zakaim Fine Art Limited (Registered number: 07912633)

Income Statement
for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
TURNOVER	2	20,675,149	27,230,965
Cost of sales		18,688,748	24,721,515
GROSS PROFIT		1,986,401	2,509,450
Administrative expenses		882,209	664,589
		1,104,192	1,844,861
Other operating income		62,326	62,594
OPERATING PROFIT	4	1,166,518	1,907,455
Interest receivable and similar income		189	17
		1,166,707	1,907,472
Interest payable and similar charges	5	5	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,166,702	1,907,472
Tax on profit on ordinary activities	6	247,279	409,577
PROFIT FOR THE FINANCIAL YEAR		919,423	1,497,895

The notes form part of these financial statements

Alon Zakaim Fine Art Limited (Registered number: 07912633)

Other Comprehensive Income
for the Year Ended 31 March 2016


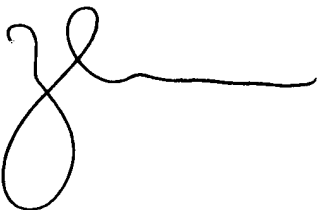
	Notes	31.3.16 £	31.3.15 £
PROFIT FOR THE YEAR		919,423	1,497,895
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>919,423</u>	<u>1,497,895</u>

The notes form part of these financial statements

Statement of Financial Position
31 March 2016

	Notes	31.3.16 £	£	31.3.15 £	£
FIXED ASSETS					
Tangible assets	9		261,556		273,529
CURRENT ASSETS					
Inventories	10	5,837,706		5,642,342	
Debtors	11	1,051,452		1,434,925	
Cash at bank and in hand		1,005,059		1,290,951	
		<u>7,894,217</u>		<u>8,368,218</u>	
CREDITORS					
Amounts falling due within one year	12	4,226,169		5,557,870	
NET CURRENT ASSETS			<u>3,668,048</u>		<u>2,810,348</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,929,604		3,083,877
PROVISIONS FOR LIABILITIES	14		<u>26,440</u>		<u>20,136</u>
NET ASSETS			<u><u>3,903,164</u></u>		<u><u>3,063,741</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Retained earnings	16		<u>3,903,064</u>		<u>3,063,641</u>
SHAREHOLDERS' FUNDS			<u><u>3,903,164</u></u>		<u><u>3,063,741</u></u>

The financial statements were approved by the director on 21 December 2016 and were signed by:


 Mr A Zakaim - Director
 

Alon Zakaim Fine Art Limited (Registered number: 07912633)

Statement of Changes in Equity
for the Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	100	1,655,746	1,655,846
Changes in equity			
Dividends	-	(90,000)	(90,000)
Total comprehensive income	-	1,497,895	1,497,895
Balance at 31 March 2015	100	3,063,641	3,063,741
Changes in equity			
Dividends	-	(80,000)	(80,000)
Total comprehensive income	-	919,423	919,423
Balance at 31 March 2016	100	3,903,064	3,903,164

The notes form part of these financial statements

**Statement of Cash Flows
for the Year Ended 31 March 2016**

	Notes	31.3.16 £	31.3.15 £
Cash flows from operating activities			
Cash generated from operations	1	316,129	1,231,708
Interest paid		(5)	-
Tax paid		(609,468)	(234,181)
Net cash from operating activities		<u>(293,344)</u>	<u>997,527</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(42,978)	(2,516)
Interest received		189	17
Net cash from investing activities		<u>(42,789)</u>	<u>(2,499)</u>
 Cash flows from financing activities			
Amount introduced by directors		1	-
Amount withdrawn by directors		130,240	(958,944)
Equity dividends paid		(80,000)	(90,000)
Net cash from financing activities		<u>50,241</u>	<u>(1,048,944)</u>
 Decrease in cash and cash equivalents		<u>(285,892)</u>	<u>(53,916)</u>
Cash and cash equivalents at beginning of year	2	1,290,951	1,344,867
 Cash and cash equivalents at end of year	2	<u><u>1,005,059</u></u>	<u><u>1,290,951</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.16	31.3.15
	£	£
Profit before taxation	1,166,702	1,907,472
Depreciation charges	54,951	46,157
Finance costs	5	-
Finance income	(189)	(17)
	<hr/>	<hr/>
	1,221,469	1,953,612
Increase in inventories	(195,364)	(1,018,109)
Decrease/(increase) in trade and other debtors	383,473	(307,236)
(Decrease)/increase in trade and other creditors	(1,093,449)	603,441
	<hr/>	<hr/>
Cash generated from operations	316,129	1,231,708
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	1,005,059	1,290,951
	<hr/>	<hr/>

Year ended 31 March 2015

	31.3.15	1.4.14
	£	£
Cash and cash equivalents	1,290,951	1,344,867
	<hr/>	<hr/>

Notes to the Financial Statements
for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments measured at fair value in accordance with the accounting policies set out below.

These financial statements have been prepared in compliance with FRS 102 – The Financial Reporting

Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102.

The presentation currency is Sterling (£).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from sale of goods is recognised when the following conditions are satisfied:

- * the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- * the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- * the amount of revenue can be measured reliably;

- * it is probable that the economic benefits associated with the transaction will flow to the entity; and

- * the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 10% on cost
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Improvements to property	- 10% on cost
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Fixtures and fittings	- 20% on cost
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Computer equipment	- 25% on cost
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At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of the asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories have been valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items. Inventories are valued on an item by item basis.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Foreign currencies

The financial statements are presented in Sterling, which is also the functional currency of the Company.

Transactions in currencies other than the functional currency of the Company are recorded at the rate of exchange on the date the transaction occurred.

Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to profit and loss.

Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

For the purpose of cash flow statement, bank overdrafts which are repayable on demand form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.3.16	31.3.15
	£	£
United Kingdom	10,110,149	4,476,005
Europe	4,403,806	2,711,971
United States of America	4,403,806	11,373,782
South America	-	166,524
Asia	434,178	2,059,898
Switzerland	1,323,210	6,229,194
Russia	-	213,591
	<u>20,675,149</u>	<u>27,230,965</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

3. STAFF COSTS

	31.3.16	31.3.15
	£	£
Wages and salaries	122,897	119,918
Social security costs	7,285	8,038
	<u>130,182</u>	<u>127,956</u>

The average monthly number of employees during the year was as follows:

	31.3.16	31.3.15
Administration	<u>5</u>	<u>6</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.3.16	31.3.15
	£	£
Hire of plant and machinery	389	425
Depreciation - owned assets	54,951	46,157
Audit fees	7,135	7,000
Foreign exchange differences	<u>(58,086)</u>	<u>(40,640)</u>
Director's remuneration	<u>8,060</u>	<u>7,956</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.16	31.3.15
	£	£
Interest payable	<u>5</u>	<u>-</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.16	31.3.15
	£	£
Current tax:		
UK corporation tax	240,976	406,315
Deferred tax	<u>6,303</u>	<u>3,262</u>
Tax on profit on ordinary activities	<u>247,279</u>	<u>409,577</u>