

Abbreviated Accounts for the Year Ended 31 March 2014

for

Alon Zakaim Fine Art Limited

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Alon Zakaim Fine Art Limited

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for the Year Ended 31 March 2014

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Alon Zakaim Fine Art Limited
Company Information
for the Year Ended 31 March 2014

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 2014

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

REVIEW OF BUSINESS

Business environment

Over the tax 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 increased by 11.82% from £10,596,582 to £11,848,598, with profits for the year decreasing by 13.15% from £1,169,289 to £1,015,643. 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 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 an increase in the range of clients offered such works, and thus increased the overall turnover of high value works. The gallery continues to operate from its Mayfair headquarters, having closed one smaller outlet on Cork St in order to minimise outgoing expenditure on rent and maximise efficiency.

PRINCIPAL RISKS AND UNCERTAINTIES

In terms of principal risks and uncertainties facing the company, the gallery has chosen to protect itself by investing further 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. This year an increasing emphasis on auction sales following the robust health of this market has led to an increased turnover of stock at auction, and created greater capital for investing in important pieces.

The company has increasingly moved away from the 19th Century market due to the relatively poor performance of this sector; and now focuses increasingly on Impressionist and Modern works.

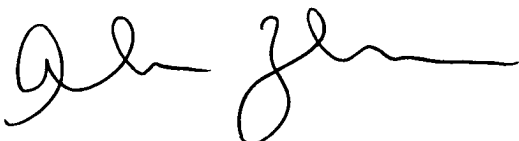
The gallery continues to exhibit at TEFAF Maastricht, performing well this year and expanding our network of key clients. The gallery also exhibited at Masterpiece London, which has increased the prestige of the gallery within the art world.

Our focus on maintaining a strong network of clients operating as dealers or in a private capacity has created a broad network base. Whilst predominantly based within the UK, EU and USA, these contacts have allowed links with other markets in Asia.

KEY PERFORMANCE INDICATORS

The gallery controls a large quantity of stock whilst operating from one premises with a relatively small staff. Bank balances remain strong in all currencies, the gallery dealing in Euros, US dollars and British sterling. Increasing rentals in Dover St have created a new asset in terms of the lease controlled by Alon Zakaim Fine Art of their Dover St property. Capital is reinvested in new stock whenever commercially strong works are available at the correct price levels; whilst expenses and outgoings are limited and moderated wherever possible.

ON BEHALF OF THE BOARD:



Mr A Zakaim - Director

24 December 2014

Alon Zakaim Fine Art Limited

Report of the Director
for the Year Ended 31 March 2014

The director presents his report with the accounts of the company for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2014.

DIRECTOR

Mr A Zakaim held office during the whole of the period from 1 April 2013 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing 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

24 December 2014

Report of the Independent Auditors to
Alon Zakaim Fine Art Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to thirteen, together with the full financial statements of Alon Zakaim Fine Art Limited for the year ended 31 March 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

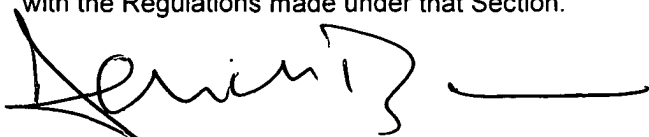
The director is responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



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

24 December 2014

Alon Zakaim Fine Art Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 March 2014

		Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
	Notes		
TURNOVER	2	11,848,598	10,596,582
Cost of sales and other operating income		(10,120,021)	(8,680,043)
		<hr/> 1,728,577	<hr/> 1,916,539
Administrative expenses		<hr/> 712,724	<hr/> 747,228
OPERATING PROFIT	4	<hr/> 1,015,853	<hr/> 1,169,311
Interest payable and similar charges	5	<hr/> 210	<hr/> 22
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<hr/> 1,015,643	<hr/> 1,169,289
Tax on profit on ordinary activities	6	<hr/> 236,822	<hr/> 292,364
PROFIT FOR THE FINANCIAL YEAR		<hr/> <hr/> 778,821	<hr/> <hr/> 876,925

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period.

Abbreviated Balance Sheet
31 March 2014

	Notes	31.3.14 £	£	31.3.13 £	£
FIXED ASSETS					
Tangible assets	7		317,170		362,698
CURRENT ASSETS					
Stocks	8	4,624,233		3,758,655	
Debtors	9	1,127,689		1,096,824	
Cash at bank and in hand		1,344,867		974,531	
		<u>7,096,789</u>		<u>5,830,010</u>	
CREDITORS					
Amounts falling due within one year	10	5,741,238		5,301,454	
NET CURRENT ASSETS			<u>1,355,551</u>		<u>528,556</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,672,721</u>		<u>891,254</u>
PROVISIONS FOR LIABILITIES	12		<u>16,875</u>		<u>14,229</u>
NET ASSETS			<u><u>1,655,846</u></u>		<u><u>877,025</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account	14		1,655,746		876,925
SHAREHOLDERS' FUNDS	17		<u><u>1,655,846</u></u>		<u><u>877,025</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the director on 24 December 2014 and were signed by:



Mr A Zakaim - Director

Alon Zakaim Fine Art Limited

Cash Flow Statement
for the Year Ended 31 March 2014

		Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Net cash inflow/(outflow) from operating activities	Notes 1	746,868	(3,456,745)
Returns on investments and servicing of finance	2	(210)	(22)
Taxation		(278,135)	-
Capital expenditure	2	-	(408,226)
		<u>468,523</u>	<u>(3,864,993)</u>
Financing	2	(98,187)	4,839,524
Increase in cash in the period		<u>370,336</u>	<u>974,531</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>370,336</u>	<u>974,531</u>
Change in net funds resulting from cash flows		<u>370,336</u>	<u>974,531</u>
Movement in net funds in the period		370,336	974,531
Net funds at 1 April		<u>974,531</u>	<u>-</u>
Net funds at 31 March		<u>1,344,867</u>	<u>974,531</u>

The notes form part of these abbreviated accounts

Alon Zakaim Fine Art Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Operating profit	1,015,853	1,169,311
Depreciation charges	45,528	45,528
Increase in stocks	(865,578)	(3,758,655)
Increase in debtors	(30,865)	(1,096,824)
Increase in creditors	581,930	183,895
Net cash inflow/(outflow) from operating activities	746,868	(3,456,745)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Returns on investments and servicing of finance		
Interest paid	(210)	(22)
Net cash outflow for returns on investments and servicing of finance	(210)	(22)
 Capital expenditure		
Purchase of tangible fixed assets	-	(408,226)
Net cash outflow for capital expenditure	-	(408,226)
 Financing		
Amount introduced by directors	-	5,012,191
Amount withdrawn by directors	(98,187)	(172,767)
Share issue	-	100
Net cash (outflow)/inflow from financing	(98,187)	4,839,524

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	974,531	370,336	1,344,867
	<u>974,531</u>	<u>370,336</u>	<u>1,344,867</u>
 Total	 <u>974,531</u>	 <u>370,336</u>	 <u>1,344,867</u>

The notes form part of these abbreviated accounts

Alon Zakaim Fine Art Limited

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

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
Improvements to property	- 10% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock is valued on an item by item basis.

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing commitments

Lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis.

Alon Zakaim Fine Art Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2014

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:

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
United Kingdom	6,231,550	3,252,522
Europe	3,344,390	775,594
United States of America	879,573	4,260,880
South America	154,789	-
Asia	218,945	1,724,928
Switzerland	1,010,459	566,341
Russia	-	16,317
Australia	8,892	-
	<u>11,848,598</u>	<u>10,596,582</u>

3. STAFF COSTS

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Wages and salaries	114,696	120,209
Social security costs	10,521	10,616
	<u>125,217</u>	<u>130,825</u>

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

	Year Ended 31.3.14	Period 17.1.12 to 31.3.13
Administration	<u>5</u>	<u>5</u>

4. OPERATING PROFIT

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

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Depreciation - owned assets	45,528	45,528
Audit fees	7,000	7,000
Foreign exchange differences	<u>6,713</u>	<u>(69,514)</u>
Director's remuneration	<u>7,696</u>	<u>8,108</u>

Alon Zakaim Fine Art Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2014

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Bank interest	-	22
Other interest	210	-
	<u>210</u>	<u>22</u>

6. TAXATION

Analysis of the tax charge

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

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Current tax:		
UK corporation tax	234,176	278,135
Deferred tax	2,646	14,229
Tax on profit on ordinary activities	<u>236,822</u>	<u>292,364</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.3.14 £	Period 17.1.12 to 31.3.13 £
Profit on ordinary activities before tax	<u>1,015,643</u>	<u>1,169,289</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.661% (2013 - 23.751%)	230,155	277,718
Effects of:		
Expenses not deductible for tax purposes	2,993	5,774
Capital allowances in excess of depreciation	-	(5,357)
Depreciation in excess of capital allowances	1,028	-
Current tax charge	<u>234,176</u>	<u>278,135</u>

Alon Zakaim Fine Art Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2014**

7. TANGIBLE FIXED ASSETS

	Short leasehold £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2013 and 31 March 2014	215,593	149,725	34,596	8,312	408,226
DEPRECIATION					
At 1 April 2013	21,559	14,972	6,919	2,078	45,528
Charge for year	21,559	14,972	6,919	2,078	45,528
At 31 March 2014	43,118	29,944	13,838	4,156	91,056
NET BOOK VALUE					
At 31 March 2014	172,475	119,781	20,758	4,156	317,170
At 31 March 2013	194,034	134,753	27,677	6,234	362,698

8. STOCKS

	31.3.14 £	31.3.13 £
Stocks	4,624,233	3,758,655

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade debtors	987,887	741,393
Other debtors	32,700	206,055
Prepayments and accrued income	107,102	149,376
	1,127,689	1,096,824

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade creditors	643,531	57,847
Tax	234,176	278,135
VAT	99,633	86,601
Other creditors	7,331	19,163
Directors' current accounts	4,741,237	4,839,424
Accruals and deferred income	15,330	20,284
	5,741,238	5,301,454

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings 31.3.14 £	31.3.13 £
Expiring: Within one year	128,500	176,500

Alon Zakaim Fine Art Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2014

12. PROVISIONS FOR LIABILITIES

	31.3.14 £	31.3.13 £
Deferred tax	16,875	14,229
		Deferred tax £
Balance at 1 April 2013		14,229
Provided during year		2,646
Balance at 31 March 2014		16,875

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.14 £	31.3.13 £
100	A	£1	100	100

14. RESERVES

	Profit and loss account £
At 1 April 2013	876,925
Profit for the year	778,821
At 31 March 2014	1,655,746

15. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

At 1 April 2013, the director's loan account was a credit balance of £4,839,424. During the period, the company made a repayment of £98,187. As a result, at 31 March 2014, company owed £4,741,237 to the director. This was the highest balance it reached during the year. No interest was charged.

16. ULTIMATE CONTROLLING PARTY

The company is under the ultimate control of Mr A Zakaim (director) and Mrs K Zakaim by way of their 80% interest in the issued share capital.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.14 £	31.3.13 £
Profit for the financial year	778,821	876,925
New share capital subscribed	-	100
Net addition to shareholders' funds	778,821	877,025
Opening shareholders' funds	877,025	-
Closing shareholders' funds	1,655,846	877,025