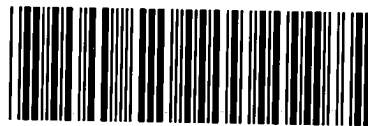


Aitken Dott Ltd
Financial Statements
For the year ended
30 June 2017

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Aitken Dott Ltd

Financial Statements

Year ended 30 June 2017

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Aitken Dott Ltd

Officers and Professional Advisers

The Board of Directors

William Whitehorn
Christina Jansen
Guy Peploe
Thomas Zyw

Registered Office

16 Dundas Street
Edinburgh
EH3 6HZ

Company Secretary

Innes Chalmers

Auditor

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Bank of Scotland
75 George Street
Edinburgh
EH2 3EW

Solicitors

MBM Commercial LLP
125 Princes Street
Edinburgh
EH2 4AD

Aitken Dott Ltd

Directors' Report

Year ended 30 June 2017

The directors present their report and the financial statements of the company for the year ended 30 June 2017.

Principal activities

The company markets and sells 20th century and contemporary Scottish works of art and international applied arts, through its gallery in Edinburgh, in conjunction with other galleries in the U.K., and through art fairs.

Directors

The directors who served the company during the year were as follows:

William Whitehorn
Christina Jansen
Guy Peploe
Thomas Zyw
Brian East (resigned 5/10/2016)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Aitken Dott Ltd

Directors' Report *(continued)*

Year ended 30 June 2017

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 5 October 2017 and signed on behalf of the board by:



Innes Chalmers

Secretary

Aitken Dott Ltd

Independent Auditor's Report to the Members of Aitken Dott Ltd

Year ended 30 June 2017

Opinion

We have audited the financial statements of Aitken Dott Ltd for the year ended 30 June 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Aitken Dott Ltd

Independent Auditor's Report to the Members of Aitken Dott Ltd *(continued)*

Year ended 30 June 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Aitken Dott Ltd

Independent Auditor's Report to the Members of Aitken Dott Ltd (continued)

Year ended 30 June 2017

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)

For and on behalf of
Chiene + Tait LLP
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

5/10/17

Aitken Dott Ltd

Statement of Comprehensive Income

Year ended 30 June 2017

	Note	2017 £	2016 £
Turnover		1,871,206	1,430,655
Cost of sales		820,310	633,478
Gross profit		1,050,896	797,177
Distribution costs		154,077	61,142
Administrative expenses		725,904	572,608
Operating profit		170,915	163,427
Other interest receivable and similar income		912	538
Profit before taxation	6	171,827	163,965
Tax on profit	7	37,181	40,173
Profit for the financial year and total comprehensive income		<u>134,646</u>	<u>123,792</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

Aitken Dott Ltd

Statement of Financial Position

30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	564,837	539,653
Current assets			
Stocks		568,147	660,256
Debtors	10	171,731	124,474
Cash at bank and in hand		764,372	570,113
		<u>1,504,250</u>	<u>1,354,843</u>
Creditors: amounts falling due within one year	11	<u>436,211</u>	<u>312,204</u>
Net current assets		1,068,039	1,042,639
Total assets less current liabilities		<u>1,632,876</u>	<u>1,582,292</u>
Net assets		<u>1,632,876</u>	<u>1,582,292</u>
Capital and reserves			
Called up share capital	12	157,671	156,631
Share premium account		8,960	—
Capital redemption reserve		7,763	7,763
Other reserves		(15,226)	—
Profit and loss account		<u>1,473,708</u>	<u>1,417,898</u>
Members funds		<u>1,632,876</u>	<u>1,582,292</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 5 October 2017, and are signed on behalf of the board by:


William Whitehorn
Director

Company registration number: SC88449

Aitken Dott Ltd

Statement of Changes in Equity

Year ended 30 June 2017

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
At 1 July 2015	157,671	–	6,723	–	1,351,407	1,515,801
Profit for the year					123,792	123,792
Dividends paid and payable 8	–	–	–	–	(47,301)	(47,301)
Redemption of shares	(1,040)	–	1,040	–	(10,000)	(10,001)
At 30 June 2016	<u>156,631</u>	<u>–</u>	<u>7,763</u>	<u>–</u>	<u>1,417,898</u>	<u>1,582,292</u>
Profit for the year	–	–	–	–	134,646	134,646
Treasury shares	–	–	–	(15,226)	–	(15,226)
Dividends paid and payable 8	–	–	–	–	(78,836)	(78,836)
Issue of shares	1,040	8,960	–	–	–	10,000
At 30 June 2017	<u>157,671</u>	<u>8,960</u>	<u>7,763</u>	<u>(15,226)</u>	<u>1,473,708</u>	<u>1,632,876</u>

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

Aitken Dott Ltd

Notes to the Financial Statements

Year ended 30 June 2017

1. General information

Aitken Dott Ltd is incorporated and domiciled in Scotland with registered company number SC88449. The registered office is 16 Dundas Street, Edinburgh, EH3 6HZ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Revenue recognition

The company deals in original works of art and crafts. The company includes, as turnover, the company's commission on sales of original works of art where it acts as agent (rather than their full sales value) together with the invoice value of goods sold as principal, and professional fees rendered, all excluding VAT. Pictures sold in advance of an exhibition opening are recognised as sales only after the relevant month has started. The profit and loss account shows, for information, the value of goods sold including the full value of sales as agent. There are no activities which were discontinued during the year.

Pension costs

Contributions are made to employees personal pension schemes based on a fixed % of salary. Contributions to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for carrying amounts of tangible assets.

Aitken Dott Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

3. Accounting policies *(continued)*

ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for carrying amount of debtors.

Tangible assets

Tangible fixed assets are depreciated by the straight line method over their anticipated useful lives at the following rates:

Heritable property	-	0%
Property Improvements	-	20% - 25%
Fixtures and fittings	-	20% - 50%
Motor vehicles	-	25%
Computer Equipment	-	50% - 100%

No depreciation is provided in respect of the heritable property, which represents a departure from the Companies Act 2006 which requires all tangible fixed assets to be depreciated. In the opinion of the directors, this departure is necessary for the financial statements to show a true and fair view.

The property is subject to an annual impairment view. An impairment review comprises a comparison of the carrying value of the asset with its recoverable amount, being the higher of net realisable value and value in use. The directors are satisfied that at the current year end, there has been no impairment.

Impairment of fixed assets

At each reporting date the Company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of the fair value less costs to sell, and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, applying an appropriate disclosure rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.

Stocks

Stocks are measured at the lower of cost and estimated realisable value. Provision is made for slow moving items if appropriate.

Aitken Dott Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

3. Accounting policies *(continued)*

Taxation

Taxation expense for the period comprises current and differed tax recognised in the reporting period, and is charged in the Statement of Comprehensive Income. Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are recoverable.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments, which include trade and other receivables and cash and bank balances, are initially recognised at the transactional price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised through profit and loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Aitken Dott Ltd

Notes to the Financial Statements (continued)

Year ended 30 June 2017

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 11 (2016: 10).

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	323,318	252,474
Company contributions to defined contribution pension plans	8,353	7,156
	<u>331,671</u>	<u>259,630</u>

6. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible assets	19,370	20,176
Other operating lease rentals	6,600	9,900
Gain on sale of fixed asset	(7,100)	-
Auditors' remuneration	6,950	5,500
Auditors' tax fee	<u>1,350</u>	<u>1,305</u>

7. Tax on profit

Major components of tax expense

	2017 £	2016 £
Current tax:		
UK current tax expense	37,181	40,173
Tax on profit	<u>37,181</u>	<u>40,173</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>171,827</u>	<u>163,965</u>
Profit on ordinary activities by rate of tax	33,936	32,793
Adjustment to tax charge in respect of prior periods	-	1,420
Effect of expenses not deductible for tax purposes	9,980	4,656
Movement in unrecognised deferred tax asset	(7,451)	1,304
Adjustments to deferred tax for rate change	(109)	-
Fixed asset timing differences	<u>825</u>	<u>-</u>
Tax on profit	<u>37,181</u>	<u>40,173</u>

Aitken Dott Ltd

Notes to the Financial Statements (continued)

Year ended 30 June 2017

8. Dividends

	2017 £	2016 £
Dividends paid during the year	<u>78,836</u>	<u>47,301</u>

9. Tangible assets

	Property £	Property Improvements £	Fixtures and fittings £	Motor vehicles £	Computer Equipment £	Total £
Cost						
At 1 Jul 2016	539,012	50,199	39,400	20,995	7,353	656,959
Additions	—	—	10,264	30,955	3,335	44,554
Disposals	—	—	—	(20,995)	—	(20,995)
At 30 Jun 2017	<u>539,012</u>	<u>50,199</u>	<u>49,664</u>	<u>30,955</u>	<u>10,688</u>	<u>680,518</u>
Depreciation						
At 1 Jul 2016	34,012	27,230	27,716	20,995	7,353	117,306
Charge for the year	—	9,577	5,252	4,127	414	19,370
Disposals	—	—	—	(20,995)	—	(20,995)
At 30 Jun 2017	<u>34,012</u>	<u>36,807</u>	<u>32,968</u>	<u>4,127</u>	<u>7,767</u>	<u>115,681</u>
Carrying amount						
At 30 Jun 2017	<u>505,000</u>	<u>13,392</u>	<u>16,696</u>	<u>26,828</u>	<u>2,921</u>	<u>564,837</u>
At 30 Jun 2016	<u>505,000</u>	<u>22,969</u>	<u>11,684</u>	<u>—</u>	<u>—</u>	<u>539,653</u>

10. Debtors

	2017 £	2016 £
Trade debtors	140,186	91,436
Other debtors	31,545	33,038
	<u>171,731</u>	<u>124,474</u>

11. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	129,538	90,953
Corporation tax	37,181	38,754
Social security and other taxes	32,366	24,425
Other creditors	237,126	158,072
	<u>436,211</u>	<u>312,204</u>

Aitken Dott Ltd

Notes to the Financial Statements (continued)

Year ended 30 June 2017

12. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>157,671</u>	<u>157,671</u>	<u>156,631</u>	<u>156,631</u>

Share movements

	No.	£
Ordinary		
At 1 July 2016	156,631	156,631
Issue of shares	1,040	1,040
At 30 June 2017	<u>157,671</u>	<u>157,671</u>

During the year the company issued 1,040 shares and repurchased 1,500 shares of its own share capital for £15,225. These shares are being held as Treasury Shares at the year end.

13. Capital commitments

The company has capital commitments at the year-end of £nil (2016: £56,000).

14. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	6,600	6,600
Later than 1 year and not later than 5 years	9,900	13,200
	<u>16,500</u>	<u>19,800</u>

15. Related party transactions

During the year works of art were bought or sold by Directors, in arm's length 3rd party transactions, for £15,864 (2016: £17,552). Balances outstanding to the company amounted to £4,614 (2016: £11,223). The names of the parties involved are G Peplow, B East, C Jansen, T Zyw and W Whitehorn.

16. Ultimate controlling party

There is no ultimate controlling party in the company due to the current shareholdings.

17. Contingent liability

At the year-end there is a contingent liability in respect of a legal case which is ongoing at the date of signing the financial statements. As the outcome is uncertain no liability has been recognised.