

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2002
for
CENTURY GALLERIES LIMITED**



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CENTURY GALLERIES LIMITED

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for the Year Ended 31 March 2002**

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CENTURY GALLERIES LIMITED

**Company Information
for the Year Ended 31 March 2002**

DIRECTORS:	Mr J M A Shemilt Mrs A B Shemilt
SECRETARY:	Mrs A B Shemilt
REGISTERED OFFICE:	Thameside Henley - on - Thames Oxfordshire RG9 2LJ
REGISTERED NUMBER:	00970735
AUDITORS:	Howes & Co Chartered Certified Accountants and Registered Auditors Midland Bank Chambers Market Place Chipping Norton Oxon OX7 5NA
BANKERS:	HSBC 6 Market Place Henley-on-Thames Oxfordshire RG9 2AN

CENTURY GALLERIES LIMITED

Report of the Directors for the Year Ended 31 March 2002

The directors present their report with the financial statements of the company for the year ended 31 March 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of being dealers in pictures and objets d'art.

DIRECTORS

The directors during the year under review were:

Mr J M A Shemilt	
Mrs A B Shemilt	
Mr M W A Shemilt	- resigned 26.10.01
Mr D J Morris	- resigned 30.4.01

The beneficial interests of the directors holding office on 31 March 2002 in the issued share capital of the company were as follows:

	31.3.02	1.4.01
ORDINARY £1 shares		
Mr J M A Shemilt	60,050	60,050
Mrs A B Shemilt	60,050	60,050

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

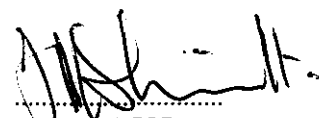
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Howes & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:


.....
DIRECTOR

Dated: 2/12/02

CENTURY GALLERIES LIMITED

**Report of the Independent Auditors to the Shareholders of
CENTURY GALLERIES LIMITED**

We have audited the financial statements of CENTURY GALLERIES LIMITED for the year ended 31 March 2002 on pages four to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Howes & Co

Howes & Co
Chartered Certified Accountants
and Registered Auditors
Midland Bank Chambers
Market Place
Chipping Norton
Oxon OX7 5NA

Dated: *4 December 2002*

CENTURY GALLERIES LIMITED

**Profit and Loss Account
for the Year Ended 31 March 2002**

		31.3.02	31.3.01
	Notes	£	£
TURNOVER		844,289	837,861
Cost of sales		351,997	345,313
GROSS PROFIT		492,292	492,548
Administrative expenses		484,664	478,247
		7,628	14,301
Other operating income		56,918	53,927
OPERATING PROFIT	2	64,546	68,228
Interest receivable and similar income		651	1,536
		65,197	69,764
Interest payable and similar charges		13,374	25,755
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		51,823	44,009
Tax on profit on ordinary activities		10,000	8,935
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		41,823	35,074
Retained profit brought forward		404,014	368,940
RETAINED PROFIT CARRIED FORWARD		<u>£445,837</u>	<u>£404,014</u>

The notes form part of these financial statements

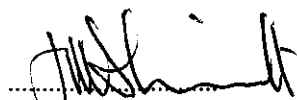
CENTURY GALLERIES LIMITED

Balance Sheet 31 March 2002

		31.3.02		31.3.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	3		831,809		1,284,799
CURRENT ASSETS:					
Stocks		82,446		62,627	
Debtors	4	42,675		55,068	
Cash at bank and in hand		1,403		53,556	
		<u>126,524</u>		<u>171,251</u>	
CREDITORS: Amounts falling due within one year	5	<u>392,396</u>		<u>931,936</u>	
NET CURRENT LIABILITIES:			(265,872)		(760,685)
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£565,937</u>		<u>£524,114</u>
CAPITAL AND RESERVES:					
Called up share capital	7		120,100		120,100
Profit and loss account			445,837		404,014
SHAREHOLDERS' FUNDS:			<u>£565,937</u>		<u>£524,114</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


- DIRECTOR

Approved by the Board on 2/12/02

The notes form part of these financial statements

CENTURY GALLERIES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

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

Tangible fixed assets

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

Flat Furniture	- 5% on reducing balance
Motor Vehicles	- 25% on reducing balance
Office Equipment	- 25% on reducing balance

Amortisation is not provided on the Freehold and Leasehold Properties as the market value of those properties is substantially in excess of the net book value.

Stocks

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

Deferred taxation

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

2. OPERATING PROFIT

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

	31.3.02	31.3.01
	£	£
Depreciation - owned assets	15,320	16,991
Profit on disposal of fixed assets	(22,688)	-
Auditors' remuneration	1,250	1,000
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	31,000	9,233
Compensation to directors for loss of office	-	1,000
	<u> </u>	<u> </u>

CENTURY GALLERIES LIMITED

**Notes to the Financial Statements
for the Year Ended 31 March 2002**

3. TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Property	Flat Furniture
	£	£	£
COST:			
At 1 April 2001	994,660	209,301	69,091
Additions	20,273	52,807	20,061
Disposals	(517,712)	(25,956)	-
At 31 March 2002	497,221	236,152	89,152
DEPRECIATION:			
At 1 April 2001	-	-	33,106
Charge for year	-	-	2,802
At 31 March 2002	-	-	35,908
NET BOOK VALUE:			
At 31 March 2002	497,221	236,152	53,244
At 31 March 2001	994,660	209,301	35,985
	Motor Vehicles	Office Equipment	Totals
	£	£	£
COST:			
At 1 April 2001	8,750	143,135	1,424,937
Additions	8,775	8,547	110,463
Disposals	(7,500)	(2,378)	(553,546)
At 31 March 2002	10,025	149,304	981,854
DEPRECIATION:			
At 1 April 2001	5,236	101,795	140,137
Charge for year	492	12,026	15,320
Eliminated on disposals	(4,818)	(594)	(5,412)
At 31 March 2002	910	113,227	150,045
NET BOOK VALUE:			
At 31 March 2002	9,115	36,077	831,809
At 31 March 2001	3,514	41,339	1,284,799

The directors consider there to be a material variation between the market value of the freehold and leasehold properties and the net book value as detailed above.

Market Value £1,400,000

Net Book Value £733,373

CENTURY GALLERIES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2002

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.02	31.3.01
	£	£
Trade Debtors	22,817	31,193
Other Debtors	-	3,137
Prepayments	19,858	20,738
	<u>42,675</u>	<u>55,068</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.02	31.3.01
	£	£
Bank loans and overdrafts	91,953	178,257
Bank Loan Account	-	185,000
Trade Creditors	119,390	118,445
Directors Loan Account	110,363	385,430
Other Creditors	20,237	10,086
PAYE & Other Taxes	13,670	20,810
Company Taxation	10,000	8,990
Accrued Expenses	26,783	24,918
	<u>392,396</u>	<u>931,936</u>

6. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.02	31.3.01
	£	£
Bank overdrafts	91,953	21,252
Bank loans	-	157,005
	<u>91,953</u>	<u>178,257</u>

The bank overdraft and loans are secured by a fixed and floating charge over the assets and other related undertakings of the company.

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.02	31.3.01
			£	£
120,100	Ordinary	£1	<u>120,100</u>	<u>120,100</u>

8. TRANSACTIONS WITH DIRECTORS

The company pays rent to two of its directors, Mr and Mrs J M S Shemilt, amounting to £44,250 per annum in total.