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**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2003  
for  
CENTURY GALLERIES LIMITED**



# **CENTURY GALLERIES LIMITED**

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**CENTURY GALLERIES LIMITED**

**Company Information  
for the Year Ended 31 March 2003**

**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 2003

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

### PRINCIPAL ACTIVITY

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

### FIXED ASSETS

The directors consider that there is a material difference between the book value of the Freehold and Leasehold Properties held by the company and its market value, Note 3 to the financial statements refers.

### DIRECTORS

The directors during the year under review were:

Mr J M A Shemilt  
Mrs A B Shemilt

The beneficial interests of the directors holding office on 31 March 2003 in the issued share capital of the company were as follows:

|                           | 31.3.03 | 1.4.02 |
|---------------------------|---------|--------|
| <b>Ordinary £1 shares</b> |         |        |
| 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.

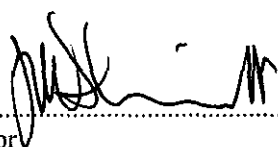
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Date: .....

28/10/03

**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 2003 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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 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 2003 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

Date: *29 October 2003*

**CENTURY GALLERIES LIMITED**

**Profit and Loss Account  
for the Year Ended 31 March 2003**

|                                                      |       | 31.3.03         | 31.3.02         |
|------------------------------------------------------|-------|-----------------|-----------------|
|                                                      | Notes | £               | £               |
| <b>TURNOVER</b>                                      |       | 720,128         | 844,289         |
| Cost of sales                                        |       | 330,764         | 351,997         |
| <b>GROSS PROFIT</b>                                  |       | 389,364         | 492,292         |
| Administrative expenses                              |       | 423,174         | 468,524         |
|                                                      |       | (33,810)        | 23,768          |
| Other operating income                               |       | 54,447          | 40,778          |
| <b>OPERATING PROFIT</b>                              | 2     | 20,637          | 64,546          |
| Interest receivable and similar income               |       | 15              | 651             |
|                                                      |       | 20,652          | 65,197          |
| Interest payable and similar charges                 |       | 3,469           | 13,374          |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | 17,183          | 51,823          |
| Tax on profit on ordinary activities                 |       | 4,583           | 10,000          |
| <b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>  |       | 12,600          | 41,823          |
| Retained profit brought forward                      |       | 445,837         | 404,014         |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |       | <u>£458,437</u> | <u>£445,837</u> |

The notes form part of these financial statements

# CENTURY GALLERIES LIMITED

## Balance Sheet 31 March 2003

|                                                       |       | 31.3.03        |                  | 31.3.02        |                  |
|-------------------------------------------------------|-------|----------------|------------------|----------------|------------------|
|                                                       | Notes | £              | £                | £              | £                |
| <b>FIXED ASSETS:</b>                                  |       |                |                  |                |                  |
| Tangible assets                                       | 3     |                | 853,617          |                | 831,809          |
| <b>CURRENT ASSETS:</b>                                |       |                |                  |                |                  |
| Stocks                                                |       | 98,079         |                  | 82,446         |                  |
| Debtors                                               | 4     | 45,366         |                  | 42,675         |                  |
| Cash at bank and in hand                              |       | 3,615          |                  | 1,403          |                  |
|                                                       |       | <u>147,060</u> |                  | <u>126,524</u> |                  |
| <b>CREDITORS: Amounts falling due within one year</b> | 5     | <u>422,140</u> |                  | <u>392,396</u> |                  |
| <b>NET CURRENT LIABILITIES:</b>                       |       |                | <u>(275,080)</u> |                | <u>(265,872)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>         |       |                | <u>£578,537</u>  |                | <u>£565,937</u>  |
| <b>CAPITAL AND RESERVES:</b>                          |       |                |                  |                |                  |
| Called up share capital                               | 7     |                | 120,100          |                | 120,100          |
| Profit and loss account                               |       |                | 458,437          |                | 445,837          |
| <b>SHAREHOLDERS' FUNDS:</b>                           |       |                | <u>£578,537</u>  |                | <u>£565,937</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 28/10/03 .....

# CENTURY GALLERIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 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 tax

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):

|                                              | 31.3.03           | 31.3.02           |
|----------------------------------------------|-------------------|-------------------|
|                                              | £                 | £                 |
| Depreciation - owned assets                  | 15,514            | 15,320            |
| Loss/(Profit) on disposal of fixed assets    | 909               | (22,688)          |
| Auditors' remuneration                       | 1,250             | 1,250             |
|                                              | <u>          </u> | <u>          </u> |
| Directors' emoluments and other benefits etc | 10,000            | 31,000            |
|                                              | <u>          </u> | <u>          </u> |

# CENTURY GALLERIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 3. TANGIBLE FIXED ASSETS

|                        | Freehold<br>Property | Leasehold<br>Property | Flat<br>Furniture |
|------------------------|----------------------|-----------------------|-------------------|
|                        | £                    | £                     | £                 |
| <b>COST:</b>           |                      |                       |                   |
| At 1 April 2002        | 497,221              | 236,152               | 89,152            |
| Additions              | -                    | 8,282                 | 28,538            |
| At 31 March 2003       | 497,221              | 244,434               | 117,690           |
| <b>DEPRECIATION:</b>   |                      |                       |                   |
| At 1 April 2002        | -                    | -                     | 35,908            |
| Charge for year        | -                    | -                     | 4,089             |
| At 31 March 2003       | -                    | -                     | 39,997            |
| <b>NET BOOK VALUE:</b> |                      |                       |                   |
| At 31 March 2003       | 497,221              | 244,434               | 77,693            |
| At 31 March 2002       | 497,221              | 236,152               | 53,244            |

|                         | Motor<br>Vehicles | Office<br>Equipment | Totals    |
|-------------------------|-------------------|---------------------|-----------|
|                         | £                 | £                   | £         |
| <b>COST:</b>            |                   |                     |           |
| At 1 April 2002         | 10,025            | 149,304             | 981,854   |
| Additions               | -                 | 2,993               | 39,813    |
| Disposals               | (775)             | (2,903)             | (3,678)   |
| At 31 March 2003        | 9,250             | 149,394             | 1,017,989 |
| <b>DEPRECIATION:</b>    |                   |                     |           |
| At 1 April 2002         | 910               | 113,227             | 150,045   |
| Charge for year         | 2,088             | 9,337               | 15,514    |
| Eliminated on disposals | (13)              | (1,174)             | (1,187)   |
| At 31 March 2003        | 2,985             | 121,390             | 164,372   |
| <b>NET BOOK VALUE:</b>  |                   |                     |           |
| At 31 March 2003        | 6,265             | 28,004              | 853,617   |
| At 31 March 2002        | 9,115             | 36,077              | 831,809   |

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 £1,650,000

Net Book Value £741,655

# CENTURY GALLERIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|               | 31.3.03       | 31.3.02       |
|---------------|---------------|---------------|
|               | £             | £             |
| Trade Debtors | 29,589        | 22,817        |
| Other Debtors | 9,533         | -             |
| Prepayments   | 6,244         | 19,858        |
|               | <u>45,366</u> | <u>42,675</u> |

### 5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                           | 31.3.03        | 31.3.02        |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Bank loans and overdrafts | 122,158        | 91,953         |
| Trade Creditors           | 80,882         | 119,390        |
| Directors Loan Account    | 145,211        | 110,363        |
| Other Creditors           | 39,320         | 35,971         |
| PAYE & Other Taxes        | 24,669         | 13,670         |
| Company Taxation          | 6,005          | 10,000         |
| Accrued Expenses          | 3,895          | 11,049         |
|                           | <u>422,140</u> | <u>392,396</u> |

### 6. SECURED DEBTS

The following secured debts are included within creditors:

|                 | 31.3.03        | 31.3.02       |
|-----------------|----------------|---------------|
|                 | £              | £             |
| Bank overdrafts | <u>122,158</u> | <u>91,953</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<br>value: | 31.3.03        | 31.3.02        |
|---------|----------|-------------------|----------------|----------------|
|         |          |                   | £              | £              |
| 120,100 | Ordinary | £1                | <u>120,100</u> | <u>120,100</u> |

### 8. TRANSACTIONS WITH DIRECTORS

The company pays rent to its directors, Mr and Mrs J M A Shemilt, amounting to £33,000 (2002 - £44,250) per annum in total for premises occupied by the company. The rent is a normal commercial transaction.