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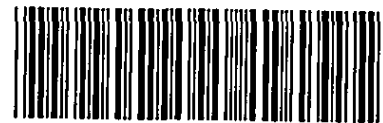
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HOLLAND PARK GALLERIES LIMITED

REPORT AND FINANCIAL STATEMENTS

31ST AUGUST, 2006

WEDNESDAY



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COMPANIES HOUSE

HOLLAND PARK GALLERIES LIMITED**COMPANY INFORMATION****DIRECTORS**

T A Hewlett
J E Hewlett
N P Martin

SECRETARY

N P Martin

REGISTERED OFFICE

8 Bennet Street,
London,
SW1A 1RP

COMPANY NUMBER

2027334

AUDITORS

Roberts & Co ,
136 Kensington Church Street,
London,
W8 4BH

BANKERS

National Westminster Bank PLC,
Manchester City Centre,
P O Box 305,
Spring Gardens,
Manchester,
M60 2DB

HOLLAND PARK GALLERIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st August, 2006

PRINCIPAL ACTIVITY

The company trades as "Portland Gallery" and carries on business as dealers in fine art and antiques

REVIEW OF THE BUSINESS

The directors consider that both the level of business and the year end financial position were satisfactory

RESULTS

The results for the year are set out in the profit and loss account on page 6

FIXED ASSETS

The movements in fixed assets during the year are set out in the notes to these financial statements

DIRECTORS

The directors of the company who served during the year and their beneficial interests in the shares of the company were as follows -

	Ordinary shares of £1 each At 31 8 2006 and 2005
T A Hewlett	3,499
J E Hewlett	1
N P Martin	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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.

HOLLAND PARK GALLERIES LIMITED
REPORT OF THE DIRECTORS

TAXATION STATUS

In the opinion of the directors, the company is a close company within the meaning of the Income and Corporation Taxes Act 1988

DONATIONS

During the year the company made donations for charitable purposes amounting to £19,650 (2005 - £5,879)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps to make us aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware

AUDITORS

Messrs Roberts & Co have expressed their willingness to continue in office A resolution proposing their re-appointment will be submitted to the Annual General Meeting

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the special exemptions conferred by Part VII of the Companies Act 1985 applicable to small companies

By Order of the Board



N P Martin
Secretary

4th June, 2007

Registered Office

8 Bennet Street,
London,
SW1A 1RP

HOLLAND PARK GALLERIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

HOLLAND PARK GALLERIES LIMITED

We have audited the financial statements of Holland Park Galleries Limited for the year ended 31st August, 2006 which comprise the profit and loss account, balance sheet and related notes set out on pages 6 to 13

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 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (U K and Ireland).

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 Directors' Report 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 Directors' Report 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 International Standards on Auditing (U K and Ireland) 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.

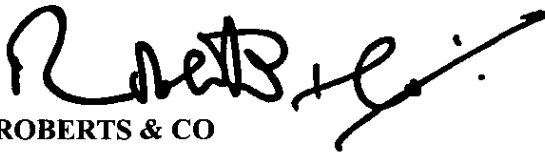
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

HOLLAND PARK GALLERIES LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF****HOLLAND PARK GALLERIES LIMITED**

(continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st August, 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies

**ROBERTS & CO**

Chartered Accountants and Registered Auditors

136 Kensington Church Street,
London, W8 4BH

4th June, 2007

HOLLAND PARK GALLERIES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST, 2006**

	Note	2006	2005
TURNOVER	2	4,306,984	3,066,663
Cost of sales		(1,957,103)	(1,855,088)
GROSS PROFIT		2,349,881	1,211,575
Administrative expenses		(1,290,746)	(722,234)
OPERATING PROFIT		1,059,135	489,341
Loss on sale of tangible fixed assets		(10,424)	(1)
Surplus on assignment of leasehold premises		41,057	-
PROFIT BEFORE INTEREST		1,089,768	489,340
Interest receivable		34,954	53,151
Interest payable		(604)	(1,748)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,124,118	540,743
Tax on profit on ordinary activities	4	(343,326)	(147,304)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES	13,14	£780,792	£393,439

All amounts relate to continuing activities

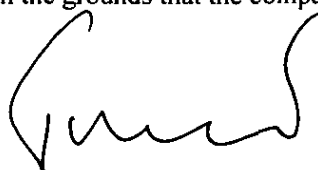
All recognised gains and losses are included in the profit and loss account

The accompanying notes form an integral part of these financial statements

HOLLAND PARK GALLERIES LIMITED**BALANCE SHEET - 31ST AUGUST, 2006**

	Note	2006	2005
FIXED ASSETS			
Tangible assets	6	189,165	61,162
Investments	7	17,106	-
		206,271	61,162
CURRENT ASSETS			
Stocks	8	1,255,192	980,876
Debtors	9	876,007	407,904
Cash at bank and in hand		1,411,427	762,224
		3,542,626	2,151,004
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,611,805)	(558,720)
NET CURRENT ASSETS		1,930,821	1,592,284
TOTAL ASSETS LESS CURRENT LIABILITIES		2,137,092	1,653,446
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(5,972)	(3,118)
NET ASSETS		£2,131,120	£1,650,328
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	12	3,500	3,500
RESERVES	13	2,127,620	1,646,828
SHAREHOLDERS' FUNDS	14	£2,131,120	£1,650,328

The directors have taken advantage of the special exemptions conferred by Part VII of the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company


T A Hewlett - Director

These financial statements
were approved by the Board
on 4th June, 2007

The accompanying notes form an integral part of these financial statements

HOLLAND PARK GALLERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST AUGUST, 2006

1 ACCOUNTING POLICIES

a Basis of accounting

These financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention

b Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deducting VAT

c Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost which comprises the direct purchase cost with any incidental expenses of acquisition

Depreciation is provided to write down the cost of tangible fixed assets to their estimated residual values over the period of their expected useful economic lives which are considered to be -

Improvements to leasehold premises	Over the period of the lease
Motor vehicles	4 years
Fixtures and fittings	4 to 7 years

d Stocks

Stocks are valued at the lower of cost and net realisable value

e Taxation

The charge for taxation is based on the profit for the year after adjusting for available allowances and reliefs

f Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and the law enacted or substantively enacted at the balance sheet date.

HOLLAND PARK GALLERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST AUGUST, 2006
1 ACCOUNTING POLICIES (continued)
g Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date. Differences arising on the translations of such items are dealt with in the profit and loss account.

2 TURNOVER

The turnover is derived from dealing in fine art and antiques. In 2006 - 12% (2005 - 25%) of total turnover was attributable to markets outside the United Kingdom.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006	2005
Profit on ordinary activities before taxation is arrived at after charging -		
Auditors' remuneration	£4,000	£3,750
Depreciation	£38,271	£10,972

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006	2005
U K corporation tax	340,472	148,751
Deferred tax charge/(credit) (note 11)	2,854	(1,447)
	£343,326	£147,304

The tax assessed for the year is higher than the rate of U K taxation applicable to the company of 29.21% (2005 - 25.64%). The differences are explained below -

	2006	2005
Profit on ordinary activities before taxation	£1,124,118	£540,743

HOLLAND PARK GALLERIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST, 2006****4 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

	2006	2005
At 29 21% (2005 - 25 64%)	328,365	138,646
Expenses not deductible for tax purposes	13,045	9,243
Depreciation in excess of capital allowances	-	862
Capital allowances in excess of depreciation	(938)	-
Current tax charge for the year	£340,472	£148,751

5 DIRECTORS

	2006	2005
Total remuneration	£330,577	£210,231

During the year 2 directors (2005 - 2 directors) of the company accrued benefits under a defined contribution pension scheme

6 TANGIBLE ASSETS

	Improvements to leasehold premises	Motor vehicles	Fixtures and fittings	Total
Cost				
At 31st August, 2005	31,668	5,000	65,517	102,185
Additions	62,415	-	116,783	179,198
Disposals	-	-	(38,892)	(38,892)
At 31st August, 2006	94,083	5,000	143,408	242,491
Depreciation				
At 31st August, 2005	191	4,999	35,833	41,023
Charge for year	5,080	-	33,191	38,271
Disposals	-	-	(25,968)	(25,968)
At 31st August, 2006	5,271	4,999	43,056	53,326

HOLLAND PARK GALLERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST AUGUST, 2006

6 TANGIBLE ASSETS (continued)

	Improvements to leasehold premises	Motor vehicles	Fixtures and fittings	Total
Net book values				
At 31st August, 2006	£88,812	£1	£100,352	£189,165
At 31st August, 2005	£31,477	£1	£29,684	£61,162

7 INVESTMENTS

The company owns wine in bond which is held for long term capital appreciation. The directors consider that no depreciation need be provided thereon.

	2006	2005
The cost of these investments amounts to	£17,106	-

8 STOCKS

	2006	2005
Pictures	1,241,092	960,776
Sculpture	14,100	20,100
	£1,255,192	£980,876

9 DEBTORS

	2006	2005
Trade debtors	803,711	159,838
Prepayments and accrued income	65,170	30,266
Other debtors	7,126	217,800
	£876,007	£407,904

HOLLAND PARK GALLERIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST, 2006****10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006	2005
Corporation tax payable	340,472	148,751
Other taxation and social security	140,548	9,151
Trade creditors	1,054,440	256,287
Accruals and deferred income	76,078	55,357
Other creditors	267	89,174
	£1,611,805	£558,720

11 DEFERRED TAXATION

	2006	2005
At 31st August, 2005	3,118	4,565
Charge/(credit) for the year (note 4)	2,854	(1,447)
At 31st August, 2006	£5,972	£3,118

The provision for deferred taxation is in respect of timing differences that have originated but not reversed at the balance sheet date

12 CALLED UP SHARE CAPITAL

	2006	2005
Authorised		
20,000 ordinary shares of £1 each	£20,000	£20,000
Allotted, called up and fully paid		
3,500 ordinary shares of £1 each	£3,500	£3,500

HOLLAND PARK GALLERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST AUGUST, 2006

13 RESERVES

	2006	2005
Profit on ordinary activities after taxation	780,792	393,439
Dividends	(300,000)	(490,000)
	480,792	(96,561)
Balance brought forward	1,646,828	1,743,389
Balance carried forward	£2,127,620	£1,646,828

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
Profit on ordinary activities after taxation	780,792	393,439
Dividends	(300,000)	(490,000)
	480,792	(96,561)
Opening shareholders' funds	1,650,328	1,746,889
Closing shareholders' funds	£2,131,120	£1,650,328

15 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £200,000 (2005 - £75,000).

16 OTHER COMMITMENTS

At 31st August, 2006 the company had annual commitments under an operating lease which commenced on 19th July, 2006 for a term of 20 years at an annual rental of £180,000, the first seven months being rent free.