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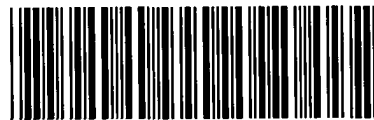
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**HOLLAND PARK GALLERIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31ST AUGUST, 2016**

SATURDAY



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COMPANIES HOUSE

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

T.A. Hewlett

J.E. Hewlett

**SECRETARY**

M. Morrow

**REGISTERED OFFICE**

3 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, 2016.

#### **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 as anticipated.

#### **OWNERSHIP**

On 30th August, 2016, the total share capital of the company was acquired by Holland Park Galleries Employee Ownership Trust.

At the same date the company entered into a service agreement with Mr. T.A. Hewlett in respect of his services as Managing Director.

#### **RESULTS**

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

#### **DIRECTORS**

The directors of the company who served throughout the year were as follows:-

T.A. Hewlett

J.E. Hewlett

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 of 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 judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**HOLLAND PARK GALLERIES LIMITED****REPORT OF THE DIRECTORS****STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

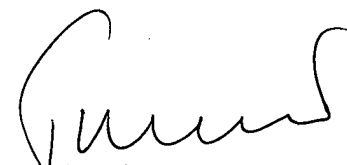
**AUDITORS**

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 PROVISIONS**

These financial statements have been prepared in accordance with the small companies regime under the Companies Act 2006.

On behalf of the Board



T.A. Hewlett

Director

25th April, 2017

Registered Office

3 Bennet Street,  
London,  
SW1A 1RP.

## **HOLLAND PARK GALLERIES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

## **HOLLAND PARK GALLERIES LIMITED**

We have audited the financial statements of Holland Park Galleries Limited for the year ended 31st August, 2016, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities (set out on pages 2 and 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (U.K. and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st August, 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

(continued)

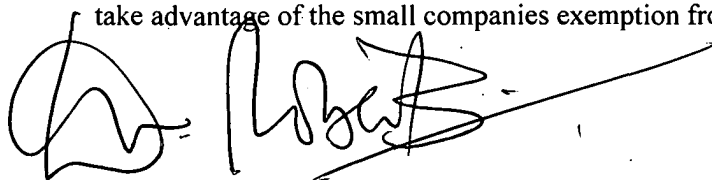
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year to which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



**DAVID ROBERTS** (Senior Statutory Auditor)

**For and on behalf of Roberts & Co**  
Chartered Accountants and Statutory Auditors

136 Kensington Church Street,  
London, W8 4BH.

25th April, 2017

**HOLLAND PARK GALLERIES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST, 2016**

|                                                                                     | <b>Note</b> | <b>2016</b> | <b>2015</b> |
|-------------------------------------------------------------------------------------|-------------|-------------|-------------|
| <b>TURNOVER</b>                                                                     | 2           | 3,875,422   | 3,228,157   |
| Cost of sales                                                                       |             | (2,458,513) | (1,725,582) |
| <b>GROSS PROFIT</b>                                                                 |             | 1,416,909   | 1,502,575   |
| Administrative expenses                                                             |             | (935,025)   | (1,308,317) |
| <b>OPERATING PROFIT</b>                                                             | 3           | 481,884     | 194,258     |
| Surplus arising on surrender of lease                                               |             | -           | 571,784     |
| <b>PROFIT BEFORE INTEREST</b>                                                       |             | 481,884     | 766,042     |
| Interest receivable                                                                 |             | 1,569       | 1,863       |
| Interest payable                                                                    |             | (15)        | -           |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b>                            |             | 483,438     | 767,905     |
| Tax on profit on ordinary activities                                                | 4           | (105,568)   | (165,799)   |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>AFTER TAXATION TRANSFERRED<br/>TO RESERVES</b> | 14,15       | £377,870    | £602,106    |

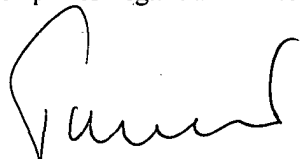
The accompanying notes form an integral part of these financial statements.

**HOLLAND PARK GALLERIES LIMITED****BALANCE SHEET - 31ST AUGUST, 2016**

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|                                                       | Note | 2016       | 2015       |
|-------------------------------------------------------|------|------------|------------|
| <b>FIXED ASSETS</b>                                   |      |            |            |
| Tangible assets                                       | 6    | 282,292    | 10,706     |
| Investments                                           | 7    | 16,856     | 16,856     |
|                                                       |      | <hr/>      | <hr/>      |
|                                                       |      | 299,148    | 27,562     |
| <b>CURRENT ASSETS</b>                                 |      |            |            |
| Stocks                                                | 8    | 2,573,362  | 2,921,557  |
| Debtors                                               | 9    | 400,427    | 273,544    |
| Cash at bank and in hand                              |      | 819,012    | 2,647,003  |
|                                                       |      | <hr/>      | <hr/>      |
|                                                       |      | 3,792,801  | 5,842,104  |
| <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | 10   | (892,076)  | (871,358)  |
|                                                       |      | <hr/>      | <hr/>      |
| <b>NET CURRENT ASSETS</b>                             |      | 2,900,725  | 4,970,746  |
|                                                       |      | <hr/>      | <hr/>      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | 3,199,873  | 4,998,308  |
|                                                       |      | <hr/>      | <hr/>      |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b>          |      |            |            |
| Deferred taxation                                     | 11   | (6,195)    | -          |
|                                                       |      | <hr/>      | <hr/>      |
| <b>NET ASSETS</b>                                     |      | £3,193,678 | £4,998,308 |
|                                                       |      | <hr/>      | <hr/>      |
| <b>CAPITAL AND RESERVES</b>                           |      |            |            |
| <b>CALLED UP SHARE CAPITAL</b>                        | 12   | 3,500      | 3,500      |
| <b>RESERVES</b>                                       |      |            |            |
| Profit and loss account                               | 14   | 3,190,178  | 4,994,808  |
|                                                       |      | <hr/>      | <hr/>      |
| <b>SHAREHOLDERS' FUNDS</b>                            | 15   | £3,193,678 | £4,998,308 |
|                                                       |      | <hr/>      | <hr/>      |

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

  
T.A. Hewlett

- Director

These financial statements  
were approved by the Board  
on 25th April, 2017.

The accompanying notes form an integral part of these financial statements.

# **HOLLAND PARK GALLERIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**31ST AUGUST, 2016**

### **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 |
| Fixtures and fittings              | 4 to 7 years                 |

#### **d. Investments**

Investments are shown at cost.

No depreciation has been provided on fine wine held in bond. Bonded stocks are stated at less than their replacement values. The wine is maintained in specialised conditions and in the opinion of the directors any element of depreciation would be immaterial.

#### **e. Stocks**

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

#### **f. Taxation**

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

## **HOLLAND PARK GALLERIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31ST AUGUST, 2016**

#### **1. ACCOUNTING POLICIES (continued)**

##### **g. Deferred taxation**

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

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 tax is measured on a full provision basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **h. 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.

##### **i. Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

##### **j. Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### **2. TURNOVER**

The turnover is derived from dealing in fine art and antiques.

**HOLLAND PARK GALLERIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST, 2016****3. OPERATING PROFIT**

|                                                                                           | <b>2016</b> | <b>2015</b> |
|-------------------------------------------------------------------------------------------|-------------|-------------|
| Operating profit on ordinary activities before taxation<br>is arrived at after charging:- |             |             |
| Loss/(profit) on sale of tangible fixed assets                                            | £1          | £(571,782)  |
| Depreciation of tangible fixed assets                                                     | £33,742     | £6,296      |
|                                                                                           | <hr/>       | <hr/>       |

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

|                                                | <b>2016</b> | <b>2015</b> |
|------------------------------------------------|-------------|-------------|
| <b>Current tax</b>                             |             |             |
| Corporation tax charge                         | 99,074      | 164,137     |
| <b>Deferred tax</b>                            |             |             |
| Origination and reversal of timing differences | 6,494       | 1,662       |
|                                                | <hr/>       | <hr/>       |
| Total tax on profit on ordinary activities     | £105,568    | £165,799    |
|                                                | <hr/>       | <hr/>       |

**5. DIRECTORS**

|                                              | <b>2016</b> | <b>2015</b> |
|----------------------------------------------|-------------|-------------|
| Remuneration including pension contributions | £135,000    | £315,000    |
|                                              | <hr/>       | <hr/>       |

During the year 2 directors (2015 - 2 directors) of the company accrued benefits under a defined contribution pension scheme.

**HOLLAND PARK GALLERIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST, 2016****6. TANGIBLE ASSETS**

|                        | <b>Improvements<br/>to leasehold<br/>premises</b> | <b>Fixtures<br/>and fittings</b> | <b>Total</b> |
|------------------------|---------------------------------------------------|----------------------------------|--------------|
| <b>Cost</b>            |                                                   |                                  |              |
| At 31st August, 2015   | -                                                 | 25,205                           | 25,205       |
| Additions              | 258,553                                           | 46,776                           | 305,329      |
| Disposals              | -                                                 | (5,972)                          | (5,972)      |
|                        | <hr/>                                             | <hr/>                            | <hr/>        |
| At 31st August, 2016   | 258,553                                           | 66,009                           | 324,562      |
|                        | <hr/>                                             | <hr/>                            | <hr/>        |
| <b>Depreciation</b>    |                                                   |                                  |              |
| At 31st August, 2015   | -                                                 | 14,499                           | 14,499       |
| Charge for year        | 17,237                                            | 16,505                           | 33,742       |
| Disposals              | -                                                 | (5,971)                          | (5,971)      |
|                        | <hr/>                                             | <hr/>                            | <hr/>        |
| At 31st August, 2016   | 17,237                                            | 25,033                           | 42,270       |
|                        | <hr/>                                             | <hr/>                            | <hr/>        |
| <b>Net book values</b> |                                                   |                                  |              |
| At 31st August, 2016   | £241,316                                          | £40,976                          | £282,292     |
|                        | <hr/>                                             | <hr/>                            | <hr/>        |
| At 31st August, 2015   | -                                                 | £10,706                          | £10,706      |
|                        | <hr/>                                             | <hr/>                            | <hr/>        |

**7. INVESTMENTS**

|                               | <b>Fine wine<br/>in bond</b> |
|-------------------------------|------------------------------|
| <b>Cost</b>                   |                              |
| At 31st August, 2016 and 2015 | £16,856                      |
|                               | <hr/>                        |

**HOLLAND PARK GALLERIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST, 2016****8. STOCKS**

|            | <b>2016</b>       | <b>2015</b>       |
|------------|-------------------|-------------------|
| Pictures   | 2,372,180         | 2,698,775         |
| Sculptures | 199,037           | 220,637           |
| Furniture  | 2,145             | 2,145             |
|            | <hr/>             | <hr/>             |
|            | <b>£2,573,362</b> | <b>£2,921,557</b> |
|            | <hr/>             | <hr/>             |

**9. DEBTORS**

|                                | <b>2016</b>     | <b>2015</b>     |
|--------------------------------|-----------------|-----------------|
| Deferred tax asset (note 12)   | -               | 299             |
| Trade debtors                  | 369,021         | 218,007         |
| Prepayments and accrued income | 31,406          | 55,238          |
|                                | <hr/>           | <hr/>           |
|                                | <b>£400,427</b> | <b>£273,544</b> |
|                                | <hr/>           | <hr/>           |

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | <b>2016</b>     | <b>2015</b>     |
|------------------------------------|-----------------|-----------------|
| Corporation tax payable            | 99,074          | 164,137         |
| Other taxation and social security | 23,513          | 31,364          |
| Trade creditors                    | 684,487         | 577,604         |
| Accruals and deferred income       | 85,002          | 96,070          |
| Other creditors                    | -               | 2,183           |
|                                    | <hr/>           | <hr/>           |
|                                    | <b>£892,076</b> | <b>£871,358</b> |
|                                    | <hr/>           | <hr/>           |

**HOLLAND PARK GALLERIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST, 2016****11. DEFERRED TAXATION**

|                               | <b>2016</b> | <b>2015</b> |
|-------------------------------|-------------|-------------|
| At 31st August, 2015          | 299         | 1,961       |
| Charge for the year (note 5)  | (6,494)     | (1,662)     |
|                               | <hr/>       | <hr/>       |
|                               | (6,195)     | 299         |
| Transfer to debtors (note 10) | -           | (299)       |
|                               | <hr/>       | <hr/>       |
| At 31st August, 2016          | £(6,195)    | -           |
|                               | <hr/>       | <hr/>       |

The charge 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**

|                                           | <b>2016</b> | <b>2015</b> |
|-------------------------------------------|-------------|-------------|
| <b>Allotted, called up and fully paid</b> |             |             |
| 3,500 ordinary shares of £1 each          | £3,500      | £3,500      |
|                                           | <hr/>       | <hr/>       |

**13. DIVIDENDS**

|                                    | <b>2016</b> | <b>2015</b> |
|------------------------------------|-------------|-------------|
| Current year interim dividend paid | -           | £25,500     |
|                                    | <hr/>       | <hr/>       |

**14. RESERVES**

|                                                              | <b>2016</b> | <b>2015</b> |
|--------------------------------------------------------------|-------------|-------------|
| Profit on ordinary activities after taxation                 | 377,870     | 602,106     |
| Dividends                                                    | -           | (25,500)    |
| Gifts to the Holland Park Galleries Employee Ownership Trust | (2,182,500) | -           |
|                                                              | <hr/>       | <hr/>       |
|                                                              | (1,804,630) | 576,606     |
| Balance brought forward                                      | 4,994,808   | 4,418,202   |
|                                                              | <hr/>       | <hr/>       |
| Balance carried forward                                      | £3,190,178  | £4,994,808  |
|                                                              | <hr/>       | <hr/>       |

**HOLLAND PARK GALLERIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST, 2016****15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                                              | <b>2016</b> | <b>2015</b> |
|--------------------------------------------------------------|-------------|-------------|
| Profit on ordinary activities after taxation                 | 377,870     | 602,106     |
| Dividends                                                    | -           | (25,500)    |
| Gifts to the Holland Park Galleries Employee Ownership Trust | (2,182,500) | -           |
|                                                              | <hr/>       | <hr/>       |
|                                                              | (1,804,630) | 576,606     |
| Opening shareholders' funds                                  | 4,998,308   | 4,421,702   |
|                                                              | <hr/>       | <hr/>       |
| Closing shareholders' funds                                  | £3,193,678  | £4,998,308  |
|                                                              | <hr/>       | <hr/>       |

**16. 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 for the year represents contributions payable by the company to the scheme and amounted to £80,000 (2015 - £260,000).

**17. OTHER COMMITMENTS**

At 31st August, 2016 the company had annual commitments under a non-cancellable operating lease as follows:-

|                           | <b>2016</b>               | <b>2015</b> |
|---------------------------|---------------------------|-------------|
|                           | <b>Land and buildings</b> |             |
| Expiry date after 5 years | £150,000                  | £150,000    |
|                           | <hr/>                     | <hr/>       |

**18. CONTROL**

The company is controlled by the Holland Park Galleries Employee Ownership Trustee Limited which owns 100% of the called up share capital.