

ANNELY JUDA FINE ART LIMITED

Abbreviated accounts

31 December 2006

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INDEPENDENT AUDITORS' REPORT TO ANNELY JUDA FINE ART LIMITED PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts consisting of the balance sheet and related notes 1 to 4 together with the financial statements of Annely Juda Fine Art Limited for the year ended 31 December 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with sections 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246 (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 'The special auditor's report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Deloitte & Touche LLP
Chartered Accountants and
Registered Auditors
Cambridge
United Kingdom

26 Jun 2007

ANNELY JUDA FINE ART LIMITED

BALANCE SHEET **31 December 2006**

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	2	149,729	9,369
CURRENT ASSETS			
Stocks		1,306,439	1,036,539
Debtors		554,852	494,063
Investments		1,300,000	250,000
Cash at bank and in hand		153,420	324,178
		<u>3,314,711</u>	<u>2,104,780</u>
CREDITORS amounts falling due within one year		<u>1,215,118</u>	<u>854,314</u>
NET CURRENT ASSETS		<u>2,099,593</u>	<u>1,250,466</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,249,322	1,259,835
CREDITORS: amounts falling due after more than one year		(572,782)	(920,893)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(2,840)</u>	<u>-</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>1,673,700</u>	<u>338,942</u>
CAPITAL AND RESERVES			
Called up share capital	3	10,000	10,000
Profit and loss account		<u>1,663,700</u>	<u>328,942</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1,673,700</u>	<u>338,942</u>

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985 with respect to the delivery of individual accounts



D Juda

Director

18 June 2007

ANNELY JUDA FINE ART LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention

Turnover

The turnover of the company is the total amount receivable for goods sold net of VAT

Transfer of assets acquired from the unincorporated business

On commencement of trading on 1 January 2004, the assets of Annelly Juda Fine Art, an unincorporated business, were transferred at book value as a group reconstruction under FRS 6, as the transfer involves no change to the ultimate owner. In order to achieve compliance with FRS 6, goodwill, which arises on the difference between the consideration and the net assets acquired from the unincorporated business has been eliminated against the profit and loss reserve. This represents a departure from the Companies Act 1985 conditions for merger accounting since there is no exchange of shares, and also from FRS 10 which would have retained the goodwill as an asset and amortised it over its useful economic life. The director considers that, since there has been no change in the owner, or his rights, recognition of goodwill would not give a true and fair view.

The capitalisation of purchased goodwill would have created an intangible fixed asset of £500,000 in Annelly Juda Fine Art Limited's balance sheet. An annual amortisation charge to the profit and loss account of £25,000 would be required, based on a useful economic life of 20 years.

Tangible fixed assets and depreciation

No depreciation is provided on assets under construction. On other fixed assets depreciation is provided so as to write off the cost of the assets over their estimated useful lives at the following rates:

Fixtures and fittings	15% per annum
Computers and equipment	33% per annum

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Cash flow statement

The company is exempt from preparing a cash flow statement as the company is exempt as a small company under Section 247 of the Companies Act 1985.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Stocks

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

ANNELY JUDA FINE ART LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

1 ACCOUNTING POLICIES (continued)

Operating leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term

Pension costs

The company operates a defined contribution scheme for the benefit of certain employees. Contributions are charged to the profit and loss account as the contributions are made.

2 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 2006	28,114
Additions	149,026
Disposals	(366)
At 31 December 2006	176,774
Accumulated depreciation	
At 1 January 2006	18,745
Charge for the year	8,422
Disposals	(122)
At 31 December 2006	27,045
Net book value	
At 31 December 2006	149,729
At 31 December 2005	9,369

3 CALLED UP SHARE CAPITAL

	2006	2005
	£	£
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Called up, allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

ANNELY JUDA FINE ART LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

4 RELATED PARTIES

D Juda is the ultimate controlling party of the company. The director's current account due within one year at 31 December 2006 was £96,257 (2005 - £140,000). The director's loan account due after more than one year at 31 December 2006 was £572,782 (2005 - £920,893).

David Juda's wife, Yuko Shiraishi, is an established artist in her own right and is represented by Annelly Juda Fine Art Limited.

During the year ended 31 December 2006 the company purchased art works of £32,300 (2005 - £41,900) from Yuko Shiraishi and sold works by Yuko Shiraishi of £42,955 (2005 - £49,241).