

PROGRESS ARTS LIMITED

REPORT AND ACCOUNTS

31 May 2002

Registered No.4221885

Directors

D Arnaud
N J Heaf

Secretary

N J Heaf

Bankers

Lloyds TSB plc
Covent Garden Branch
22 Southampton Street
London WC2E 7JB

Registered Office

123 Kennington Road
London
SE11 6SF



Progress Arts Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 May 2002.

Results

The company was formed on 23 May 2001 and on 1 June 2001 assumed the assets and liabilities of the business partnership trading as Danielle Arnaud contemporary art since 1995. The excess of expenditure over income for the period, before and after taxation, amounted to £39,112, which has been funded by loans from the directors and capital introduced.

Principal activity and review of the business

The company's principal activity is the continued activity of Danielle Arnaud contemporary art, which consists of the operation of an art gallery located in part of 123 Kennington Road, London together with the organization and operation of various exhibitions and art related events elsewhere. The company participated in a number of art shows including the London Art Fair, Art Brussels and Artissima Turin, Italy. Income was obtained from commission on artworks sold and fees payable for consultancy work including lecturing and touring exhibitions.

Directors

The directors who served during the period and their interests in the share capital of the company were as follows:

	£1 ordinary shares
Danielle Arnaud	1
Nicholas Heaf	1

Directors' report on the unaudited accounts of Progress Arts Limited.

As described on the balance sheet the directors are responsible for the preparation of the accounts for the period ended 31 May 2002 set out herein and we consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985.

No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

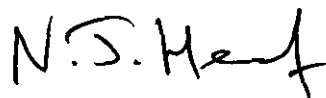
- a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and

- b) preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial period and its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Small company special provisions

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

This report was approved by the board on 2 January 2003

A handwritten signature in black ink, appearing to read 'N.J. Heaf', with a stylized flourish at the end.

N J Heaf
Director

Progress Arts Limited

Profit and Loss Account for the period ended 31 May 2002

	Notes	2002 £
Turnover	2	60,827.44
Cost of sales		38,077.19
Gross Profit		22,750.25
Distribution costs		4,648.09
Administrative expenses		52,725.90
Depreciation		4,487.83
Interest paid		0.71
Other operating income		
Operating Profit (Loss)	3	(39,112.28)
Exceptional Items		
profit on disposal of tangible fixed assets		0.00
profit on disposal of investments		0.00
Income from investments		0.00
Interest receivable		0.00
Interest payable		0.00
Profit (Loss) on ordinary activities before taxation		(39,112.28)
Tax on profit on ordinary activities	4	0.00
Profit (Loss) for the financial year		(39,112.28)
Dividends		0.00
Retained profit (loss) for the financial year		(39,112.28)

Noted.
2.1.03

Progress Arts Limited

Balance Sheet as at 31 May 2002

	Notes	2002 £	2001 £
Fixed Assets			
Intangible assets	2	0.00	0.00
Tangible assets	3	2,283.99	761.38
Investments	4	0.00	0.00
		2,283.99	761.38
Current Assets			
Stocks		10,850.00	0.00
Debtors	5	5,800.59	765.00
Investments held as current assets		0.00	0.00
Cash at bank and in hand		1,438.98	6,156.72
Creditors: amounts falling due within 1 year		17,935.09	7,597.24
Net current assets		154.48	(675.52)
Total Assets less current liabilities		2,438.47	85.86
Creditors: amounts falling due after more than 1 year		31,500.00	0.00
Provisions for liabilities and charges		0.00	0.00
Net Assets		33,938.47	85.86
Capital and Reserves			
Called up share capital	7	2.00	0.00
Share premium		0.00	0.00
Capital introduced		11,900.00	0.00
Profit and loss account		(39,112.28)	0.00
Shareholders funds		(27,210.28)	0.00

The figures presented for 2001 are for Danielle Arnaud contemporary art, a partnership whose business activities including assets and liabilities were assumed by Progress Arts Limited on 1 June 2001.

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the companies Act 1985 and that no member or members have requested an audit pursuant to Section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- c) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- d) preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial period and its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

N.J. Heaf 2.1.03

N J Heaf
Director

Approved by the board 2nd January 2003

NOTES TO THE ACCOUNTS

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold property - over the lease term

Fixtures and fittings - over 3 to 5 years

Computers and data processing equipment – over 1 to 2 years

Stocks

Stock is valued at the lower of cost and net realisable value.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the income and expenditure account.

Note

2 Intangible fixed assets £

Cost

At 1 June 2001	0.00
Additions	0.00
Disposals	0.00
At 31 May 2002	0.00

Amortisation

At 1 June 2001	0.00
Provided during the year	0.00
On disposals	0.00
At 31 May 2002	0.00

Net book value

At 31 May 2001	0.00
At 31 May 2002	0.00

3 Tangible fixed assets £

Cost

At 1 June 2001	1,659.08
Additions	5,112.74
Disposals	0.00
At 31 May 2002	6,771.82

Amortisation

At 1 June 2001	(897.70)
Provided during the year	(3,590.13)
On disposals	0.00
At 31 May 2002	(4,487.83)

Net book value

At 31 May 2001	761.38
At 31 May 2002	2,283.99

4 Investments

Cost

At 1 June 2001	0.00
Additions	0.00
Disposals	0.00
At 31 May 2002	0.00

5 Debtors

	2002	2001
Debtors include		
Amounts due after more than one year	0.00	0.00

6 Loans

Creditors include		
Amounts falling due for payment after more than 5 years		
(see also Note 8)	0.00	0.00

7 Share capital

Authorised		
Ordinary shares of £1 each	100.00	0
Alloted, called up and fully paid	2.00	0

8 Transactions with Directors

Loan from D Arnaud	15,500.00
Loan from N J Heaf	16,000.00
	31500.00