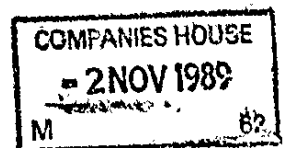


577920

CLARK, NELSON LIMITED
DIRECTORS REPORT AND ACCOUNTS
31 DECEMBER 1988



...1/

CLARK NELSON LIMITED
REPORT OF THE DIRECTORS

The Directors present their report and financial statements for the twelve months ended 31 December 1988.

1. ACTIVITIES

The Company ceased to trade at 31st August 1979

2. STATE OF AFFAIRS

The state of the Company's affairs is as stated in the accounts on pages 2 and 3.

3. DIRECTORS AND THEIR SHAREHOLDINGS

The following served as Directors of the Company throughout the period unless otherwise stated;

J.A. Och
G.D. Llewellyn
T.P. Tidy

- a) At 31st December 1988 Mr G.D. Llewellyn had an interest in 2,000 class B shares of Sotheby's Holdings Inc.
- b) At 31st December 1988 Mr T.P. Tidy had an interest in 38,605 options in the class B common stock of Sotheby's Holdings Inc which had been granted to him during 1987.
- c) At 31st December 1988 Mr J.A. Och had an interest in 6,350 options in the class B common stock of Sotheby's Holdings Inc which had been granted to him during 1987.

BY ORDER OF THE BOARD

34/35 New Bond Street,
London W1A 2AA.

T.P. Tidy
Secretary

...2/.

CLARK, NELSON LIMITED
BALANCE SHEET AT 31 DECEMBER 1988

	<u>Notes</u>	<u>31 December 1988</u>	<u>31 December 1987</u>
FIXED ASSETS			
Investment in Subsidiary	4	179	179
CURRENT LIABILITIES			
Accounts falling due within one year	5	18,009	18,009
		<u>£(17,830)</u>	<u>£(17,830)</u>
CAPITAL AND RESERVES			
Called up Share Capital	6	1,000	1,000
Share Premium Account		998	998
Accumulated Losses		(19,828)	(19,828)
		<u>£(17,830)</u>	<u>£(17,830)</u>

The Company was dormant (within the meaning of Section 252 of the Companies Act 1985) throughout the twelve months ended 31 December 1988.

SIGNED ON BEHALF OF THE BOARD ON

[Signature]
Thomas P. Tidy

27th October 1989

Directors

CLARK, NELSON LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1988

1. ACTIVITIES

The Company has ceased to trade.

2. STATEMENT OF ACCOUNTING POLICIES

The accounts are prepared on the historical basis of accounting.

3. PROFIT AND LOSS ACCOUNT

The Company has not traded for the eight years ended 31 December 1988 and accordingly it has made neither profit nor loss. Therefore no profit and loss account is attached.

4. SUBSIDIARY

The Company's wholly owned subsidiary is Clark, Nelson Limited, a company incorporated in the United States of America.

Group accounts have not been submitted as the company is a wholly owned subsidiary of another body incorporated in Great Britain.

In the opinion of the directors the value of the Company's interest in its subsidiary is not less than the amount at which it is stated in the balance sheet.

5. CREDITORS

	31 December <u>1988</u>	31 December <u>1987</u>
Amounts owed to Group Companies	£18,009	£18,009

6. SHARE CAPITAL

	31 December <u>1988</u>	Shares of £1 Each 31 December <u>1987</u>
Authorised, issued and fully paid	£1,000	£1,000

7. ULTIMATE HOLDING COMPANY

At 31 December 1988 the Company's ultimate holding company was Sotheby's Holding Inc., a company incorporated in the United States of America.