

THE FINE ART GROUP LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2006

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THE FINE ART GROUP LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

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THE FINE ART GROUP LIMITED

ABBREVIATED BALANCE SHEET

31ST DECEMBER 2006

	Note	2006 £	2005 £
Fixed Assets			
Investments	2	34,550	33,776
Current Assets			
Debtors		128,773	155,163
Cash at bank and in hand		157,814	132,906
		<u>286,587</u>	<u>288,069</u>
Creditors: Amounts Falling due Within One Year		<u>25,705</u>	<u>31,225</u>
Net Current Assets		<u>260,882</u>	<u>256,844</u>
Total Assets Less Current Liabilities		<u>295,432</u>	<u>290,620</u>
Capital and Reserves			
Called-up equity share capital	4	100,000	100,000
Profit and loss account		195,432	190,620
Shareholders' Funds		<u>295,432</u>	<u>290,620</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The director acknowledges his responsibility for ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved and signed by the director on 29th October 2007


G B Jones
Director

THE FINE ART GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

1. Accounting Policies

Basis of Accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Consolidation

The company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents management charges to subsidiary undertakings.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred Taxation

Deferred taxation is provided using the liability method in respect of all timing differences.

Investments

Investments are stated at cost less provision for diminution in value.

2. Fixed Assets

	Investments £
Cost	
At 1st January 2006 and 31st December 2006	<u>170,200</u>
Amounts Written Off	
At 1st January 2006	136,424
Written off in prior years written back	(774)
At 31st December 2006	<u>135,650</u>
Net Book Value	
At 31st December 2006	<u>34,550</u>
At 31st December 2005	<u>33,776</u>

The company holds 100% of the ordinary share capital of Solomon & Whitehead Limited and Artistick Limited. These companies are registered in England and Wales and both are involved in fine art publishing, distribution and retailing.

The cost stated above, includes a long term loan of £170,000 to Artistick Limited. This loan has been provided against to the extent of the deficit of funds in that company's balance sheet.

During the year ended 31st December 2006, Solomon & Whitehead Limited made a loss of £209,971 and had net assets of £565,635 at that date and Artistick Limited made a profit of £774 and had a deficit of capital and reserves of £135,550 at that date.

THE FINE ART GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

3. Related Party Transactions

During the year the company received management charges of £67,000 (2005 £72,000) from Solomon and Whitehead, and £2,000 (2005 £Nil) from Artistick Limited, being wholly owned subsidiary undertakings of the company

The company is owed £170,000 (2005 £170,000) by Artistick Limited a subsidiary undertaking. This debt has been provided against to the extent of the deficit of the funds in its balance sheet, £135,552 (2005 £136,424). The net balance of £34,450 (2005 £33,776) is included in note 2 to these financial statements

At the year end, the company was owed the following amounts by group undertakings

	2006 £	2005 £
Solomon & Whitehead Limited	<u>57,674</u>	<u>83,748</u>
Purechance Limited	<u>67,566</u>	<u>67,566</u>

At the year end, the company owed the following amounts to group undertakings

Artistick Limited	<u>—</u>	<u>1,900</u>
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The company has given an unlimited guarantee in respect of group bank borrowings. No potential liability existed under this guarantee at the end of the year (2005 £Nil)

The company has a liability under group VAT registration as at 31st December 2006 of £33,199 (2005 £37,383)

4. Share Capital

Authorised share capital:

	2006 £	2005 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

5. Ultimate Parent Company

The ultimate holding company is Purechance Limited, a company registered in England and Wales