

COMPANY REGISTRATION NUMBER 1432634

RIVERMEAD COURT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2004



HEXTALL MEAKIN
Chartered Accountants & Registered Auditors
Argon House
Argon Mews
Fulham Broadway
London
SW6 1BJ

RIVERMEAD COURT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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RIVERMEAD COURT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Michael John Charles Austin
Susan Jane Fox
Peter Gilbey Green
Suzanne Jean Henderson
Marie-Louise Legg
Louis Joshua Manson
Terence Hugh McCaughey
James Thomas McDonough
Richard Frank Coleman Pollitzer

Company Secretary

Susan Jane Fox

Registered office

The House Manager's Office
Rivermead Court
Ranelagh Gardens
London
SW6 3SB

Auditors

Hextall Meakin
Chartered Accountants
& Registered Auditors
Argon House
Argon Mews
Fulham Broadway
London
SW6 1BJ

RIVERMEAD COURT LIMITED

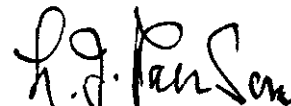
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting for 2005 will be held at The Hurlingham Club, London SW6 on Monday, 16 May 2005 at 7pm to transact the following business of the Company.

1. To receive and adopt the Directors' Report and the financial statements for the year ended 31 December 2004 and the report of the auditors thereon (the "Accounts").
2. To re-elect Suzanne Jean Henderson as a Director
3. To re-elect Susan Jane Fox as a Director
4. To re-elect Marie-Louise Legg as a Director
5. To re-appoint Hextall Meakin as auditors and to authorise the directors to fix their remuneration.
6. To enact any other business of the Company

19 April 2005

Registered office
The House Manager's Office
Rivermead Court
Ranelagh Gardens
London
SW6 3SB


L J Manson
Director

Proxies

A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company.

Joint Holders

All joint holders of a share may attend the meeting but under Article 70 of the Articles of Association of the Company only the first named of them on the register of members kept by the Company is entitled to vote (whether in person or by proxy). However, if the first named does not vote, the second may do so and so on. This notice is addressed to the first named of them.

RIVERMEAD COURT LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31 DECEMBER 2004

Results

2004 was the first year that the company showed an operating profit, including a surplus on the service charge account. This arose almost entirely because the amount spent on re-decorating and repairing windows in the east and west blocks was significantly lower than the amount budgeted.

The day to day expenses were slightly below budget. A saving on staff costs, resulting from using fewer agency staff and more overtime being worked by our permanent staff, was off-set by the un-budgeted cost of cleaning and chlorinating thirty- three water tanks and replacing with the latest models the two CCTV cameras that monitor the gates.

These items appear in the Service Charge Accounts that accompany this financial statement. The format of those accounts has been changed to make the summary on the final page easier to follow. The surplus of £42,820 shown on that page is shown as "Service charge reserve" on the Balance Sheet on page 10 of this document.

Under the terms of your lease the company, as lessor, is entitled to include in the service charge a contribution from lessees towards meeting the cost of expenses of a periodically recurring nature in order to produce this reserve fund. In practice these expenses relate almost entirely to the cost of carrying out major works.

As mentioned in earlier reports it is imperative that we build up this reserve to enable Rivermead Court to be maintained to the high standard required to retain and increase the value of your flats, and to avoid making a substantial levy when expensive works are needed. By spreading the cost in this way the sums charged are not large; in 2004 the amount per flat averaged £24 a week and this year it is £27.50. Earlier major works were funded in part from the significant reserves the company built up by the sale of flats it owned. Only two remain, both occupied by statutory tenants who are unlikely to vacate in the near future. The company's investments worth around £1million must be kept at that level to meet emergencies.

Major Works

Over the last five years major works have included replacing or renovating the twenty lifts, re-covering the roof , painting the exterior, renovating and re-carpeting the entrance halls, replacing several boilers, removing quantities of asbestos, enhancing the security, and repairing the river wall.

This year work has started on re-decorating and re-carpeting the staircases and at the same time installing both emergency lighting and a smoke alarm system. A new sliding metal exit gate should be in place shortly. The last of the old boilers is being replaced and other improvements are being made to the boiler-house.

Next year fewer major works are planned; this should enable further funds to be placed in the service charge reserve, to meet expenditure scheduled for later years.

Health and Safety

The company has responsibilities under various provisions of the Health and Safety legislation. In 2004 a risk assessor was appointed who made a number of recommendations, all of which have either been implemented or, in the case of those of an ongoing nature, are being monitored.

RIVERMEAD COURT LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31 DECEMBER 2004

Management and Staff

Hercules Property Services plc, the owners of Wood Managements Limited, has been acquired by Erinaceous plc, a FTSE quoted company and now the second largest residential management company in the UK. Vincent Wood has left Woods and the management of Rivermead Court is now carried out by Anthony Bird, an associate director of Wood Managements Limited. Kevin Marshall, the managing director of Simmonds and Partners, Chartered Surveyors, remains responsible for overseeing our major works programme.

There have been few changes in our permanent staff, who have served us well; their helpfulness and courtesy being recognised by residents making a well-deserved increase in their contributions to the Staff Christmas Fund.

My thanks, once again, to the members of the board and to the members of the interior sub-committee, who have contributed their expertise, energy and time to maintaining and improving standards at Rivermead Court, which in turn has produced record values for all your properties.



Louis Manson
Chairman

19 April 2005

RIVERMEAD COURT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company purchased the freehold of Rivermead Court from Prudential Assurance Company Limited with a view to granting long leases of the flats therein to those sitting tenants who wished to acquire them. Long leases of certain flats which were vacant at that time or subsequently became vacant have been sold in the open market. Two flats continued to be let during the year at rack rents, to sitting tenants who did not elect to acquire long leases.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2004	At 1 January 2004
Michael John Charles Austin	1	1
Susan Jane Fox	1	1
Peter Gilbey Green	1	1
Suzanne Jean Henderson	1	1
Marie-Louise Legg	1	1
Louis Joshua Manson	1	1
Terence Hugh McCaughey	1	1
James Thomas McDonough	1	1
Richard Frank Coleman Pollitzer	1	1

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 11, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

AUDITORS

A resolution to re-appoint Hextall Meakin as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

RIVERMEAD COURT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2004

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

Signed on behalf of the directors

The House Manager's Office
Rivermead Court
Ranelagh Gardens
London
SW6 3SB


L J Manson
Director

Approved by the directors on 19 April 2005

RIVERMEAD COURT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RIVERMEAD COURT LIMITED

YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements of Rivermead Court Limited for the year ended 31 December 2004 on pages 9 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

RIVERMEAD COURT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RIVERMEAD COURT LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2004

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**HEXTALL MEAKIN
Chartered Accountants
& Registered Auditors**

19 April 2005

RIVERMEAD COURT LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
TURNOVER		—	—
Service charges receivable		1,043,155	974,850
Service charge expenses		(1,000,335)	(1,017,234)
Service charge surplus/(deficit)		<u>42,820</u>	<u>(42,384)</u>
Company operating income		80,946	81,691
Company administrative expenses		(21,410)	(64,261)
OPERATING PROFIT/(LOSS)	2	<u>102,356</u>	<u>(24,954)</u>
Interest receivable and similar income	4	28,805	21,022
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>131,161</u>	<u>(3,932)</u>
Tax on profit/(loss) on ordinary activities	5	6,949	21,380
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>124,212</u>	<u>(25,312)</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>124,212</u>	<u>(25,312)</u>

The notes on pages 11 to 14 form part of these financial statements.

RIVERMEAD COURT LIMITED

BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	£	2003 £	£
CURRENT ASSETS					
Property	6	192,359		192,359	
Debtors	7	417,835		415,260	
Investments	8	402,484		402,484	
Cash at bank		426,729		289,620	
		1,439,407		1,299,723	
CREDITORS: Amounts falling due within one year	9	617,387		601,915	
NET CURRENT ASSETS			822,020		697,808
TOTAL ASSETS LESS CURRENT LIABILITIES			822,020		697,808
CAPITAL AND RESERVES					
Called-up equity share capital	11		207		207
Service charge reserve	12		42,820		—
Profit and loss account	13		778,993		697,601
SHAREHOLDERS' FUNDS			822,020		697,808

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 19 April 2005 and are signed on their behalf by:



LOUIS JOSHUA MANSON

The notes on pages 11 to 14 form part of these financial statements.

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Investments

Investments are shown in the financial statements at the lower of cost and net realisable value.

Other operating income

Other operating income represents amounts receivable from the lessees of properties at Rivermead Court by way of service charges and provisions for future expenditure.

Property

Property is shown in the financial statements at the lower of cost and net realisable value.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2004	2003
	£	£
Directors' emoluments	—	—
Auditors' fees	<u>5,000</u>	<u>5,000</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Average weekly full time employees	<u>14</u>	<u>14</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	227,298	239,766
Social security costs	<u>20,380</u>	<u>19,907</u>
	<u>247,678</u>	<u>259,673</u>

No director received any remuneration during the year.

RIVERMEAD COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004	2003
	£	£
Bank interest receivable	15,958	5,983
Other similar income receivable	12,847	15,039
	<u>28,805</u>	<u>21,022</u>

5. TAXATION ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year	10,425	10,000
Over/under provision in prior year	(3,476)	11,380
Total current tax	<u>6,949</u>	<u>21,380</u>

The company is a mutual trading company for taxation purposes.

6. PROPERTY

	2004	2003
	£	£
Property at cost	<u>192,359</u>	<u>192,359</u>

7. DEBTORS

	2004	2003
	£	£
Service charges receivable	395,305	387,322
Other debtors	—	7,440
Prepayments and accrued income	22,530	20,498
	<u>417,835</u>	<u>415,260</u>

RIVERMEAD COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

8. INVESTMENTS

	2004 £	2003 £
Listed on UK Stock Market		
£100,000 Tesco 2009	96,148	96,148
Not listed on recognised stock exchange		
10,500 Old Mutual Unit Trust	78,799	78,799
273,790 Threadneedle UK Growth Trust	67,807	67,807
31,000 St James' Place Int Unit Trust	63,328	63,328
50,000 Newton Fund Managers Income Fund	96,402	96,402
	<u>402,484</u>	<u>402,484</u>

All the investments are stated at the lower of cost and net realisable value. The market value at 31 December 2004 was £885,895 (2003: £812,583).

9. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Trade creditors	1,281	2,761
Other creditors including taxation:		
Corporation tax	7,618	10,000
Deferred income and service charges receivable	550,973	550,701
Other creditors	3,615	—
Accruals and deferred income	53,900	38,453
	<u>617,387</u>	<u>601,915</u>

10. RELATED PARTY TRANSACTIONS

In their capacity as lessees, the directors are levied and pay service charges and, where applicable, car-parking and garage rents, on the same arms length basis as all other lessees of Rivermead Court.

RIVERMEAD COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

11. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
250 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>207</u>	<u>207</u>	<u>207</u>	<u>207</u>

12. SERVICE CHARGE RESERVE

	2004	2003
	£	£
Transfer from Profit and Loss Account	<u>42,820</u>	<u>-</u>

Under the terms of the leases granted by the company it is entitled each year to include in the service charge receivable not only those expenses incurred during the year in question but also a contribution to those expenses of a periodically recurring nature, mainly, in practice, major works. The accumulated amount of these contributions is intended to produce a reserve fund called in these accounts "the service charge reserve".

13. PROFIT AND LOSS ACCOUNT

	2004	2003
	£	£
Balance brought forward	697,601	722,913
Retained profit/(accumulated loss) for the financial year	124,212	(25,312)
Transfer to Service charge reserves	(42,820)	-
Balance carried forward	<u>778,993</u>	<u>697,601</u>