

COMPANY REGISTRATION NUMBER 1432634

RIVERMEAD COURT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2007

HEXTALL MEAKIN

Chartered Accountants & Registered Auditors

Argon House
Argon Mews
Fulham Broadway
London
SW6 1BJ

MONDAY



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RIVERMEAD COURT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

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RIVERMEAD COURT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Susan Jane Fox
Peter Gilby Green
Suzanne Jean Henderson
Marie-Louise Legg
Louis Joshua Manson
Richard Frank Coleman Pollitzer
David Heathcote Tatham

Company secretary

Susan Jane Fox

Registered office

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

Auditor

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

RIVERMEAD COURT LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31 DECEMBER 2007

Results

The Company made a profit before tax of £361,500 in the year ended 31 December 2007 £233,728 of this arose from the gain on the sale of certain investments The after-tax profit was £336,510

Service Charge expenditure in the year, excluding Major Works, was £812,072, being almost 9 % below the budgeted expenditure This reduction arose from lower than anticipated spending on staff, general repairs, heating and boiler maintenance Expenditure on Major Works amounted to £383,110, mainly spent on completion of the redecoration and carpeting of the staircases The Service Charge Reserve at 31 December 2007 amounts to £261,180 after the transfer of the unspent portion of the budget for the year

In addition to the Service Charge movements, the Company received a higher return on its investments in 2007 than the preceding year, and at the year end held a greater proportion of its investments in cash and government bonds than in 2006

Future Major Works

The cost (at today's prices) of major works scheduled to be carried out over the four years 2008 to 2011 amounts to £2,860,000 Following the consultation meeting held last May, a resolution was passed at our Annual General Meeting in August authorising the company to lend monies from its Reserves, interest free, to the Service Charge Reserve to finance this programme of Major Works Formal notice has been given to lessees of the principal works scheduled for 2008, being the repair and redecoration of the exterior of the Centre block and the Southern ends of the East and West blocks and the first phase of the replacement of valves on the pipe-work, mainly in the basement The total expenditure in 2008 is estimated at £523,000 This should be covered by the amount in the Service Charge Reserve at 31 December 2007 plus the contribution to major works receivable from lessees in respect of 2008

Over the four years, if the annual contribution towards major works from lessees stays at £378,000 per annum (this amount excludes the annual increases to match increases in the Building Cost Index), the sum that is therefore available towards the £2,860,000 required, after taking into account the amount in the Service Charge Reserve Fund at 31 December 2007 of £261,180, will be £1,773,180 The estimated shortfall of £1,086,820 will be borrowed from the Company's Reserves

At 31 December 2007 the Company's Reserves stood at £1,367,565 As explained in Notes 6 and 7 to the Accounts this figure includes the cost price of certain assets that are not presently realisable, being £163,200 in respect of the garages and staff flats, and £29,159 in respect of two flats occupied by statutory tenants This leaves funds available to lend to the Service Charge Reserve of £1,175,206 plus any after tax profit the company makes in the four years 2008 to 2011 Subject to any unanticipated costs occurring in this period this is achievable What is less certain is the ability of the Service Charge Reserve to repay this loan back to the Company in the following years, when the cost of major works is anticipated to be much lower, without a significant rise in the annual contribution by lessees to the cost of Major Works Your board is continuing to consider alternative means of raising funds

RIVERMEAD COURT LIMITED

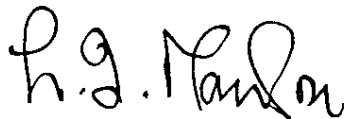
CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2007

Board

As you were advised in the recent Newsletter I will step down as chairman and resign from the board at the conclusion of this meeting. The board have resolved that David Tatham should succeed me as chairman. I have been its chairman for twenty years and on the board for 24 years. I have enjoyed the role, particularly when I hear of the squabbles that go on regarding the governance of other blocks of flats and I have been able to say "we have such civilised residents at Rivermead we do not have that problem". May it long continue that way.

I would like to thank the members of the board, the sub-committees and the staff who have all contributed to making Rivermead Court such a desirable place to live and who made my task as chairman relatively undemanding. Finally, I offer my best wishes to David Tatham in the role of chairman.



Louis Manson
Chairman

21 April 2008

RIVERMEAD COURT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007

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.

DIRECTORS

The directors who served the company during the year were as follows

Michael John Charles Austin
Susan Jane Fox
Peter Gilby Green
Suzanne Jean Henderson
Marie-Louise Legg
Louis Joshua Manson
Terence Hugh McCaughey
Richard Frank Coleman Pollitzer
David Heathcote Tatham

Michael John Charles Austin retired as a director on 28 September 2007

Terence Hugh McCaughey retired as a director on 12 September 2007

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

RIVERMEAD COURT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

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

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

Signed by order of the directors



SUSAN JANE FOX
Company Secretary

Approved by the directors on 21 April 2008

RIVERMEAD COURT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RIVERMEAD COURT LIMITED

YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Rivermead Court Limited for the year ended 31 December 2007 on pages 8 to 14, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on page 10

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 auditor's 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 AUDITOR

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes specific information presented in the Chairman's statement that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

RIVERMEAD COURT LIMITED

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

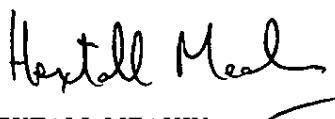
YEAR ENDED 31 DECEMBER 2007

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.

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



HEXTALL MEAKIN
Chartered Accountants
& Registered Auditors

Date: 23 April 2008

RIVERMEAD COURT LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
TURNOVER		—	—
Service charge receivable		1,223,974	1,139,819
Service charge expenditure		(1,183,745)	(1,007,896)
Service charge surplus		<u>40,229</u>	<u>131,923</u>
Company operating income		92,794	90,548
Company expenditure		(61,796)	(125,549)
OPERATING PROFIT	2	<u>71,227</u>	<u>96,922</u>
Interest receivable and similar income	4	290,273	106,258
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>361,500</u>	<u>203,180</u>
Tax on profit on ordinary activities	5	24,990	4,280
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>336,510</u>	<u>198,900</u>

The notes on pages 10 to 14 form part of these financial statements

RIVERMEAD COURT LIMITED

BALANCE SHEET

31 DECEMBER 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	163,200	163,200
CURRENT ASSETS			
Property	7	29,159	29,159
Debtors	8	607,313	676,739
Investments	9	928,698	694,970
Cash at bank		701,841	442,100
		2,267,011	1,842,968
CREDITORS Amounts falling due within one year	10	801,259	713,726
NET CURRENT ASSETS		1,465,752	1,129,242
TOTAL ASSETS LESS CURRENT LIABILITIES		1,628,952	1,292,442
CAPITAL AND RESERVES			
Called-up equity share capital	12	207	207
Service Charge Reserves	13	261,180	199,185
Profit and loss account	14	1,367,565	1,093,050
SHAREHOLDERS' FUNDS		1,628,952	1,292,442

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 January 2007)

These financial statements were approved by the directors and authorised for issue on 21 April 2008 and are signed on their behalf by


LOUIS JOSHUA MANSON

The notes on pages 10 to 14 form part of these financial statements

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

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 January 2007)

Investments

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Company operating income

Company operating income represents rents receivable from two sitting tenants, ground rent, garages and car spaces

Property

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

Depreciation of land and buildings

Land and Buildings - NIL

The premises are maintained regularly to a high standard and the directors consider that the lives of the premises are so long and their residual values so great that any element of depreciation would be immaterial

2 OPERATING PROFIT

Operating profit is stated after charging

	2007	2006
	£	£
Directors' emoluments	-	-
Auditor's fees	<u>6,000</u>	<u>6,000</u>

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

3. PARTICULARS OF EMPLOYEES

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

	2007	2006
	No	No
Average weekly full time employees	<u>14</u>	<u>14</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	240,129	236,353
Social security costs	23,731	23,707
Staff costs	14,067	16,453
	<u>277,927</u>	<u>276,513</u>

No director received any remuneration during the year

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Bank interest receivable	30,542	20,688
Profit on sale of investment	233,728	65,591
Other similar income receivable	26,003	19,979
	<u>290,273</u>	<u>106,258</u>

5 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2007	2006
	£	£
Current tax		
UK Corporation tax based on the results for the year	40,720	20,105
Over provision in prior year	(15,730)	(15,825)
Total current tax	<u>24,990</u>	<u>4,280</u>

The company is a mutual trading company for taxation purposes

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

6 TANGIBLE FIXED ASSETS

	Land and Buildings £
COST	
At 1 January 2007 and 31 December 2007	<u>163,200</u>
DEPRECIATION	
At 1 January 2007 and 31 December 2007	<u>—</u>
NET BOOK VALUE	
At 31 December 2007	<u>163,200</u>
At 31 December 2006	<u>163,200</u>

The Land and Buildings comprise the garages and the staff flats

7 PROPERTY

	2007 £	2006 £
Property at cost	<u>29,159</u>	<u>29,159</u>

The property comprises the two remaining flats whose tenants did not elect to acquire long leases

8 DEBTORS

	2007 £	2006 £
Service charges and rent receivable	511,530	581,834
Prepayments and accrued income	<u>95,783</u>	<u>94,905</u>
	<u>607,313</u>	<u>676,739</u>

RIVERMEAD COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

9 INVESTMENTS

	2007 £	2006 £
Bonds		
£100,000 5 1/8% Tesco 2009	96,148	96,148
£50,000 4 7/8% BNG 2010	49,709	49,709
£195,000 UK Govt 2 5% index-linked 2011	537,560	201,377
	<u>683,417</u>	<u>347,234</u>
listed investments		
4,500 FTSE 100 shares dividend plus	51,670	51,670
15,000 Electric & General Investment Trust	52,109	52,109
	<u>103,779</u>	<u>103,779</u>
Unit trusts		
8,000 Old Mutual Funds	-	63,375
35,000 Cazenove UK Growth & Income	51,375	51,375
22,000 Mellon/Newton Income	-	39,080
20,000 St James' Place International	40,860	40,860
70,680 JP Morgan UK Dynamic	49,267	49,267
	<u>141,502</u>	<u>243,957</u>
	<u>928,698</u>	<u>694,970</u>

All the investments are stated at the lower of cost and net realisable value. The market value at 31 December 2007 was £1,169,205 (2006 £1,114,187)

10 CREDITORS. Amounts falling due within one year

	2007 £	2006 £
Trade creditors	8,968	15,134
Other creditors including taxation		
Corporation tax	44,779	13,175
Deferred income and service charges receivable	672,169	615,000
Other creditors	16,050	8,568
Accruals	59,293	61,849
	<u>801,259</u>	<u>713,726</u>

RIVERMEAD COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

11 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

12 SHARE CAPITAL

Authorised share capital

	2007	2006
	£	£
250 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>207</u>	<u>207</u>	<u>207</u>	<u>207</u>

13. SERVICE CHARGE RESERVES

	2007	2006
	£	£
Balance brought forward	199,185	49,847
Transfer from Profit and Loss Account	61,995	149,338
	<u>261,180</u>	<u>199,185</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"

14 PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
Balance brought forward	1,093,050	1,043,488
Retained profit for the financial year	336,510	198,900
Transfer to Service charge reserves	(61,995)	(149,338)
Balance carried forward	<u>1,367,565</u>	<u>1,093,050</u>