

COMPANY REGISTRATION NUMBER 1432634

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RIVERMEAD COURT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008

HEXTALL MEAKIN

Chartered Accountants & Registered Auditors

Argon House

Argon Mews

Fulham Broadway

London

SW6 1BJ

RIVERMEAD COURT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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RIVERMEAD COURT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Susan Jane Fox
Peter Gilby Green
Timothy Peter Julian Halford
Suzanne Jean Henderson
Richard Frank Coleman Pollitzer
Jennifer Anne Redhead
David Heathcote Tatham
Anthony John Walker

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 2008

Results

The Company made a profit before tax of £262,443 in comparison with £361,500 in 2007, which saw the benefit of profits on sale of investments of £233,728. A net loss on sale of investments of £13,951 was incurred in 2008. The after tax profit was £256,206.

Service Charge expenditure in the year, excluding Major Works, was £808,292, or 9.4% below budgeted expenditure of £892,000. This saving arose from significantly lower heating and boiler maintenance costs, where gas price movements are hard to predict, and also from lower than expected staff costs and expenditure on building repairs and maintenance. Expenditure on Major Works paid out of the Service Charge Reserve amounted to £312,000, which compares with income raised for the Service Charge Reserve of £376,148. These costs mainly comprised external repairs and redecorations to the centre block and the south elevations of the east and west blocks. In consequence of the service charge savings against budget, the under-spend on major works and a higher level of interest receivable on service charge funds, the Service Charge Reserve stood at £441,543 at 31 December 2008, a rise of £180,363 over the year.

Financial Position

Net assets at 31 December 2008 were £1,885,158 in comparison with £1,628,952 at the end of 2007. The book value of our investments has increased by £492,425 to £1,421,123. As the banking crisis deepened, it was decided early in October to invest over £500,000 drawn from Company and service charge funds, not immediately required to provide services to leaseholders, in Treasury 2.5% Index-Linked Stock 2009. This stock will shortly be redeemed. The directors will continue to safeguard liquid funds as far as possible. Securities markets have continued to fluctuate in 2009 and the market value of the investment portfolio at 17 April 2009 on a comparable basis was £1,538,360 in comparison with £1,554,128 at 31 December 2008.

The other major change in the balance sheet relates to deposits made by non-UK domiciled residents and held by the Company that are returned when their flats are sold. These deposits are now shown both in cash at bank and in deposits held within creditors, and account for the significant increase in this latter amount at the end of 2008.

Future Major Works

Expenditure on major works in 2008 was considerably less than that planned due to the inability to proceed with the first phase of the replacement of valves on the basement pipework. This has been caused by the identification of asbestos dust in the areas concerned and the need to deal with this issue once and for all. All asbestos must be removed before the valve replacement programme can commence, and hitherto unforeseen costs for doing so in excess of £200,000 will shortly be incurred. It is planned that work on the valves replacement, costing in excess of £100,000, will commence in the Autumn.

In December 2008, leaseholders were notified of the intention to repair and redecorate all 8 lightwells in the east and west blocks. Since then, the full extent of the work necessary to remove asbestos, which must have higher priority in 2009, has become apparent. Accordingly, the directors have decided to defer work on the 4 lightwells in the west block until 2010, and will only proceed this summer with work on the east block lightwells. It is estimated that this work, inclusive of all fees, will cost some £360,000. Together with repair work to the goods lifts; the installation of water pressure pumps (a Thames Water requirement) in order to maintain continuity of water supply to upper floor flats; and several smaller projects, major works expenditure of around £860,000 is planned for this year.

RIVERMEAD COURT LIMITED

CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2008

In order to assist in the funding of this programme, it is expected that up to £250,000 of the Company's Profit & Loss Reserve will be transferred to the Service Charge Reserve during the financial year ending December 2009. The Profit & Loss Reserve exceeded £1.4 million at 31st December 2008 and is augmented each year by service charge account surpluses, company rents and investment income less company expenditure. Over the period to 2014, there will be further planned reductions in the Company's Profit & Loss Reserve after making transfers to the Service Charge Reserve. However, by 2014, on the basis of current projected income and expenditure, the Profit & Loss Reserve is expected to have been substantially restored to its 2008 level.

Board

As shareholders will know, I was elected chairman to succeed Louis Manson after the AGM in June last year. Marie-Louise Legg retired from the board in 2008 and I would like to thank both retiring directors for all that they have achieved for Rivermead Court. Three additional directors have been appointed. Tim Halford joined the board and serves on the Exterior Sub-Committee with responsibility for oversight of major works projects and basements. Jenny Redhead joined with responsibility for health and safety matters, and Anthony Walker joined as treasurer serving on the Finance and Legal Sub-Committee.



DAVID HEATHCOTE TATHAM
Chairman

21st April 2009

RIVERMEAD COURT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

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.

A comprehensive business review is contained within the Chairman's statement.

DIRECTORS

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

Susan Jane Fox
Peter Gilby Green
Timothy Peter Julian Halford
Suzanne Jean Henderson
Marie-Louise Legg
Louis Joshua Manson
Richard Frank Coleman Pollitzer
Jennifer Anne Redhead
David Heathcote Tatham
Anthony John Walker

Timothy Peter Julian Halford was appointed as a director on 5 June 2008.

Jennifer Anne Redhead was appointed as a director on 25 June 2008.

Anthony John Walker was appointed as a director on 1 July 2008.

Marie-Louise Legg retired as a director on 5 June 2008.

Louis Joshua Manson retired as a director on 5 June 2008.

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 *(continued)*

YEAR ENDED 31 DECEMBER 2008

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

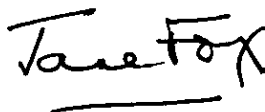
A resolution to re-appoint Hextall Meakin as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

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 21st April 2009

RIVERMEAD COURT LIMITED

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

YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Rivermead Court Limited for the year ended 31 December 2008 on pages 8 to 15, 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 and Chairman's Statement is consistent with the financial statements.

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 2008

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 2008 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 and Chairman's Statement is consistent with the financial statements.



HEXTALL MEAKIN
Chartered Accountants
& Registered Auditors

Date: 21st April 2009

RIVERMEAD COURT LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
TURNOVER		—	—
Service charge receivable		1,263,777	1,223,974
Service charge expenditure		(1,109,572)	(1,183,745)
Service Charge and Reserve Fund surplus		154,205	40,229
Company operating income		111,029	92,794
Company expenditure		(48,801)	(61,796)
OPERATING PROFIT	2	216,433	71,227
Interest receivable and similar income	4	46,010	290,273
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		262,443	361,500
Tax on profit on ordinary activities	5	6,237	24,990
PROFIT FOR THE FINANCIAL YEAR		<u>256,206</u>	<u>336,510</u>

The notes on pages 10 to 15 form part of these financial statements.

RIVERMEAD COURT LIMITED

BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	6	163,200	163,200
CURRENT ASSETS			
Property	7	29,159	29,159
Debtors	8	581,079	607,313
Investments	9	1,421,123	928,698
Cash at bank		595,863	701,841
		2,627,224	2,267,011
CREDITORS: Amounts falling due within one year	10	905,266	801,259
NET CURRENT ASSETS		1,721,958	1,465,752
TOTAL ASSETS LESS CURRENT LIABILITIES		1,885,158	1,628,952
CAPITAL AND RESERVES			
Called-up equity share capital	12	207	207
Service Charge Reserve	13	441,543	261,180
Profit and loss account	14	1,443,408	1,367,565
SHAREHOLDERS' FUNDS		1,885,158	1,628,952

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 21st April 2009 and are signed on their behalf by:



DAVID HEATHCOTE TATHAM

The notes on pages 10 to 15 form part of these financial statements.

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

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 historical cost.

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, car spaces and storage units.

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:

	2008	2007
	£	£
Directors' emoluments	—	—
Auditor's fees	6,000	6,000

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

3. PARTICULARS OF EMPLOYEES

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

	2008	2007
	No	No
Average weekly full time employees	<u>14</u>	<u>14</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	253,392	240,130
Other staff costs	18,664	14,066
Social security costs	23,609	23,731
	<u>295,665</u>	<u>277,927</u>

No director received any remuneration during the year.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008	2007
	£	£
Bank interest receivable	32,512	30,542
(Loss)/Profit on sale of investments	(13,951)	233,728
Other similar income receivable	27,449	26,003
	<u>46,010</u>	<u>290,273</u>

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year	10,411	40,720
Over provision in prior year	(4,174)	(15,730)
Total current tax	<u>6,237</u>	<u>24,990</u>

The company is a mutual trading company for taxation purposes.

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

6. TANGIBLE FIXED ASSETS

	Land and Buildings £
COST	
At 1 January 2008 and 31 December 2008	<u>163,200</u>
DEPRECIATION	
At 1 January 2008 and 31 December 2008	<u>—</u>
NET BOOK VALUE	
At 31 December 2008	<u>163,200</u>
At 31 December 2007	<u>163,200</u>

The Land and Buildings comprise the garages and the staff flats.

7. PROPERTY

	2008 £	2007 £
Property	<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

	2008 £	2007 £
Service charges receivable	475,370	511,530
Prepayments and accrued income	<u>105,709</u>	<u>95,783</u>
	<u>581,079</u>	<u>607,313</u>

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

9. INVESTMENTS

	2008 £	2007 £
Bonds		
£100,000 5 1/8% Tesco 2009	-	96,148
£50,000 4 7/8% BNG 2010	49,709	49,709
£195,000 UK Govt 2.5% index-linked 2011	537,560	537,560
£184,400 UK Govt 2.5% index-linked 2009	509,666	-
£30,000 5.75% BAT Int Finance 2013	30,075	-
£29,000 6.5% Linde Finance 2016	28,063	-
	<u>1,155,073</u>	<u>683,417</u>
Loan stocks		
50,000 Centrica 5.5% Nts 2016	46,800	-
	<u>46,800</u>	<u>-</u>
Investment companies		
4,500 FTSE I-Shares dividend plus	-	51,670
15,000 Electric & General Investment Trust	52,109	52,109
14,000 Schroder UK Mid Cap Fund	25,639	-
	<u>77,748</u>	<u>103,779</u>
Unit trusts		
35,000 Cazenove UK Growth & Income	51,375	51,375
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>1,421,123</u>	<u>928,698</u>

All the investments are stated at historical cost. The market value at 31 December 2008 was £1,554,128 (2007: £1,169,205) and the market value at 17 April 2009 was £1,538,360.

RIVERMEAD COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

10. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	44,631	8,968
Other creditors including taxation:		
Corporation tax	9,944	44,779
Deferred income and service charges receivable	693,566	672,169
Deposits held	124,921	16,050
Accruals and deferred income	32,204	59,293
	<u>905,266</u>	<u>801,259</u>

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.

Richard Pollitzer, a director of the Company, is also an employee of Hargreave Hale Limited, a firm which provides investment advice to Rivermead Court Limited. All transactions between the company and Hargreave Hale Limited are on an arm's length basis.

12. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
250 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

Allotted, called up and fully paid:

	2008		2007
	No	£	No
Ordinary shares of £1 each	<u>207</u>	<u>207</u>	<u>207</u>

RIVERMEAD COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

13. SERVICE CHARGE RESERVE

	2008	2007
	£	£
Balance brought forward	261,180	199,185
Transfer from Profit and Loss Account	180,363	61,995
Balance carried forward	<u>441,543</u>	<u>261,180</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

	2008	2007
	£	£
Balance brought forward	1,367,565	1,093,050
Retained profit for the financial year	256,206	336,510
Transfer to Service Charge Reserve	(180,363)	(61,995)
Balance carried forward	<u>1,443,408</u>	<u>1,367,565</u>