

Registration number 1511340

Grays Inn Square Chambers Limited
Directors' report and financial statements
for the year ended 30 September 2002



Grays Inn Square Chambers Limited

Company information

Directors	L E Collins QC T Straker QC W R Griffiths QC R Spearman QC	Appointed 12/03/02
Secretary	T Straker	
Company number	1511340	
Registered office	4/5 Grays Inn Square Grays Inn London WC1R 5AH	
Auditors	Litchfields 5 Luke Street London EC2A 4PX	
Business address	4/5 Grays Inn Square Grays Inn London WC1R 5AH	
Bankers	National Westminster Bank Plc P O Box 159 332 High Holborn London WC1V 7PS	

Grays Inn Square Chambers Limited

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Grays Inn Square Chambers Limited

Directors' report for the year ended 30 September 2002

The directors present their report and the financial statements for the year ended 30 September 2002.

Principal activity

The principal activity of the company is to provide a management, secretarial, clerical, accounting and library service for the members of the chambers.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/09/02	01/10/01 or date of appointment
L E Collins QC	2	2
T Straker QC	1	1
W R Griffiths QC	1	1
R Spearman QC Appointed 12/03/02	1	1
D R P Mole QC Resigned 12/03/02	2	2

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

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. 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.

Auditors

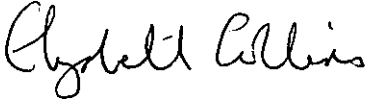
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Litchfields be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Grays Inn Square Chambers Limited

**Directors' report
for the year ended 30 September 2002**

This report was approved by the Board on 30 April 2003 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'L E Collins', written in a cursive style.

**L E Collins QC
Director**

Grays Inn Square Chambers Limited

Independent auditors' report to the shareholders of Grays Inn Square Chambers Limited

We have audited the financial statements of Grays Inn Square Chambers Limited for the year ended 30 September 2002 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements 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 therein.

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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

Grays Inn Square Chambers Limited

Independent auditors' report to the shareholders of Grays Inn Square Chambers Limited continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Litchfields

**Litchfields
Chartered Accountants and
Registered Auditor
30 April 2003**

**5 Luke Street
London
EC2A 4PX**

Grays Inn Square Chambers Limited

**Profit and loss account
for the year ended 30 September 2002**

		2002	2001
	Notes	£	£
Turnover	2	1,356,600	1,422,774
Administrative expenses		(1,207,916)	(1,315,883)
Operating profit	3	148,684	106,891
Other interest receivable and similar income		3,723	1,646
Interest payable and similar charges		(69)	(158)
Profit on ordinary activities before taxation		152,338	108,379
Tax on profit on ordinary activities	5	(37,080)	(21,931)
Retained profit for the year		115,258	86,448
Retained profit brought forward		393,455	307,007
Retained profit carried forward		508,713	393,455

The notes on pages 7 to 11 form an integral part of these financial statements.

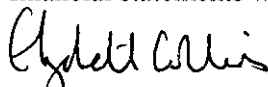
Grays Inn Square Chambers Limited

**Balance sheet
as at 30 September 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		144,119		140,750
Current assets					
Debtors	7	293,068		353,680	
Cash at bank and in hand		302,522		122,304	
		<u>595,590</u>		<u>475,984</u>	
Creditors: amounts falling due within one year	8	<u>(224,243)</u>		<u>(223,218)</u>	
Net current assets			<u>371,347</u>		<u>252,766</u>
Total assets less current liabilities			515,466		393,516
Provisions for liabilities and charges	9		<u>(6,692)</u>		<u>-</u>
Net assets			<u>508,774</u>		<u>393,516</u>
Capital and reserves					
Called up share capital	11		61		61
Profit and loss account			<u>508,713</u>		<u>393,455</u>
Shareholders' funds			<u>508,774</u>		<u>393,516</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 30 April 2003 and signed on its behalf by


L E Collins QC
Director

The notes on pages 7 to 11 form an integral part of these financial statements.

Grays Inn Square Chambers Limited

Notes to the financial statements for the year ended 30 September 2002

1. Accounting policies

1.1. Accounting convention

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

1.2. Turnover

Turnover represents the total fees receivable from members of the chambers, excluding value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	Between 20% & 33.3% Straight Line
Law Library	-	12.5% Straight Line

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.6. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year.

Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date.

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Grays Inn Square Chambers Limited

Notes to the financial statements for the year ended 30 September 2002

..... continued

3. Operating profit	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	51,765	48,970
Auditors' remuneration	2,535	2,480
	<u> </u>	<u> </u>

4. Pension costs

The company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £14,625 (2001 - £15,250).

5. Tax on profit on ordinary activities

Analysis of charge in period	2002	2001
	£	£
Current tax		
UK corporation tax at 19.50% (2001 - 20.00%)	30,388	21,931
Total current tax charge	<u>30,388</u>	<u>21,931</u>
Deferred tax		
Timing differences, origination and reversal	205	-
Prior period adjustments	6,487	-
Total deferred tax	<u>6,692</u>	<u>-</u>
Tax on profit on ordinary activities	<u>37,080</u>	<u>21,931</u>

Grays Inn Square Chambers Limited

**Notes to the financial statements
for the year ended 30 September 2002**

..... continued

6. Tangible fixed assets	Fixtures, fittings and equipment £	Law £	Total £
Cost			
At 1 October 2001	72,138	260,797	332,935
Additions	7,532	47,604	55,136
Disposals	(6,969)	(30,823)	(37,792)
At 30 September 2002	<u>72,701</u>	<u>277,578</u>	<u>350,279</u>
Depreciation			
At 1 October 2001	51,978	140,207	192,185
On disposals	(6,968)	(30,822)	(37,790)
Charge for the year	17,068	34,697	51,765
At 30 September 2002	<u>62,078</u>	<u>144,082</u>	<u>206,160</u>
Net book values			
At 30 September 2002	<u>10,623</u>	<u>133,496</u>	<u>144,119</u>
At 30 September 2001	<u>20,160</u>	<u>120,590</u>	<u>140,750</u>

7. Debtors	2002 £	2001 £
Trade debtors	212,202	273,843
Prepayments and accrued income	80,866	79,837
	<u>293,068</u>	<u>353,680</u>

Grays Inn Square Chambers Limited

**Notes to the financial statements
for the year ended 30 September 2002**

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8. Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	102,146	89,899
Trade creditors	3,258	6,690
Corporation tax	30,388	21,931
Other taxes and social security costs	84,076	97,280
Accruals and deferred income	4,375	7,418
	<u>224,243</u>	<u>223,218</u>

9 Provisions for liabilities and charges

	Deferred taxation (Note 10) £	Total £
Movements in the year	6,692	6,692
At 30 September 2002	<u>6,692</u>	<u>6,692</u>

10. Provision for deferred taxation

	2002 £	2001 £
Accelerated capital allowances	<u>6,692</u>	<u>-</u>
Deferred tax charge in profit and loss account	6,692	
Provision at 30 September 2002	<u>6,692</u>	

Grays Inn Square Chambers Limited

Notes to the financial statements for the year ended 30 September 2002

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11. Share capital	2002	2001
	£	£
Authorised		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
61 Ordinary shares of 1 each	<u>61</u>	<u>61</u>

12. Financial commitments

At 30 September 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002	2001
	£	£
Expiry date:		
Within one year	-	3,940
Between one and five years	8,781	1,153
In over five years	269,452	-
	<u>278,233</u>	<u>5,093</u>