

Registration number 1511340

Grays Inn Square Chambers Limited
Directors' report and financial statements
for the year ended 30 September 2004



Grays Inn Square Chambers Limited

Company information

Directors	L E Collins QC T Straker QC W R Griffiths QC R Spearman QC
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 2004

The directors present their report and the financial statements for the year ended 30 September 2004.

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	
	30/09/04	01/10/03
L E Collins QC	2	2
T Straker QC	1	1
W R Griffiths QC	1	1
R Spearman QC	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 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 2004**

This report was approved by the Board on *5th May 2005* and signed on its behalf by

L E Collins

**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 2004 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Litchfield
Litchfields
Chartered Accountants and
Registered Auditor

5 Luke Street
London
EC2A 4PX

5th May 2005

Grays Inn Square Chambers Limited

**Profit and loss account
for the year ended 30 September 2004**

		2004	2003
	Notes	£	£
Turnover	2	1,252,215	1,314,394
Administrative expenses		(1,383,514)	(1,211,923)
Operating (loss)/profit	3	(131,299)	102,471
Other interest receivable and similar income		4,826	5,495
Interest payable and similar charges		-	(45)
(Loss)/profit on ordinary activities before taxation		(126,473)	107,921
Tax on (loss)/profit on ordinary activities 5		18,986	(21,751)
(Loss)/profit on ordinary activities after taxation		(107,487)	86,170
(Loss)/retained profit for the year		(107,487)	86,170
Retained profit brought forward		594,883	508,714
Retained profit carried forward		487,396	594,884

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 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		169,034		147,954
Current assets					
Debtors	7	350,131		223,576	
Cash at bank and in hand		114,979		298,919	
		<u>465,110</u>		<u>522,495</u>	
Creditors: amounts falling due within one year	8	<u>(137,230)</u>		<u>(68,306)</u>	
Net current assets			<u>327,880</u>		<u>454,189</u>
Total assets less current liabilities			496,914		602,143
Provisions for liabilities and charges	9		<u>(9,457)</u>		<u>(7,198)</u>
Net assets			<u>487,457</u>		<u>594,945</u>
Capital and reserves					
Called up share capital	11		61		61
Profit and loss account			487,396		594,884
Shareholders' funds			<u>487,457</u>		<u>594,945</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 5th May 2005 and signed on its behalf by

L E Collins

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 2004

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.

Grays Inn Square Chambers Limited

Notes to the financial statements for the year ended 30 September 2004

..... continued

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

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

3. Operating (loss)/profit

	2004	2003
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	44,294	45,011
Auditors' remuneration	2,750	2,440

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 £16,911 (2003 - £17,539).

Grays Inn Square Chambers Limited

**Notes to the financial statements
for the year ended 30 September 2004**

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5. Tax on (loss)/profit on ordinary activities

Analysis of charge in period	2004	2003
	£	£
Current tax		
UK corporation tax	(21,245)	21,245
Total current tax charge	<u>(21,245)</u>	<u>21,245</u>
Deferred tax		
Timing differences, origination and reversal	2,259	506
Total deferred tax	<u>2,259</u>	<u>506</u>
Tax on (loss)/profit on ordinary activities	<u><u>(18,986)</u></u>	<u><u>21,751</u></u>

6. Tangible fixed assets

	Fixtures, fittings and equipment	Law Library	Total
	£	£	£
Cost			
At 1 October 2003	35,300	291,137	326,437
Additions	24,978	40,397	65,375
Disposals	(17,938)	(27,710)	(45,648)
At 30 September 2004	<u>42,340</u>	<u>303,824</u>	<u>346,164</u>
Depreciation			
At 1 October 2003	24,701	153,782	178,483
On disposals	(17,938)	(27,710)	(45,648)
Charge for the year	6,316	37,979	44,295
At 30 September 2004	<u>13,079</u>	<u>164,051</u>	<u>177,130</u>
Net book values			
At 30 September 2004	<u>29,261</u>	<u>139,773</u>	<u>169,034</u>
At 30 September 2003	<u>10,599</u>	<u>137,355</u>	<u>147,954</u>

Grays Inn Square Chambers Limited

**Notes to the financial statements
for the year ended 30 September 2004**

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7. Debtors	2004	2003
	£	£
Trade debtors	160,643	119,486
Other debtors	112,781	23,267
Prepayments and accrued income	76,707	80,823
	<u>350,131</u>	<u>223,576</u>
8. Creditors: amounts falling due within one year	2004	2003
	£	£
Bank overdraft	82,732	-
Trade creditors	27,774	23,037
Corporation tax	-	21,245
Other taxes and social security costs	19,619	15,104
Accruals and deferred income	7,105	8,920
	<u>137,230</u>	<u>68,306</u>
9. Provisions for liabilities and charges	Deferred taxation (Note 10)	Total
	£	£
At 1 October 2003	7,198	7,198
Movements in the year	2,259	2,259
At 30 September 2004	<u>9,457</u>	<u>9,457</u>

Grays Inn Square Chambers Limited

**Notes to the financial statements
for the year ended 30 September 2004**

..... continued

10. Provision for deferred taxation	2004	2003
	£	£
Accelerated capital allowances	<u>9,457</u>	<u>7,198</u>
Provision at 1 October 2003	7,198	
Deferred tax charge in profit and loss account	<u>2,259</u>	
Provision at 30 September 2004	<u>9,457</u>	

11. Share capital	2004	2003
	£	£
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 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Expiry date:		
Between one and five years	8,781	8,781
In over five years	<u>269,452</u>	<u>269,452</u>
	<u>278,233</u>	<u>278,233</u>