

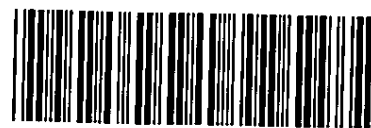
MATRIX HERITAGE (NO.16) LIMITED

Directors' Report & Financial Statements

For the year ended 30 April 2007

Company Number: 3460139

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DIRECTORS AND ADVISERS

DIRECTORS

D J G Royds
C J Howe

SECRETARY

Matrix Registrars Limited

REGISTERED OFFICE

One Jermyn Street
London
SW1Y 4UH

SOLICITORS

Beachcroft Wansbroughs
100 Fetter Lane
London
EC4A 1BN

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2007

The directors present their report and the unaudited financial statements for the year ended 30 April 2007

PRINCIPAL ACTIVITY

The Company's principal activity during the year was that of property development

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company, under the terms of various partnership deeds, is a partner in Matrix Heritage No 2 Partnership, Matrix Heritage No 3 Partnership, Matrix Heritage No 4 Partnership and Matrix Heritage No 6&7 Partnership, which have engaged in the development of various properties. The developed properties have now all been sold. Once the disposal of the freehold titles in relation to the developments has taken place, any remaining profits or losses realised in these partnerships will be distributed to, or recouped from, the companies that are partners in the partnerships in accordance with the profit share agreement in the Matrix Heritage Partnerships Information Memorandum. The partnerships will then be dissolved.

DIRECTORS

The Directors of the Company, and their interests in the shares of the Company during the year to 30 April 2007, were as follows

	Ordinary Shares of £1 each	
	30 April 2007	30 April 2006
D J G Royds	-	-
C J Howe	-	-

AUDITORS

In the preparation of the Company's financial statements, advantage has been taken of the audit exemptions available to small companies conferred by section 249A(1) of the Companies Act 1985

DIRECTORS' RESPONSIBILITIES

The Directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 April 2007. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis

The Directors are responsible for keeping proper accounting records, which 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

Small Company Exemption

The Directors' Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the Directors on 22 FEBRUARY 2008



Matrix Registrars Limited
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30
APRIL 2007**

	Notes	Year ended 30 April 2007 £	Year ended 30 April 2006 £
Turnover		129,752	68,253
Cost of Sales		<u>(126,116)</u>	<u>(70,121)</u>
Gross profit/(loss)		3,636	(1,868)
Administration expenses		(3,241)	(953)
Other operating income		-	194
Operating profit/(loss)		<u>395</u>	<u>(2,627)</u>
Interest received		812	163
Interest paid	3	<u>(713)</u>	<u>(6,560)</u>
Profit/(loss) on ordinary activities before tax		494	(9,024)
Tax charge	4	<u>(40)</u>	<u>(1,570)</u>
Profit/(loss) on ordinary activities after tax		454	(10,594)
Dividends	5	-	2,411
Retained profit/(loss) transferred to reserves	10	<u>454</u>	<u>(8,183)</u>

The Company has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

BALANCE SHEET AS AT 30 APRIL 2007

	Notes	30 April 2007 £	30 April 2006 £
Current assets:			
Work in progress	6	-	111,281
Debtors	7	4,084	11,444
Cash at bank		46,129	9,720
		<u>50,213</u>	<u>132,445</u>
Current liabilities			
Creditors amounts falling due within one year	8	(5,563)	(88,249)
Net liabilities		<u>44,650</u>	<u>44,196</u>
Capital and Reserves:			
Called up share capital	9	50,000	50,000
Profit and loss Reserves	10	(5,350)	(5,804)
Equity Shareholders' Funds	11	<u>44,650</u>	<u>44,196</u>

The notes on pages 7 to 9 form part of these financial statements

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985

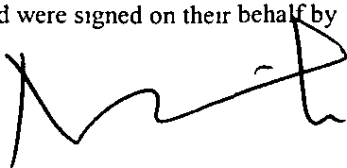
Advantage has been taken of the audit exemptions available for small companies conferred by section 249A(1) of the Companies Act 1985 on the grounds

- (a) that for the year ended 30 April 2007 the Company was entitled to the exemption from a statutory audit under section 249A(1) of the Companies Act 1985, and
- (b) that no notice has been deposited under section 249B(2) of the Companies Act 1985 in relation to the financial statements for the year

The directors acknowledge their responsibilities for

- (a) ensuring that the Company keeps proper accounting records which comply with section 221 of the Companies Act 1985, and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company at 30 April 2007 and of its profit for the year then ended, and are in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements so far as applicable to the Company

These financial statements were approved by the Board of Directors on 22 FEBRUARY 2008 and were signed on their behalf by



D J G Royds
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2007

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

a) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities.

The company is a partner in various joint venture entities to develop property. The company's interests in the partnerships are accounted for on a proportional basis with its share of the profits and losses, assets and liabilities included within the financial statements.

b) Cash flow statement

The Company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

2. PARTICIPATION IN PARTNERSHIPS

The Company's results are derived from its participation in four partnerships: Matrix Heritage No 2 Partnership, Matrix Heritage No 3 Partnership, and Matrix Heritage No 4 Partnership and Matrix Heritage No 6&7 Partnership. The Company has a 1.57% share in Matrix Heritage No 2 Partnership, a 1.52% share in Matrix Heritage No 3 Partnership, a 4.24% share in Matrix Heritage No 4 Partnership and a 1.70% share in Matrix Heritage No 6&7 Partnership. Any profits or losses realised in the partnerships will be distributed to, or recouped from the companies that are partners in the partnerships in accordance with the profit share agreement in the Matrix Heritage Partnerships Information Memorandum.

3. INTEREST PAID

	2007 £	2006 £
Interest paid on overdraft	713	6,560

4. TAXATION

	2007 £	2006 £
Current year	40	-
Previous periods (see note below)	-	1,570
	40	1,570

The provision for tax in relation to previous periods was made because of the possible liability arising as a result of uncertainty about the number of companies deemed to be associated for tax purposes, which could impact the rate at which corporation tax should have been paid.

5. DIVIDENDS

No dividend was declared during the year. The dividend provision made in 2005 was reversed in 2006 as no dividend was declared.

6. WORK IN PROGRESS

	2007	2006
	£	£
Purchase of property	-	44,407
Development costs and professional fees	-	66,874
	<u>-</u>	<u>111,281</u>

7. DEBTORS

	2007	2006
	£	£
Trade debtors	-	187
Other debtors	4,084	11,257
	<u>4,084</u>	<u>11,444</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank overdraft	-	64,431
Trade creditors	2,113	4,147
Other creditors	3,248	18,415
Accruals	202	1,256
	<u>5,563</u>	<u>88,249</u>

Included within other creditors is an amount of £nil (2006 £2,949) being the company's share of partnership provisions.

9. SHARE CAPITAL

	2007	2006
	£	£
Authorised		
1,500,000 Ordinary Shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>
Called up, allotted and fully paid		
50,000 Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>

10. STATEMENT OF MOVEMENT IN RESERVES

	Profit & loss
	£
Balance at 1 May 2006	(5,804)
Retained profit for the financial year	<u>454</u>
Balance at 30 April 2007	<u>(5,350)</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	£
Opening shareholders' funds	44,196
Retained profit for the financial year	454
Closing shareholders' funds	<u>44,650</u>

12. COMMITMENTS

The company is committed to Matrix Heritage No 2 Partnership, Matrix Heritage No 3 Partnership, Matrix Heritage No 4 Partnership and Matrix Heritage Partnership No 6&7, which shall all continue until the partners shall unanimously determine. It is anticipated that the partnerships will be dissolved following the disposal of all the freehold titles owned by the partnerships.

13. CONTROL

The immediate parent company is Matrix Heritage Limited, which owns 100% of the share capital. The ultimate controlling party is Matrix Group Limited, a company registered in England and Wales. Matrix Group Limited prepares group financial statements and copies can be obtained from the company secretary at One Jermyn Street, London, SW1Y 4UH.

**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 30 APRIL 2007**

	2007	2006
	£	£
Administrative expenditure		
Administration fees	(968)	(1,544)
Audit fee	(85)	(85)
Legal & professional fees	6	(620)
Bank charges	(4)	(6)
Adjustment to provision for Matrix/Heritage profit share	(2,190)	1,302
Net expense	<u>(3,241)</u>	<u>(953)</u>

This page does not form part of the statutory accounts