

**BLACKSTONE CHAMBERS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2002**



**BLACKSTONE CHAMBERS LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2002**

<b>Contents</b>	<b>Pages</b>
Company information	1
The directors' report	2
Independent auditors' report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 to 8

**The following pages do not form part of the financial statements**

Detailed profit and loss account	9
Notes to the detailed profit and loss account	10

**BLACKSTONE CHAMBERS LIMITED**

**COMPANY INFORMATION**

**The board of directors**

P. L. Baxendale

T. A. G. Beazley

R. Englehart

C. J. R. Flint

I. A. Mill

**Company secretary**

J. L. Hornor

**Date of incorporation**

13 March 1998

**Registered office**

Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

**Auditors**

BSG Valentine  
Chartered Accountants  
& Registered Auditor  
Lynton House  
7 - 12 Tavistock Square  
London WC1H 9BQ

# BLACKSTONE CHAMBERS LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2002.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a service company for barristers.

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2002	At 1 April 2001
P. L. Baxendale	1	1
T. A. G. Beazley	1	1
R. Englehart	1	1
C. J. R. Flint	1	1
I. A. Mill	<u>1</u>	<u>1</u>

### 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 affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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

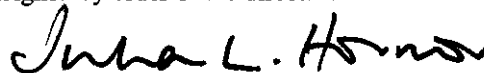
A resolution to re-appoint BSG Valentine as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

### 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:  
Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

Signed by order of the directors



J. L. HORNOR  
Company Secretary

Approved by the board on 11th December 2002

**BLACKSTONE CHAMBERS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 31 MARCH 2002**

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*BSG Valentine*

Lynton House  
7 - 12 Tavistock Square  
London WC1H 9BQ

BSG VALENTINE  
Chartered Accountants  
& Registered Auditor

.....16-12-2002

**BLACKSTONE CHAMBERS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2002**

	Note	2002 £	2001 £
<b>TURNOVER</b>		2,701,776	2,463,187
Administrative expenses		(2,696,326)	(2,424,147)
<b>OPERATING PROFIT</b>	2	5,450	39,040
Interest receivable		6,868	11,854
Interest payable		(46,916)	(58,871)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(34,598)	(7,977)
Tax on loss on ordinary activities		19,985	(37,628)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(14,613)	(45,605)
Balance brought forward		34,854	80,459
Balance carried forward		20,241	34,854

The notes on pages 6 to 8 form part of these financial statements.

**AS AT 31 MARCH 2002**

*[Signature]*  
~~CONFIDENTIAL~~  
 C. J. R. FLINT

**BLACKSTONE CHAMBERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

**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 March 2000).

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	- Over 3 years (straight line Method)
Fixtures and fittings	- 15% Straight line method
Computer equipment	- Over 3 years (straight line Method)
Leasehold property	- Over the term of the lease
Library	- 20% Straight line method

Office equipment is being depreciated over a period of 3 years (rather than 5 years previously). This change has been adopted as the directors believe this method would more closely match cost to economic benefit received. The effect of this change in depreciation policy is to increase depreciation charged this year by £18,036 (i.e from £27,053 to £45,089)

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

**2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Directors' emoluments	-	-
Staff pension contributions	13,220	10,387
Depreciation	217,572	190,810
Profit on disposal of fixed assets	(2,427)	-
Auditors' fees	<u>5,000</u>	<u>7,200</u>



**BLACKSTONE CHAMBERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2002**

**3. TANGIBLE FIXED ASSETS**

	Office equipment £	Computer equipment £	Fixtures and Fittings £	Leasehold property £	Library £	Total £
<b>COST</b>						
At 1 Apr 2001	92,604	158,305	622,661	256,928	23,555	1,154,053
Additions	42,663	32,951	5,243	215,858	-	296,715
Disposals	-	(1,750)	-	-	-	(1,750)
<b>At 31 Mar 2002</b>	<u>135,267</u>	<u>189,506</u>	<u>627,904</u>	<u>472,786</u>	<u>23,555</u>	<u>1,449,018</u>
<b>DEPRECIATION</b>						
At 1 Apr 2001	51,615	129,346	265,124	61,700	13,321	521,106
Charge for the year	45,089	27,969	94,186	45,617	4,711	217,572
On disposals	-	(1,750)	-	-	-	(1,750)
<b>At 31 Mar 2002</b>	<u>96,704</u>	<u>155,565</u>	<u>359,310</u>	<u>107,317</u>	<u>18,032</u>	<u>736,928</u>
<b>NET BOOK VALUE</b>						
<b>At 31 Mar 2002</b>	<u>38,563</u>	<u>33,941</u>	<u>268,594</u>	<u>365,469</u>	<u>5,523</u>	<u>712,090</u>
At 31 Mar 2001	<u>40,989</u>	<u>28,959</u>	<u>357,537</u>	<u>195,228</u>	<u>10,234</u>	<u>632,947</u>

**4. DEBTORS**

	2002 £	2001 £
Trade debtors	190,609	213,697
Other debtors	47,832	83,677
	<u>238,441</u>	<u>297,374</u>

**5. CREDITORS: Amounts falling due within one year**

	2002 £	2001 £
Bank loans and overdrafts	90,185	84,107
Trade creditors	34,483	50,101
Corporation Tax	13,809	3,834
Other taxation and social security	103,389	94,310
Other creditors	501,418	503,296
	<u>743,284</u>	<u>735,648</u>

**6. CREDITORS: Amounts falling due after more than one year**

	2002 £	2001 £
Bank loans and overdrafts	<u>569,071</u>	<u>662,213</u>

**BLACKSTONE CHAMBERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

**7. DEFERRED TAXATION**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002	2001
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>-</u>	<u>33,794</u>

**8. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2002 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2002	2001
	£	£
Operating leases which expire:		
After more than 5 years	<u>591,402</u>	<u>539,900</u>

**9. RELATED PARTY TRANSACTIONS**

The company was not under the control of one controlling party but was under the control of the board of directors as a whole throughout the current and previous year.

No material transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities.

**10. SHARE CAPITAL**

**Authorised share capital:**

	2002	2001
	£	£
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

**Allotted, called up and fully paid:**

	2002	2001
	£	£
Ordinary share capital	<u>5</u>	<u>5</u>