

**BLACKSTONE CHAMBERS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2005**



**BLACKSTONE CHAMBERS LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2005**

<b>Contents</b>	<b>Pages</b>
Company information	1
The directors' report	2 to 3
Independent auditors' report to the shareholders	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 9

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

Detailed profit and loss account	10
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**BLACKSTONE CHAMBERS LIMITED**

**COMPANY INFORMATION**

<b>The board of directors</b>	T. A. G. Beazley R. Englehart I. A. Mill M.G. Carss-Frisk J. Howell
<b>Company secretary</b>	<i>J. L. Hornor</i>
<b>Date of incorporation</b>	13 March 1998
<b>Registered office</b>	Lynton House 7 - 12 Tavistock Square London WC1H 9BQ
<b>Auditors</b>	BSG Valentine Chartered Accountants & Registered Auditors Lynton House 7 - 12 Tavistock Square London WC1H 9BQ

# BLACKSTONE CHAMBERS LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

The directors present their report and the financial statements of the company for the year ended 31 March 2005.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a service company for barristers who are members of Blackstone Chambers.

The company acts as a service company for barristers and is registered as a trade association. The company does not aim to make a profit. Its goal is to provide facilities to members of chambers as economically as possible.

The service charge made to barristers by the company is calculated so as to provide sufficient cash to meet all liabilities as they fall due. This policy has resulted in a balance sheet deficit but the directors are confident that the finances of the company are secure and that all debts will be paid as they fall due.

### THE DIRECTORS AND THEIR INTERESTS IN THE 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 2005	At 1 April 2004 or later date of appointment
T. A. G. Beazley	1	1
R. Englehart	1	1
I. A. Mill	1	1
M.G. Carss-Frisk	1	—
J. Howell	1	—
	<hr/>	<hr/>

M.G. Carss-Frisk was appointed as a director on 9 December 2004.

J. Howell was appointed as a director on 9 December 2004.

P. L. Baxendale resigned as a director on 9 December 2004.

C. J. R. Flint resigned as a director on 9 December 2004.

### 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 and of the profit or loss of the company for that year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, 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.

### DONATIONS

During the year the company made the following contributions:

	2005	2004
	£	£
Charitable	6,971	4,850
	<hr/>	<hr/>

**BLACKSTONE CHAMBERS LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2005**

**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 25th January 2006



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
BLACKSTONE CHAMBERS LIMITED**

**YEAR ENDED 31 MARCH 2005**

We have audited the financial statements on pages 5 to 9 which 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 on page 7.

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 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.

**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 2005 and of its loss 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 Auditors

*26 - 1 - 06*

**BLACKSTONE CHAMBERS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2005**

	Note	2005 £	2004 £
<b>TURNOVER</b>		3,340,056	3,304,522
Administrative expenses		<u>(3,333,220)</u>	<u>(3,239,799)</u>
<b>OPERATING PROFIT</b>	2	6,836	64,723
Interest receivable		11,810	4,450
Interest payable and similar charges		<u>(47,172)</u>	<u>(38,814)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(28,526)	30,359
Tax on (loss)/profit on ordinary activities		<u>(28,483)</u>	<u>(39,672)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(57,009)	(9,313)
Balance brought forward		<u>(135,873)</u>	<u>(126,560)</u>
Balance carried forward		<u>(192,882)</u>	<u>(135,873)</u>

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

**BLACKSTONE CHAMBERS LIMITED**

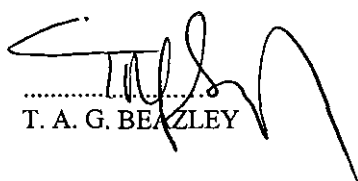
**BALANCE SHEET**

**AS AT 31 MARCH 2005**

	Note	2005 £	£	2004 £	£
<b>FIXED ASSETS</b>					
Tangible assets	3		342,624		474,638
<b>CURRENT ASSETS</b>					
Debtors	4	847,495		572,826	
Cash at bank and in hand		396,806		696,596	
		<u>1,244,301</u>		<u>1,269,422</u>	
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>(1,283,085)</u>		<u>(1,168,814)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(38,784)</u>		<u>100,608</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>303,840</u>		<u>575,246</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	6		<u>(496,717)</u>		<u>(711,114)</u>
			<u>(192,877)</u>		<u>(135,868)</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	9		5		5
Profit and loss account			<u>(192,882)</u>		<u>(135,873)</u>
<b>DEFICIENCY</b>			<u>(192,877)</u>		<u>(135,868)</u>

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 June 2002).

These financial statements were approved by the directors on the 25.1.06 and are signed on their behalf by:

T. A. G. BEAZLEY

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



**BLACKSTONE CHAMBERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2005**

**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 June 2002).

**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

**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.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**2. OPERATING PROFIT**

Operating profit is stated after charging:

	2005 £	2004 £
Directors' emoluments	—	—
Staff pension contributions	6,720	6,720
Depreciation of owned fixed assets	176,164	210,955
Auditors' fees	<u>6,500</u>	<u>6,250</u>

**BLACKSTONE CHAMBERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2005**

**3. TANGIBLE FIXED ASSETS**

	Office equipment £	Computer equipment £	Fixtures and Fittings £	Leasehold property £	Library £	Total £
<b>COST</b>						
At 1 Apr 2004	185,060	241,326	646,340	528,291	23,555	1,624,572
Additions	4,276	35,887	1,249	2,738	—	44,150
<b>At 31 Mar 2005</b>	<u>189,336</u>	<u>277,213</u>	<u>647,589</u>	<u>531,029</u>	<u>23,555</u>	<u>1,668,722</u>
<b>DEPRECIATION</b>						
At 1 Apr 2004	151,860	215,279	552,622	206,620	23,553	1,149,934
Charge for the year	18,023	29,235	75,124	53,782	—	176,164
<b>At 31 Mar 2005</b>	<u>169,883</u>	<u>244,514</u>	<u>627,746</u>	<u>260,402</u>	<u>23,553</u>	<u>1,326,098</u>
<b>NET BOOK VALUE</b>						
<b>At 31 Mar 2005</b>	<u>19,453</u>	<u>32,699</u>	<u>19,843</u>	<u>270,627</u>	<u>2</u>	<u>342,624</u>
At 31 Mar 2004	<u>33,200</u>	<u>26,047</u>	<u>93,718</u>	<u>321,671</u>	<u>2</u>	<u>474,638</u>

**4. DEBTORS**

	2005 £	2004 £
Trade debtors	686,058	460,143
Other debtors	161,437	112,683
	<u>847,495</u>	<u>572,826</u>

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

	2005 £	2004 £
Bank loans and overdrafts	189,600	160,800
Trade creditors	47,574	43,111
Corporation tax	28,483	39,672
Other taxation and social security	123,422	121,080
Other creditors	894,006	804,151
	<u>1,283,085</u>	<u>1,168,814</u>

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

	2005 £	2004 £
Bank loans and overdrafts	<u>496,717</u>	<u>711,114</u>

Bank borrowings are supported by guarantees from four of the Directors which are in turn supported by cross guarantees by all the barristers who use the facilities provided by the company.

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

**YEAR ENDED 31 MARCH 2005**

**7. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005 £	2004 £
Operating leases which expire:		
Within 2 to 5 years	9,356	9,356
After more than 5 years	<u>619,573</u>	<u>619,573</u>
	<u>628,929</u>	<u>628,929</u>

**8. 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.

**9. SHARE CAPITAL**

**Authorised share capital:**

	2005 £	2004 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

**BLACKSTONE CHAMBERS LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2005**

	2005		2004
	£	£	£
<b>TURNOVER</b>		3,340,056	3,304,522
<b>OVERHEADS</b>			
Administrative staff salaries	1,341,423		1,250,211
Staff NIC	141,168		139,850
Staff pension contributions	6,720		6,720
Rent, rates and water	784,282		767,251
Light and heat	25,461		22,739
Insurance	22,218		22,785
Repairs and maintenance	36,072		125,350
Cleaning of premises	54,707		49,623
Motor expenses	1,025		1,579
Travel and subsistence	18,369		—
Telephone	58,479		54,522
Equipment repairs and renewals	135,819		129,076
Stationery and postage	110,817		96,162
Staff training	8,756		7,753
Staff welfare	29,812		27,339
Donations	6,971		4,850
General expenses	10,168		11,436
Pupillage awards	169,676		133,829
Library expenses	61,137		45,066
Advertising & marketing	52,613		57,831
Entertaining	60,600		57,954
Legal and professional fees	14,230		8,040
Accountancy fees	—		2,100
Auditors remuneration	6,500		6,250
Depreciation and Amortisation	176,164		210,955
Bank charges	33		528
	<u>(3,333,220)</u>		<u>(3,239,799)</u>
<b>OPERATING PROFIT</b>		6,836	64,723
Bank interest receivable		11,810	4,450
		<u>18,646</u>	<u>69,173</u>
Interest on other loans		(47,172)	(38,814)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>		<u>(28,526)</u>	<u>30,359</u>