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Company Registration Number 3526717

**BLACKSTONE CHAMBERS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2004**



**BLACKSTONE CHAMBERS LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2004**

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**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 2004

The directors present their report and the financial statements of the company for the year ended 31 March 2004.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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

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 barrister 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 this year 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 2004	At 1 April 2003
P. L. Baxendale	1	1
T. A. G. Beazley	1	1
R. Englehart	1	1
C. J. R. Flint	1	1
I. A. Mill	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 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 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:

	2004	2003
	£	£
Charitable	4,850	818

### 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.

BLACKSTONE CHAMBERS LIMITED

THE DIRECTORS' REPORT *(continued)*

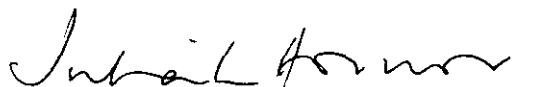
YEAR ENDED 31 MARCH 2004

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 9th December 2004

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

**YEAR ENDED 31 MARCH 2004**

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 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.

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

*BSG Valentine*

BSG VALENTINE  
Chartered Accountants  
& Registered Auditor

Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

15 Dec 04

**BLACKSTONE CHAMBERS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 MARCH 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>		3,304,522	2,875,654
Administrative expenses		<u>(3,239,799)</u>	<u>(2,987,112)</u>
<b>OPERATING PROFIT/(LOSS)</b>	2	64,723	(111,458)
Interest receivable		4,450	4,854
Interest payable		<u>(38,814)</u>	<u>(40,197)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		30,359	(146,801)
Tax on profit/(loss) on ordinary activities		<u>(39,672)</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(9,313)	(146,801)
Balance brought forward		<u>(126,560)</u>	<u>20,241</u>
Balance carried forward		<u>(135,873)</u>	<u>(126,560)</u>

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

BLACKSTONE CHAMBERS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2004

	Note	2004 £	£	2003 £	£
<b>FIXED ASSETS</b>					
Tangible assets	3		474,638		554,106
<b>CURRENT ASSETS</b>					
Debtors	4	572,826		593,784	
Cash at bank and in hand		696,596		276,185	
		<u>1,269,422</u>		<u>869,969</u>	
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>(1,168,814)</u>		<u>(881,212)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>100,608</u>		<u>(11,243)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			575,246		542,863
<b>CREDITORS: Amounts falling due after more than one year</b>	6		<u>(711,114)</u>		<u>(669,418)</u>
			<u>(135,868)</u>		<u>(126,555)</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	9		5		5
Profit and loss account			<u>(135,873)</u>		<u>(126,560)</u>
<b>DEFICIENCY</b>			<u>(135,868)</u>		<u>(126,555)</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 9th December 2004 and are signed on their behalf by:

  
C. J. R. FLINT

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 2004**

**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/(LOSS)**

Operating profit/(loss) is stated after charging:

	2004	2003
	£	£
Directors' emoluments	—	—
Staff pension contributions	6,720	11,720
Depreciation of owned fixed assets	210,955	202,051
Auditors' fees	6,250	4,600
	<u>223,925</u>	<u>218,371</u>

**BLACKSTONE CHAMBERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**3. TANGIBLE FIXED ASSETS**

	Office equipment £	Computer equipment £	Fixtures and Fittings £	Leasehold property £	Library £	Total £
<b>COST</b>						
At 1 Apr 2003	135,267	215,010	642,405	476,848	23,555	1,493,085
Additions	49,793	26,316	3,935	51,443	—	131,487
<b>At 31 Mar 2004</b>	<u>185,060</u>	<u>241,326</u>	<u>646,340</u>	<u>528,291</u>	<u>23,555</u>	<u>1,624,572</u>
<b>DEPRECIATION</b>						
At 1 Apr 2003	120,250	187,023	455,670	153,293	22,743	938,979
Charge for the year	31,610	28,256	96,952	53,327	810	210,955
<b>At 31 Mar 2004</b>	<u>151,860</u>	<u>215,279</u>	<u>552,622</u>	<u>206,620</u>	<u>23,553</u>	<u>1,149,934</u>
<b>NET BOOK VALUE</b>						
<b>At 31 Mar 2004</b>	<u>33,200</u>	<u>26,047</u>	<u>93,718</u>	<u>321,671</u>	<u>2</u>	<u>474,638</u>
At 31 Mar 2003	<u>15,017</u>	<u>27,987</u>	<u>186,735</u>	<u>323,555</u>	<u>812</u>	<u>554,106</u>

**4. DEBTORS**

	2004 £	2003 £
Trade debtors	460,143	527,210
Other debtors	<u>112,683</u>	<u>66,574</u>
	<u>572,826</u>	<u>593,784</u>

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

	2004 £	2003 £
Bank loans and overdrafts	160,800	94,919
Trade creditors	43,111	40,361
Corporation tax	39,672	1
Other taxation and social security	121,080	125,783
Other creditors	<u>804,151</u>	<u>620,148</u>
	<u>1,168,814</u>	<u>881,212</u>

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

	2004 £	2003 £
Bank loans and overdrafts	<u>711,114</u>	<u>669,418</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 2004**

**7. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2004 the company had aggregate annual commitments under non-cancellable operating leases as set out below:

	2004 £	2003 £
Operating leases which expire:		
Within 2 to 5 years	9,356	—
After more than 5 years	<u>619,573</u>	<u>616,475</u>
	<u>628,929</u>	<u>616,475</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:**

	2004 £	2003 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

	2004 No	£	2003 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 2004**

	2004	2003
	£	£
<b>TURNOVER</b>	3,304,522	2,875,654
<b>OVERHEADS</b>		
Administrative staff salaries	1,250,211	1,106,519
Staff NIC	139,850	116,193
Staff pension contributions	6,720	11,720
Rent, rates and water	767,251	756,600
Light and heat	22,739	22,351
Insurance	22,785	20,254
Repairs and maintenance	125,350	24,039
Cleaning of premises	49,623	43,569
Motor expenses	1,579	1,385
Telephone	54,522	53,435
Equipment repairs and renewals	129,076	149,448
Stationery and postage	96,162	124,943
Staff training	7,753	17,784
Staff welfare	27,339	29,505
Donations	4,850	818
General expenses	11,436	11,716
Pupillage awards	133,829	135,883
Library expenses	45,066	41,064
Advertising & marketing	57,831	52,117
Entertaining	57,954	40,837
Legal and professional fees	8,040	17,708
Accountancy fees	2,100	2,000
Auditors remuneration	6,250	4,600
Depreciation and Amortisation	210,955	202,051
Bank charges	528	573
	<u>(3,239,799)</u>	<u>(2,987,112)</u>
<b>OPERATING PROFIT/(LOSS)</b>	64,723	(111,458)
Bank interest receivable	4,450	4,854
	69,173	(106,604)
Interest on other loans	(38,814)	(40,197)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	<u>30,359</u>	<u>(146,801)</u>