

**SERVITE FACILITIES MANAGEMENT LIMITED
(FORMERLY RIVERHAVEN FACILITIES MANAGEMENT LIMITED)**

COMPANY NUMBER 05396539

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2007

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**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

Annual Report and Financial Statements for the year ended 31 March 2007

CONTENTS

	Page
Company Information	2
Directors' report	3 4
Report of the independent auditors, BDO Stoy Hayward LLP	5
Company profit and loss account	6
Company balance sheet	7
Notes to the financial statements	8- 11

**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

Annual Report and Financial Statements for the year ended 31 March 2007

Directors	Christopher Cheshire Matthew Fox Trevor Lawrence Isabelle Riby-Williams David Spencer	Appointed 18 May 2005 Appointed 18 May 2005 Appointed 17 March 2005 Appointed 29 June 2005 Appointed 18 May 2005
Secretary	Bridgehouse Company Secretaries Ltd	Appointed 18 July 2006
Registered Office	2 Bridge Avenue, Hammersmith London W6 9JP	
Registered number	05396539	
Auditor	BDO Stoy Hayward LLP Emerald House East Street Epsom Surrey KT17 1HS	
Principal Solicitor	Devonshires Salisbury House London Wall London EC2M 5QY	
Principal Banker	Lloyds TSB Bank plc Hammersmith London W6 0JL	

SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES MANAGEMENT LIMITED)

Annual Report and Financial Statements for the year ended 31 March 2007

DIRECTORS' REPORT

The directors present their report for the year ended 31 March 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice 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 for that year

In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent,
- State whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the accounts 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 enable them to ensure that the financial statements comply with the Companies Acts 1985. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps to make themselves aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

PRINCIPAL ACTIVITIES

The company was incorporated on 17 March 2005 and its principal activity is the provision of facilities management, assets management and fixed assets maintenance to Registered Social Landlords. In the year to 31 March 2007 services were provided exclusively to the parent undertaking on an arm's length commercial basis.

On 29 June 2006 the company changed its name from Riverhaven Facilities Management Limited to Servite Facilities Management Limited.

RESULTS

The results for the year are disclosed in the profit and loss account on page 6. The directors recommend that a donation be made by way of gift aid to its parent company, Servite Houses.

DONATIONS

The company made no donations or subscriptions to any political party in the year ended 31 March 2007. The profit for the year is £1.836 million and the Directors intend to pay all of this profit by way of a Gift Aid donation (2006: £2.171 million). The Gift Aid will be paid before 31 December 2007 to its parent company Servite Houses, incorporated under the Industrial and Provident Societies Act, and being a charity, exempt from registration with the Charity Commission.

**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

Annual Report and Financial Statements for the year ended 31 March 2007

DIRECTORS

The directors who held office during the year under review are

Christopher Cheshire
Matthew Fox
Trevor Lawrence
Isabelle Riby-Williams
David Spencer

DIRECTORS' INTERESTS

No directors had beneficial interest in the ordinary shares of the company. According to the register of directors' interests no rights to subscribe for shares or in debentures of the company were granted to any of the directors or their immediate families, or exercised by them during the financial year.

The entire issued share capital of the company, consisting of 1 share of £ 1, is fully owned by Servite Houses, a Registered Social Landlord.

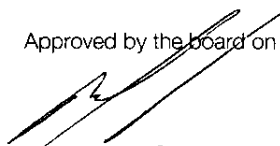
HEALTH AND SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety. The Company shares the detailed health and safety policies of its parent and provides staff training and education on health and safety matters.

AUDITORS

Elective resolutions to dispense with the holding of annual general meetings, the laying of report and accounts before the company in general meeting and the annual reappointment of the auditors are currently in force. Accordingly, pursuant to section 386 of the Companies Act 1985 ("the Act") the auditors, BDO Stoy Hayward, will be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed under section 393 of the Act to the effect that their appointment be brought to an end.

Approved by the board on 29 August 2007 and signed on its behalf by


Director

SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES MANAGEMENT LIMITED)

Annual Report and Financial Statements for the year ended 31 March 2007

Independent Auditor's Report to the members of Servite Facilities Management Limited (formerly Riverhaven Facilities Management Limited)

We have audited the financial statements of Servite Facilities Management Limited (formerly Riverhaven Facilities Management Limited) for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

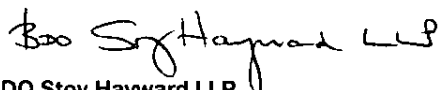
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its results for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.



BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors
Epsom, Surrey

Date

4 September 2007

**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

Annual Report and Financial Statements for the year ended 31 March 2007

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2007

	Notes	2007 £000	2006 £000
Turnover	1 (f)	24,631	10,001
Cost of sales		(19,529)	(6,157)
Gross profit		<u>5,102</u>	<u>3,844</u>
Administrative expenses		(3,265)	(1,673)
Interest payable and similar charges		(1)	-
Operating profit	2	<u>1,836</u>	<u>2,171</u>
Gift aid to parent undertaking		(1,836)	(2,171)
Profit on ordinary activities before and after taxation		<u>-</u>	<u>-</u>

All amounts relate to continuing activities

There were no recognised gains or losses other than those included in the profit and loss account

There are no movements in shareholders' funds in the current year

The notes on pages 8 to 11 form part of these financial statements

**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

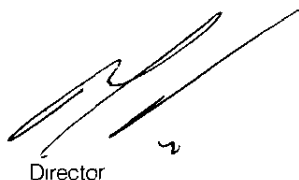
Annual Report and Financial Statements for the year ended 31 March 2007

BALANCE SHEET AS AT 31 March 2007

	Notes	2007 £000	2006 £000
TANGIBLE FIXED ASSETS			
Tangible fixed assets	5	336	-
		<u>336</u>	<u>-</u>
CURRENT ASSETS			
Work in progress	1 (d)	344	497
Debtors	6	3,753	2,877
Cash at bank and in hand		4	23
		<u>4,101</u>	<u>3,397</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	7	(4,437)	(3,397)
Net Current Liabilities		<u>(336)</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

The notes on pages 8 to 11 form part of these financial statements

The financial statements were approved and authorised for issue by the Board on 29 August 2007 and were signed on behalf by



Director



Director

SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES MANAGEMENT LIMITED)

Annual Report and Financial Statements for the year ended 31 March 2007

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2007**

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 1985 and in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP)

b) Accounting convention

The financial statements have been prepared using the historical cost convention

The company has taken advantage of the simplified reporting requirements for small entities in Part VII of the Companies Act 1985 and so has not prepared a cash flow statement. A group cash flow statement is shown in the consolidated financial statements of the ultimate parent, Servite Houses. The particular accounting policies adopted are described below

c) Fixed assets and depreciation

The company holds all fixed assets at cost less accumulated depreciation determined on a straight line basis

Depreciation is provided over the estimated useful life of the assets as follows

Motor vehicles	4 years
Fixtures and fittings	10 years
Computer & other equipment	4 years

d) Work in progress

Work in progress relates to maintenance and major work contracts started but not completed at the balance sheet date, and is valued at the lower of cost and net realisable value. Cost is the amount paid to sub-contractors, materials used and wages and salaries attributable to the contract. Net realisable value is based on estimated selling price less additional costs to completion and disposal

e) Pension

The company operates a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account in the year in which they become payable

f) Turnover

Turnover is recognised in the profit and loss account on the completion of the services the company is contracted for and represents amounts receivable for goods and services. Value added taxes are excluded from turnover

g) Related party disclosure

The company has taken advantage of the exemption conferred by FRS 8 "Related party disclosures", not to disclose transactions with members' or investors' of the Group headed by Servite Houses. This is on the grounds that at least 90% of the voting rights in the Company are controlled within that Group and the Company is included in the consolidated financial statements

**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

Annual Report and Financial Statements for the year ended 31 March 2007

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

2 OPERATING PROFIT

The operating profit is stated after charging

	2007 £000	2006 £000
Depreciation of tangible fixed assets	6	-
Auditors' remuneration - In their capacity as auditors (inc VAT)	15	15
Operating lease payments		
Land and buildings	56	-
Motor vehicles and other equipment	189	-

3 DIRECTORS' REMUNERATION

For the purpose of this note, directors are defined as Board members. Certain executive directors are not Board members.

	2007 £000	2006 £000
Directors' emoluments and pensions (excluding pension contributions)	<u>119</u>	<u>249</u>

4 EMPLOYEE INFORMATION

The average number of employees, expressed as full time equivalents, during the year was

	2007 Number	2006 Number
Average full time equivalents	<u>147</u>	<u>72</u>

	2007 £000	2006 £000
Wages and salaries	4,122	2,172
Social security costs	412	231
Pension costs	<u>168</u>	<u>89</u>
	<u>4,702</u>	<u>2,492</u>

**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

Annual Report and Financial Statements for the year ended 31 March 2007

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

5 TANGIBLE FIXED ASSETS

	Computer & Office Equipment £000	Other Fixed Assets £000	Fixtures & Fittings £000	Total £000
Cost				
At 1 April 2006	-	-	-	-
Addition	302	5	35	342
Disposals	-	-	-	-
	<u>302</u>	<u>5</u>	<u>35</u>	<u>342</u>
At 31 March 2007				
Depreciation				
At 1 April 2006	-	-	-	-
Charge for the year	5	-	1	6
Disposals	-	-	-	-
	<u>5</u>	<u>-</u>	<u>1</u>	<u>6</u>
At 31 March 2007				
Net book value				
At 31 March 2007	<u>297</u>	<u>5</u>	<u>34</u>	<u>336</u>
At 31 March 2006	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. DEBTORS

	2007 £000	2006 £000
Amounts due from parent undertaking	3,692	2,864
Other debtors	61	13
	<u>3,753</u>	<u>2,877</u>

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £000	2006 £000
Gift aid payable to parent undertaking	1,836	2,171
Trade creditors	516	314
Other creditors	182	282
Accruals	1,903	630
	<u>4,437</u>	<u>3,397</u>

**SERVITE FACILITIES MANAGEMENT LIMITED (FORMERLY RIVERHAVEN FACILITIES
MANAGEMENT LIMITED)**

Annual Report and Financial Statements for the year ended 31 March 2007

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

8 CALLED UP SHARE CAPITAL

	31 March 2007			31 March 2006		
	Number	Authorised	Allotted and fully paid	Number	Authorised	Allotted and fully paid
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>1</u>	<u>100</u>	<u>100</u>	<u>1</u>

9 PARENT UNDERTAKINGS AND ULTIMATE CONTROLLING PARTY

The company's ultimate parent undertaking, Servite Houses, has included the company in its group accounts, copies of which are available to the public and may be obtained from its registered offices

2, Bridge Avenue
Hammersmith
London W6 9JP

10 OPERATING LEASE COMMITMENTS

The company had annual commitments under non cancellable operating leases as set out below

	2007 £000	2006 £000
Leases other than land and buildings expiring		
Within one year	9	16
Between one and five years	<u>144</u>	<u>96</u>
	<u>153</u>	<u>112</u>