

Report of the Directors and
Financial Statements
for the Year Ended 31 December 2012
for
Knightsbridge Residents Management
Company Limited

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Knightsbridge Residents Management
Company Limited

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for the Year Ended 31 December 2012

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Knightsbridge Residents Management
Company Limited

Company Information
for the Year Ended 31 December 2012

DIRECTORS:	D B A Davis C M Logothetis G J Renucci A D Tabor R Twigden
SECRETARY:	London Registrars Plc
REGISTERED OFFICE:	Suite A 6 Honduras Street London Buckinghamshire EC1Y 0TH
REGISTERED NUMBER:	05505563 (England and Wales)
AUDITORS	Deloitte LLP 2 New Street Square London London EC4A 3BZ
BANKERS.	HSBC Bank Plc City of London Branch 60 Queen Victoria Street London EC4N 4TR

Knightsbridge Residents Management
Company Limited

Report of the Directors
for the Year Ended 31 December 2012

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the management of the apartments and common areas at 199 Knightsbridge

REVIEW OF BUSINESS

The company is the landlord and management company for the residents of 199 Knightsbridge, London

DIRECTORS

The directors during the year under review were

D B A Davis

C M Logothetis

G J Renucci

A D Tabor

R Twigden

S Pratt

- resigned 30 3 12

The beneficial interests of the directors holding office on 31 December 2012 in the issued share capital of the company were as follows

	31 12 12	1 1 12
Ordinary B £1 shares		
D B A Davis	1	1
C M Logothetis	2	2
G J Renucci	1	1
A D Tabor	1	1
R Twigden	1	1

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- state whether applicable UK Accounting Standards have been followed
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Knightsbridge Residents Management
Company Limited

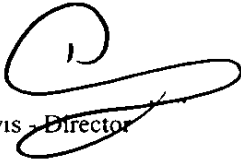
Report of the Directors
for the Year Ended 31 December 2012

AUDITORS

The auditors, Deloitte LLP, will be proposed for re-appointment

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal stroke and a small flourish.

D B A Davis - Director

Date

27/09/2013

Report of the Independent Auditors to the Members of
Knightsbridge Residents Management
Company Limited

We have audited the financial statements of Knightsbridge Residents Management Company Limited for the year ended 31 December 2012 which comprise of the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 11 on pages six to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Knightsbridge Residents Management
Company Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors

Helen George

Helen George ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
2 New Street Square
London
London
EC4A 3BZ

Date *27 September 2013*

Knightsbridge Residents Management
Company Limited

Profit and Loss Account
for the Year Ended 31 December 2012

		31 12 12	31 12 11 (restated- see note 9)
	Notes	£	£
TURNOVER		5,565,689	4,853,775
Administrative expenses		<u>4,909,526</u>	<u>4 539,846</u>
		656,163	313,929
Other operating income		<u>25,760</u>	<u>175,000</u>
OPERATING PROFIT	2	681,923	488,929
Interest receivable and similar income		<u>7,926</u>	<u>41,671</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		689,849	530,600
Tax on profit on ordinary activities	3	<u>1,445</u>	<u>35,439</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>688,404</u></u>	<u><u>495,161</u></u>

The notes form part of these financial statements


Knightsbridge Residents Management
Company Limited (Registered number 05505563)

Balance Sheet
31 December 2012

		31 12 12	31 12 11 (restated- see note 9)
	Notes	£	£
CURRENT ASSETS			
Debtors	4	2,918,266	987,067
Cash at bank and in hand	5	<u>3,595,103</u>	<u>2,561,234</u>
		6,513,369	3,548,301
CREDITORS			
Amounts falling due within one year	6	<u>5,627,104</u>	<u>2,917,941</u>
NET CURRENT ASSETS		<u>886,265</u>	<u>630,360</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>886,265</u></u>	<u><u>630,360</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	201	201
Capital expenditure reserve	9	308,652	-
Sinking fund reserve	9	278,540	355,603
Profit and loss account	9	<u>298,872</u>	<u>274,556</u>
SHAREHOLDERS' FUNDS		<u><u>886,265</u></u>	<u><u>630,360</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 27/09/2013 and were signed on its behalf by



D B A Davis - Director

The notes form part of these financial statements

Knightsbridge Residents Management
Company Limited

Notes to the Financial Statements
for the Year Ended 31 December 2012

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements reflect all transactions including those with, for and on behalf of the apartments owners.

The company holds the freehold of 199 Knightsbridge which was transferred from the developer following the sale of apartments on the site. Since no consideration was paid by the company to acquire the freehold, under the historic cost convention, no historic cost is recorded for this asset in the financial statements.

The directors, having considered the business plans and forecasts for the company for the next 12 months, and beyond, have confirmed the appropriateness of the going concern basis of preparation. This is based on the assumption that the company is required to expend only those amounts that it has received from the owners of the apartments in accordance with their wishes.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Revenue is measured at the fair value of the right to consideration and represents amounts receivable for service charges in respect of apartments, car park spaces and storage areas and fees for the provision of additional services to residents. Turnover is receivable wholly within the United Kingdom.

Taxation

The company's business consists of the management on a not for profit basis of a block of apartments for the apartment owners of 199 Knightsbridge. As a result the company is only taxed on its non business sources of income.

Deferred income account

This represents funds collected from residents in accordance with the terms of their leases, for the funding of future maintenance costs. The funds are held on Trust and if they are not spent will be returned to residents, accordingly they are classified as a creditor.

2 OPERATING PROFIT

The operating profit is stated after charging

	31 12 12	31 12 11
	£	£
Directors' remuneration	41,692	136,640
Fees paid to the auditors in respect of the audit of the Company's accounts	16,800	19,200
Fees paid to the auditors in respect of other services	<u>2,900</u>	<u>2,900</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

**Knightsbridge Residents Management
Company Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

3 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 12 12	31 12 11
	£	£
Current tax		
UK corporation tax at 20%	6,737	35,439
Overprovision in prior year	<u>(5,292)</u>	<u>-</u>
 Tax on profit on ordinary activities	 <u>1,445</u>	 <u>35,439</u>

4 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 12	31 12 11
	£	£
Trade debtors	-	183,748
Other debtors	2,717,004	648,311
Unpaid share capital	201	201
Prepayments	<u>201,061</u>	<u>154,807</u>
	<u>2,918,266</u>	<u>987,067</u>

5 CASH AT BANK AND IN HAND

Operating Bank Accounts

Knightsbridge Residents Management Company Limited have Trust bank accounts totalling £3,595,103 as shown in the balance sheet

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 12	31 12 11
	£	(restated) £
Trade creditors	272,261	104,924
Payments in advance	3,025,234	511,067
Apartment owner deposits	2,051,054	1,579,852
Tax	6,737	40,731
Other creditors	100,000	150,277
Accrued expenses	<u>171,818</u>	<u>531,090</u>
	<u>5,627,104</u>	<u>2,917,941</u>

Apartment owner deposits are held within the Company's cash balance and therefore represents restricted cash from the company's perspective

Knightsbridge Residents Management
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

7 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	31 12 12 £	31 12 11 £
Expiring		
Within one year	5,011	1,858
Between one and five years	<u>11,061</u>	<u>5,875</u>
	<u>16,072</u>	<u>7,733</u>

8 CALLED UP SHARE CAPITAL

Allotted, Number	issued and fully paid Class	Nominal value £1	31 12 12 £	31 12 11 £
201	Ordinary B		<u>201</u>	<u>201</u>

9 RESERVES

	Profit and loss account £	Capital expenditure reserve £	Sinking fund reserve £	Totals £
At 1 January 2012 (as restated – see below)	274,556	-	355,603	630,159
Profit for the year	688,404			688,404
Transfer from profit and loss reserve	(664,088)	308,652	355,436	-
Expenditure	-	-	(495,644)	(495,644)
Sinking fund provision released 2012	<u>-</u>	<u>-</u>	<u>63,145</u>	<u>63,145</u>
At 31 December 2012	<u>298,872</u>	<u>308,652</u>	<u>278,540</u>	<u>886,064</u>

In accordance with the resident leases the company maintain a sinking fund and a capital expenditure fund. The company holds the funds on behalf of the residents for long term planned maintenance expenditure in the case of the sinking fund and for special capital projects in the capital expenditure fund.

The lease allows the company to include charges for these funds in the annual service fee charge to build up the two funds. The company plans the amounts to be charged and retained to ensure that the residents can both enjoy the high quality facilities over time and be confident that the buildings are maintained to the highest quality as required of the Knightsbridge Residents and maintain the value of the apartments.

Due to the high level of costs on major maintenance and capital projects, which occur periodically, the funds have to grow to meet the potential future expenditure.

The accounts for 2011 have been restated to move the sinking fund to the above company reserves from other creditors. The sinking fund reserve shows the amount set aside for the sinking fund in accordance with the resident leases.

10 ULTIMATE CONTROLLING PARTY

As at 31 December 2012, there is no ultimate controlling party.

Knightsbridge Residents Management
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

11 SETTLEMENT OF POTENTIAL LITIGATION

The Company has been in a protracted legal dispute with third parties over alleged defects in the building. A part payment from a third party of £100,000 was received in 2012 and is shown with other creditors. A final settlement was reached in 2013 and the remaining amount of £407,500 will be shown in 2013 accounts and reported to shareholders in that year's accounts.

Knightsbridge Residents Management
Company Limited

Profit and Loss Account
for the Year Ended 31 December 2012

	31 12 12	£	31 12 11	£
Sales		5,565,689		4,853,775
Other income				
Other income	25,760		175,000	
Other interest received	7,926		41,522	
Int on service charge arrears	-		149	
	<u> </u>	33,686	<u> </u>	216,671
		5,599,375		5,070,446
Expenditure				
Expenditure	4,846,381		4,539,846	
Sinking fund provision released 2012	<u>63,145</u>		<u> </u>	
		4,909,526		4,539,846
NET PROFIT		<u>689,849</u>		<u>530,600</u>