

Registration Number 1511340

GRAYS INN SQUARE CHAMBERS LIMITED

Directors' Report and Financial Statements

for the year ended 30 September 1997



GRAYS INN SQUARE CHAMBERS LIMITED

Company Information

Directors	E Appleby QC R A Barratt QC The Hon M J Beloff QC D R P Mole QC D B W Ouseley QC
Secretary	D R P Mole
Company Number	1511340
Registered Office	4/5 Grays Inn Square Grays Inn London WC1R 5AY
Auditors	R Shah & Co 1 East Passage London EC1A 7LP
Business Address	4/5 Grays Inn Square Grays Inn London WC1R 5AY
Bankers	National Westminster Bank Plc P O Box 159 332 High Holborn London WC1V 7PS

GRAYS INN SQUARE CHAMBERS LIMITED

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GRAYS INN SQUARE CHAMBERS LIMITED

Directors' Report for the year ended 30 September 1997

The directors present their report and the financial statements for the year ended 30 September 1997.

Principal Activity

The principal activity of the company is to provide a management, secretarial, clerical, accounting and library service for the members of the chambers.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	1997	1996
E Appleby QC	2	2
R A Barratt QC	1	1
The Hon M J Beloff QC	2	2
D R P Mole QC	2	2
D B W Ouseley QC	2	2

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 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. 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.

Auditors

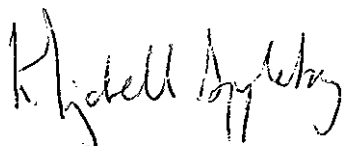
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that R Shah & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

GRAYS INN SQUARE CHAMBERS LIMITED

**Directors' Report
for the year ended 30 September 1997**

This report was approved by the Board on ^{19 October}~~6 October~~ 1998 and signed on its behalf by



**E Appleby QC
Director**

19 October 1998

GRAYS INN SQUARE CHAMBERS LIMITED

Auditors' Report to the Shareholders of GRAYS INN SQUARE CHAMBERS LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 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 30 September 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 relating to small companies.

R Shah ad

R Shah & Co

**Chartered Accountants and
Registered Auditor**

**1 East Passage
London
EC1A 7LP**

20 October
6 October 1998

GRAYS INN SQUARE CHAMBERS LIMITED

Profit and Loss Account for the year ended 30 September 1997

		1997	1996
	Notes	£	£
Turnover	2	1,150,502	1,156,364
Administrative expenses		(1,180,320)	(1,105,549)
Operating (loss)/profit	3	<u>(29,818)</u>	<u>50,815</u>
Interest receivable and similar income		30	3
Interest payable and similar charges	4	<u>(4,089)</u>	<u>(4,756)</u>
(Loss)/profit on ordinary activities before taxation		(33,877)	46,062
Tax on (loss)/profit on ordinary activities	6	<u>6,520</u>	<u>(7,547)</u>
(Loss)/retained profit for the year		<u>(27,357)</u>	<u>38,515</u>
Retained profit brought forward		248,939	210,424
Retained profit carried forward		<u><u>221,582</u></u>	<u><u>248,939</u></u>

The notes on pages 6 to 10 form an integral part of these financial statements.

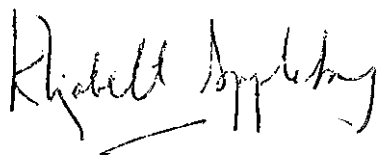
GRAYS INN SQUARE CHAMBERS LIMITED

Balance Sheet as at 30 September 1997

	Notes	1997		1996	
		£	£	£	£
Fixed Assets					
Tangible assets	7		357,855		386,092
Current Assets					
Debtors	8	183,717		114,549	
Cash at bank and in hand		192		98,987	
		<u>183,909</u>		<u>213,536</u>	
Creditors: amounts falling due within one year	9	<u>(301,371)</u>		<u>(290,035)</u>	
Net Current Liabilities			<u>(117,462)</u>		<u>(76,499)</u>
Total Assets Less Current Liabilities			240,393		309,593
Creditors: amounts falling due after more than one year	10		<u>(18,750)</u>		<u>(60,593)</u>
Net Assets			<u>221,643</u>		<u>249,000</u>
Capital and Reserves					
Called up share capital	11		61		61
Profit and loss account			<u>221,582</u>		<u>248,939</u>
Shareholders' Funds			<u>221,643</u>		<u>249,000</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on ^{19 October} ~~6 October~~ 1998 and signed on its behalf by



E Appleby QC
Director

19 October 1998

The notes on pages 6 to 10 form an integral part of these financial statements.

GRAYS INN SQUARE CHAMBERS LIMITED

Notes to the Financial Statements for the year ended 30 September 1997

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the total fees receivable from members of the chambers, excluding value added tax.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight Line over the life of the lease
Fixtures, fittings and equipment	-	20% Straight Line
Law Library	-	2% Straight Line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating (loss)/profit

	1997 £	1996 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	68,490	53,313
Auditors' remuneration	2,155	2,405
	<u> </u>	<u> </u>

GRAYS INN SQUARE CHAMBERS LIMITED

Notes to the Financial Statements for the year ended 30 September 1997

..... continued

4. Interest payable and similar charges	1997 £	1996 £
On loans and overdrafts	2,804	3,504
Hire purchase interest	1,285	1,252
	<u>4,089</u>	<u>4,756</u>

5. Pension costs

The company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £11,850 (1996 - £9,667).

6. Taxation	1997 £	1996 £
UK current year taxation		
UK Corporation Tax at 25% (1996 - 25%)	(2,683)	7,547
Prior years		
UK Corporation Tax	(3,837)	-
	<u>(6,520)</u>	<u>7,547</u>

GRAYS INN SQUARE CHAMBERS LIMITED

Notes to the Financial Statements for the year ended 30 September 1997

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7. Tangible fixed assets

	Short leasehold property	Fixtures, fittings equipment	Law library	Total
	£	£	£	£
Cost				
At 1 October 1996	147,582	132,221	270,026	549,829
Additions	-	6,969	33,284	40,253
At 30 September 1997	147,582	139,190	303,310	590,082
Depreciation				
At 1 October 1996	69,450	60,601	33,686	163,737
Charge for the year	34,725	27,699	6,066	68,490
At 30 September 1997	104,175	88,300	39,752	232,227
Net book values				
At 30 September 1997	43,407	50,890	263,558	357,855
At 30 September 1996	78,132	71,620	236,340	386,092

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	1997		1996	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Fixtures, fittings and equipment	8,295	4,146	12,441	4,146

8. Debtors

	1997 £	1996 £
Trade debtors	107,573	95,888
Other debtors	2,683	-
Prepayments and accrued income	73,461	18,661
	183,717	114,549

GRAYS INN SQUARE CHAMBERS LIMITED

Notes to the Financial Statements for the year ended 30 September 1997

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9. Creditors: amounts falling due within one year	1997	1996
	£	£
Bank overdraft	29,570	-
Bank loan	37,500	37,500
Net obligations under finance leases and hire purchase contracts	5,629	8,790
Trade creditors	24,264	17,336
Corporation tax	11,219	16,053
Other taxes and social security costs	55,219	72,386
Other creditors	137,970	137,970
	<u>301,371</u>	<u>290,035</u>
10. Creditors: amounts falling due after more than one year	1997	1996
	£	£
Bank loan	18,750	56,250
Net obligations under finance leases and hire purchase contracts	-	4,343
	<u>18,750</u>	<u>60,593</u>
11. Share capital	1997	1996
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
61 Ordinary shares of £1 each	<u>61</u>	<u>61</u>

GRAYS INN SQUARE CHAMBERS LIMITED

Notes to the Financial Statements for the year ended 30 September 1997

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12. Financial commitments

At 30 September 1997 the company had annual commitments under non-cancellable operating leases as follows:

	1997 £	1996 £
Expiry date:		
Between one and five years	<u>284,704</u>	<u>298,924</u>