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**KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED**

**REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2007**

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# **KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED**

## **I N D E X**

**Year ended 31 December 2007**

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# **KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED**

## **GENERAL INFORMATION**

**Year ended 31 December 2007**

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<b>Directors</b>	P Baynham R T J Rann
<b>Secretary</b>	Temple Secretarial Limited
<b>Registered office</b>	16 Old Bailey London EC4M 7EG
<b>Company number</b>	05505563
<b>Auditors</b>	Dixon Wilson 4 Royal Mint Court London EC3N 4HJ

# **KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED**

## **R E P O R T   O F   T H E   D I R E C T O R S**

**Year ended 31 December 2007**

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The directors present their report and accounts for the year ended 31 December 2007.

### **Principal activity**

The principal activity of the company during the period was the management of the apartments and common areas at 199 Knightsbridge.

### **Directors**

The directors who held office during the period are shown on page 2.

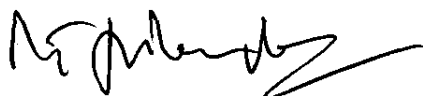
### **Statement as to disclosure of information to auditors**

So far as each of the directors is aware, there is no relevant audit information which the company's auditors are unaware of, and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and have established that the company's auditors are aware of that information.

### **Special provisions**

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

On behalf of the board



R T J RANN  
Director

16 December 2008

# **KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**Year ended 31 December 2007**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

# KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED

## AUDITORS' REPORT

Year ended 31 December 2007

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED

We have audited the financial statements of Knightsbridge Residents Management Company Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 auditor's 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 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 ("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 and whether in our opinion the information given in the Directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 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 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 in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of affairs of the company as at 31 December 2007 and of its profit for the year ended 31 December 2007 and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' report is consistent with the financial statements.



DIXON WILSON  
Chartered Accountants and Registered Auditors  
4 Royal Mint Court  
London EC3N 4HJ

19 January 2009

**KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED****P R O F I T   A N D   L O S S   A C C O U N T****Year ended 31 December 2007**

		2007	12 July 2005 to 31 December 2006
	Note	£	£
<b>Turnover</b>	1	4,148,336	4,904,268
Administration expenses		(3,956,899)	(4,628,213)
<b>Operating profit</b>	2	191,437	276,055
Interest payable		(29,354)	(1,161)
<b>Profit on ordinary activities before taxation</b>		162,083	274,894
Tax on profit on ordinary activities		-	-
<b>Profit on ordinary activities after taxation</b>		162,083	274,894
Transfer to replacement and sinking reserves		(162,128)	(274,894)
<b>Retained loss carried forward</b>		(45)	-

**KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED****BALANCE SHEET****At 31 December 2007**

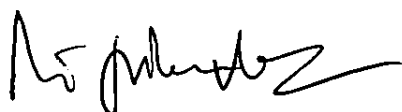
	Note	2007 £	2006 £
<b>Current assets</b>			
Debtors	3	1,212,039	1,384,616
Cash at bank and in hand		416,321	175,278
		<u>1,628,360</u>	<u>1,559,894</u>
<b>Creditors: amounts falling due within one year</b>	4	(1,191,182)	(1,284,812)
<b>Net current assets</b>		<u>437,178</u>	<u>275,082</u>
 <b>Capital and reserves</b>			
Share capital	5	201	188
Replacement and sinking reserves	6	437,022	274,894
Profit & loss account		(45)	-
		<u>437,178</u>	<u>275,082</u>

**Special provisions**

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 6 to 10 were approved by the board of directors on 16 Dec 2008 and were signed on its behalf by:-

R T J RANN  
Director



P BAYNHAM  
Director





# **KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED**

## **A C C O U N T I N G   P O L I C I E S**

**Year ended 31 December 2007**

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### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

### **Income recognition**

Income is recognised in the period to which it relates on an accruals basis.

### **Leases**

Costs associated with operating leases are charged to the profit and loss account in equal amounts over the period of the lease.

**KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2007****1. Turnover**

Turnover comprises of 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.

**2. Operating profit**

	2007 £	12 July 2005 to 31 December 2006 £
Operating profit is stated after charging:		
Auditors' remuneration for audit services	10,000	10,000

**3. Debtors**

Trade debtors	910,926	154,425
Amounts owed by group undertakings	9,631	12,534
Prepayments and accrued income	261,560	1,217,469
Unpaid share capital	201	188
Other debtors	29,721	-
	<u>1,212,039</u>	<u>1,384,616</u>

**4. Creditors: amounts falling due within one year**

Trade creditors	351,182	217,067
Accruals and deferred income	159,819	187,808
Amounts owed to parent undertaking	419,083	851,160
Other creditors	-	8,358
Tenant deposits	261,098	20,419
	<u>1,191,182</u>	<u>1,284,812</u>

**5. Share capital**

Authorised		
10,000 ordinary B shares of £1 each	10,000	10,000
1 ordinary A share of £1	1	1
	<u>10,001</u>	<u>10,001</u>
Allotted and issued		
200 ordinary B shares of £1 each	200	187
1 ordinary A share of £1	1	1
	<u>201</u>	<u>188</u>

All shares were issued at par and are unpaid at the period end.

13 ordinary B shares of £1 each were issued in the period.

# KNIGHTSBRIDGE RESIDENTS MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

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6. Reserves	Replacement reserve £	Sinking reserve £	Total £
At 1 January 2007	116,557	158,337	274,894
Transfer from profit and loss account	33,590	128,538	162,128
At 31 December 2007	<u>150,147</u>	<u>286,875</u>	<u>437,022</u>

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### 7. Related party transactions

During the year, the company charged £192,425 (2006 - £1,477,179) to its parent company 199 Knightsbridge Development Limited for the share of the service charge allocated to any unsold apartments, storage and parking spaces. £18,579 (2006 - £10,998) of this was outstanding at the period end.

At 31 December 2007, £9,631 (2006 - £12,534) is owed to the company by 199 Knightsbridge Project Management Limited for expenses paid by the company in the period that are costs of 199 Knightsbridge Project Management Limited.

Amounts owed to parent undertaking consists of two loans from 199 Knightsbridge Development Limited. Firstly a £550,000 loan which bears interest at 2% per annum above HSBC's base rate for which the due date for repayment was 30 June 2007. At 31 December 2007 the outstanding amount including accrued interest was £119,083 (2006 - £551,160). Secondly, a loan of £300,000 (2006 - £300,000) was made in December 2006 to cover the detrimental effect on the company's cash flow of outstanding service charges due from residents and property insurance premium paid in advance for 2007.

The tenants own 200 of the KRMC shares. The company charged the tenants £3,955,911 in the form of service charges during the year. At the year end there was a trade balance owed by the tenants of £892,346. The company also held £261,098 of tenant deposits, which are shown separately under creditors.

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### 8. Controlling parties

The company is controlled by 199 Knightsbridge Development Limited who owns the A share and is the parent undertaking. The B shares of the company are owned by the owners of the apartments at 199 Knightsbridge.

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### 9. Commitments

The company has annual obligations under operating leases for office hardware and software which expire as follows:

	£
Within 1 year	14,423
Within 2 to 5 years	19,995

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### 10. Tax

In the current year, in accordance with an agreement with the HM Revenue and Customs, the company is not required to pay tax, as it has complied with the criteria set out by the HM Revenue and Customs in the agreement.

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