

[23.08.05]

(over 1000)
house

BARONS KEEP LIMITED

Co No 2609358

**DIRECTORS' REPORT AND ACCOUNTS
31 DECEMBER 2004**

Southworth & Co



A55
COMPANIES HOUSE

AEPD39HJ

732
13/10/2005

Directors' Report

The directors have pleasure in submitting their fourteenth annual report and financial statements for the year to 31 December 2004.

Business Review

The company's principal business is to hold the freehold to the block of flats, Barons Keep, Gliddon Road, London W14, to ensure its good management and, if appropriate, to develop the block of flats for the benefit of tenants. Purchase of the freehold and the head-lease took place on 29 October 1991.

Directors

The directors of the company during the year were as follows:

	Date of last appointment	Date of resignation
Paul R Rawson	30 October 2003	-
Sheila Glaser	30 October 2003	-
Hector CG Hawkins	26 October 2000	-
John Hill	25 October 2001	-
Hugh Walker	30 October 2003	-
Robert Johnson	31 October 2002	-
Stefanie Roth	31 October 2002	-

The directors who held office at the end of the financial year had the following interests in the shares of the company. It should be noted that Paul Rawson died on 17 March 2005:

	Class	At end of year	At beginning of year or date of appointment
Paul R Rawson	£1 'A' ord	1	1
	5p 'B' ord	14	14
Sheila Glaser	£1 'A' ord	1	1
	5p 'B' ord	14	14
Hector CG Hawkins	£1 'A' ord	1	1
	5p 'B' ord	14	14
John Hill	£1 'A' ord	1	1
	5p 'B' ord	14	14
Hugh Walker	£1 'A' ord	1	1
	5p 'B' ord	14	14
Robert Johnson	£1 'A' ord	1	1
	5p 'B' ord	23	23
Stefanie Roth	£1 'A' ord	1	1
	5p 'B' ord	23	23

Appointment of Directors

The company's directors are elected by shareholders in accordance with the company's constitution. This provides that directors joining the board to fill casual vacancies must be re-appointed by the company's shareholders at the next Annual General Meeting and that a third of directors must retire and stand for re-election every three years.


Directors' And Officers' Liability Insurance

The company has maintained insurance to cover Directors' and Officers' liability as defined in s310 (3)(a) of the Companies Act 1985.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of Southworth & Co as auditors of the company will be proposed at the next Annual General Meeting.

By order of the Board


Sheila Glaser
Secretary
23 August 2005

Statement of Directors' Responsibilities in respect of the preparation of financial statements

The Directors are required by company law to prepare financial statements, based on applicable accounting standards, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year.

The Directors ensure that, in preparing the financial statements, suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made.

The Directors are also responsible for ensuring that adequate systems of internal control are in operation for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

Southworth & Co
Chartered Accountants

Unit 2, Investment House
Weybridge
Surrey, KT13 9UT

Independent Auditors' Report to the shareholders of Barons Keep Limited

We have audited the financial statements of Barons Keep Limited for the year ended 31 December 2004 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's Directors are responsible for the preparation of 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

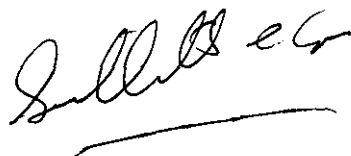
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Southworth & Co



Chartered Accountants and
Registered Auditor
23 August 2005

BARONS KEEP LIMITED

Page 4

PROFIT AND LOSS ACCOUNT**FOR THE YEAR TO 31 DECEMBER 2004**

	Notes	2004	2003
Turnover	1	£24,394	£23,998
Administrative expenses		(63,639)	(30,699)
		_____	_____
		(39,245)	(6,701)
Other operating income	4	48,479	89,548
Interest receivable		12,185	7,781
		_____	_____
Profit for the year before taxation	2	21,419	90,628
Taxation	5	(14,100)	(27,370)
		_____	_____
Profit for the year after taxation		7,319	63,258
Reserves brought forward		502,883	439,625
		_____	_____
Reserves carried forward		£510,202	£502,883
		=====	=====

There are no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding year.


BARONS KEEP LIMITED

Page 5

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004	2003
FIXED TANGIBLE ASSET	6	£183,316	£162,441
CURRENT ASSETS			
Debtors	7	4,184	912
Cash at bank and in hand		343,924	376,365
		<u>348,108</u>	<u>377,277</u>
CREDITORS: Amounts falling due within one year	8	(21,028)	(36,643)
		<u> </u>	<u> </u>
NET CURRENT ASSETS		327,080	340,634
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		£510,396	£503,075
		<u> </u>	<u> </u>
REPRESENTED BY:			
Share capital	9	£194	£192
Profit and Loss account		510,202	502,883
		<u> </u>	<u> </u>
	10	£510,396	£503,075
		<u> </u>	<u> </u>

These financial statements were approved by the Board of Directors on 23 August 2005 and were signed on its behalf by:


John A Hill

Director


Sheila Glaser

Director

NOTES - (FORMING PART OF THE FINANCIAL STATEMENTS)

1. ACCOUNTING POLICIES

a Basis of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Schedule 4 to the Companies Act 1985.

The company has taken advantage of the exemption in Financial Reporting Standard no. 1 from producing a cash flow statement on the grounds that it is a small company.

b Turnover

Turnover represents ground rents of flats and garages receivable from the lessees of Barons Keep.

c Fixed Assets

The freehold consists solely of the freehold of Barons Keep. It is capitalised at the cost of acquisition and attributable costs less the proportionate cost of the leases sold. No depreciation is charged on the freehold since, in the opinion of the directors, it is not a depreciating asset.

From 1 January 2004, expenditure on the roof development will be capitalised at the cost of acquisition and attributable costs. Depreciation is charged so as to amortise the cost in equal instalments over two years.

Office equipment is capitalised at the cost of acquisition and installation. Depreciation is charged so as to amortise the cost in equal instalments over four years.

d Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

The company has agreed with the Inland Revenue a special basis of taxation on the surplus arising on the sale of new flat leases. Taxation is now payable on gross sales proceeds.

2 EMPLOYEE COSTS

The company had one employee with effect from 1 April 2004, the Company Secretary, who received £3,525 (2003: £nil).

Directors of the company are not remunerated. All directors are shareholders in the company. The Company Secretary, who is also a director, is not remunerated for services rendered in that dual capacity eg attendance at Board and General Meetings.

3 PROFIT FOR THE YEAR

	2004	2003
Administration expenses include:		
Auditors' remuneration	£1,100	£1,000
	<u>=====</u>	<u>=====</u>

4 OTHER OPERATING INCOME

This represents the surplus arising on the sale of one new flat lease (2003 - two new flat leases).

	2004	2003
Received from sale of flat leases	£64,998	£118,995
Attributable cost of leases sold	(16,519)	(29,447)
Surplus	<u>£48,479</u>	<u>£89,548</u>
	<u>=====</u>	<u>=====</u>

5 TAXATION

	2004	2003
UK corporation tax at 19.0% (2003 - 19.0%)		
on the profit for the year	£14,100	£25,000
Prior year adjustment	-	2,370
	<u>£14,100</u>	<u>£27,370</u>
	<u>=====</u>	<u>=====</u>

6 FIXED TANGIBLE ASSETS

	Development Expenditure	Freehold at Cost	Office Equipment	Total
Cost				
At 1 January 2004	£ -	£162,299	£1,882	£164,181
Additions in year	74,881	-	-	74,881
Part-disposal in year	-	(16,519)	-	(16,519)
At 31 December 2004	<u>£74,881</u>	<u>£145,780</u>	<u>£1,882</u>	<u>£222,543</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Depreciation				
At 1 January 2004	£ -	-	£1,740	£1,740
Charge for year	37,440	-	47	37,487
At 31 December 2004	<u>£37,440</u>	<u>-</u>	<u>£1,787</u>	<u>£39,227</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Net book values				
At 31 December 2004	<u>£37,441</u>	<u>£145,780</u>	<u>£95</u>	<u>£183,316</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31 December 2003	<u>£ -</u>	<u>£162,299</u>	<u>£142</u>	<u>£162,441</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

7 DEBTORS

	2004	2003
All due within one year:		
Rents receivable	2,889	-
Prepayments	1,295	912
	<u>£4,184</u>	<u>£912</u>

8 CREDITORS: Amounts falling due within one year

	2004	2003
Sundry creditors	£6,153	£12,121
Corporation tax	14,100	24,522
Taxation	775	-
	<u>£21,028</u>	<u>£36,643</u>

9 SHARE CAPITAL

At 31 December 2004

	Number	Value
Authorised		
'A' ordinary shares of £1 each	117	£117
'B' ordinary shares of 5p each	2,000	£100
	<u>=====</u>	<u>=====</u>
Allotted and fully paid		
'A' ordinary shares of £1 each	105	£105
'B' ordinary shares of 5p each	1,788	£89
	<u>=====</u>	<u>£194</u>
		<u>=====</u>

During the year to 31 December 2004, one 'A' ordinary share and twenty-three 'B' ordinary shares were issued resulting from the sale of one new lease during the year. There were no other movements in the share capital of the company.

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004	2003
Profit for the year after taxation	£7,319	£63,258
Shareholders' funds at 1 January 2004	503,075	439,813
Increase in share capital during the year	2	4
	<hr/>	<hr/>
Shareholders' funds at 31 December 2004	<u>£510,396</u>	<u>£503,075</u>

11 COMMITMENTS

Capital commitments at 31 December 2004, for which no provision has been made in these accounts were as follows:

	2004	2003
Authorised and contracted	£nil	£65,100
Authorised but not contracted	<u>£85,000</u>	<u>£nil</u>