

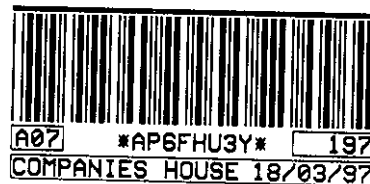
Registered

3 & 5 CADOGAN GARDENS (MANAGEMENT) LIMITED

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 1996

Company Registration No. 1575889



**Saffery Champness**

CHARTERED ACCOUNTANTS

## DIRECTORS' REPORT

The directors submit their report and the financial statements of 3 & 5 Cadogan Gardens (Management) Limited for the year ended 30 September 1996.

## PRINCIPAL ACTIVITY

The principal activity of the company is to regulate, control the use of and maintain the property and building known as 3 & 5 Cadogan Gardens, London SW3.

The expenses for the year amounted to £27,428 against levies of £29,659. The company receives reimbursement of expenses incurred by contributions from lessees of the flats within the property under the covenants within their leases. The surplus will be credited to the lessees accounts.

## 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 affairs of the company and of the profit or loss of the company 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.

## DIRECTORS AND THEIR INTEREST IN SHARES

The following were the directors during the year:

M E Hollis  
J S Nounou  
N K Nounou (Appointed 27 November 1995)

Their beneficial interests in the £1 Ordinary Shares of the company and the £0.01 Ordinary Shares were as follows:

	30.9.96		30.9.95	
	Ordinary £1	Ordinary £0.01	Ordinary £1	Ordinary £0.01
M E Hollis	12	1,314	12	1,314
J S Nounou and N K Nounou (held jointly)	12	1,651	12	1,651

DIRECTORS' REPORT (continued)

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AUDITORS

A resolution to re-appoint Saffery Champness as auditors for the ensuing year will be put to the members at the annual general meeting in accordance with S.384(1) of the Companies Act 1985, and the directors be authorised to fix their remuneration.

By order of the board



M E Hollis  
Secretary

Fairfax House  
Fulwood Place  
Gray's Inn  
London  
WC1V 6UB

14 March 1997

AUDITORS' REPORT TO THE SHAREHOLDERS

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We have audited the financial statements on pages 3 to 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report 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.

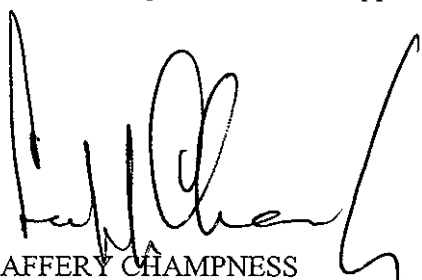
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice 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 affairs of the company as at 30 September 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



SAFFERY CHAMPNESS  
Chartered Accountants  
Registered Auditors  
Fairfax House  
Fulwood Place  
Gray's Inn  
London  
WC1V 6UB

14 March 1997

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1996

	Note	1996	1995
Contributions recoverable from lessees		27,428	26,781
Operating expenses		23,791	23,073
Administration expenses	3	<u>3,637</u>	<u>3,708</u>
		(27,428)	26,781
Interest received gross		183	240
Taxation	4	<u>(44)</u>	<u>(60)</u>
		139	180
Transfer to reserve fund		<u>(139)</u>	<u>(180)</u>
		<u>£Nil</u>	<u>£Nil</u>

The notes on page 5 form part of the these financial statements.

There are no recognised gains or losses other than those in the income and expenditure account.

BALANCE SHEET  
30 SEPTEMBER 1996

	Note	1996	1995
CURRENT ASSETS			
Debtors and prepayments		10,121	7,770
Monies held by agents		3,502	4,778
Corporation Tax recoverable		-	70
		<u>13,623</u>	<u>12,618</u>
CURRENT LIABILITIES			
CREDITORS			
Monies received in advance		6,039	6,134
Creditors and accruals		2,025	4,052
Corporation Tax due		44	56
		<u>8,108</u>	<u>10,242</u>
		5,515	2,376
PROVISION FOR LIABILITIES AND CHARGES	5	<u>5,319</u>	<u>2,180</u>
		<u>£196</u>	<u>£196</u>
CAPITAL AND RESERVES			
10,000 Ordinary shares of £0.01 each		100	100
96 Ordinary shares of £1 each		<u>96</u>	<u>96</u>
		<u>£196</u>	<u>£196</u>

Approved by the board on 14 March 1997.

M E Hollis

J S Nounou

Directors

The notes on page 5 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1996

1 ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and other applicable accounting policies.

b) Interest Receivable

Interest earned on deposit is brought to credit when received and has been transferred to the reserve fund.

2 EMPLOYEES	1996	1995
Staff costs during the year		
Wages	<u>£2,743</u>	<u>£2,470</u>
No remuneration was payable to the directors in respect of the year (1995 - £Nil).		
The company has one employee.		
3 ADMINISTRATION EXPENSES	1996	1995
Administration expenses include:		
Management and professional fees	£2,340	£2,262
Audit fee	<u>£400</u>	<u>£400</u>
4 TAXATION		
Corporation tax @ 25-24% on interest received during the year	44	75
Deferred taxation	-	(15)
	<u>£44</u>	<u>£60</u>
5 PROVISION FOR LIABILITIES AND CHARGES		
Reserve Fund		
Balance at 1 October 1995	2,180	-
Interest received (net)	139	180
Transfers into the fund - on account	<u>3,000</u>	<u>2,000</u>
Balance at 30 September 1996	<u>£5,319</u>	<u>£2,180</u>

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1996

	1996	1995	Budget 1996
Schedule 1			
Management fees	2,340	2,262	2,340
Sundries and secretarial	30	(60)	200
Wages and related costs	2,743	2,470	2,600
Internal repairs	78	526	500
Gas and electricity porters flat	404	945	500
Electricity	502	1,597	1,500
Telephone	304	254	275
Cleaning services	527	549	500
Lift maintenance	1,246	1,271	2,220
Water rates and council tax	<u>880</u>	<u>671</u>	<u>780</u>
	9,054	10,485	11,415
Schedule 2			
General repairs	964	1,052	-
Insurance	6,455	5,104	6,600
Reserve fund transfers	<u>3,000</u>	<u>2,000</u>	<u>3,000</u>
	10,419	8,156	9,600
Schedule 3			
External repairs	<u>-</u>	<u>-</u>	<u>500</u>
	-	-	500
Schedule 4			
External repairs	<u>-</u>	<u>-</u>	<u>250</u>
	-	-	250
Schedule 5			
Interphone rental	<u>1,134</u>	<u>1,093</u>	<u>1,150</u>
	1,134	1,093	1,150
Schedule 6			
Bank charges	147	132	-
Ground rent	5,167	5,094	5,094
Garden rent	240	315	350
Audit and accountancy	<u>1,267</u>	<u>1,506</u>	<u>1,300</u>
	6,821	7,047	6,744
	<u>27,428</u>	<u>26,781</u>	<u>29,659</u>
Service charges			
On account	24,565	23,627	24,565
Ground rent	5,094	5,094	5,094
Balance	<u>(2,231)</u>	<u>(1,940)</u>	<u>(29,659)</u>
	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>

The above information does not form part of the financial statements on which the auditors have reported.