

3 & 5 CADOGAN GARDENS (MANAGEMENT) LIMITED

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 1998

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 1998

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 £31,495 against levies of £32,040. 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 returned to the lessees.

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 held office as directors during the period from 1 October 1997 to the date of this report:

M E Hollis
J S Nounou
N K Nounou

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

	30.9.98		30.9.97	
	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)

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

17 March 1999

AUDITORS' REPORT TO THE SHAREHOLDERS

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.

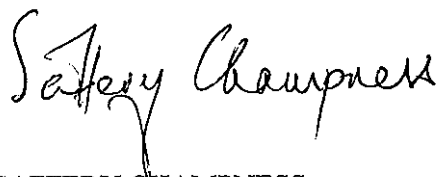
BASIS OF OPINION

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 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

17 March 1999

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1998

	Note	1998	1997
Contributions recoverable from lessees		31,495	32,040
Operating expenses		27,621	28,287
Administration expenses	3	<u>3,874</u>	<u>3,753</u>
		(31,495)	(32,040)
Interest received gross		179	53
Taxation	4	<u>(38)</u>	<u>(12)</u>
		141	41
Transfer to reserve fund		<u>(141)</u>	<u>(41)</u>
		<u>£Nil</u>	<u>£Nil</u>

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

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

BALANCE SHEET
30 SEPTEMBER 1998

	Note	1998	1997
CURRENT ASSETS			
Debtors and prepayments		10,838	14,356
Monies held by agents		<u>9,534</u>	<u>242</u>
		<u>20,372</u>	<u>14,598</u>
CURRENT LIABILITIES			
CREDITORS			
Bank overdraft		-	1,329
Monies received in advance		5,246	3,689
Creditors and accruals		9,391	4,012
Corporation Tax due		<u>38</u>	<u>12</u>
		<u>14,675</u>	<u>9,042</u>
NET CURRENT ASSETS		5,697	5,556
PROVISION FOR LIABILITIES AND CHARGES	5	<u>5,501</u> <u>£196</u>	<u>5,360</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 17 March 1999


 M E Hollis


 J S Nounou

) Directors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1998

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	1998	1997
	Staff costs during the year		
	Wages	<u>£2,690</u>	<u>£3,159</u>
	No remuneration was payable to the directors in respect of the year (1997 - £Nil).		
	The company has one employee.		
3	ADMINISTRATION EXPENSES	1998	1997
	Administration expenses include:		
	Management and professional fees	£2,470	£2,375
	Audit fee	<u>£450</u>	<u>£425</u>
4	TAXATION		
	Corporation tax @ 21% on interest received during the year	<u>£38</u>	<u>£12</u>
5	PROVISION FOR LIABILITIES AND CHARGES		
	Reserve Fund		
	Balance at 1 October 1997	5,360	5,319
	Interest received (net)	<u>141</u>	<u>41</u>
	Balance at 30 September 1998	<u>£5,501</u>	<u>£5,360</u>

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1998

	1998	1997
Schedule 1		
Management fees	2,470	2,375
Sundries and secretarial	150	12
Wages and related costs	2,690	2,687
Internal repairs	6,859	4,312
Gas and electricity porters flat	562	889
Electricity	692	996
Telephone	232	225
Cleaning services	515	1,161
Lift maintenance	1,008	1,007
Water rates and council tax	<u>1,031</u>	<u>996</u>
	16,209	14,660
Schedule 2		
General repairs	1,083	806
Insurance	6,708	8,503
Reserve fund transfers	<u>-</u>	<u>-</u>
	7,791	9,309
Schedule 3		
External repairs	<u>-</u>	<u>-</u>
	-	-
Schedule 4		
External repairs	<u>-</u>	<u>-</u>
	-	-
Schedule 5		
Interphone rental	<u>630</u>	<u>1,177</u>
	630	1,177
Schedule 6		
Bank charges	197	114
Ground rent	5,094	5,094
Garden rent	320	320
Audit and accountancy	<u>1,254</u>	<u>1,366</u>
	6,865	6,894
		32,040
Service charges		
On account	26,946	24,565
Ground rent	5,094	5,094
Balance	<u>(545)</u>	<u>2,381</u>
	<u>£Nil</u>	<u>£Nil</u>

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