

Company Registration No. 1575889 (England and Wales)

3 & 5 CADOGAN GARDENS (MANAGEMENT) LIMITED

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 1999



Saffery Champness
CHARTERED ACCOUNTANTS

3 & 5 CADOGAN GARDENS (MANAGEMENT) LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of 3 & 5 Cadogan Gardens (Management) Limited for the year ended 30 September 1999

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 £30,015 against levies of £31,495. 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 1998 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:

	30.9.99		30.9.98	
	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


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M E Hollis
Secretary

5 June 2000

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

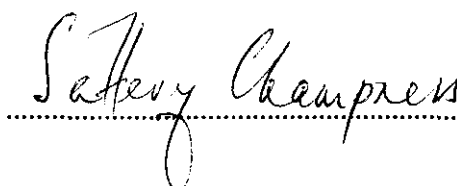
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness

A handwritten signature in cursive script, reading "Saffery Champness", written over a horizontal dotted line.

Chartered Accountants
Registered Auditors

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

5 June 2000

3 & 5 CADOGAN GARDENS (MANAGEMENT) LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1999

	Note	1999		1998	
		£	£	£	£
Contributions recoverable from lessees			30,015		31,495
Operating expenses		26,922		27,621	
Administration expenses	3	<u>3,093</u>		<u>3,874</u>	
			(30,015)		(31,495)
Interest received gross			165		179
Taxation	4		<u>(35)</u>		<u>(38)</u>
			130		141
Transfer to reserve fund			<u>(130)</u>		<u>(141)</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.

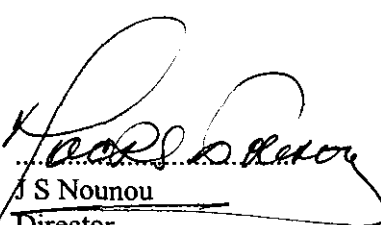
3 & 5 CADOGAN GARDENS (MANAGEMENT) LIMITED

BALANCE SHEET 30 SEPTEMBER 1999

	Note	1999 £	£	1998 £	£
Current assets					
Debtors and prepayments		14,472		10,838	
Monies held by agents		<u>1,207</u>		<u>9,534</u>	
		15,679		20,372	
Current liabilities					
Creditors					
Bank overdraft		1,559		-	
Monies received in advance		4,832		5,246	
Creditors and accruals		3,425		9,391	
Corporation Tax due		<u>36</u>		<u>38</u>	
		9,852		14,675	
Net current assets			5,827		5,697
Provision for liabilities and charges	5		<u>5,631</u>		<u>5,501</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>
			196		196

Approved by the board on 5 June 2000


M E Hollis
Director


J S Nounou
Director

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

3 & 5 CADOGAN GARDENS (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

1 Accounting policies

1.1 Basis of accounting

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

1.2 Interest receivable

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

2 Employees	1999 £	1998 £
Staff costs during the year		
Wages	<u>3,247</u>	<u>2,690</u>

No remuneration was payable to the directors in respect of the year (1998 - £Nil).

The company has one employee.

3 Administration expenses	1999 £	1998 £
Administration expenses include:		
Management and professional fees	2,593	2,470
Audit fee	<u>500</u>	<u>450</u>

4 Taxation	1999 £	1998 £
Corporation tax @ 21% on interest received during the year	<u>35</u>	<u>38</u>

5 Provision for liabilities and charges	1999 £	1998 £
Reserve Fund		
Balance at 1 October 1998	5,501	5,360
Interest received (net)	<u>130</u>	<u>141</u>
Balance at 30 September 1999	<u>5,631</u>	<u>5,501</u>