

**CHESTERFIELD HOUSE
MANAGEMENT LIMITED
FINANCIAL STATEMENTS
31ST MARCH 2002**

Company Registration Number 1641970

S W FRANKSON & CO

Bridge House, Station Road
Hayes, Middlesex, UB3 4BT
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Chartered Accountants & Registered Auditors



CHESTERFIELD HOUSE MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

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CHESTERFIELD HOUSE MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr C H George Chairman
Mr P T Fenwick
Dr D V Atterton
Miss F Belle - Cisneros
Mr D W Roberts
Sir C R Corness Deputy Chairman
Mr S A Borrows
Mr S A Sherif

Company secretary

Mr S T Jones

Registered office

Chesterfield House
South Audley Street
London
W1K 1HA

Auditors

S W Frankson & Co
Chartered Accountants
& Registered Auditors
Bridge House
Station Road
Hayes
Middlesex
UB3 4BT

Bankers

Cater Allen Bank
Administration Centre
Pembroke House
15 Pembroke Road
Clifton
Bristol
BS8 3BA

Lloyds Bank PLC
14 Berkeley Square
London
W1X 6BJ

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTICE OF MEETING

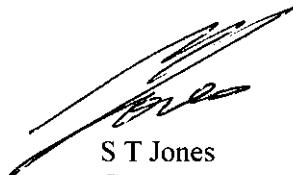
Notice is hereby given that the Annual General Meeting of the Company will be held at 6 p.m. on Tuesday 9th July 2002, at the Shelburne Room, Lansdowne Club, 9 Fitzmaurice Place, Berkeley Square, London W1X 6JD for the following purposes: .

1. To receive and adopt the Directors' report and financial statements for the year ended 31st March 2002.
2. To re-appoint S W Frankson & Co as auditors and to authorise the Directors to fix their remuneration.
3. To re-elect Sir Colin R Corness as a Director of the Company.
4. To re-elect Mr D W Roberts as a Director of the Company.
5. To confirm the appointment of Mr S A Sherif as a Director of the Company.

Registered office:

Chesterfield House
South Audley Street
London
W1K 1HA

By order of the board



S T Jones
Company secretary

22nd MAY 2002

Notes:

- a. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
- b. A form of proxy is enclosed with this notice for your use in respect of the business set out above. To be effective, the form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified or an office copy of such power of authority) must be lodged at the Company's registered office at least forty-eight hours before the time appointed for the meeting.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31ST MARCH 2002

The object of this statement is to provide an overview of the Company's activities during the year ended March 31st 2002. You have, of course, received various interim reports with the Service Charge and at other times during the course of the year.

Our rolling maintenance programme, which was commenced in the year ended March 1999, has now completed its fourth year. Because no such programme had been in place in the past there was a great deal of catching up on repairs and renovation of the infrastructure. Now, with the major works on the South Audley Street building being complete, the whole of the structure, both inside and outside of Chesterfield House, may be judged as being in good order.

This has been wholly financed out of our Reserve funds thus avoiding any special levy over and above the annual Service Charge. We now move ahead to ensure that the present excellent condition is maintained and that the building's services are kept to a high standard. Annual maintenance costs should now remain relatively constant.

ACCOUNTS

The accounts are presented in the same format as in previous years. Lessees will be pleased to hear that the outcome of our contention with the Inland Revenue was far less severe than had been expected. Although our past unusually favourable arrangement for the taxation of our income has been terminated to the benefit of Inland Revenue, the Board believes the ongoing bases for taxation are the best that we can achieve.

FINANCIAL POSITION

As can be seen on page 17 of the accounts, the loss on ordinary activities before taxation was £364,600. This is mainly due to the costs incurred in the repair and refurbishment of the South Audley Street building, the continuing upgrading of our water systems, improvements to the boiler room equipment, safety measures on all lifts, alongside routine re-decorating and other works required to maintain standards. It was stated in my last report that our Reserve funds would need to be replenished to meet the costs of remaining capital works forecast to 2005 and to provide some cushion for the future. To provide this, a Company owned flat (no34) was sold. The proceeds of the sale were £412,500. Overall it can be seen that Company finances are in good order.

SERVICE CHARGE

In accordance with standing procedure, Service Charge demands for 2002/2003 were sent out in March. The unexpectedly high increase in the cost of gas together with a quantum lift in our insurance premium based on both a hardening of the market and our poor claims record, meant that this was a year when strict overall financial control had to be applied in order to minimise expenditure. In the event a creditable low overspend resulted. This year's relatively low increase of only 3.1% has been achieved in spite of the unexpectedly and unusually high costs already mentioned. The Board's policy of meeting operating costs out of Service Charge revenue and funding major maintenance programmes from Reserves continued to operate successfully.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)

YEAR ENDED 31ST MARCH 2002

REPAIRS AND MAINTENANCE

During the year under review, the South Audley Street building had its roof renewed and its brickwork re-pointed. The building's windows, drains and doors were repaired and re-decorated. To overcome problems caused by having internal water drains these have now been fitted externally. The resurfacing of the driveway was put out to tender for action in May 2002. Work on the central water systems continued as did the project on lift maintenance and safety. Both remain underway. There was extensive redecoration in the internal common parts and outside the building. Security is always at the forefront of our considerations and during the year rooftop cameras were fitted. Planning approval was received for the installation of fencing and a gate at the front of the Chesterfield Gardens staff car park. A major independent review of our fire prevention and procedures was carried out and the recommendations are being introduced. Cleaning has now been fully put out to contract with the pleasing result of improved standards at reduced cost. There has been no change in our professional advisers. In my penultimate year as Chairman, I feel gratified that we are achieving the standards and now have in place the systems that we envisaged some five years ago when I took up office.

BOARD OF DIRECTORS

During the year we had several changes in membership of the Board. Mr Simon Borrow's appointment in place of the late Sir Harry Moore was confirmed at the last AGM. Mr Dennis Sullivan, for eight years a Director, sold his flat and, having offered his resignation, was replaced by Mr Samih Sherif. The appointment of Mr Sherif is to be confirmed at the AGM on 9 July 2002. I would like to take this opportunity to thank all members of the Board for their support and advice not to mention the valuable time they spend in directing the affairs at Chesterfield House.

STAFF

Once more, I should like on behalf of the Board and all residents of Chesterfield House to express to our General Manager, Mr Stuart Jones and his loyal staff our united thanks and appreciation for all they do to ensure the comfort, security and enjoyment of life in our building and the enhancement of the property we share together.



Sir C R Corness
Deputy Chairman
22nd May. 2002

CHESTERFIELD HOUSE MANAGEMENT LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2002

The Directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31st March 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the year was that of managing the property of Chesterfield House for the benefit of its residents.

RESULTS AND DIVIDENDS

The trading results for the year, and the Company's financial position at the end of the year are shown in the attached financial statements.

The Directors have not recommended a dividend.

The payment of dividends is expressly forbidden by clause 4 of the Memorandum of Association.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The Directors who served the Company during the year together with their beneficial interests in the shares of the Company were as follows:

		Ordinary Shares of £1 each	
		At 31 March 2002	At 1 April 2001 or later date of appointment
Mr C H George		1	1
Mr P T Fenwick		1	1
Dr D V Atterton		1	1
Miss F Belle - Cisneros		1	1
Mr D W Roberts		1	1
Sir C R Corness		1	1
Mr S A Borrows	(Appointed 3 September 2001)	1	1
Mr S A Sherif	(Appointed 18 October 2001)	1	1
Sir H Moore	(Died 7 May 2001)		
Mr D Sullivan	(Resigned 14 August 2001)		

The company maintains liability insurance for its directors and officers as permitted by Section 310 (3) of the Companies Act 1985.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the Directors are required to select suitable accounting policies, as described on page 12, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2002

DIRECTORS' RESPONSIBILITIES *(continued)*

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. The Directors 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.

DONATIONS

During the year the Company made the following contributions:

	2002	2001
	£	£
Child victims of crime - Charity Number 1043101	<u>600</u>	<u>-</u>

AUDITORS

A resolution to re-appoint S W Frankson & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the Directors


S T Jones
Secretary

Approved by the Directors on 22ND MAY 2002

CHESTERFIELD HOUSE MANAGEMENT LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31ST MARCH 2002

We have audited the financial statements on pages 9 to 15 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 12.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 5 to 6, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 Chairman's statement and the Directors' report and consider whether they are consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

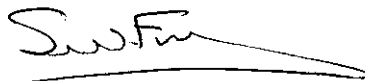
CHESTERFIELD HOUSE MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (CONTINUED)

YEAR ENDED 31ST MARCH 2002

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 2002 and of the loss of the Company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



S W FRANKSON & CO
Chartered Accountants
& Registered Auditors
Bridge House
Station Road
Hayes
Middlesex
UB3 4BT

22/5.....2002

CHESTERFIELD HOUSE MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2002

	Note	2002 £	2001 £
INCOME		677,018	641,133
Service charge expenses		<u>543,443</u>	<u>483,797</u>
		133,575	157,336
Repairs and maintenance		<u>452,175</u>	253,015
Administrative expenses		<u>12,235</u>	11,627
OPERATING LOSS	2	(330,835)	(107,306)
Loss on disposal of fixed assets	4	<u>49,640</u>	-
		(380,475)	(107,306)
Interest receivable		<u>16,943</u>	26,730
Interest payable		<u>1,068</u>	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(364,600)	(80,576)
Tax on loss on ordinary activities	5	<u>128,107</u>	-
LOSS FOR THE FINANCIAL YEAR		(492,707)	(80,576)

The notes on pages 12 to 15 form part of these financial statements.

CHESTERFIELD HOUSE MANAGEMENT LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST MARCH 2002

	2002 £	2001 £
Loss for the financial year attributable to the shareholders	(492,707)	(80,576)
Unrealised gain on revaluation of properties	-	636,563
Total gains and losses recognised since the last annual report	<u>(492,707)</u>	<u>555,987</u>

The notes on pages 12 to 15 form part of these financial statements.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

BALANCE SHEET

31ST MARCH 2002

	Note	2002	2001
		£	£
FIXED ASSETS			
Tangible assets	6	3,695,000	4,145,000
CURRENT ASSETS			
Debtors	7	63,052	34,360
Cash at bank		459,402	488,148
		<u>522,454</u>	<u>522,508</u>
CREDITORS: Amounts falling due within one year	8	<u>(238,635)</u>	<u>(195,982)</u>
NET CURRENT ASSETS		<u>283,819</u>	<u>326,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,978,819</u>	<u>4,471,526</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	96	96
Revaluation reserve	13	3,239,083	3,600,076
Profit and Loss Account	14	739,640	871,354
SHAREHOLDERS' FUNDS		<u>3,978,819</u>	<u>4,471,526</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the Directors on the 22 May 2002, and are signed on their behalf by:



Sir C Corness
Deputy Chairman

The notes on pages 12 to 15 form part of these financial statements.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard No 1 - "Cash flow statements".

Turnover

Income consists of rents, interest and service charges receivable within the United Kingdom.

Investment properties

The Company's remaining interest in the property has been treated as an investment property in accordance with Statement of Standard Accounting Practice No 19. No depreciation is provided in respect of investment properties in accordance with SSAP 19. The Directors consider this departure from the Companies Act 1985 requirement is necessary to show a true and fair view. The effect of non-depreciation of these assets is immaterial to the results for the year.

Pension costs

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold, gains on disposals of fixed assets which will be rolled over into replacement assets and earnings of overseas subsidiaries that are not intended to be remitted to the UK. No provision is made for taxation on permanent differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2. OPERATING LOSS

Operating loss is stated after charging:

	2002	2001
	£	£
Directors' emoluments	nil	nil
Auditors' fees	<u>7,814</u>	<u>7,579</u>

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

3. PARTICULARS OF EMPLOYEES

Wage costs consist of:

Salaries and wages (staff, management & security)	250,662	244,417
Social security costs	22,364	23,137
Pension costs	12,300	9,810
	<u>285,326</u>	<u>277,364</u>

The average weekly number of full time employees during the year was 13 (2001 - 13).

4. LOSS ON DISPOSAL OF FIXED ASSETS

	2002	2001
	£	£
Loss on disposal of fixed assets	<u>(49,640)</u>	-

The loss is on the disposal of the Company's flat no 34 resulting from its sale at a price less than the valuation adopted in the Company's balance sheet as at 31 March 2001.

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Corporation Tax based on the results for the year at 30% (2001 - 20%)	86,375	-
Adjustment in respect of previous years:		
Corporation Tax	<u>41,732</u>	-
	<u>128,107</u>	-

The tax charge is subject to marginal relief.

The previous year adjustment reflects the liability that arose as a result of the Inland Revenue enquiry into the tax status of the company.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

6. TANGIBLE FIXED ASSETS

	Investment property £
COST OR VALUATION	
At 1st April 2001	4,145,000
Disposals	(450,000)
At 31st March 2002	<u>3,695,000</u>
DEPRECIATION	<u>-</u>
NET BOOK VALUE	
At 31st March 2002	<u>3,695,000</u>
At 31st March 2001	<u>4,145,000</u>

The Company's interest in the freehold property known as Chesterfield House has been valued by the Directors at open market value.

7. DEBTORS

	2002 £	2001 £
Prepayments	55,974	11,624
Service charges and rent receivable	4,175	7,707
Other debtors	2,903	15,029
	<u>63,052</u>	<u>34,360</u>

8. CREDITORS: Amounts falling due within one year

	2002 £	£	2001 £	£
Corporation tax	86,377		-	
PAYE and social security	6,330		6,907	
Other creditors	<u>128,073</u>		<u>148,578</u>	
	220,780			155,485
Accruals and deferred income	<u>17,855</u>			<u>40,497</u>
	<u>238,635</u>			<u>195,982</u>

9. COMMITMENTS

There is a commitment of £Nil (2001 - £333,525), at the year end, to perform major repairs.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

10. DEFERRED TAXATION

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows:

	2002 £	2001 £
Revaluation timing differences	<u>823,324</u>	<u>932,297</u>

The deferred tax liability has not been provided for as there is no intention to sell any of the revalued investment properties.

11. TRANSACTIONS WITH THE DIRECTORS

All Directors are members of the Company and as such contribute to the service charges and ground rent on the same basis as all other members.

12. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital	<u>96</u>	<u>96</u>

13. REVALUATION RESERVE

	2002 £	2001 £
Balance brought forward	3,600,076	2,963,513
Revaluation of fixed assets	-	636,563
Transfer to the Profit and Loss Account on realisation	<u>(360,993)</u>	<u>-</u>
Balance carried forward	<u>3,239,083</u>	<u>3,600,076</u>

14. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Balance brought forward	871,354	951,930
Retained loss for the financial year	(492,707)	(80,576)
Transfer from revaluation reserve	<u>360,993</u>	<u>-</u>
Balance carried forward	<u>739,640</u>	<u>871,354</u>

CHESTERFIELD HOUSE MANAGEMENT LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2002

	2002		2001
	£	£	£
INCOME			
Garage	86,060		77,727
Flats	44,545		71,006
Service charges receivable - current year	544,000		490,000
Ground rent receivable	2,413		2,400
	<u>677,018</u>		<u>641,133</u>
SERVICE CHARGE EXPENSES			
Management salary, accounting fees and costs	68,258		65,734
Office expenses	5,080		7,788
Salaries, wages and social security	184,726		176,664
Recruitment and training	1,980		513
Uniforms	3,781		3,685
Council tax	779		874
Flat repairs and maintenance	6,557		1,546
Heating - Note 1	40,571		30,531
Security and closed circuit TV	11,075		12,218
Cleaning:- salaries	12,737		15,476
Cleaning	49,073		41,058
Insurance - Note 2	65,071		24,190
Electricity	8,701		11,704
Building repairs and maintenance:- salaries	23,043		22,965
Water rates and water tank repairs	15,751		17,958
Lifts	9,776		16,714
Gardens	12,134		11,691
Telephones	4,111		4,301
Entry phone and TV aerial systems	5,625		5,442
Fire	6,114		5,926
Fees - audit	2,634		2,556
Fees - legal	588		303
Health and safety	1,301		143
Sundries	3,977		3,817
	<u>543,443</u>		<u>483,797</u>
	133,575		157,336
OVERHEADS			
Repairs and maintenance	452,175		253,015
Sundry	(1,000)		(1,662)
Legal and professional fees	1,933		2,391
Audit and taxation	11,302		10,898
	<u>464,410</u>		<u>264,642</u>
OPERATING LOSS	(330,835)		(107,306)
Carried forward	(330,835)		(107,306)

CHESTERFIELD HOUSE MANAGEMENT LIMITED

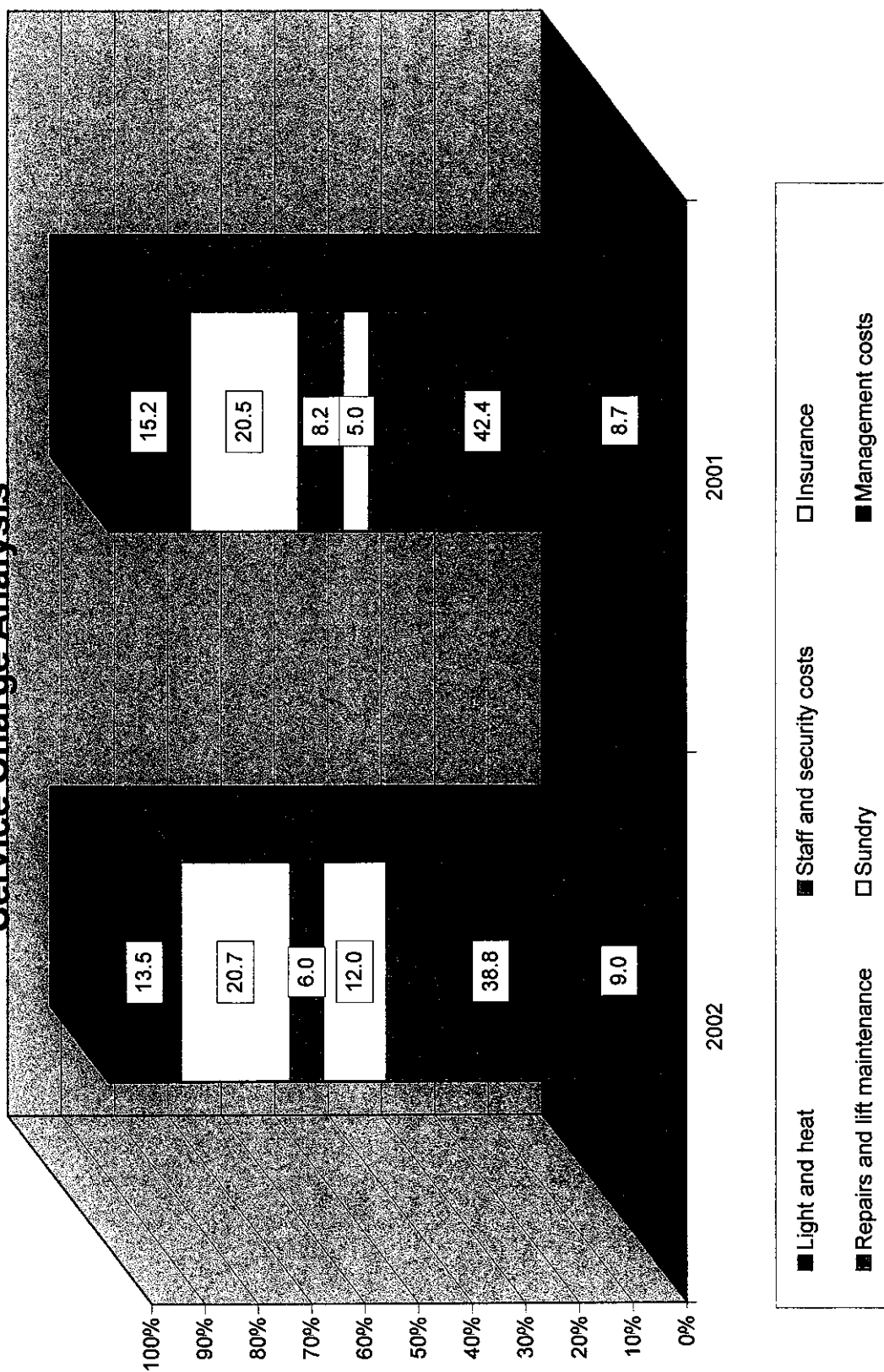
DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2002

	2002 £	2001 £
Brought forward	(330,835)	(107,306)
Loss on disposal of fixed assets	<u>49,640</u>	<u>-</u>
	(380,475)	(107,306)
Other interest	<u>16,943</u>	<u>26,730</u>
	(363,532)	(80,576)
Inland Revenue interest	<u>1,068</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES	<u>(364,600)</u>	<u>(80,576)</u>

CHESTERFIELD HOUSE MANAGEMENT LIMITED

Service Charge Analysis



CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO ANALYSIS OF SERVICE CHARGE EXPENSES

YEAR ENDED 31ST MARCH 2002

1. HEATING

The unusually high increase in heating cost has resulted from the gas industry's unexpectedly high lift in the charges they imposed against our budgeted expenditure based on previous favourable arrangements.

2. INSURANCE

The exceptionally high increase in insurance premiums against those paid last year resulted from our past high claims record and hardening of the insurance market. However, it is felt worthy of note that we had budgeted to have to spend some £8,000 more than was the case.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

ANALYSIS OF REPAIRS AND MAINTENANCE ACCOUNTS

YEAR ENDED 31ST MARCH 2002

	2002		2001	
	£	£	£	£
BUILDING MAINTENANCE				
Steel window repairs	1,740		5,653	
Roofing and elevation repairs	337,279		124,118	
Car Park Resurfacing	357		-	
Flat repairs and equipment	5,990		18,215	
Water tanks	1,507		3,343	
West Block Rainwater Pipes	20,770		-	
Plumbing	4,064		752	
Pump Repairs	1,010		-	
Replace garage drain	552		-	
Drainage inspection and cleaning	-		4,465	
Pushlocks and eyebolts	3,727		3,432	
Sundry	5,412		4,112	
Boiler room redecoration	-		11,617	
		382,408		175,707
DECORATIONS				
Car Park Railings Decoration	1,137		-	
Boardroom decoration	588		-	
Sundry	-		2,309	
Canteen Passage Decoration	3,619		-	
Dustbin area decoration	646		-	
Resurface north block stairway	6,897		-	
Repairs to commonways decor	5,473		-	
		18,360		2,309
OTHER BUILDING AND REFURBISHMENT WORKS				
Lift guards/works	17,332		-	
Carpet cleaning	8,129		-	
Gardens landscaping	12,927		-	
Canopy adjustment - health and Safety	730		-	
Heat exchanger and pressure unit	-		14,573	
Lift motor and gear unit	-		9,517	
Water stopcocks	-		31,771	
Flooring	-		6,001	
		39,118		61,862
PROFESSIONAL FEES				
Surveyors, consulting engineers etc		4,498		7,796
SECURITY				
Keyless door system		-		5,341
Door contacts.floodlights		3,443		-
Roof top cameras		4,348		-
		452,175		253,015

CHESTERFIELD HOUSE MANAGEMENT LIMITED

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING

I/We

of

being a member of the above named Company, hereby appoint the Chairman of the meeting or as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 6 p.m. on Tuesday 9th July 2002, at the Shelburne Room, Lansdowne Club, 9 Fitzmaurice Place, Berkeley Square, London W1X 6JD for the following purposes: , and at any adjournment thereof.

Please delete as appropriate below to indicate how you wish your votes to be cast:

RESOLUTION 1. To receive and adopt the Directors' report and financial statements for the year ended 31st March 2002. **FOR / AGAINST**

RESOLUTION 2. To re-appoint S W Frankson & Co as auditors and to authorise the Directors to fix their remuneration. **FOR / AGAINST**

RESOLUTION 3.
To re-elect Sir Colin R Corness as a Director of the Company. **FOR / AGAINST**

RESOLUTION 4.
To re-elect Mr D W Roberts as a Director of the Company. **FOR / AGAINST**

RESOLUTION 5.
To confirm the appointment of Mr S A Sherif as a Director of the Company. **FOR / AGAINST**

Signature Date 20

Number of shares held:

Notes:

- A member may appoint a proxy of his/her own choice. If such an appointment is made, delete the words "the Chairman of the meeting" and insert the name of the person appointed proxy in the space provided.
- In the case of joint holders, the signature of any holder will be sufficient, but the names of all the joint holders should be stated.
- If this form is returned without any indication as to how the person appointed proxy shall vote, he/she will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
- To be valid, this form must be completed and deposited at the Company's registered office; Chesterfield House, South Audley Street, London, W1K 1HA, not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.