

47/60 CHENISTON GARDENS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

ALVIS & COMPANY

Milton House
33A Milton Road
Hampton
Middlesex TW12 2LL



Company No: 1770915

47/60 CHENISTON GARDENS LIMITED

CONTENTS	Page
Directors' Report	1
Auditors' Report	2
Income and Expenditure Account	3
Balance Sheet	4
Notes to the Accounts	5/6
Auditor's Report to the Maintenance Trustee	7
Cost of Landlords Services Schedule	8/9

REPORT OF THE DIRECTORS

The directors present their Report and Financial Statements for the year ended 31 March 1998.

DIRECTORS RESPONSIBILITIES

The directors are required by law to prepare financial statements for each financial year 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 or loss and total recognised gains or losses of the company for that period. The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 March 1998. The directors also confirm their responsibility to 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 maintaining adequate accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of acquiring the freehold property known as 47-60 Cheniston Gardens in the Royal Borough of Kensington and Chelsea and to control, supervise, maintain and manage the same for the benefit of the lessees of the residential flats comprised therein.

DIRECTOR'S INTERESTS

The directors who served during the year had the following interests in the shares of the company at the beginning and end of the year.

	Ordinary Shares of £1 each	
	1998	1997
B Vassiliou	1800	1800
M Makhzoumi	-	-
G Matta	-	-
A Phares	-	-

DIVIDENDS

The directors do not recommend the payment of a dividend (1997:Nil).

AUDITORS

A resolution to re-appoint Messrs Alvis & Company in accordance with Section 384(1) of the Companies Act 1985 will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


DIRECTOR

**AUDITOR'S REPORT
TO THE MEMBERS OF 47/60 CHENISTON GARDENS LIMITED**

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Responsibilities of Directors and Auditors

As described 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 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.

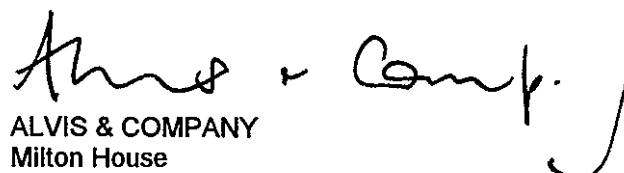
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 March 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended, applicable to small companies.

Date..... 25.1.1999


ALVIS & COMPANY
Milton House
33A Milton Road
Hampton
Middlesex TW12 2LL

REGISTERED AUDITOR

47/60 CHENISTON GARDENS LIMITED

3.

**Income and Expenditure Account
for the year ended 31 March 1998**

	Note	1998 £	1997 £
Charges to owner occupiers	1(c)	96417	121983
Property Management expenses		(32584)	(72071)
		<hr/>	<hr/>
SURPLUS		63833	49912
Administrative expenses	2	(18975)	(13405)
		<hr/>	<hr/>
SURPLUS OF SERVICE CHARGES OVER ACTUAL EXPENDITURE		44858	36507
Interest receivable		1773	837
		<hr/>	<hr/>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		46631	37344
Taxation		(408)	(105)
		<hr/>	<hr/>
SURPLUS AFTER TAXATION		46223	37239
Transfer to provision for liabilities and charges	6	(26453)	(25732)
		<hr/>	<hr/>
SURPLUS FOR THE YEAR		19770	11507
ACCUMULATED (DEFICIT)/SURPLUS AT BEGINNING OF YEAR		(15193)	(26700)
		<hr/>	<hr/>
ACCUMULATED SURPLUS/(DEFICIT) AT END OF YEAR		4577	(15193)
		<hr/>	<hr/>

47/60 CHENISTON GARDENS LIMITED**Balance Sheet
as at 31 March 1998**

	Note	1998 £	1997 £
FIXED ASSETS			
Freehold interest	1(b)	35418	35418
CURRENT ASSETS			
Debtors	3	21252	12837
Cash at bank		65690	38230
		<hr/>	<hr/>
		86942	51067
CREDITORS: Amounts falling due within one year	4	(8264)	(16582)
		<hr/>	<hr/>
NET CURRENT ASSETS		78678	34485
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		114096	69903
CREDITORS: Amounts falling due after more than one year	5	(15709)	(15709)
		<hr/>	<hr/>
		98387	54194
PROVISIONS FOR LIABILITIES & CHARGES	6	(70510)	(46087)
		<hr/>	<hr/>
		27877	8107
		<hr/>	<hr/>
Represented by:			
SHARE CAPITAL AND RESERVES			
Share Capital	7	23300	23300
Income and expenditure account	8	4577	(15193)
		<hr/>	<hr/>
		27877	8107
		<hr/>	<hr/>

.....*M. Makhzoumi*..... Director
M Makhzoumi

.....22.1.1999..... Date

**Notes to the Financial Statements
for the year ended 31 March 1998**

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared under the historic cost convention.

b) Depreciation

No depreciation is provided on the freehold interest as in the opinion of the directors the market value exceeds the book value of the accounts.

c) Charges to owner occupiers

This amount includes service charges estimated for the year and the provision made for Maintenance and Replacement, plus any deficit, or less any surplus, arising from the previous year.

d) The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2. ADMINISTRATIVE EXPENSES

	1998	1997
	£	£
Included in administrative expenses is:		
Audit fee - current year	1762	1058
- underprovision previous years	264	5
	<hr/>	<hr/>

3. DEBTORS

Debtor	326	-
Prepayments	5363	5105
Service charge arrears	15563	7732
	<hr/>	<hr/>
	21252	12837
	<hr/>	<hr/>

**4. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

Accruals	3638	1297
Corporation tax payable	52	105
Deposit held	4574	-
Service charges received in advance	-	15180
	<hr/>	<hr/>
	8264	16582
	<hr/>	<hr/>

**5. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR**

Shareholders loans	15709	15709
	<hr/>	<hr/>

47/60 CHENISTON GARDENS LIMITED

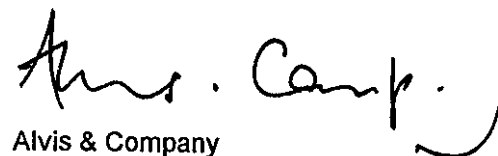
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**Notes to the Financial Statements (continued)
for the year ended 31 March 1998**

	1998 £	1997 £
6. PROVISIONS FOR LIABILITIES & CHARGES		
Maintenance & Replacement Provision		
Balance at beginning of year	46087	20355
Add: Provision for the year	25000	25000
Net interest receivable	1453	732
Adjustment previous years	-	-
	<hr/>	<hr/>
	72540	46087
 Less: Expenditure during the year:		
External repairs & redecoration	(2030)	-
	<hr/>	<hr/>
 BALANCE AT YEAR END	 70510	 46087
	<hr/>	<hr/>
 7. PAID UP SHARE CAPITAL		
Authorised		
25000 Ordinary Shares of £1 each	25000	25000
	<hr/>	<hr/>
 Allotted, Issued & Fully Paid		
23300 Ordinary Shares of £1 each	23300	23300
	<hr/>	<hr/>
 8. RESERVES		
Income and expenditure b/fwd	(15193)	(26700)
Surplus/(Deficit) for the year	19770	11507
	<hr/>	<hr/>
	4577	(15193)
	<hr/>	<hr/>

**AUDITORS' REPORT TO THE MAINTENANCE TRUSTEE
47/60 CHENISTON GARDENS LIMITED**

We hereby certify that the annexed statement of Landlords Services Costs for the year ended 31 March 1998 is in our opinion a fair summary within the meaning of the Housing Act 1980 of the landlords relevant costs for the year, and that it is set out in a way which shows how these costs have been reflected in demands for Service Charges and is sufficiently supported by accounts, receipts and other documents which have been presented to us.



Alvis & Company
Registered Auditor

25.1.99

47/60 CHENISTON GARDENS LIMITED**Cost of Landlord's Services
year ended 31 March 1998**

	1998 £	1997 £
HOUSE KEEPING		
Porters wages	11900	15231
Uniforms	220	516
Porters council tax	1206	307
Water rates on porter's flat	444	212
Electricity for porter's flat	273	317
Porters telephone	433	587
Repairs & decorations	206	14107
Security	-	18276
	<hr/>	<hr/>
	14682	49553
GENERAL EXPENSES		
Day to day repairs	2392	6082
Gardening	23	2265
Cleaning of drains	653	936
Window cleaning	199	351
Fire extinguisher maintenance	69	-
Sundries	-	237
General cleaning & materials	7366	1522
Water hygiene	675	-
	<hr/>	<hr/>
	11377	11393
LIGHT, HEAT & ELECTRICITY		
General lighting & electricity	1996	2061
Light bulbs	206	122
Gas for hot water	1719	1744
	<hr/>	<hr/>
	3921	3927
LIFT & BOILER MAINTENANCE AND REPAIRS		
Boilers	962	4701
Lifts	1642	2497
	<hr/>	<hr/>
	2604	7198
	<hr/>	<hr/>
	32584	72071
ADMINISTRATIVE EXPENSES		
Entryphone	728	1089
TV Aerial	152	286
Insurance	6148	6537
Audit fee - current year	1762	1058
- underprovision previous years	-	5
Legal & professional	6279	-
Company registration fee	15	15
Bank charges	-	9
Management fee	3891	4406
	<hr/>	<hr/>
	18975	13405
	<hr/>	<hr/>
	51559	85476

47/60 CHENISTON GARDENS LIMITED
Cost of Landlord's Services (continued)
year ended 31 March 1998

	1998	1997
	£	£
TOTAL EXPENSES	51559	85476
 Provision for Maintenance & Replacement (Clause 8 (ii) of the lease agreement)	 25000	 25000
	<hr/>	<hr/>
	76559	110476
 Service Charges Receivable & Costs Recharged	 96417	 94176
	<hr/>	<hr/>
SURPLUS/(DEFICIT RECEIVABLE) FOR YEAR	19858	(16300)
	<hr/>	<hr/>