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47/60 CHENISTON GARDENS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996

ALVIS & COMPANY

Milton House
33A Milton Road
Hampton
Middlesex TW12 2LL



47/60 CHENISTON GARDENS LIMITED

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47/60 CHENISTON GARDENS LIMITED**REPORT OF THE DIRECTORS**

The directors present their Report and Financial Statements for the year ended 31 March 1996.

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 1996. 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	
	1996	1995
B Vassiliou	1800	1800
M Makhzoumi	-	-
G Matta	-	-
A Phares	-	-

DIVIDENDS

The directors do not recommend the payment of a dividend (1995: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


 A Vassiliou
 Secretary

**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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended, applicable to small companies.

Date..... 9.9.96


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 1996

	Note	1996 £	1995 £
Charges to owner occupiers	1(c)	56128	55486
Property Management expenses		(55114)	(29754)
SURPLUS		<u>1014</u>	<u>25732</u>
Administrative expenses	2	(12874)	(11478)
(DEFICIT)/SURPLUS OF SERVICE CHARGES OVER ACTUAL EXPENDITURE		<u>(11860)</u>	<u>14254</u>
Interest receivable		915	2987
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(10945)</u>	<u>17241</u>
Taxation		(79)	(105)
(DEFICIT)/SURPLUS AFTER TAXATION		<u>(11024)</u>	<u>17136</u>
Transfer to provision for liabilities and charges	6	(15836)	(17882)
ACCUMULATED DEFICIT for the year		<u>(26860)</u>	<u>(746)</u>
ACCUMULATED SURPLUS at beginning of year		<u>160</u>	<u>906</u>
ACCUMULATED (DEFICIT)/SURPLUS		<u>(26700)</u>	<u>160</u>


47/60 CHENISTON GARDENS LIMITED

4.

Balance Sheet
as at 31 March 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Freehold interest	1(b)	35418	35418
CURRENT ASSETS			
Debtors	3	7334	10997
Cash at bank		29848	9671
		<hr/>	<hr/>
		37182	20668
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	4	39936	8773
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		(2754)	11895
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		32664	47313
CREDITORS: Amounts falling due after more than one year	5	15709	15709
		<hr/>	<hr/>
		16955	31604
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES & CHARGES	6	20355	8144
		<hr/>	<hr/>
		(3400)	23460
		<hr/>	<hr/>
Represented by:			
SHARE CAPITAL AND RESERVES			
Share Capital	7	23300	23300
Income and expenditure account		(26700)	160
		<hr/>	<hr/>
		(3400)	23460
		<hr/>	<hr/>


..... Director
M Makhzoumi


..... Director
G Matia

6.9.96
..... Date

**Notes to the Financial Statements
for the year ended 31 March 1996**

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, less the current year deficit on the Landlords Cost schedule.

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

	1996	1995
	£	£
Included in administrative expenses is:		
Audit fee - current year	1058	1058
- overprovision previous years	-	(112)
	<hr/>	<hr/>
	1058	946
	<hr/>	<hr/>

3. DEBTORS

Prepayments	7167	6458
Other debtors	167	4539
	<hr/>	<hr/>
	7334	10997
	<hr/>	<hr/>

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

Accruals	3193	2571
Corporation tax payable	79	105
Service charges received in advance	36664	6097
	<hr/>	<hr/>
	39936	8773
	<hr/>	<hr/>

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

Shareholders funds	15709	15709
	<hr/>	<hr/>

47/60 CHENISTON GARDENS LIMITED

Notes to the Financial Statements (continued)
for the year ended 31 March 1996

	1996 £	1995 £
6. PROVISIONS FOR LIABILITIES & CHARGES		
Maintenance & Replacement Provision		
Balance at beginning of year	8144	104883
Add: Provision for the year	15000	15000
Net interest receivable	836	2881
Adjustment previous years	306	(3915)
	<hr/>	<hr/>
	24286	118849
Less: Expenditure during the year:		
Replace balcony supports	-	(1967)
Painting of glazed brickwork to inner lightwell and perimeter railings	-	(770)
Redecorate entrance hallway	-	(881)
Installation of closed circuit television camera + maint.	-	(3768)
Installation of Satellite & cables	-	(3083)
Waste pipe renewal	-	-
External repairs & redecoration	(3931)	(93980)
F & H Management professional fees	-	(6256)
	<hr/>	<hr/>
BALANCE AT YEAR END	20355	8144
	<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/>

**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 1996 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

47/60 CHENISTON GARDENS LIMITED**Cost of Landlord's Services**
year ended 31 March 1996

	1996		1995
	£		£
HOUSE KEEPING			
Porters wages	6902		10732
Porters redundancy	8911		-
Uniforms	349		377
Porters council tax	568		500
Water rates on porter's flat	201		190
Electricity for porter's flat	555		472
Repairs & decorations	879		-
Security	19765		-
	<hr/>	38130	<hr/> 12271
GENERAL EXPENSES			
Day to day repairs	6208		4822
Gardening	1267		1331
Cleaning of drains	824		726
Window cleaning	344		310
Telephone	642		376
Fire extinguisher maintenance	74		295
Cleaning materials	95		9
Sundries	31		15
General cleaning	423		-
Water hygiene	306		-
	<hr/>	10214	<hr/> 7884
LIGHT, HEAT & ELECTRICITY			
General lighting & electricity	2017		1893
Light bulbs	52		268
Gas for hot water	2025		2978
	<hr/>		<hr/>
		4094	5139
LIFT & BOILER MAINTENANCE AND REPAIRS			
Boilers	1155		2994
Lifts	1521		1466
	<hr/>		<hr/>
		2676	4460
		<hr/> 55114	<hr/> 29754
ADMINISTRATIVE EXPENSES			
Entryphone	327		239
TV Aerial	72		-
Insurance	6247		6225
Audit fee - current year	1058		1058
- underprovision previous years	-		(112)
Legal & professional	899		-
Company registration fee	18		18
Bank charges	-		(4)
Management fee	4230		4054
Company seal	23		-
	<hr/>	12874	<hr/> 11478
		<hr/> 67988	<hr/> 41232

47/60 CHENISTON GARDENS LIMITED
Cost of Landlord's Services (continued)
year ended 31 March 1996

	1996	1995
	£	£
TOTAL EXPENSES	67988	41232
Provision for Maintenance & Replacement (Clause 8 (ii) of the lease agreement)	15000	15000
	<hr/>	<hr/>
	82988	56232
Service Charges Receivable & Costs Recharged	55180	55284
	<hr/>	<hr/>
(DEFICIT RECEIVABLE)/SURPLUS FOR YEAR	(27808)	(948)
	<hr/>	<hr/>