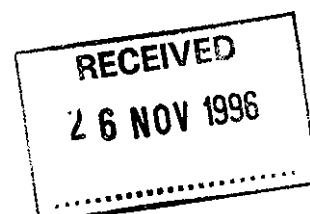


NO 46 MANAGEMENT COMPANY LIMITED

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

Company No. 2090883 (England and Wales)



ELLIOT, WOOLFE & ROSE
CHARTERED ACCOUNTANTS
PREMIER HOUSE
112 STATION ROAD, EDGWARE
MIDDLESEX, HA8 7TT

NO 46 MANAGEMENT COMPANY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH 1996

The directors present their report together with the audited accounts for the year ended 31st March 1996.

Principal Activities

The company's principal activity of the company is to act as management trustee of the property situated at 46 Upper Grosvenor Street, London W1X 9PG. The management is conducted on a non-profit making basis.

Directors

The director who served during the year and their beneficial interests in the company's issued share capital was:

Ordinary shares of £1 each

	31st March 1996	1st April 1995
Babylon Investments Ltd	-	-

Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the director is required to:

Select suitable accounting policies and then apply them consistently;

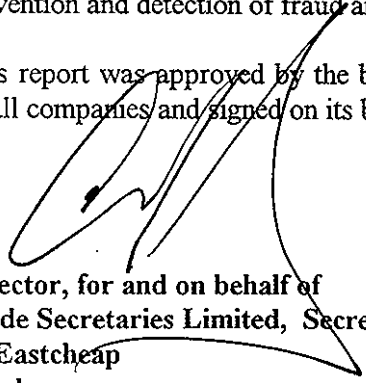
Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The director is 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 the accounts 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.

This report was approved by the board on 29th September 1996, taking advantage of special exemptions available to small companies and signed on its behalf by:-



Director, for and on behalf of
Clyde Secretaries Limited, Secretary
51 Eastcheap
London
EC3M 1JP

AUDITORS' REPORT TO THE SHAREHOLDERS OF NO 46 MANAGEMENT COMPANY LIMITED

We have audited the accounts on pages 3 to 4, which have been prepared under the historical cost convention, and the accounting policies set out on page 4.

Respective Responsibilities of the Director and Auditors

As described on page 1 the company's director is responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

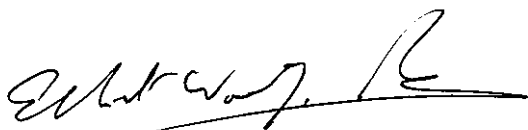
Basis of Opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts and 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Elliot, Woolfe & Rose
Chartered Accountants
and Registered Auditor
12th Floor
Premier House
112 Station Road
Edgware, Middlesex
HA8 7TT
Date: 29th September 1996

NO 46 MANAGEMENT COMPANY LIMITED


BALANCE SHEET

AS AT 31ST MARCH 1996

	Notes	1996	1995
		£	£
Current Assets			
Sundry debtors		96	96
		<u>96</u>	<u>96</u>
Capital and Reserves			
Share capital	3	96	96
		<u>96</u>	<u>96</u>

The director has taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985 on the grounds that, in the opinion of the director, the company qualifies as a small company and is entitled to make use of the special exemptions.

These accounts were approved by the board on 29th September 1996 and signed on its behalf by:-


Babylon Investments Ltd
Director

NO 46 MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

Terms of Reference

Under the terms of their leases, the costs of the company's activities in managing and maintaining 46 Upper Grosvenor Street, London W1 are met in full by the lessees and accordingly the company makes neither profit nor loss on its activities.

The service charge contributions paid by the lessees towards the company's costs are held in trust by the company for the lessees benefit in accordance with Section 42 of the Landlord and Tenant Act 1987. The company has no beneficial interest in these funds and consequently they have been excluded from these Financial Statements.

2 Administrative Expenses

The audit fee and other minor administrative costs have been borne by the service charge trust.

3 Share Capital

Authorised

1 "A" Ordinary share of £4

24 "B" Ordinary shares of £4 each

1996
£

1995
£

4

4

96

96

100

100

Issued

1 "A" Ordinary share of £4

23 "B" Ordinary shares of £4 each

4

4

92

92

96

96