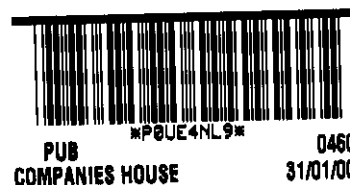


81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED

ANNUAL REPORT AND STATUTORY ACCOUNTS

for the year ended

31ST MARCH 1999



Handyside & Company  
Chartered Accountants  
The Mews  
4 Cathedral Road  
Cardiff CF11 9RF

81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED

ACCOUNTING PERIOD YEAR ENDED 31ST MARCH 1999

CONTENTS

Page No

|   |                                 |
|---|---------------------------------|
| 1 | Statutory and other information |
| 2 | Directors report                |
| 3 | Accountants report              |
| 4 | Profit and loss account         |
| 5 | Balance sheet                   |
| 6 | Notes to the accounts           |

81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED

ACCOUNTING PERIOD YEAR ENDED 31ST MARCH 1999

STATUTORY AND OTHER INFORMATION

DIRECTORS

C H Giles  
B E Dell 'Aglia  
V Vaghela  
H S Giles

SECRETARY

J D Reeken

REGISTERED  
OFFICE

81 Elizabeth Street  
Eaton Square  
London SW1W 9PG

REGISTERED  
NUMBER

2355246 (England & Wales)

ACCOUNTANTS

Handyside & Company  
Chartered Accountants  
The Mews  
4 Cathedral Road  
Cardiff CF11 9RF

SOLICITORS

Herbert Smith  
Exchange House  
Primrose Street  
London EC2A 2HS

MANAGING  
AGENTS

Best Gapp & Cassells  
81 Elizabeth Street  
Eaton Square  
London SW1W 9PG

81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED

ACCOUNTING PERIOD YEAR ENDED 31ST MARCH 1999

DIRECTORS REPORT

The directors present their report with the statutory accounts of the Company for the year ended 31st March 1999.

Principal activity

The principal activity of the Company is to co-ordinate for the tenants the management, maintenance, insurance, collection of ground rents and service charges of the property known as 81 Cadogan Place, London SW1.

The profit and loss account for the year is set out on page 4.

Dividend

The payment of dividends is precluded by clause 7 of the Memorandum of Association as the Company's income is applied solely towards the maintenance of 81 Cadogan Place.

Directors

The present directors are set out on page 1.

The directors in office in the year under review were:

S Berman (resigned 25th March 1999)

C H Giles

B E Dell'Aglia (appointed 8th January 1999)

V Vaghela (appointed 8th January 1999)

H S Giles (appointed 25th March 1999)

R H Wharton (appointed 25th March 1999)

Other than Mrs B E Dell'Aglia who was interested in 11 ordinary shares in the Company, no other director had any interest in the issued ordinary share capital of the Company throughout the year under review.

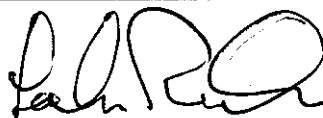
Auditors

The Company has taken advantage of the exemption conferred by the Companies Act 1985 (Audit Exemptions) Regulations 1994 from having its accounts audited.

Statement

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



Approved by the board:  
22nd October 1999

J D Reeken  
Secretary

81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED

ACCOUNTING PERIOD YEAR ENDED 31ST MARCH 1999

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF  
81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st March 1999, set out on pages 4 to 6, and you consider that the Company is exempt both from an audit and a report under section 249A(2) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



The Mews  
4 Cathedral Road  
Cardiff CF11 9RF  
22nd October 1999

Handyside & Company  
Chartered Accountants

81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED

ACCOUNTING PERIOD YEAR ENDED 31ST MARCH 1999

PROFIT AND LOSS ACCOUNT

|   | <u>1999</u><br>£ | <u>1998</u><br>£ |
|---|------------------|------------------|
| <u>TURNOVER</u>   |                  |                  |
| Service charge contributions                                | 77,454           | 44,396           |
| <u>OPERATING EXPENSES</u>                                   |                  |                  |
| Property and management expenses                            | 76,632           | 44,962           |
|   | <hr/>            | <hr/>            |
| <u>OPERATING PROFIT (LOSS)</u>                              | 822              | (566)            |
| <u>ADMINISTRATIVE EXPENSES</u>                              |                  |                  |
| Accountancy charges   | 822              | 588              |
|   | <hr/>            | <hr/>            |
|   | -                | (1,154)          |
| <u>OTHER OPERATING INCOME</u>                               |                  |                  |
| Interest receivable   | -                | 1,499            |
|   | <hr/>            | <hr/>            |
| <u>PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u> | -                | 345              |
| <u>UNITED KINGDOM TAXATION</u>                              |                  |                  |
| On ordinary activities                                      | -                | 345              |
|   | <hr/>            | <hr/>            |
| <u>RETAINED PROFIT (LOSS) FOR YEAR</u>                      | -                | -                |
| <u>RETAINED PROFITS (LOSSES) - brought forward</u>          | -                | -                |
|   | <hr/>            | <hr/>            |
| <u>RETAINED PROFITS - carried forward</u>                   | -                | -                |
|   | <hr/>            | <hr/>            |

CONTINUING OPERATIONS

All of the Company's activities in the above two financial years were derived from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the disclosed result for the above two financial years.

81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED  
ACCOUNTING PERIOD YEAR ENDED 31ST MARCH 1999

BALANCE SHEET AS AT 31ST MARCH 1999

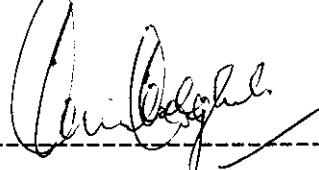
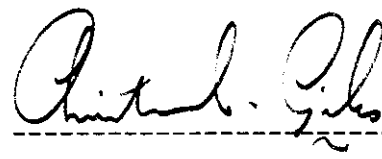
|   | <u>1999</u><br>£ | <u>1998</u><br>£ |
|---|------------------|------------------|
| <u>CURRENT ASSETS</u>                                 |                  |                  |
| Tenant debtors  | 64,825           | 4,716            |
| Funds with managing agents                            | 10,540           | 3,077            |
|   | <hr/>            | <hr/>            |
|   | 75,365           | 7,793            |
|   | <hr/>            | <hr/>            |
| <u>CREDITORS:</u> Amounts falling due within one year |                  |                  |
| Creditors and accruals                                | 62,770           | 7,449            |
| Deferred income                                       | 12,495           | 259              |
|   | <hr/>            | <hr/>            |
|   | 75,265           | 7,708            |
|   | <hr/>            | <hr/>            |
| <u>NET CURRENT ASSETS</u>                             | 100              | 85               |
|   | <hr/>            | <hr/>            |
| <u>CAPITAL AND RESERVES</u>                           |                  |                  |
| Called up share capital                               | 100              | 85               |
| Profit and loss account                               | -                | -                |
|   | <hr/>            | <hr/>            |
|   | 100              | 85               |
|   | <hr/>            | <hr/>            |

Directors' statement

For the financial year ended 31st March 1999, the Company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibility for ensuring that the Company keeps accounting records which comply with section 221 Companies Act 1985 and preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the Company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors

|  |   |
|--|---|
| <br><u>V Vaghela</u><br><u>Director</u> | <br><u>C H Giles</u><br><u>Director</u> |
|--|---|

Approved by the board: 22nd October 1999

81 CADOGAN PLACE MANAGEMENT COMPANY LIMITED  
ACCOUNTING PERIOD YEAR ENDED 31ST MARCH 1999

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following accounting policies have been consistently used in dealing with items which are considered material in relation to the Company's accounts.

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied and consists entirely of service charges levied upon tenants, less such relevant proportion thereof attributable to future accounting periods.

Cash flow statement

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

2. TAXATION

As the Company provides services to its members no provision to United Kingdom corporation tax.

3. CALLED UP SHARE CAPITAL

1999

1998

Authorised

|                                |     |     |
|--------------------------------|-----|-----|
| 100 ordinary shares of £1 each | 100 | 100 |
|                                | —   | —   |

Allotted, called up and fully paid

|                               |     |    |
|-------------------------------|-----|----|
| 85 ordinary shares of £1 each | 100 | 85 |
|                               | —   | —  |

During the year 15 ordinary shares of £1 each were issued for consideration under the terms of the building's lease agreements whereby new tenants are allocated shares in the Company.

4. RELATED PARTY TRANSACTIONS

The Company is controlled by a voting majority of its members and, accordingly, there is no controlling related party. Service charges and ground rent are recovered from the members, including directors.