

37 SLOANE GARDENS MANAGEMENT COMPANY LIMITED

Directors' Report

The directors hereby submit their report and the financial statements of the Company for the period 19 May 1998 (date of incorporation) to 31 May 1999.

Principal Activities

The company's main activity is to manage the property known as 37 Sloane Gardens, Chelsea SW1W 8EB. The Company had not commenced its activities at the year end as management of the Company had not passed to the members. The company did not trade during the period.

Directors and their Interests

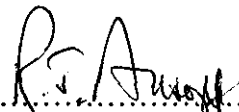
The director of the Company, who served during the period is shown below and its non-beneficial interest in the share capital of the Company is as follows:

		<u>Ordinary shares of £1</u>	
	<u>Appointed</u>	31.5.99	19.5.98
Penningtons Directors (No.1) Limited	19 May 1998	1	1

On 3 February 2000 Penningtons Directors (No. 1) Limited resigned as a director and Mr J Cadbury, Ms M Gregotti, Lt Col. A F Ashbrooke, Ms S Stillianova and Mrs K Hoyer were appointed directors of the Company.

In preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 of the Companies Act 1985.

BY ORDER OF THE BOARD


.....
For and on behalf of
Pennsec Limited

1st Floor
Bucklersbury House
83 Cannon Street
London EC4N 8PE

Dated: 13 March 2000



37 SLOANE GARDENS MANAGEMENT COMPANY LIMITED

Balance Sheet as at 31 May 1999

	<u>1999</u>
CURRENT ASSETS	£1
Debtors	
NET CURRENT ASSETS	<u>£1</u> ==
CAPITAL AND RESERVES	
Share capital:	
Authorised: 5 ordinary shares of £1 each	
Issued & uncalled: 1 ordinary share of £1	£1
TOTAL CAPITAL EMPLOYED	<u>£1</u> ==

In preparing these financial statements:

- (a) The directors are of the opinion that the Company is entitled to the exemption from audit conferred by Section 249(1) of the Companies Act 1985:
- (b) Shareholders holding 10% or more of the Company's share capital have not issued a notice requiring an audit:
- (c) The directors acknowledges their responsibilities for:
 - (i) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the Company.

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985; and

- (b) In the directors opinion the Company is entitled to these exemptions as a small company.

Approved by the directors on 13 March 2000.

A handwritten signature in black ink, appearing to be 'Robert H. Brown', written over a dotted line.

Director

37 SLOANE GARDENS MANAGEMENT COMPANY LIMITED

Notes to the Financial Statements for the period
ended 31 May 1999

1. **Accounting policies**

These financial statements have been prepared under the historical cost convention and in accordance with appropriate accounting standards.

2. **Taxation**

The purpose of the Company is to defray the expenses of the management of the property making neither profit nor loss. No liability to taxation therefrom on any short term surpluses.