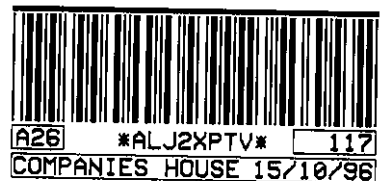


216 2901

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED  
A COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)

ACCOUNTS  
FOR THE YEAR ENDED  
31ST MARCH 1996



ALLIOTTS  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED  
COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)  
REPORT OF THE DIRECTORS FOR THE YEAR ENDED  
31ST MARCH 1996

Directors: Mrs. C. Knapp-Fisher  
Mr. B.C. Parker  
Mr. E.J.A. Marquis

The directors submit their report and the accounts for the year ended 31st March 1996.

1. Statement of directors' responsibilities

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and 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 directors are 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 that 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.

2. Activities of the company

The activities of the company have been confined to the ownership and management of the property 12-14 Clifton Gardens, London, W9.

3. Review of the business

The results for the year are set out in the Income and Expenditure Account on page 3. The surplus for the year has been transferred to Reserves. There were no significant developments in the business during the year and none are anticipated in the future. The directors consider the year end position is satisfactory.

4. Fixed assets

There were no movements in fixed assets during the year.

5. Directors and their interests

The directors who served during the year were:-

Mrs. C. Knapp-Fisher  
Mr. B.C. Parker  
Mr. E.J.A. Marquis

In accordance with the Articles of Association Mrs. C. Knapp-Fisher retires and being eligible offers herself for re-appointment.

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED  
COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED

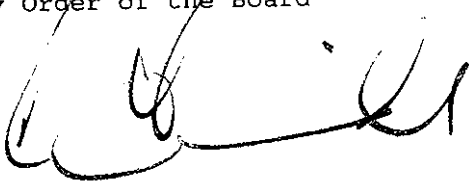
31ST MARCH 1996

(continued)

6. Auditors

Messrs. Alliotts have expressed their willingness to continue in office. In accordance with section 385 Companies Act 1985 a resolution for their re-appointment will be laid before the Annual General Meeting.

By Order of the Board



R.N. Hinde  
Secretary

Registered number:-  
England 02162905

Registered office:-  
C/O Scotts,  
Bentley House,  
4a Disraeli Road,  
London.  
SW15 2DS

*11th September* 1996

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED  
COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1996

<u>£</u>	<u>1995</u>		<u>Notes</u>	<u>£</u>	<u>1996</u>	<u>£</u>
		<u>Turnover and other operating income</u>				
11,550		Interim charges - Part I	2(a)	13,200.00		
6,200		Interim charges - Part II	2(a)	6,200.00		
		Interest receivable on funds				
92		held by Scotts		122.71		
1		Bank deposit interest		204.64		
						19,727.35
17,843		<u>Less other operating charges</u>				
		<u>Part I External structure</u>				
808		Gardens		1,302.16		
4,829		Insurance - building		5,073.04		
872		Audit fee		908.28		
235		Secretarial fee		235.00		
1,280		Management fee		1,378.43		
300		Repairs		370.12		
97		Sundry expenses		60.70		
				9,327.73		
8,421						
		<u>Part II Common parts</u>				
545		Lift maintenance		478.58		
568		Electricity		560.97		
212		Lift insurance		197.77		
198		Lift telephone		211.40		
1,011		Door entry system		1,046.16		
68		Repairs		302.72		
676		Cleaning		692.52		
360		Management fee		386.84		
				3,876.96		
3,638						13,204.69
12,059						
		Surplus on ordinary activities				
5,784		before taxation	4			6,522.66
270		Tax on result on ordinary activities	6			82.00
5,514		Surplus for the financial year				6,440.66
		Transfers to reserve funds				
2,953		Part I	11	4,117.62		
2,561		Part II	11	2,323.04		
						6,440.66
5,514						
£ -						£ -

Note: All recognised gains and losses in the year and in the previous year have been included in the Income and Expenditure Account.

The results for the year and previous year as set out above have been derived entirely from continuing operations.

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED

A COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)

BALANCE SHEET AS AT 31ST MARCH 1996

	<u>Note</u>	<u>£</u> <u>1996</u>	<u>£</u>	<u>£</u> <u>1995</u>	<u>£</u>
<u>Fixed assets</u>					
<u>Tangible assets</u>					
Freehold property	7		1.00		1
<u>Current assets</u>					
<u>Sundry debtors</u>					
Maintenance charges 1996	2(a)	627.00		-	
Maintenance charges 1995	2(b)	-		1,108	
Maintenance charge - quarter					
due 24.3.1996	8	2,126.50		2,896	
Part I charges under collected	3	-		576	
		2,753.50		4,580	
<u>Prepayments</u>					
Door entry system		532.81		513	
Lift insurance		89.36		122	
Building insurance		2,804.84		2,700	
Gardens		-		216	
		3,427.01		3,551	
<u>Cash at bank and in hand</u>					
Scotts - maintenance		7,354.12		8,107	
Barclays Bank - deposit		10,244.76		70	
		17,598.88		8,177	
<u>Total current assets</u>		23,779.39		16,308	
<u>Creditors: amounts falling due</u>					
<u>within one year</u>					
<u>Trade and other creditors</u>					
Taxation		281.59		223	
Cleaning		59.00		57	
Electricity		51.00		52	
Telephone		17.55		17	
Scotts - management charge		1,608.28		742	
Secretarial fees		470.00		470	
Repairs		70.50		-	
Lift maintenance		81.35		79	
Rent		-		1	
		2,639.27		1,641	
carried forward		2,639.27	1.00	1,641	1

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED

A COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)

BALANCE SHEET AS AT 31ST MARCH 1996

(continued)

	Note	£	1996	£	1995	£
brought forward			2,639.27	1.00	1,641	1
Accruals and deferred income						
Lessees - maintenance in advance	8	4,850.00			4,850	
Audit - Alliotts		904.75			872	
			5,754.75		5,722	
<u>Total creditors</u>			8,394.02		7,363	
<u>Net current assets</u>				15,385.37		8,945
<u>Total assets less current liabilities</u>				£15,386.37		£8,946
<u>Capital and reserves</u>						
Called up share capital	9		-		-	
Irredeemable loans	10		1.00		1	
Reserves	11		15,385.37		8,945	
Members' funds - Equity	12		£15,386.37		£8,946	

The accounts set out on pages 3 to 9 were approved by the Board on 11th September 1996 and were signed on their behalf by:-

B.C. Parker

E.J.A. Marquis

)  
)  
) DIRECTORS  
)  
)

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED

A COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES

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

(a) Basis of accounting

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

(b) Tangible fixed assets and depreciation

Fixed assets are stated at cost.

No depreciation is provided as the directors are of the opinion that the estimated residual value will be greater than the original cost.

(c) Turnover

Turnover represents the management charges levied on the owners of the flats in 12-14 Clifton Gardens, London, W9 together with other amounts derived from the company's investments. All income is derived from the United Kingdom.

2.(a) 1996 INTERIM MAINTENANCE CHARGES

		Interim charges		Total	Received	Balance	
		Part I	Part II	interim	from	due from	
				charges	lessee	lessee	
12A	15%	1,980.00	19%	1,178.00	3,158.00	3,158.00	-
12B	7%	924.00	9%	558.00	1,482.00	1,482.00	-
12C	13%	1,716.00	16%	992.00	2,708.00	2,708.00	-
12D	7%	924.00	8%	496.00	1,420.00	1,420.00	-
12E	9%	1,188.00	12%	744.00	1,932.00	1,932.00	-
12F	7%	924.00	8%	496.00	1,420.00	1,420.00	-
12G	9%	1,188.00	11%	682.00	1,870.00	1,870.00	-
12H	14%	1,848.00	17%	1,054.00	2,902.00	2,902.00	-
14	19%	2,508.00	-	-	2,508.00	1,881.00	627.00
		£13,200.00	£6,200.00	£19,400.00	£18,773.00	£627.00	

(b) 1995 INTERIM MAINTENANCE CHARGES

	Balance due	Received	Balance due
	from lessee b/f	from lessee	from lessee c/f
12B	370.50	370.50	-
12C	71.50	71.50	-
12D	38.50	38.50	-
14	627.00	627.00	-
£1,107.50		£1,107.50	£ -

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED

A COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

(continued)

3. UNDER COLLECTIONS

Under collection Part I

		<u>Balance b/f</u>	<u>Received from lessee</u>	<u>Under collection 1996</u>	<u>Balance c/f due from lessee</u>
12A	15%	-	-	-	-
12B	7%	155.10	155.10	-	-
12C	13%	-	-	-	-
12D	7%	-	-	-	-
12E	9%	-	-	-	-
12F	7%	-	-	-	-
12G	9%	-	-	-	-
12H	14%	-	-	-	-
14	19%	421.00	421.00	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		£576.10	£576.10	£ -	£ -
		<hr/>	<hr/>	<hr/>	<hr/>

4. RESULT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
The result is stated after charging:-		
Auditors' remuneration	£908	£872
	<hr/>	<hr/>

5. DIRECTORS AND EMPLOYEES

The directors and the secretary are the only employees of the company. The directors receive no emoluments, the secretary receives a fee of £235.

6. TAX ON RESULT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
U.K. Corporation tax at 25% on interest received for the year	82.00	23
Underprovision for earlier years	-	247
	<hr/>	<hr/>
	£82.00	£270
	<hr/>	<hr/>

No tax is payable on the income received from members of the company.

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED

A COMPANY LIMITED BY GUARANTEE (and not having a SHARE CAPITAL)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

(continued)

7. FREEHOLD PROPERTY

The freehold of the property known as 12-14 Clifton Gardens, London, W9 was transferred to the company on 14th November 1990 in consideration of the payment of £1.00 and the undertaking of the lessors obligations under the terms of leases granted in respect of flats 12A to 12H (inclusive) and 14 Clifton Gardens, London, W9.

At 31st March 1996 the buildings comprising 12-14 Clifton Gardens were insured for a sum of £3,552,641.

8. MAINTENANCE CHARGES DUE 24TH MARCH 1996

<u>Flat</u>	<u>Due from lessees</u>	<u>Received from lessees</u>	<u>Due from lessees</u>
12A	789.50	789.50	-
12B	370.50	370.50	-
12C	677.00	-	677.00
12D	355.00	-	355.00
12E	483.00	483.00	-
12F	355.00	355.00	-
12G	467.50	-	467.50
12H	725.50	725.50	-
14	627.00	-	627.00
	<u>£4,850.00</u>	<u>£2,723.50</u>	<u>£2,126.50</u>

9. CALLED-UP SHARE CAPITAL

The company is limited by guarantee and members undertake to contribute a maximum of £1 in the event of a deficit on its winding up while they are members and for one year after they cease to be a member. There is no authorised or issued share capital.

10. IRREDEEMABLE LOANS

The irredeemable loans represent the contributions made by lessees for the acquisition of the freehold.

11. RESERVES

	<u>Part I expenditure</u> <u>£</u>	<u>Part II expenditure</u> <u>£</u>
Balance at 1st April 1995	2,952.71	5,992.00
Transfer from Income and Expenditure Account	4,117.62	2,323.04
	<u>£7,070.33</u>	<u>£8,315.04</u>

12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED

A COMPANY LIMITED by GUARANTEE (and not having a SHARE CAPITAL)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

(continued)

12. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Members funds		
Surplus for the financial year	6,440	5,514
Opening members' funds	8,946	3,432
	<hr/>	<hr/>
Closing members' funds	£15,386	£8,946
	<hr/>	<hr/>

AUDITORS' REPORT TO THE MEMBERS OF  
12-14 CLIFTON GARDENS (MANAGEMENT) LIMITED

We have audited the accounts on pages 3 to 9.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.


Fundamental uncertainty

The managing agents of the property maintain the company's accounting records as a separate section within a general accounting system for many similar clients. In our experience the system used by the agent is generally reliable but in isolated instances expenditure attributable to the company may, due to miscoding, be allocated to another client of the agent. The company's expenditure would, therefore, be understated by the amount of any such errors. There were no satisfactory audit procedures that we could adopt to confirm independently that all expenditure was properly recorded. In this respect alone we were unable to satisfy ourselves as to the completeness of the accounting records. Our opinion is not qualified in this respect.

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 surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Canterbury House,  
Sydenham Road,  
Croydon,  
Surrey.  
CR9 2DG

  
ALLIOTTS  
Chartered Accountants  
Registered Auditors

*1st October*

1996