

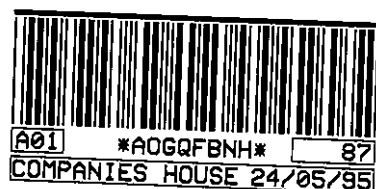
2650248

71 PARK STREET MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1994

Ian B Steinberg ACA
Chartered Accountant
Kingsville House
345a Eastern Avenue
Gants Hill, Essex
IG2 6NT



71 PARK STREET MANAGEMENT LIMITED

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71 PARK STREET MANAGEMENT LIMITED

COMPANY INFORMATION

DATE OF INCORPORATION: 1 October 1991

REGISTERED NUMBER: 2650248

DIRECTORS:
W Zinsser
A J Simons
S Thomas
A Smith
A M Peters
S Burman

SECRETARY: G Zinsser

REGISTERED OFFICE:
Upper Fielde
71 Park Street
Mayfair
LONDON
W1Y 3HB

AUDITOR:
Ian B Steinberg ACA
Chartered Accountant and
Registered Auditor
Kingsville House
345a Eastern Avenue
Gants Hill
Ilford
ESSEX
IG2 6NT

BANKERS:
Barclays Bank Plc
8 - 9 Hanover Square
LONDON
W1A 4ZW

MANAGING AGENTS:
Smith Waters
106 Jermyn Street
London SW1Y 6EE

SOLICITORS:
Landau and Scanlan
38 North Audley Street
Mayfair
London W1Y 2LS

71 PARK STREET MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 September 1994.

1. PRINCIPAL ACTIVITY

The company is principally engaged as property managers of 71 Park Street, London, W1Y 3HB.

2. RESULTS

The profit for the year after taxation amounted to £1,362 (Period ended 30 September 1993: £4,174). In view of the liabilities to loan note holders, the directors do not recommend the payment of a dividend.

The directors have seen an improvement in the company's results in the year and are confident that the company can improve its results in the foreseeable future.

3. DIRECTORS

The directors in office at the end of the year are listed below.

The interests of the directors in the shares of the company at 1 October 1993 and at 30 September 1994, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	Ordinary Shares	
	At 30/9/94	At 1/10/93
W Zinsser	1	1
A J Simons	1	1
S Thomas	1	1
A Smith	1	1
A M Peters	1	1
S Burman	1	1

4. DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and profit or loss for the year then ended. In preparing those financial statements the directors are required to:-

71 PARK STREET MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

(Continued)

4. DIRECTORS' RESPONSIBILITIES (Continued)

Select suitable accounting policies and then apply them on a consistent basis making judgements and estimates that are prudent and reasonable.

Prepare the financial statements on a going concern basis unless it is not appropriate to presume that the company would continue in business.

State whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements.

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 the directors to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. AUDITOR

Ian B Steinberg ACA, offers himself for re-appointment as auditor in accordance with section 385 of the Companies Act 1985.

On Behalf of the Board

G. Zinsser
G. Zinsser
Secretary

Upper Fielde
71 Park Street
Mayfair
LONDON
W1Y 3HB

DATE: 8/2/95

71 PARK STREET MANAGEMENT LIMITED

**REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF
71 PARK STREET MANAGEMENT LIMITED**

I have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND THE AUDITOR

As described on pages 2 and 3 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion based upon my audit, on those statements, and to report my opinion to you.

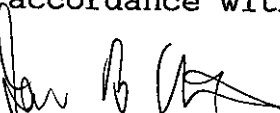
BASIS OF OPINION

I conducted my audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ian B Steinberg ACA
Chartered Accountant and
Registered Auditor
Kingsville House
345a Eastern Avenue
Gants Hill
Ilford
ESSEX
IG2 6NT

DATE: 8/2/95

71 PARK STREET MANAGEMENT LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The principal accounting policies of the company which have remained unchanged from the previous year are set out below.

TURNOVER

Turnover is the total amount receivable by the company in the ordinary course of business for rent and services provided excluding VAT.

DEPRECIATION

Depreciation is provided on the short leasehold over the 29 years of the lease remaining when this was acquired, on a straight line basis.

71 PARK STREET MANAGEMENT LIMITED

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 1994**

	Note	1994		6 Months To 30 September 1993	
		£	£	£	£
Turnover					
Service Charges	1	77,915		49,365	
Other Operating Income		18,406		11,768	
		-----		-----	
		96,321		61,133	
Service Charge Expenses		77,915		49,365	
Administrative Expenses		16,245		6,890	
		-----		-----	
		(94,160)		(56,255)	
Operating Profit		-----		-----	
		2,161		4,878	
Interest Receivable and Similar Income	3	1,625		1,205	
Interest Payable and Similar Charges	4	-		(16)	
		-----		-----	
Profit on Ordinary Activities before Taxation	1	3,786		6,067	
Tax on Profit on Ordinary Activities	5	(2,424)		(1,893)	
		-----		-----	
PROFIT FOR THE YEAR RETAINED		£1,362		£4,174	
		=====		=====	

STATEMENT OF ACCUMULATED LOSSES

At 1 October 1993	(3,041)	(7,215)
Profit for the Year	1,362	4,174
	-----	-----
At 30 September 1994	£1,679	£(3,041)
	=====	=====

The company has no recognised gains or losses other than the profit for the year.

The accounting policies and notes on pages 5 and 8 to 11 form part of these financial statements.

71 PARK STREET MANAGEMENT LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1994

	Note	1994	1993
		£	£
FIXED ASSETS			
Tangible	6	156,750	162,660
CURRENT ASSETS			
Debtors	7	11,184	24,951
Cash at Bank and in Hand		53,480	25,905
		-----	-----
		64,664	50,856
CREDITORS: DUE IN ONE YEAR	8	(50,380)	(42,545)
		-----	-----
NET CURRENT ASSETS		14,284	8,311
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		171,034	170,971
CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR	9	(172,700)	(174,000)
		-----	-----
		£(1,666)	£(3,029)
		=====	=====
CAPITAL AND RESERVES			
Called up Share Capital	10	13	12
Profit and loss Account		(1,679)	(3,041)
		-----	-----
		£(1,666)	£(3,029)
		=====	=====

The financial statements were approved by the Board of directors on

8/2 1995.
A. J. Simons;
W. J. E. J.) Directors

The accounting policies and notes on pages 5 and 8 to 11 form part of these financial statements.

71 PARK STREET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1994

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and profit before taxation are attributable to the company's property management activities. The profit on ordinary activities is stated after charging:

	1994	6 Months To 30 September 1993
	£	£
Depreciation	5,910	2,810
Auditor's Remuneration	3,173	2,993
	=====	=====

2. DIRECTORS AND EMPLOYEES

Staff costs during the year which solely relate to employees were as follows:

	1994	6 Months To 30 September 1993
	£	£
Wages	13,024	6,104
Social Security Costs	1,334	635
	-----	-----
	£14,358	£6,739
	=====	=====

There was no directors' remuneration during the year.

The average number of staff employed during the year was 1 (1993: 1).

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1994	6 Months To 30 September 1993
	£	£
Short Term Deposits	1,090	360
Tenants Overdue Payments	535	845
	-----	-----
	£1,625	£1,205
	=====	=====

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1994	6 Months To 30 September 1993
	£	£
On Bank Loans Repayable within Five Years	£-	£16
	===	===

71 PARK STREET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1994

(Continued)

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the results for the year and represents:

	1994	6 Months To 30 September 1993
	£	£
UK Corporation Tax @ 25%	£2,424	£1,893
	=====	=====

6. TANGIBLE FIXED ASSETS

	Short Leasehold £
COST	
As at 1 October 1993 and at 30 September 1994	£171,380
	=====
DEPRECIATION	
As at 1 October 1993	8,720
Charge for the Year	5,910

As at 30 September 1994	£14,630
	=====
NET BOOK VALUE	
As at 30 September 1994	£156,750
	=====
NET BOOK VALUE	
As at 30 September 1993	£162,660
	=====

7. DEBTORS

	1994	6 Months To 30 September 1993
	£	£
Rent and Service Charges	482	13,670
Prepayments	10,702	11,281
	-----	-----
	£11,184	£24,951
	=====	=====

71 PARK STREET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1994

(Continued)

8. CREDITORS: AMOUNTS DUE IN ONE YEAR

	1994	6 Months To 30 September 1993
	£	£
Rent and Service Charges in Advance	9,227	18,599
Corporation Tax	4,317	1,893
Accruals and Other Creditors	36,836	22,053
	-----	-----
	£50,380	£42,545
	=====	=====

9. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	1994	6 Months To 30 September 1993
	£	£
Loan Notes	£172,700	£174,000
	=====	=====

The movements during the year in the loan notes were as follows:

Balance at 1 October 1993	174,000	174,000
Add: Issue of Additional Loan Notes	13,385	-
Repayments to Original Loan Note Holders (to be made)	(13,385)	-
	-----	-----
	174,000	174,000
Payment of £100 each	(1,300)	-
	-----	-----
	£172,700	£174,000
	=====	=====
Number of Holders	13	12
	==	==
Sum Owing to Each Holder	£13,285	£14,500
	=====	=====

The leasehold acquired had been financed by way of the above loans which are subject to the terms of the issue.

71 PARK STREET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1994

(Continued)

10. CALLED UP SHARE CAPITAL

	1994 £	6 Months To 30 September 1993 £
Authorised		
100 Ordinary Shares of £1 each	£100	£100
	===	===
Allotted Called up and Fully Paid		
13 Ordinary Shares of £1 each	£13	£12
	===	===

During the year 1 ordinary share of £1 each was allotted for a consideration of £1.

11. CAPITAL COMMITMENTS

The company had no capital commitments at 30 September 1993 or at 30 September 1994.

12. CONTINGENT LIABILITIES

Following the receivership of the head lessee company of Flats A and B the company has not been accepting rent and service charge in relation to Flat B. The company has been accepting rent and service charge in relation to Flat A. The directors do not believe that this will lead to any claim against the company.

13. POST BALANCE SHEET EVENT

Redecoration and electrical works are due to commence after the year end at an estimated cost of £30,000.

14. STATEMENT OF CASHFLOW

The company is entitled to exemption from FRS1 (cashflow statements) by virtue of its size and no such statement is therefore presented.

15. COMPARATIVES

The comparative figures relate to the previous accounting period which was only 6 months of duration, from 1 April 1993 to 30 September 1993.