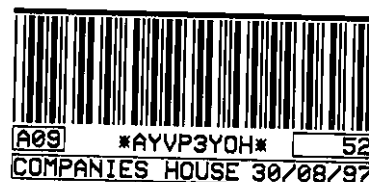


**Report of the Directors and
Financial Statements for the Year Ended 31 March 1997
for
Carlyle Mansions (Tenants) Limited**



Carlyle Mansions (Tenants) Limited

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for the Year Ended 31 March 1997**

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Carlyle Mansions (Tenants) Limited

**Company Information
for the Year Ended 31 March 1997**

DIRECTORS:

H H Biermann
Amir H K Alam
J J Studzinski
R J Pepprell
Mrs J P Pearson
J A Thompson
H van Roijen

SECRETARY:

N J Harper

REGISTERED OFFICE:

Kingsbourne House
229-231 High Holborn
London
WC1V 7DA

REGISTERED NUMBER:

963214

AUDITORS:

Hodgson Hickie
Registered Auditors
Chartered Accountants
The Old Bank
24 Battersea Park Road
London SW11 4HY

Carlyle Mansions (Tenants) Limited

Report of the Directors for the Year Ended 31 March 1997

The directors present their report with the financial statements of the company for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of control, supervision, maintenance and management of the premises known as Carlyle Mansions, Cheyne Walk, London SW3.

DIRECTORS

The directors during the year under review were:

H H Biermann
Amir H K Alam
E W Bisett - resigned 29.5.96
J J Studzinski
R J Pepprell
Mrs J P Pearson
J A Thompson
H van Roijen

The beneficial interests of the directors holding office on 31 March 1997 in the issued share capital of the company were as follows:

	31.3.97	1.4.96
1 Ordinary £1 shares		
H H Biermann	-	-
Amir H K Alam	1	1
J J Studzinski	1	1
R J Pepprell	1	1
Mrs J P Pearson	1	1
J A Thompson	1	1
H van Roijen	1	1
B Ordinary 5p shares		
H H Biermann	1	1
Amir H K Alam	1	1
J J Studzinski	-	-
R J Pepprell	1	1
Mrs J P Pearson	-	-
J A Thompson	1	1
H van Roijen	-	-

In accordance with the Articles of Association, Amir H K Alam, H H Biermann and R J Pepprell will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

Carlyle Mansions (Tenants) Limited

**Report of the Directors
for the Year Ended 31 March 1997**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

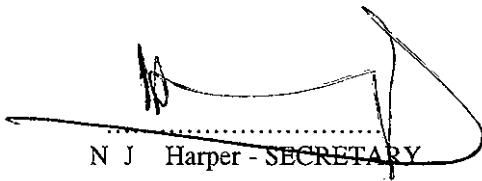
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Hodgson Hickie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing this report, the directors have taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD:



N J Harper - SECRETARY

Dated: 16 July 1997

Carlyle Mansions (Tenants) Limited

**Report of the Auditors to the Shareholders of
Carlyle Mansions (Tenants) Limited**

We have audited the financial statements on pages five to nine which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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.

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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Hodgson Hickie
Registered Auditors
Chartered Accountants
The Old Bank
24 Battersea Park Road
London SW11 4HY

Dated:


27 AUG 1997

Carlyle Mansions (Tenants) Limited

**Profit and Loss Account
for the Year Ended 31 March 1997**

		<u>31.3.97</u>	<u>31.3.96</u>
	Notes	£	£
TURNOVER	2	140,000	140,000
Cost of sales		<u>141,983</u>	<u>141,821</u>
GROSS LOSS		(1,983)	(1,821)
Administrative expenses		<u>-</u>	<u>-</u>
OPERATING LOSS	3	(1,983)	(1,821)
Interest receivable and similar income	4	<u>1,463</u>	<u>2,062</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(520)	241
Tax on (loss)/profit on ordinary activities		<u>(520)</u>	<u>241</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>-</u>	<u>-</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>-</u></u>	<u><u>-</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses for the current year or previous year.

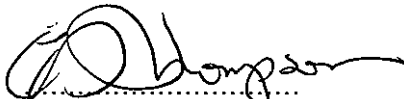
Carlyle Mansions (Tenants) Limited

**Balance Sheet
31 March 1997**

		<u>31.3.97</u>	<u>31.3.96</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	5	45,091	52,345
Cash at bank		<u>83,960</u>	<u>186,203</u>
		129,051	238,548
CREDITORS: Amounts falling due within one year	6	<u>89,382</u>	<u>76,558</u>
NET CURRENT ASSETS:		<u>39,669</u>	<u>161,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		39,669	161,990
PROVISIONS FOR LIABILITIES AND CHARGES:	7	<u>39,642</u>	<u>161,963</u>
		<u>£27</u>	<u>£27</u>
CAPITAL AND RESERVES:			
Called up share capital	8	<u>27</u>	<u>27</u>
Shareholders' funds	9	<u>£27</u>	<u>£27</u>

In preparing these financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


M A Thompson - DIRECTOR

Approved by the Board on 16 July 1997

Carlyle Mansions (Tenants) Limited

Notes to the Financial Statements for the Year Ended 31 March 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents service charge receivable.

2. TURNOVER

The turnover and loss (1996 - profit) before taxation are attributable to the one principal activity of the company.

3. OPERATING LOSS

The operating loss is stated after charging:

	31.3.97	31.3.96
	£	£
Auditors' Remuneration	<u>1,500</u>	<u>1,500</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.3.97	31.3.96
	£	£
Bank Interest	656	964
Interest Received (Net)	<u>807</u>	<u>1,098</u>
	<u>1,463</u>	<u>2,062</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.97	31.3.96
	£	£
Service Charge Control A/C	38,425	41,370
Prepayments	<u>6,666</u>	<u>10,975</u>
	<u>45,091</u>	<u>52,345</u>

Carlyle Mansions (Tenants) Limited

Notes to the Financial Statements for the Year Ended 31 March 1997

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.97	31.3.96
	£	£
Trade creditors	5,292	1,688
Service Charge 25.3 to 29.9.97	75,000	70,000
Accrued expenses	7,380	2,399
Amt Owed to Carlyle Mansions Ltd	1,553	1,553
Taxation	<u>157</u>	<u>918</u>
	<u>89,382</u>	<u>76,558</u>

7. PROVISIONS FOR LIABILITIES AND CHARGES

	31.3.97	31.3.96
	£	£
Maintenance Provision	<u>39,642</u>	<u>161,963</u>

	Maintenance Provision £
Balance at 1 April 1996	161,963
Transfer for the year	43,616
External Repairs & Redecoration	(146,635)
Fees re Repairs & Redecoration	<u>(19,302)</u>
Balance at 31 March 1997	<u>39,642</u>

8. CALLED UP SHARE CAPITAL

Authorised:		Nominal	31.3.97	31.3.96
Number:	Class:	value:	£	£
28	1 Ordinary	£1	28	28
40	B Ordinary	5p	<u>2</u>	<u>2</u>
			<u>30</u>	<u>30</u>

Allotted, issued and fully paid:		Nominal	31.3.97	31.3.96
Number:	Class:	value:	£	£
25	1 Ordinary	£1	25	25
40	B Ordinary	5p	<u>2</u>	<u>2</u>
			<u>27</u>	<u>27</u>

Carlyle Mansions (Tenants) Limited

**Notes to the Financial Statements
for the Year Ended 31 March 1997**

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.97	31.3.96
	£	£
Profit for the financial year	-	-
Opening shareholders' funds	<u>27</u>	<u>27</u>
CLOSING SHAREHOLDERS' FUNDS	<u><u>27</u></u>	<u><u>27</u></u>
Equity interests	<u>27</u>	<u>27</u>

CARLYLE MANSIONS (TENANTS) LIMITED

SERVICE CHARGE EXPENDITURE ACCOUNT for the year ended 31 March 1997

	31.3.97		31.03.96	
	£	£	£	£
EXPENDITURE				
HOUSEKEEPING				
Porterage:				
Wages	39,020		41,080	
Staff Pensions	2,341		1,230	
Uniforms	-		395	
Water Rates	-		152	
Gas	125		139	
Telephone	311		355	
Cleaning Materials	616		404	
Floral Display	24		263	
Fire Extinguisher & Security	173		2,711	
Sundries	15	42,625	89	46,818
LIGHTING, HEATING & ELECTRICITY				
Electricity	2,921		4,342	
Gas	2,528	5,449	5,070	9,412
LIFT & BOILER MAINTENANCE				
Boilers	3,195		2,340	
Lift	2,451	5,646	1,625	3,965
GENERAL MAINTENANCE				
Internal/External Repairs & Redecorations	10,086		11,820	
Security Railings & Access Gate	3,930			
Metered Water	3,630		4,299	
Entryphone	595		276	
Pest Control	82		-	
Building & Engineering Insurance	7,600		7,279	
Directors' Insurance	1,230		1,400	
T.V Satellite	7,256		0	
Audit Fee	1,500		1,500	
Legal & Professional Fees	1,631		1,002	
Bank Charges	<u>165</u>	37,705	<u>210</u>	27,786
Management Fees		<u>6,940</u>		<u>6,459</u>
TOTAL EXPENDITURE		98,365		94,476
Provision for Maintenance (Note 7)		43,616		47,345
TOTAL COST OF SERVICES		141,981		141,821
INCOME				
Service Charge Receivable	140,000		140,000	
Prior years Taxation written off	675			
Bank Interest (Net)	<u>1306</u>	<u>141,981</u>	<u>1,821</u>	<u>141,821</u>
EXCESS SERVICE CHARGE		£-		£-