

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

(Company No. 2668432)

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25TH DECEMBER 1994



MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

DIRECTORS  
J.D. Clevely  
B.P. Galbally  
G. Smith  
P. Davis  
A.I. Schoolar  
J.S. Paton

SECRETARY  
J.R. Fairhurst

REGISTERED OFFICE  
8 Baltic Street,  
London, EC1Y 0TB.

AUDITORS  
Wilson Silver Altman,  
8 Baltic Street,  
London, EC1Y 0TB.

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the period ended 25th December 1994.

PRINCIPAL ACTIVITY

The principal activity of the company is the management of the property, Marlborough, 61 Walton Street, London SW3.

REVIEW OF BUSINESS

A summary of the results for the period are given on page 4 of the financial statements.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the period.

ISSUE OF SHARES

The company issued three new ordinary shares in the period, at par, due to the sale of three leasehold premises.

DIRECTORS' INTERESTS

The directors who held office during the period and their interests in the shares of the company were as follows:-

	<u>25th December 1994</u>	<u>31st December 1993</u>
D.A. Evans (appointed 20.4.94 and resigned 1.12.94)	N/A	N/A
P. Montalto (resigned 6.1.94)	N/A	1
B.P. Galbally	1	1
G. Smith	1	1
P. Davis	1	1
A.I. Schoolar	1	1
J.D. Clevely	1	1
J.S. Paton (appointed 21.5.94)	1	N/A

AUDITORS

The auditors, Wilson Silver Altman, will be proposed for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

By order of the board

  
John D. Clevely  
Director

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

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 as at the end of the financial year 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. 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 REPORT TO THE SHAREHOLDERS OF  
MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 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 25th December 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

8 Baltic Street,  
London, EC1Y 0TB.

30.3  
.....1995

  
WILSON SILVER ALTMAN  
Chartered Accountants  
Registered Auditors

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 25TH DECEMBER 1994

	<u>Notes</u>	£	<u>1994</u>	£	£	<u>1993</u>	£
TURNOVER	1(c)			154,040			135,886
Direct costs			191,591			191,389	
Less: transfer from major works reserve	9		(44,929)			(63,954)	
			<u>146,662</u>			<u>127,435</u>	
GROSS PROFIT				7,378			8,451
Administrative expenses				(2,886)			(6,837)
Other income	3		11,274			5,064	
Less: transfer to major works reserve	9		(2,600)			(2,503)	
			<u>8,674</u>			<u>2,561</u>	
PROFIT on ordinary activities before taxation	2			13,166			4,175
Taxation	4			1,596			1,066
				<u>11,570</u>			<u>3,109</u>
PROFIT on ordinary activities after taxation							
BALANCE BROUGHT FORWARD				33,785			30,676
				<u>£ 45,355</u>			<u>£ 33,785</u>
<u>STATEMENT OF RECOGNISED GAINS AND LOSSES</u>							
Profit for the period				11,570			3,109
Movement on reserve fund in the period				7,671			(11,451)
				<u>£19,241</u>			<u>£(8,342)</u>

The notes on pages 6 to 8 form part of these financial statements.

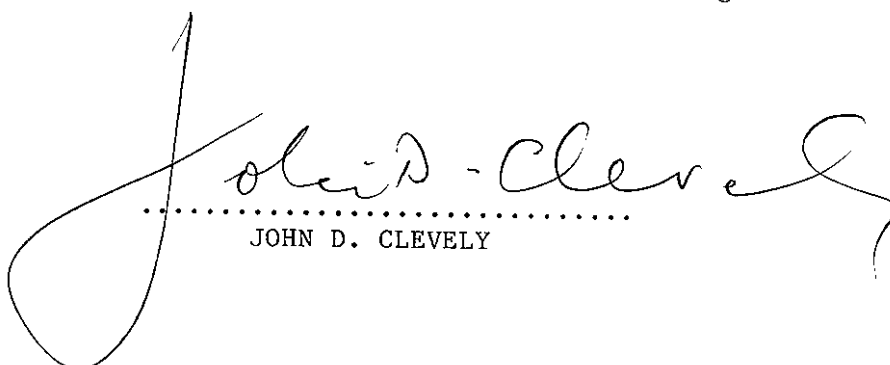
MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

BALANCE SHEET AS AT 25TH DECEMBER 1994

	<u>Notes</u>	£	£	£	£
FREEHOLD PROPERTY	5		116,480		120,833
CURRENT ASSETS					
Debtors	6	101,977		95,721	
Cash at bank		15,932		23,836	
		<u>117,909</u>		<u>119,557</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	119,264		144,509	
NET CURRENT LIABILITIES			<u>(1,355)</u>		<u>(24,952)</u>
NET ASSETS			<u>£115,125</u>		<u>£ 95,881</u>
Represented by:					
CAPITAL AND RESERVES					
Called up share capital	8		104		101
Profit and loss account			45,355		33,785
Major works reserve	9		69,666		61,995
			<u>£115,125</u>		<u>£ 95,881</u>

These financial statements were approved by the board and signed on its behalf by:-

30.3  
..... 1995

  
.....  
JOHN D. CLEVELY

The notes on pages 6 to 8 form part of these financial statements.

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25TH DECEMBER 1994

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Cash flow statement

The company is entitled to the exemptions available to small companies under the Companies Act 1985, and therefore no cash flow statement is included in the financial statements.

(c) Turnover

Turnover represents service charges and ground rents receivable in respect of the property managed by the company.

(d) Major works reserve

The major works reserve is maintained to meet future expenditure on repairs and renewals.

(e) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, the liability will not arise in the foreseeable future.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1994</u>	<u>1993</u>
This is stated after charging:		
Auditors' remuneration	£5,406	£5,523
	<u>          </u>	<u>          </u>

3. OTHER INCOME

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Interest receivable	2,877	3,442
Profit on grant of leases	8,397	1,622
	<u>          </u>	<u>          </u>
	£11,274	£ 5,064
	<u>          </u>	<u>          </u>

4. TAXATION

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Corporation tax at 25%	2,430	1,066
Overprovision in previous year	(834)	-
	<u>          </u>	<u>          </u>
	£1,596	£1,066
	<u>          </u>	<u>          </u>

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25TH DECEMBER 1994  
(continued)

5. FREEHOLD PROPERTY

	£
<u>Cost</u> at 1st January 1994	120,833
Less: diminution in value of freehold	(4,353)
	<hr/>
at 31st December 1994	£116,480
	<hr/>

6. DEBTORS

	<u>1994</u> £	<u>1993</u> £
Service charges and ground rents receivable	35,272	25,051
Monies held by agents	57,877	54,235
Prepayments and accrued income	8,828	16,435
	<hr/>	<hr/>
	£101,977	£ 95,721
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1994</u> £	<u>1993</u> £
Accruals	5,403	12,666
Other creditors	20,430	31,244
Shareholders loans	91,000	91,000
Corporation Tax	2,431	9,599
	<hr/>	<hr/>
	£119,264	£144,509
	<hr/>	<hr/>

The above shareholders' loans are interest free and repayable at the discretion of the directors.

8. SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
Authorised		
168 ordinary shares of £1 each	£168	£168
	<hr/>	<hr/>
Issued and fully paid		
104 ordinary shares of £1 each	£104	£101
	<hr/>	<hr/>



MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25TH DECEMBER 1994

(continued)

9. MAJOR WORKS RESERVE

	<u>1994</u> £	<u>1993</u> £
Balance at 1st January 1994	61,995	73,446
Received	50,000	50,000
Transfer to profit and loss account	(44,929)	(63,954)
Transfer from profit and loss account	2,600	2,503
	<hr/>	<hr/>
Balance at 25th December 1994	£69,666	£61,995
	<hr/>	<hr/>

10. SHAREHOLDERS FUNDS

	<u>1994</u>	<u>1993</u>
Shareholders funds at 1st January 1994	95,881	104,221
Profit for the period	11,570	3,109
Movement on reserve fund in the period	7,671	(11,451)
Share capital issued in the period	3	-
	<hr/>	<hr/>
Shareholders funds at 25th December 1994	£115,125	£ 95,881
	<hr/>	<hr/>