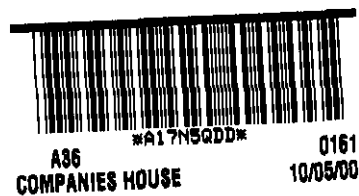


RJC

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
25 DECEMBER 1999**



AUDITORS' REPORT TO MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 4 together with the financial statements of Marlborough Knightsbridge Management Limited for the year ended 25 December 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Silver Altman 

Chartered Accountants and Registered Auditors
8 Baltic Street East
London
EC1Y 0UP

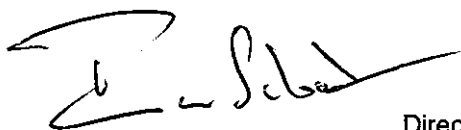
Date: 6 April 2000

ABBREVIATED BALANCE SHEET
As at 25 December 1999

	Note	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible fixed assets	2		112,127		112,127
CURRENT ASSETS					
Debtors		224,352		115,292	
Investments		35,000		25,000	
Cash at bank and in hand		29,599		21,131	
		<u>288,951</u>		<u>161,423</u>	
CREDITORS: amounts falling due within one year		<u>(123,882)</u>		<u>(108,832)</u>	
NET CURRENT ASSETS			<u>165,069</u>		<u>52,591</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>277,196</u>		<u>164,718</u>
PROVISIONS FOR LIABILITIES AND CHARGES			<u>(189,339)</u>		<u>(82,961)</u>
NET ASSETS			<u>£ 87,857</u>		<u>£ 81,757</u>
CAPITAL AND RESERVES					
Called up share capital	3		109		106
Profit and loss account			87,748		81,651
SHAREHOLDERS' FUNDS			<u>£ 87,857</u>		<u>£ 81,757</u>

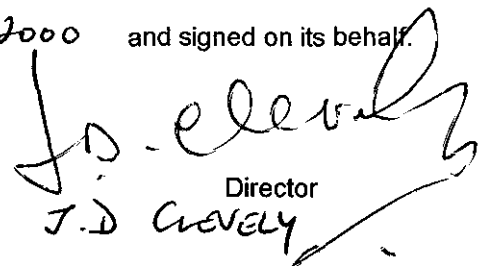
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the board on 6 April 2000 and signed on its behalf.



Director

A.I. Schoolar



Director

J.D. Crowley

The notes on pages 3 to 4 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 25 December 1999

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999) and include the results of the company's operations which are described in the Directors' Report.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

In accordance with Statement of Standard Accounting Practice No.19, no depreciation or amortisation is provided in respect of the investment property. This is a departure from the Statutory Valuation rules for fixed assets and is required by section 226(5) of Companies Act 1985 to enable the accounts to give a true and fair view. The amount of depreciation which might otherwise have been shown cannot be separately identified or quantified.

1.5 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 26 December 1998	112,127
At 25 December 1999	112,127
Net Book Value	
At 25 December 1999	£ 112,127
At 25 December 1998	£ 112,127

3. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised		
168 Ordinary shares of £1.00 each	£ 168	£ 168
Allotted, called up and fully paid		
109 Ordinary shares of £1.00 each	£ 109	£ 106

During the year 3 ordinary shares of £1.00 each were issued fully paid for cash at par.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 25 December 1999

4. TRANSACTIONS WITH DIRECTORS

The directors of the company are tenants of the property managed by the company and are required to pay service charges and reserve fund contributions as listed below:

4.1 Service charge

	1999		1998	
	Amounts Demanded	Amounts Outstanding	Amounts Demanded	Amounts Outstanding
	£	£	£	£
J. D. Clevely	626	nil	626	nil
P. Davis	694	nil	694	nil
Dr. B. P. Galbally	624	nil	624	nil
A. I. Schoolar	627	nil	627	nil
J. S. Paton	871	nil	871	nil
K. R. Cullen	695	nil	695	nil
D. B. Sinclair	695	nil	695	nil

The amounts demanded from the directors shown above represent the amounts invoiced to them during the year.

4.2 Reserve fund

	1999		1998	
	Amounts Demanded	Amounts Outstanding	Amounts Demanded	Amounts Outstanding
	£	£	£	£
J. D. Clevely	559	nil	559	nil
P. Davis	620	nil	620	nil
Dr. B. P. Galbally	557	nil	557	nil
A. I. Schoolar	560	nil	560	nil
J. S. Paton	778	nil	778	nil
K. R. Cullen	620	nil	620	nil
D. B. Sinclair	620	nil	620	nil

4.3 The above transactions were carried out on an arms length basis and in the normal course of business.