

RUSLING BILLING JONES

Chartered Accountants

Incorporating J. W. Denton & Co.

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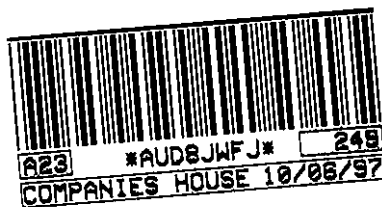
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2780858

CHELSEA FLATS (MANAGEMENT) LIMITED

ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1996



Company No. 2780858

CHELSEA FLATS (MANAGEMENT) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 1996

The directors present their report and the accounts for the year ended 30 June 1996.

Principal activities and review of business

The company's principal activity is to manage and administer the property known as 44 Beaufort Gardens, Knightsbridge, SW3.

The results for the year, which the directors consider to be satisfactory, are set out on page 3.

A decision was taken at the AGM to undertake major redecorations and roof repairs costing around £20,000. At the Balance Sheet date £9,000 of contributions had been received from tenants and a further £10,500 was received subsequently. The work should be completed in the current year.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year and their beneficial interest in the company's issued ordinary share capital were:

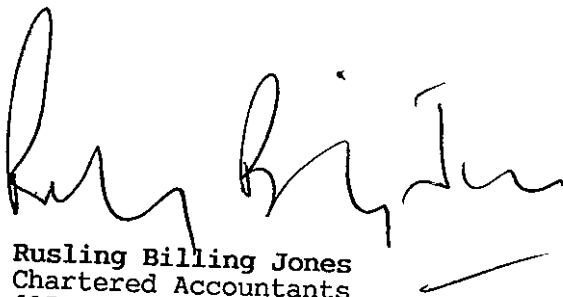
	Y.E. 30.6.96	P.E. 30.6.95
	Number of Shares	
Miss Schuller	1	1
Mrs McCormick	1	1
Mr Cerri	2	2
Mr Flanagan	1	1
Mr Spadoni	1	1
3 PC	1	1

This report was approved by the Board on 25 APRIL 1997 and signed on its behalf.

Maria McCormick
Secretary

CHELSEA FLATS (MANAGEMENT) LIMITED
ACCOUNTANTS' REPORT TO THE DIRECTORS OF
CHELSEA FLATS (MANAGEMENT) LIMITED

In accordance with instructions given to us, we have prepared without carrying out an audit, the accounts on page 3 to 5 from the accounting records of Chelsea Flats (Management) Ltd from information and explanations given to us.



Rusling Billing Jones
Chartered Accountants
635 Old Kent Road
London
SE15 1JU

9 JUNE 1997

CHELSEA FLATS (MANAGEMENT) LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 30 JUNE 1996

	Notes	30.6.96	30.6.95
Turnover	1.3	10,400	10,400
Administration expenses		8,685	6,431
		<hr/>	<hr/>
Profit on ordinary activities	2	£ 1,715	£ 3,969
		<hr/>	<hr/>

There were no recognised gains or losses other than those included in the Profit and Loss account.

The notes on page 5 form part of these accounts.

CHELSEA FLATS (MANAGEMENT) LIMITED

BALANCE SHEET

AS AT 30 JUNE 1996

	Notes	30.6.96	30.6.95
Current Assets			
Cash at bank		11,005	1,002
Debtors	3	1,824	2,824
		<hr/>	<hr/>
		12,829	3,826
Creditors: Amounts falling due within one year	4	9,352	2,064
		<hr/>	<hr/>
Net Assets		<u>£ 3,477</u>	<u>£1,762</u>
 Capital and Reserves			
Called up share capital	5	7	7
Profit and Loss Account	6	3,470	1,755
		<hr/>	<hr/>
Shareholders' Funds - All equity	7	<u>£3,477</u>	<u>£1,762</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 30 June 1996 and of its profit for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts were approved by the Board on 25th April 1997 and signed on its behalf.

Maria Mc Cormick

 Director

CHELSEA FLATS (MANAGEMENT) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1996

1.	Accounting Policies		
1.1	Basis of preparation of accounts		
	The accounts are prepared under the historical cost convention and include the result of the company's operations which are described in the Directors' Report and all of which are continuing.		
1.2	Cash flow statement		
	The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.		
1.3	Turnover		
	Turnover comprises service charge income receivable during the period.		
2.	Profit on ordinary activities	30.6.96	30.6.95
	The loss is stated after charging:		
	Directors' remuneration	Nil	Nil
		<u> </u>	<u> </u>
3.	Debtors		
	Due within one year		
	Prepayment and accrued income	-	1,640
	Other debtors	1,824	1,184
		<u> </u>	<u> </u>
		£1,824	£2,824
		<u> </u>	<u> </u>
	Other debtors includes amounts due from tenants in respect of service charges amounting to £1,817.		
4.	Creditors: Amounts falling due within one year		
	Other creditors	£9,352	£2,064
		<u> </u>	<u> </u>
	Sundry creditors include £9,000 contributed by tenants towards major redecoration and repair expenditure of £20,000 approved for 1997.		
5.	Called up share capital		
	Authorised		
	Ordinary shares of £1 each	£ 7	£ 7
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	Ordinary shares of £1 each	£ 7	£ 7
		<u> </u>	<u> </u>

CHELSEA FLATS (MANAGEMENT) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1996

6. Profit & Loss Account	1996	1995
Balance brought forward	1,755	(3,407)
Profit for the year	1,715	3,969
Prior year adjustment	-	1,193
	<hr/>	<hr/>
Balance carried forward	£3,470	£1,755
	<hr/>	<hr/>
7. Movement on shareholders' funds		
Opening shareholders' funds	1,762	(3,400)
Prior year adjustment	-	1,193
Profit for the year	1,715	3,969
	<hr/>	<hr/>
Closing shareholders' funds	£3,477	£1,762
	<hr/>	<hr/>