LINCOLN HOUSE (BASIL STREET) LIMITED
BASIL STREET
LONDON SW3

Registered No: 1366821
(England & Wales)

FINANCIAL STATEMENTS
YEAR ENDED 25TH MARCH 2001

Hobday & Company
Chartered Accountants
35a High Street
Potters Bar
Herts
EN6 5AJ

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A17 0756
COMPANIES HOUSE 25/08/01

REPORT OF THE DIRECTORS
Year ended 25th March 2001

The Directors present their annual report with the financial statements for the year ended 25th March 2001.

PRINCIPAL ACTIVITY
The Company has continued its business of regulating and controlling the use of and maintaining the property and building known as Lincoln House, Basil Street, London SW3.

DIRECTORS
The Directors of the Company during the year were as follows:

R J Clough
J J Stork
K A Sharif
Mrs V J Harrison

RESULTS FOR THE YEAR
The results for the year are set out in the financial statements which follow. The Directors recommend that the balances on the Income and Expenditure account be transferred to the Reserve Fund. The Company does not operate for profit.

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.

OTHER MATTERS
The Company is limited by guarantee not having a share capital. The liability of the Members, on which no amounts have been called, is limited to £1 per Member.

AUDITORS
The auditors, Messrs Hobday & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on 23rd July 2001 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors

.....
R J Clough
Director

Lincoln House (Basil Street) Limited
45 Berkeley Square
London W1J 5AS

LINCOLN HOUSE (BASIL STREET) LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
LINCOLN HOUSE (BASIL STREET) LIMITED

We have audited the financial statements of Lincoln House (Basil Street) Limited for the year ended 25 March 2001 on pages three to six. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described on page one the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion
We conducted our audit in accordance with United Kingdom 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 25 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hobday & Company
Chartered Accountants
35a High Street
Potters Bar
Herts
EN6 5AJ

Dated: 9th August 2001

BALANCE SHEET
25th March 2001

	Notes	2001 £	2000 £
CURRENT ASSETS			
Debtors	1	1,982	18,572
Held by agents and at building society		143,324	190,169
		145,306	208,741
CREDITORS: amounts falling due within one year	2	30,421	69,823
NET ASSETS		£ 114,885	£ 138,918
REPRESENTED BY:			
RESERVE FUND	3	£ 114,885	£ 138,918

The financial statements have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Signed on behalf of the Board:

.....Director
R J Clough

.....Director
J J Stork

Approved by the Board: 23rd July 2001

INCOME AND EXPENDITURE ACCOUNT
Year ended 25th March 2001

	Notes	2001 £	2000 £
TURNOVER			
Amounts recoverable from tenants		174,610	173,768
Outgoings		205,925	163,043
OPERATING (DEFICIT)/SURPLUS	4	(31,315)	10,725
OTHER OPERATING INCOME			
Interest receivable		8,106	7,610
(DEFICIT)/SURPLUS BEFORE TAXATION		(23,209)	18,335
TAXATION	5	824	1,522
(DEFICIT)/SURPLUS AFTER TAXATION TO RESERVE FUND		£ (24,033)	£ 16,813

ACCOUNTING POLICIES
Year ended 25th March 2001

Accounting convention:
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover:
Turnover represents amounts recoverable under the covenants entered into by the Company with the freeholder and lessees of flats sold on leases expiring on 28th September 2052.

NOTES TO THE ACCOUNTS

1. DEBTORS

	2001 £	2000 £
Prepayments	£ 1,982	£ 18,572

2. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Accounts paid in advance by lessees	12,538	66,310
Accruals	17,189	2,585
Corporation tax	694	928
	£ 30,421	£ 69,823

3. RESERVE FUND

The Reserve Fund is a provision set aside for major repairs and replacements. Balances on the Income and Expenditure Account for the year are transferred to the Reserves at the end of the year.

	2001 £	2000 £
Balance at 26th March 2000	138,918	122,104
(Deficit)/Surplus for the year	(31,315)	10,725
Interest receivable (net of corporation tax)	7,282	6,089
Balance at 25th March 2001	£ 114,885	£ 138,918

4. OPERATING (DEFICIT)/SURPLUS

	2001 £	2000 £
This is stated after charging:		
Auditors' remuneration	£ 2,585	£ 2,585

ACCOUNTING POLICIES
25th March 2001

5. TAXATION

The tax charge on the investment income for the year was as follows:	2001 £	2000 £
UK Corporation tax	824	1,522

UK Corporation tax has been charged at 10% (2000: 20%)

6. CONTINGENT LIABILITIES

The Directors are not aware of any information requiring disclosure.

7. COMMITMENTS AND POST BALANCE SHEET EVENTS

The directors have, since the Balance Sheet date, authorised major expenditure for external redecoration and refurbishment of the Porter's flat. The directors intend to complete the internal redecoration in the near future. These maintenance costs are necessary to comply with the terms of the leases and will greatly upgrade the quality of the building. Service charges have not been increased recently but will need to be adjusted accordingly.

8. CONTROLLING PARTY

Throughout the current and previous year the company has been controlled by the directors.