

**LINCOLN HOUSE (BASIL STREET) LIMITED
BASIL STREET
LONDON SW3**

**Registered No: 1366821
(England & Wales)**

**FINANCIAL STATEMENTS
YEAR ENDED 25TH MARCH 2002**

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



REPORT OF THE DIRECTORS

Year ended 25th March 2002

The Directors present their annual report with the financial statements for the year ended 25th March 2002.

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

Mrs V J Harrison

J J Stork

K A Sharif - Resigned 19 November 2001

Mr S Bhimji - Appointed 1 September 2001

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

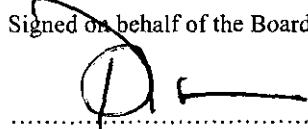
The Company is limited by guarantee not having a share capital. The liability of the Members, on which no amounts have been called, is limited to £1 per Member.

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 12th August 2002 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 2002 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

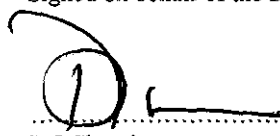
Dated: 12th August 2002

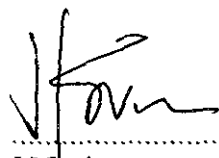
BALANCE SHEET
25th March 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Debtors	1	12,495	1,982
Held by agents and at building society		229,579	143,324
		242,074	145,306
CREDITORS: amounts falling due within one year			
	2	49,050	30,421
NET ASSETS		£193,024	£114,885
REPRESENTED BY:			
RESERVE FUND	3	£193,024	£114,885

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: 12th August 2002

• INCOME AND EXPENDITURE ACCOUNT
Year ended 25th March 2002

	Notes	2002 £	2001 £
TURNOVER			
Amounts recoverable from tenants		405,052	174,610
Outgoings		<u>335,958</u>	<u>205,925</u>
OPERATING SURPLUS/(DEFICIT)	4	69,094	(31,315)
OTHER OPERATING INCOME			
Interest receivable		<u>10,048</u>	<u>8,106</u>
SURPLUS/(DEFICIT) BEFORE TAXATION		79,142	(23,209)
TAXATION	5	<u>1,004</u>	<u>824</u>
SURPLUS/(DEFICIT) AFTER TAXATION TO RESERVE FUND		<u>£78,138</u>	<u>£(24,033)</u>

ACCOUNTING POLICIES

Year ended 25th March 2002

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	2002 £	2001 £
Prepayments	£ 12,495	£ 1,982
2. CREDITORS: amounts falling due within one year	2002 £	2001 £
Accounts paid in advance by lessees	17,665	12,538
Accruals	30,608	17,189
Corporation tax	777	694
	£49,050	£30,421
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.

	2002 £	2001 £
Balance at 26th March 2001	114,885	138,918
Surplus/(Deficit) for the year	69,094	(31,315)
Interest receivable (net of corporation tax)	9,045	7,282
Balance at 25th March 2002	£193,024	£114,885

This note should be read in conjunction with note 7 on the next page concerning repair works for internal decorations carried out after the balance sheet date.

4. OPERATING SURPLUS/(DEFICIT)	2002 £	2001 £
This is stated after charging:		
Auditors' remuneration	£2,714	£2,585

ACCOUNTING POLICIES
25th March 2002

5. TAXATION

The tax charge on the investment income
for the year was as follows:

	2002 £	2001 £
UK Corporation tax	£ 1,004	£ 824

UK Corporation tax has been charged at 10% (2001: 10%)

6. CONTINGENT LIABILITIES

The Directors are not aware of any information requiring disclosure.

7. COMMITMENTS AND POST BALANCE SHEET EVENTS

Prior to the balance sheet date the directors authorised major expenditure for internal decorations and these works should be completed in the near future. The total cost of these works is estimated at £252,000 of which £13,984 of expenditure had actually been paid prior to the balance sheet date. These maintenance costs are necessary to comply with the terms of the leases and will greatly upgrade the quality of the building.

8. CONTROLLING PARTY

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