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24 CHARLES STREET LIMITED

Company no. 2567208

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report for the year ended 24th December 2004 together with the audited financial statements of the company.

1. **ACTIVITY**

The principal activity of the company continued to be the management of the properties known as 24 Charles Street and 23A Hays Mews, London, W1 on a non-profit making basis.

2. **SHARE CAPITAL**

The company is limited by guarantee and does not have a share capital. The members have undertaken to contribute a maximum of £1 each in the event of a winding up.

3. **FINANCIAL**

The surplus for the year amounted to £1144. In accordance with the leases applicable to these properties, deficits are recoverable from tenants in future years and likewise, surpluses are refunded to tenants by reducing service charges. Accordingly no dividend is payable.

4. **DIRECTORS**

The directors who served during the year were as follows:-

Mrs A M Leigh (nee Crichton)
Mr A Meyers

5. **STATEMENT OF 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 the 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;

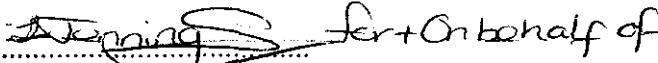
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

6. **AUDITORS**

Messrs J R Watson & Co are eligible for reappointment as auditors and the members will be asked to approve their reappointment.

On behalf of the Board


.....
Carter Backer Winter Trustees Ltd
Secretary

174 Brompton Road
London SW3 1HP

28th June 2005

**REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF 24 CHARLES STREET LIMITED**

We have audited the financial statements of 24 Charles Street Limited for the year ended 24th December 2004 which are set out on pages 4 to 7. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

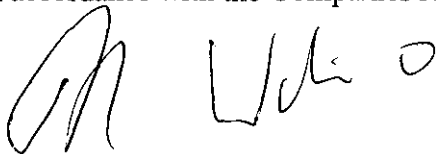
BASIS OF OPINION

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 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 24th December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



J R WATSON & CO
Chartered Accountants and Registered Auditors
Eastgate House
11 Cheyne Walk
Northampton
NN1 5PT

29th June 2005

24 CHARLES STREET LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 24TH DECEMBER 2004

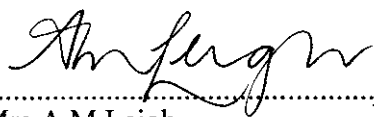
	Notes	2004 £	2003 £
TURNOVER			
Service charges receivable		13515	8395
COST OF SALES			
Service charge expenses	2	(12447)	(12185)
SURPLUS/(DEFICIT)	5	1068	(3790)
OTHER INCOME			
Bank interest		<u>115</u>	<u>75</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1183	(3715)
UK INCOME TAX AT 34% ON INTEREST RECEIVED		<u>39</u>	<u>26</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1144	(3741)
APPROPRIATION			
TRANSFER TO RESERVE FUND	6	<u>(36)</u>	<u>(3)</u>
SURPLUS/(DEFICIT) FOR THE YEAR RETAINED		1108	(3744)
RETAINED PROFITS BROUGHT FORWARD		<u>393</u>	<u>4137</u>
RETAINED PROFITS CARRIED FORWARD		£ <u>1501</u>	£ <u>393</u>

There were no recognised gains or losses not shown above. The results shown relate to continuing activities.

The notes on pages 6 and 7 form part of these accounts.

24 CHARLES STREET LIMITEDBALANCE SHEETAS AT 24TH DECEMBER 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	3		-		-
CURRENT ASSETS					
Trade debtors		15		-	
Prepayments and other debtors		3683		5189	
Cash at bank		<u>9721</u>		<u>7346</u>	
		<u>13419</u>		<u>12535</u>	
CREDITORS: Amounts falling due within one year					
Accruals and deferred income		<u>7675</u>		<u>7935</u>	
NET CURRENT ASSETS			<u>5744</u>		<u>4600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			£ <u>5744</u>		£ <u>4600</u>
SHARE CAPITAL AND RESERVES					
Called up share capital	4		-		-
Profit and loss account	5		1501		393
Reserve fund	6		<u>4243</u>		<u>4207</u>
TOTAL SHAREHOLDERS FUNDS	7		£ <u>5744</u>		£ <u>4600</u>



.....
 Mrs A M Leigh
 Signed on behalf of the Board of Directors

28th June 2005

The notes on pages 6 and 7 form part of these accounts.

24 CHARLES STREET LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 24TH DECEMBER 2004

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared using the historical cost convention.

2. AUDITORS' AND DIRECTORS' REMUNERATION

Auditors' remuneration included in cost of sales amounts to £1088 (2003 - £1076).

Directors' remuneration included in cost of sales amounts to £NIL (2003 - £NIL).

3. FIXED TANGIBLE ASSETS

	2004	2003
Freehold reversion, stated at cost	£ <u> -</u>	£ <u> -</u>

4. CALLED UP SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. Each member has undertaken to contribute a maximum of one pound in the event of winding up of the company.

5. PROFIT AND LOSS ACCOUNT

Any surplus of income over expenditure is used to reduce service charges made to tenants in subsequent years. Accordingly, no charge to taxation arises, except on interest received, and these profits are not available for distribution.

6. RESERVE FUND

	£
At 24th December 2003	4207
Transfer from profit and loss account	<u> 36</u>
At 24th December 2004	£ <u>4243</u>

The reserve fund represents contributions from tenants for major periodic repairs, together with the interest earned on the deposit of these contributions, which have not been expended or committed for expenditure as at 24th December 2004.

24 CHARLES STREET LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 24TH DECEMBER 2004

7.	RECONCILIATION OF SHAREHOLDERS' FUNDS	2004	2003
		£	£
	At 24th December 2003	4600	8341
	Profit/(loss) for the year	<u>1144</u>	<u>(3741)</u>
	At 24th December 2004	£ <u>5744</u>	£ <u>4600</u>

8. TRANSACTIONS WITH RELATED PARTIES

Turnover represents contributions received from the tenants of the properties known as 24 Charles Street and 23A Hays Mews, who are the shareholders of the company. Any surplus of income over expenditure is repayable and is shown as a creditor and any deficit recoverable from the tenants is shown as a debtor.