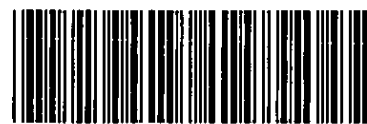


REGISTERED NUMBER: 04680700 (England and Wales)

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
DOWN STREET FREEHOLD COMPANY LIMITED**

WEDNESDAY



A03 *A1NMQOXU* #201
COMPANIES HOUSE

Gary Sargeant + Company
Chartered Accountants
and Statutory Auditors
5 White Oak Square
London Road
Swanley
Kent
BR8 7AG

DOWN STREET FREEHOLD COMPANY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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DOWN STREET FREEHOLD COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

DIRECTORS: V Buhler
S F Colflesh
M S Yehia

SECRETARY: London Registrars PLC

REGISTERED OFFICE: 4th Floor Hames House
21 John Street
London
WC1N 2BP

REGISTERED NUMBER: 04680700 (England and Wales)

**SENIOR STATUTORY
AUDITOR:** Gary Sargeant

AUDITORS: Gary Sargeant + Company
Chartered Accountants
and Statutory Auditors
5 White Oak Square
London Road
Swanley
Kent
BR8 7AG

**REPORT OF THE INDEPENDENT AUDITORS TO
DOWN STREET FREEHOLD COMPANY LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages four to seven, together with the full financial statements of Down Street Freehold Company Limited for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Other information

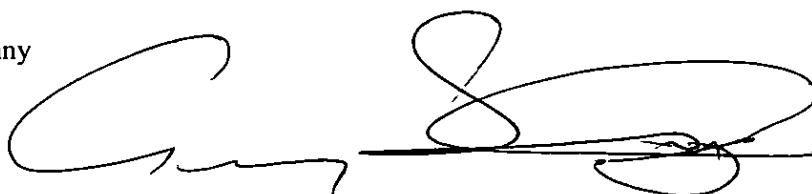
On 10 December 2012 we reported as auditors to the shareholders of the company on the full financial statements for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006, and our report included the following extract:

"Emphasis of Matter

Without qualifying our opinion, we draw attention to note 13 in the financial statements, which indicates that the company has, at the balance sheet date, net current liabilities of around £108,000 and a balance sheet deficiency of around £34,000. These conditions, along with other matters explained in notes 13 and 14, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern."

Without qualifying our opinion, we draw attention to note 15, which states that we have conducted a non-statutory audit of the comparative financial statements.

Gary Sargeant (Senior Statutory Auditor)
for and on behalf of Gary Sargeant + Company
Chartered Accountants
and Statutory Auditors
5 White Oak Square
London Road
Swanley



**REPORT OF THE INDEPENDENT AUDITORS TO
DOWN STREET FREEHOLD COMPANY LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

Kent
BR8 7AG

10 December 2012

DOWN STREET FREEHOLD COMPANY LIMITED

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2011**

		2011		2010 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Investment property	2		74,000		74,000
CURRENT ASSETS					
Debtors		61,080		65,477	
CREDITORS					
Amounts falling due within one year	3	<u>169,336</u>		<u>162,150</u>	
NET CURRENT LIABILITIES			<u>(108,256)</u>		<u>(96,673)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(34,256)</u>		<u>(22,673)</u>
CAPITAL AND RESERVES					
Called up share capital	4		8		8
Profit and loss account			<u>(34,264)</u>		<u>(22,681)</u>
SHAREHOLDERS' FUNDS			<u>(34,256)</u>		<u>(22,673)</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on ~~10 December~~ 10 December 2012 and were signed on its behalf by



S F Colflesh - Director

The notes form part of these abbreviated accounts

DOWN STREET FREEHOLD COMPANY LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1 ACCOUNTING POLICIES

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 April 2008)

Turnover

Turnover represents ground rents and management fees receivable

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve

No depreciation is charged in line with Statement of Standard Accounting Practice No 19 Accounting for Investment Properties

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 INVESTMENT PROPERTY

	Total £
COST	
At 1 January 2011 and 31 December 2011	74,000
NET BOOK VALUE	
At 31 December 2011	74,000
At 31 December 2010	74,000

The company's freehold property was acquired in April 2004 for £1 together with attached liabilities. The directors consider that the 2004 open market value of the freehold, gross of those liabilities, was £74,000 based on a professional valuation prepared in June 2002. The directors do not believe that there has been any material change in value since then.

The company's freehold properties are subject to residential and commercial leases

3 CREDITORS

Creditors include an amount of £30,000 (2010 - £30,000) for which security has been given

4 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value	2011	2010 as restated
			£	£
8	Ordinary	£1	8	8

DOWN STREET FREEHOLD COMPANY LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

5 TRANSACTIONS WITH DIRECTORS

Fees were chargeable to the company by the directors, being £10,000 by V Buhler and £5,000 by S Colflesh

6 SERVICE CHARGE FUNDS

Assets and liabilities relating to service charges are held by the company in trust for the leaseholders, under s 42 of the Landlord and Tenants Act 1987 and so are excluded from these accounts

7 GOING CONCERN

As explained in note 10, the company acquired liabilities in 2004 which exceeded the value of the freehold purchased. Those liabilities of around £130,000 remain payable on demand, although by December 2012 no repayment had been made by the company. At the year end date the company had net current liabilities of around £108,000 and a balance sheet deficiency of around £34,000.

In addition further costs, estimated at £25,000, are likely to be incurred in 2012 as explained in note 8 to the accounts.

The directors have indicated that they intend to raise further capital from either new or existing shareholders to rectify this deficiency, such that the company will have sufficient funds to settle liabilities as and when required.

On the understanding that it should be possible to raise this capital, the directors are of the opinion that the company is a going concern and accordingly the accounts have been prepared on a going concern basis.

8 POST BALANCE SHEET EVENTS

In 2012 a leaseholder has started proceedings against the directors regarding the alleged refusal to issue shares in this company. The matter is in the hands of solicitors and the outcome is unknown at present. Although the matter itself should not impact on these accounts, it is likely that significant legal fees may be incurred, possibly in the region of £25,000.

9 COMPARATIVES

Statutory accounts for previous financial years were not originally audited. Subsequently, non-statutory audits of the accounts for the two years ended 31 December 2009 and 2010 have been carried out.

DOWN STREET FREEHOLD COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

10 PRIOR YEAR ADJUSTMENT

a) 2004 adjustment

The company acquired the freehold of 22/23 Down Street and 12/12A Brick Street, London W1 in April 2004 from the previous residents' management company for £1. At the same time the company acquired two liabilities attached to the property and these have not previously been disclosed in the company accounts. An adjustment has been made in the accounts to restate the values of assets and liabilities.

The freehold was professionally valued at £74,000 in June 2002 and the directors are of the opinion that this was also appropriate in 2004. The asset has now been restated as an investment property at this value.

A debt of £30,000 was owed by the previous company to one of the leaseholders, secured by a legal charge on the freehold. As this debt was not waived on acquisition of the freehold the liability still exists and is now reflected in the accounts.

In 2002, under the previous ownership, leaseholders were invoiced £156,393 for a major redecoration project in addition to regular service charges. Of this sum £100,725 was collected from leaseholders but the project did not take place. Some repayments were since made but the directors consider that a sum of around £100,000 remains owed to leaseholders and also that it cannot legally be repaid from current reserves held separately in trust on the Service Charge Reserve Fund. Therefore, in the opinion of the directors this liability should be recognised in the company accounts.

In summary, the asset acquired had a value of £74,000 and two attached liabilities were acquired with an estimated total value of £130,000. The price paid of £1 exceeds the net value of assets and liabilities acquired by £56,001 and this should have been written off to reserves in 2004 and is now adjusted against prior years.

b) 2010 adjustment

In addition management fee income of £33,431 was chargeable to the service charge account up to 31 December 2010 but was under-accrued in those accounts. This additional income, net of £3,858 tax, amounts to £29,573 and has been adjusted back against prior years.

c) Net adjustment

The 2004 net asset reduction of £56,001 and the 2010 profit increase of £29,573, create a total net prior year adjustment of £26,428.