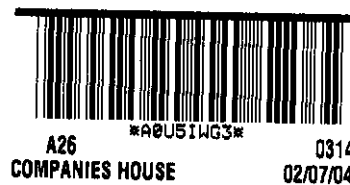


**Report of the Directors and
Financial Statements for the Year Ended 31 March 2004
for
CARLYLE MANSIONS (TENANTS) LIMITED**



CARLYLE MANSIONS (TENANTS) LIMITED

**Contents of the Financial Statements
for the Year Ended 31 March 2004**

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CARLYLE MANSIONS (TENANTS) LIMITED

**Company Information
for the Year Ended 31 March 2004**

DIRECTORS:	H H Biermann J R Porter R J Pepprell M A Thompson Miss Z K Alam R H W Robson H van Roijen
SECRETARY:	N J Harper
REGISTERED OFFICE:	1 Kingsway London WC2V 6XF
REGISTERED NUMBER:	963214
AUDITORS:	Hodgson Hickie Registered Auditors Chartered Accountants 4 Dovedale Studios 465 Battersea Park Road London SW11 4LR

CARLYLE MANSIONS (TENANTS) LIMITED

Report of the Directors for the Year Ended 31 March 2004

The directors present their report with the financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of control, supervision, maintenance and management of the premises known as Carlyle Mansions, Cheyne Walk, London SW3.

DIRECTORS

The directors during the year under review were:

H H Biermann
J R Porter
R J Pepprell
M A Thompson
Miss Z K Alam
R H W Robson
H van Roijen

The beneficial interests of the directors holding office on 31 March 2004 in the issued share capital of the company were as follows:

	31.3.04	1.4.03
1 Ordinary £1 shares		
H H Biermann	-	-
J R Porter	1	1
R J Pepprell	1	1
M A Thompson	1	1
Miss Z K Alam	-	-
R H W Robson	1	1
H van Roijen	1	1
B Ordinary 5p shares		
H H Biermann	1	1
J R Porter	1	1
R J Pepprell	1	1
M A Thompson	1	1
Miss Z K Alam	1	1
R H W Robson	1	1
H van Roijen	1	1

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 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.

CARLYLE MANSIONS (TENANTS) LIMITED

**Report of the Directors
for the Year Ended 31 March 2004**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

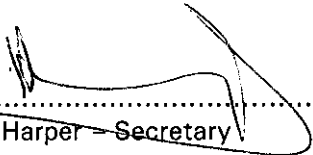
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Hodgson Hickie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
N J Harper - Secretary

Date: 19 May 2004

**Report of the Independent Auditors to the Shareholders of
Carlyle Mansions (Tenants) Limited**

We have audited the financial statements of Carlyle Mansions (Tenants) Limited for the year ended 31 March 2004 on pages six to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 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 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

As described on pages two and three 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 audit 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.

**Report of the Independent Auditors to the Shareholders of
Carlyle Mansions (Tenants) Limited**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hodgson H.

Hodgson Hickie
Registered Auditors
Chartered Accountants
4 Dovedale Studios
465 Battersea Park Road
London SW11 4LR

Date: 25/6/04.....

CARLYLE MANSIONS (TENANTS) LIMITED

**Profit and Loss Account
for the Year Ended 31 March 2004**

		<u>31.3.04</u>	<u>31.3.03</u>
	Notes	£	£
TURNOVER		300,000	200,000
Cost of sales		<u>(303,246)</u>	<u>(354,608)</u>
GROSS LOSS		(3,246)	(154,608)
Amount recoverable from Lessees		<u>-</u>	<u>150,000</u>
OPERATING LOSS	2	(3,246)	(4,608)
Interest receivable and similar income		<u>3,246</u>	<u>4,608</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>-</u>	<u>-</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

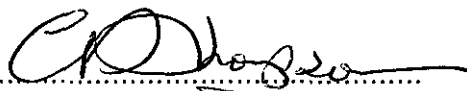
CARLYLE MANSIONS (TENANTS) LIMITED

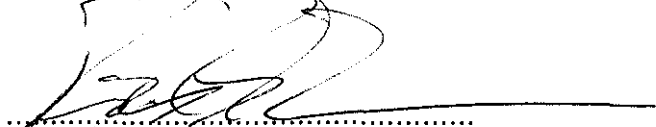
**Balance Sheet
31 March 2004**

		<u>31.3.04</u>	<u>31.3.03</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	4	60,088	264,455
Cash at bank		<u>87,411</u>	<u>243,951</u>
		147,499	508,406
CREDITORS: Amounts falling due within one year	5	<u>(126,234)</u>	<u>(159,036)</u>
NET CURRENT ASSETS:		<u>21,265</u>	<u>349,370</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		21,265	349,370
PROVISIONS FOR LIABILITIES AND CHARGES:	6	<u>(21,238)</u>	<u>(349,343)</u>
		<u><u>£27</u></u>	<u><u>£27</u></u>
CAPITAL AND RESERVES:			
Called up share capital	7	<u>27</u>	<u>27</u>
SHAREHOLDERS' FUNDS:		<u><u>£27</u></u>	<u><u>£27</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


.....
M A Thompson – Director


.....
R H W Robson – Director

Approved by the Board on 19 May 2004

The notes form part of these financial statements

CARLYLE MANSIONS (TENANTS) LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2004

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 June 2002).

Turnover

Turnover represents service charge receivable.

2. OPERATING LOSS

The operating loss is stated after charging:

	31.3.04	31.3.03
	£	£
Auditors' Remuneration	<u>1,800</u>	<u>1,700</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2004 nor for the year ended 31 March 2003.

The company acts as trustee of a statutory trust imposed on the service charge monies collected for maintenance of the building, by virtue of s.42, Landlord and Tenant Act 1987. Interest is not liable to corporation tax, but is subject to Income Tax at 34%.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.04	31.3.03
	£	£
Service Charge due from Lessees	47,550	105,050
Amount Recoverable from Lessees	-	150,000
Prepayments	<u>12,538</u>	<u>9,405</u>
	<u>60,088</u>	<u>264,455</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.04	31.3.03
	£	£
Trade creditors	47,640	4,113
Service Charge 25.3 to 29.9.04	74,500	150,000
Accrued expenses	1,915	1,815
Carlyle Mansions Ltd	1,553	1,553
Taxation	<u>626</u>	<u>1,555</u>
	<u>126,234</u>	<u>159,036</u>

CARLYLE MANSIONS (TENANTS) LIMITED

**Notes to the Financial Statements
for the Year Ended 31 March 2004**

6. PROVISIONS FOR LIABILITIES AND CHARGES

	31.3.04	31.3.03
	£	£
Maintenance Provision	<u>21,238</u>	<u>349,343</u>

Maintenance Provision

	£
Balance at 1 April 2003	349,343
Transfer for the year	179,109
Expenditure:	
External repairs & redecorations	(468,818)
Fees re above	<u>(38,396)</u>
Balance at 31 March 2004	<u>21,238</u>

7. CALLED UP SHARE CAPITAL

Authorised:			31.3.04	31.3.03
Number:	Class:	Nominal value:	£	£
28	1 Ordinary	£1	28	28
40	B Ordinary	5p	<u>2</u>	<u>2</u>
			<u>30</u>	<u>30</u>

Allotted, issued and fully paid:			31.3.04	31.3.03
Number:	Class:	Nominal value:	£	£
25	1 Ordinary	£1	25	25
40	B Ordinary	5p	<u>2</u>	<u>2</u>
			<u>27</u>	<u>27</u>

CARLYLE MANSIONS (TENANTS) LIMITED

SERVICE CHARGE INCOME & EXPENDITURE ACCOUNT for the year ended 31 March 2004

	<u>31.3.2004</u>		<u>31.3.2003</u>	
	£	£	£	£
EXPENDITURE				
HOUSEKEEPING				
Porterage:				
Wages	51,990		50,048	
Staff Pensions	1,311		1,249	
Staff Flat Repairs	3,177		-	
Uniforms	-		339	
Gas	113		149	
Telephone	848		991	
Cleaning Materials	371		580	
Fire Extinguisher & Security	1,713		3,161	
Sundries	<u>15</u>	59,538	<u>15</u>	56,532
LIGHTING, HEATING & ELECTRICITY				
Electricity	3,962		3,311	
Gas	<u>4,792</u>	8,753	<u>4,259</u>	7,570
LIFT & BOILER MAINTENANCE				
Boilers	298		573	
Lift	<u>1,997</u>	2,295	<u>4,016</u>	4,588
GENERAL MAINTENANCE				
Internal/External Repairs & Redecorations	12,974		8,420	
Pest Control	542		-	
Metered Water	3,544		5,017	
Entryphone	4,364		4,364	
Building, Terrorism & Engineering Insurance	17,268		19,158	
Directors' Insurance	639		788	
T.V Satellite	829		3,253	
Audit Fee	1,800		1,700	
Legal & Professional Fees	1,996		4,404	
Bank Charges	<u>117</u>	44,072	<u>111</u>	47,214
Management Fees		<u>9,478</u>		<u>9,237</u>
TOTAL EXPENDITURE		124,137		125,143
Provision for Maintenance (Note 6)		<u>179,109</u>		<u>229,465</u>
TOTAL COST OF SERVICES		303,246		354,608
INCOME				
Service Charge Receivable	300,000		200,000	
Bank Interest (Net)	<u>3,246</u>	<u>303,246</u>	<u>4,608</u>	<u>204,608</u>
EXCESS SERVICE CHARGE		<u>£ -</u>		<u>£(150,000)</u>