

**F.W.H. Properties Co. Limited**

**Directors' report and financial  
statements**

**Registered number 564340**

**31 December 2005**



## **Directors' report and financial statements**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

### Principal activity

The company did not trade during the year.

### Directors and directors' interests

The directors who held office during the year, and who are still in office, are:

Mr BSE Freshwater

Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation.

Neither director has a service contract nor receives any emoluments from the company.

The whole of the issued share capital of the company is owned by Barranquilla Properties Limited.

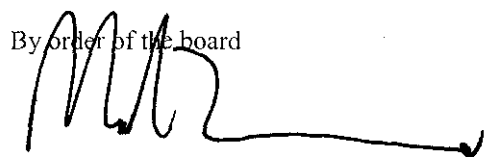
Mr BSE Freshwater and Mr D Davis are also directors of the intermediate parent undertaking, Metropolitan Properties Company Limited and Mr BSE Freshwater's interest therein is set out in the directors' report of that company.

Apart from the aforementioned, at 31 December 2005, neither of the directors had any interest in the share capital of the company, the company's parent undertaking or any subsidiary of the company's parent undertaking.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**MRM Jenner**  
*Secretary*

Freshwater House  
158/162 Shaftesbury Avenue  
London WC2H 8HR

16 June 2006

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

38<sup>th</sup> Floor  
1 Canada Square  
London  
United Kingdom

### **Independent auditors' report to the members of F.W.H. Properties Co. Limited**

We have audited the financial statements of F.W.H. Properties Co. Limited for the year ended 31 December 2005 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under 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**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

**Independent auditors' report to the members of F.W.H. Properties Co. Limited**  
*(continued)*

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*  
*London*

16 June 2006

**Balance sheet**  
*at 31 December 2005*

	<i>Note</i>	<b>2005</b> £	<b>2004</b> £
<b>Current assets</b>			
Debtors	4	2,148,917	2,148,917
<b>Creditors: amounts falling due within one year</b>	5	(2,148,817)	(2,148,717)
<b>Net assets</b>		<u>100</u>	<u>200</u>
<b>Capital and reserves</b>			
Equity share capital	6	100	100
Non equity share capital	6	-	100
<b>Shareholders' funds</b>		<u>100</u>	<u>200</u>

Other than the non-equity share capital of £100 shareholders' funds relate exclusively to equity shareholders' interests.

The company has not traded and has made neither a profit nor a loss in the current or preceding year. Consequently no profit and loss account is presented.

There are no recognised gains or losses for the current or preceding year.

These financial statements were approved by the board of directors on 16 June 2006 and were signed on its behalf by:

  
**BSE Freshwater**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### *Cash flow statement*

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No. 1 (revised 1996)) on the grounds that it is a wholly-owned subsidiary undertaking of an intermediate holding company registered in England and Wales which prepares consolidated financial statements that include a consolidated cash flow statement.

#### *Related party transactions*

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures in order to dispense with the requirement to disclose transactions with other Metropolitan Properties Company Limited Group companies.

#### *Classification of financial instruments issued by the company*

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

The Company has taken advantage of the transitional arrangements of FRS 25 not to restate corresponding amounts in accordance with the above policy. The adjustments necessary to implement this policy have been made as at 1 January 2005 with the net adjustment to net assets taken through the current year reconciliation of movements in shareholders' funds. Corresponding amounts for the year ended 31 December 2004 are presented and disclosed in accordance with the requirements of FRS 4.

The nature of the main effects upon the balance sheet at 1 January 2005 are that the non-voting redeemable deferred shares are treated as part of shareholders' funds at 31 December 2004 and as liabilities at 1 January 2005, increasing net debt and reducing reported share capital and net assets at the start of the current year.

### 2 Profit and loss account

During the year and the preceding year, the company did not trade and incurred no income or expenditure. Consequently during those years the company made neither a profit nor a loss and therefore a profit and loss account has not been prepared.



## Notes (continued)

### 3 Remuneration of directors

The directors did not receive any emoluments during the year or in the previous year. Apart from the directors there were no other employees of the company during the year or in the previous year.

### 4 Debtors

	2005 £	2004 £
Amount owed by intermediate parent undertaking (no fixed terms of repayment)	2,148,917	2,148,917

### 5 Creditors: amounts falling due within one year

	2005 £	2004 £
Shares classified as liabilities	100	-
Amount owed to immediate parent undertaking (no fixed terms of repayment)	2,148,717	2,148,717
	<u>2,148,817</u>	<u>2,148,717</u>

As more fully explained in note 1, classifications of financial liabilities are determined on different bases in 2005 and 2004 due to the transitional provisions of FRS 25.

### 6 Called up share capital

	2005 £	2004 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
500 0.7% non-cumulative preference shares of £1 each	500	500
	<u>600</u>	<u>600</u>
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100
100 0.7% non-cumulative preference shares of £1 each	100	100
	<u>200</u>	<u>200</u>
Shares classified as liabilities (note 5)	100	-
Shares classified in shareholders' funds	100	200
	<u>200</u>	<u>200</u>

## **Notes** *(continued)*

### **6 Called up share capital (continued)**

As more fully explained in note 1, classifications within shareholders' funds are determined on different bases in 2005 and 2004 due to the transitional provisions of FRS 25.

The non-cumulative preference shares confer the right on the holders to receive a non-cumulative dividend each year at the rate of 0.7% net on the amounts paid up. These shares would rank above the ordinary shares and be redeemable at par, in the event of the winding up of the company. The directors do not recommend payment of a dividend.

### **7 Ultimate parent undertaking**

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremenor Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited, a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address: Freshwater House, 158/162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.