

FRESHWATER PROPERTY MANAGEMENT LIMITED

Company No: 891786

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2008

SATURDAY



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24/01/2009

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COMPANIES HOUSE

**COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
LONDON NW11 0PU**

FRESHWATER PROPERTY MANAGEMENT LIMITED

DIRECTORS

B S E Freshwater
S I Freshwater
L Stempel

SECRETARY

M Jenner F.C.I.S.

REGISTERED OFFICE

Freshwater House
158-162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen Arnold
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

FRESHWATER PROPERTY MANAGEMENT LIMITED

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FOR THE YEAR ENDED 31 MARCH 2008

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FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the Financial Statements of the Company for the year ended 31st March 2008.

BUSINESS REVIEW:

The principal activity of the Company is that of property management.

RESULTS AND DIVIDEND:

The financial results of the Company's activities for the year ended 31 March 2008 are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors do not recommend the payment of a dividend for the year (2007: £Nil).

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL:

The Directors of the Company who served throughout the year, and who are still in office, are:

Mr B S E Freshwater
Mr S I Freshwater
Mr L Stempel

The Articles of Association do not require the Directors to retire by rotation. The Directors do not have Service Contracts nor do they receive any emoluments from the Company.

The whole of the Issued Share Capital of the Company is owned by Mayfair Charities Limited, a Company registered in Great Britain and incorporated in England for Charitable purposes. Mr B S E Freshwater is a Governor of the Parent Undertaking but does not have any beneficial interest therein, nor in this Company or any Subsidiary of the Parent Undertaking.

DIRECTORS' RESPONSIBILITIES:

The Directors are responsible for preparing 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 the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those Financial Statements, the Directors are required to select suitable accounting policies, as described on page 7 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Directors must also 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 to enable them to ensure that the Financial Statements comply with the Companies Act 1985. The Directors 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.

FRESHWATER PROPERTY MANAGEMENT LIMITED
REPORT OF THE DIRECTORS
(Continued)

DIRECTORS' RESPONSIBILITIES (continued):

In so far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

DIRECTORS' INTEREST IN CONTRACTS:

Almost all of the Commissions Receivable is derived from management activities undertaken by the Company in respect of properties owned by Companies with which this Company is closely associated. Mr B.S.E. Freshwater is a Director of those Companies and he together with members of his family are indirectly interested in their Share Capital.

Day-to-day management of the Company is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies, with which this Company is closely associated. The Directors of the Company are Directors of Highdorn Co. Limited and Mr B S E Freshwater also has a non-beneficial interest in its Share Capital.

DONATIONS:

The Financial Statements include charitable donations under Gift Aid of £400,000 (2007: £215,000) in favour of the Company's Parent Undertaking, Mayfair Charities Limited.

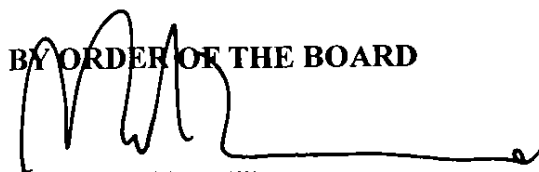
AUDITORS:

A resolution will be proposed at the Annual General Meeting that Messrs Cohen Arnold, Chartered Accountants, are to be re-appointed Auditors of the Company and their remuneration is to be determined by agreement with the Directors.

SMALL COMPANY PROVISIONS:

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

BY ORDER OF THE BOARD



M R M JENNER
SECRETARY

HEAD OFFICE:
FRESHWATER HOUSE,
158-162 SHAFTESBURY AVENUE
LONDON WC2H 8HR

22 December 2008

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS
- OF -
FRESHWATER PROPERTY MANAGEMENT LIMITED

We have audited the Financial Statements of Freshwater Property Management Limited for the year ended 31st March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of 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 THE DIRECTOR AND THE AUDITORS

The Directors' responsibilities for preparing the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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.

In addition we 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 the 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 Director 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(Continued)

TO THE SHAREHOLDERS

- OF -

FRESHWATER PROPERTY MANAGEMENT LIMITED

OPINION

In our opinion:

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of affairs of the Company as at 31st March 2008 and of its results for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Financial Statements.



New Burlington House
1075 Finchley Road
London NW11 0PU

COHEN ARNOLD
Chartered Accountants and
Registered Auditors

22 December 2008

FRESHWATER PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

	<u>Note</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Commissions Receivable	3	935,018	748,465
Administrative Expenses		(712,435)	(571,765)
		<hr/>	<hr/>
OPERATING PROFIT	4	222,583	176,700
Interest Receivable		311,565	179,726
Interest Payable		(43,100)	(42,172)
(Increase)/Decrease in Provision for Bad and Doubtful Debts		(83,937)	40,300
Gift Aid		(400,000)	(215,000)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,111	139,554
Taxation	5	(28,000)	(32,000)
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(20,889)	107,554
Retained Profit Brought Forward		1,274,128	1,166,574
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		1,253,239	1,274,128
		<hr/>	<hr/>

The Notes on pages 7 to 10 form part of these Financial Statements.

FRESHWATER PROPERTY MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 MARCH 2008

	<u>Note</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
<u>CURRENT ASSETS</u>			
Debtors	6	5,866,345	4,988,686
Cash at Bank		2,998,281	3,582,579
		<hr/>	<hr/>
		8,864,626	8,571,265
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	7	(7,611,287)	(7,297,037)
		<hr/>	<hr/>
<u>NET ASSETS</u>		1,253,339	1,274,228
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	8	100	100
Profit and Loss Account		1,253,239	1,274,128
		<hr/>	<hr/>
		1,253,339	1,274,228
		<hr/>	<hr/>

These Financial Statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These Financial Statements were approved by the directors on 22 December 2008 and signed on its behalf by


.....
B S E FRESHWATER - DIRECTOR

The Notes on pages 7 to 10 form part of these Financial Statements.

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

a. BASIS OF ACCOUNTING

The Financial Statements have been prepared under the Historical Cost Convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

b. CHANGES IN ACCOUNTING POLICIES

In preparing the Financial Statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2007).

The adoption of 'FRSSE 2007' has not resulted in any changes that need to be reflected in these Financial Statements or the results for the preceding year.

c. DEFERRED TAXATION

Deferred tax is provided in accordance with Financial Reporting Standard No.19 (FRS 19) in the Financial Statements. Under FRS 19 full provision is made in respect of all timing differences that have originated but not reversed by the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in future. Deferred tax assets are recognised to the extent that they are considered recoverable.

Deferred tax is measured on a non-discounted basis at the tax rates that apply at the balance sheet date.

d. CASH FLOW STATEMENT

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No: 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

e. FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

f. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions in Financial Reporting Standard No. 8. "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other Mayfair Charities Group Companies.

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

2. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities.

3. TURNOVER

The turnover of the Company is mainly derived from its Property Management activities.

4. OPERATING PROFIT

Operating profit is stated after charging:

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Directors' emoluments	-	-
Auditor's fees	10,400	9,700
Management and Administration Charges (Note 9)	702,000	562,000
	<hr/>	<hr/>

5. TAXATION

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Consideration Payable for Group Relief	28,000	32,000
	<hr/>	<hr/>
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	7,111	139,554
	<hr/>	<hr/>
Corporation tax at the standard rate of 30% (2007: 30%)	2,133	41,867
Disallowed Provision	25,181	(12,090)
Other Differences	686	2,223
	<hr/>	<hr/>
	28,000	32,000
	<hr/>	<hr/>

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

6. DEBTORS

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Amounts Due from Parent Company	-	63,035
Amounts Due from Fellow Subsidiary Undertakings	134,359	143,202
Interest Receivable from Fellow Subsidiary Undertaking	73,259	73,259
External Interest Receivable	1,019,518	954,441
Loan Debtors (see below)	1,000,000	1,000,000
Other Debtors (see below)	3,639,209	2,754,749
	<hr/>	<hr/>
	5,866,345	4,988,686
	<hr/>	<hr/>

Loan Debtors are represented by amounts due from Companies, certain Directors of which are also Directors of these Companies: the amounts due bear interest at both fixed rates and at rates geared to Bankers Base Rate. The loans are all effectively repayable on demand.

The major proportion of Other Debtors is represented by amounts due from Companies, of which Mr B S E Freshwater, a Director of this Company, is also a Director: the amounts due are on Current Account, are interest-free and effectively repayable on demand.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Amount due to Parent Undertaking	96,150	-
Amount due to Fellow Subsidiary Undertaking	38,951	-
Consideration Payable for Group Relief	28,000	32,000
Deferred Taxation	70,000	70,000
Other Taxation	13,600	5,219
Bank Loans and Overdrafts	-	12,057
Gift Aid	400,000	215,000
Other Creditors and Accruals	6,964,586	6,962,761
	<hr/>	<hr/>
	7,611,287	7,297,037
	<hr/>	<hr/>

The major proportion of Other Creditors and accruals is represented by amounts due to Companies, of which Mr B S E Freshwater, a Director of this Company, is also a Director: the amounts due are on Current Account, are interest-free and effectively repayable on demand.

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

8. CALLED UP SHARE CAPITAL

Authorised, Allotted, Called up and Fully Paid:

	Number	£
At 31st March 2008 and 31st March 2007:		
Ordinary Shares of £1 each	100	100
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9. DIRECTORS' INTERESTS IN CONTRACTS

Almost all of the Commissions Receivable is derived from management activities undertaken by the Company in respect of properties owned by Companies with which this Company is closely associated: Mr B.S.E. Freshwater is a Director of those Companies and he together with members of his family are indirectly interested in their Share Capital.

Day-to-day property management for the Company is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies, with which this Company is closely connected. Mr B S E Freshwater is a director of Highdorn Co. Limited and also has a non-beneficial interest in its share capital. The other Directors are also directors of Highdorn Co. Limited but do not have any interest in its Share Capital.

All of the above Commissions Receivable and the Management and Administration charge payable to Highdorn Co. Limited were for a full range of management and administrative services which were charged for at normal commercial rates.

10. PARENT UNDERTAKING AND CONTROL

The Company is controlled by its Parent undertaking, Mayfair Charities Limited, a Company incorporated in England for Charitable purposes. Mayfair Charities Limited does not have a Controlling Party.