

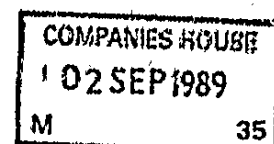
891786
~~~~~

FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1988

COHEN, ARNOLD & CO  
LONDON, W1



FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the audited Accounts of the Company for the year ended 31 March 1988.

Business Review:

The principal activity of the Company is that of property management. The financial results of the Company's activities for the year ended 31 March 1988 are fully reflected in the attached Accounts together with the Notes thereon.

The Directors do not recommend the payment of a Dividend for the year under review.

Directors:

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

Mr B S E Freshwater, Mr L Stempel, Mr S I Freshwater,  
Mr D R Hodges, Mr S F Townsend, Mr H E Severn,  
Mr D G Weaver

The Articles of Association do not require the Directors to retire by rotation. No Director has a Service Contract, nor do any of them receive emoluments from the Company.

Interests in Share Capital:

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 and Mr D Davis are Governors of the Holding Company but do not have any beneficial interest therein nor in this Company.

Taxation Status:

So far as the Directors are aware, the Company is a "close Company" within the meaning of the provisions of Section 414 Taxes Act 1988.

Charitable Donations:

During the year the Company made a Donation amounting to £160,000 under a Deed of Covenant executed in favour of its Holding Company, Mayfair Charities Limited.

FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

Auditors:

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

BY ORDER OF THE BOARD



H E SEVERN  
SECRETARY

31 MAR 1977

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

AUDITORS' REPORT TO THE MEMBERS

-OF-

FRESHWATER PROPERTY MANAGEMENT LIMITED

We have audited the annexed Accounts in accordance with approved Auditing Standards.

The Accounts have been prepared on the basis of the accounting policy set out in Note 1 on the Accounts, and also in accordance with the accounting principles appropriate to a going concern, this being dependent primarily upon the continued provision of financial facilities by the Company's Bankers and Creditors.

In our opinion the Accounts give a true and fair view of the state of affairs of the Company at 31 March 1988 and of the results and Source and Application of Funds for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

LONDON



COHEN, ARNOLD & CO  
Chartered Accountants

FRESHWATER PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1988

|                                                                                    | <u>NOTE</u> | <u>1988</u>      | <u>1987</u>       |
|------------------------------------------------------------------------------------|-------------|------------------|-------------------|
|                                                                                    |             | <u>£</u>         | <u>£</u>          |
| Commissions Receivable                                                             | 2           | 584,492          | 631,636           |
| Interest Receivable                                                                |             | 9,309            | 15,138            |
|                                                                                    |             | <u>593,801</u>   | <u>646,774</u>    |
| Administrative Expenses                                                            | 3           | (383,624)        | (383,500)         |
| Interest Payable                                                                   | 4           | ( 43,146)        | ( 62,610)         |
| Reduction in provision for bad<br>and doubtful debts                               |             | 5,801            | 6,999             |
| Payment under Deed of Covenant                                                     | 5           | <u>(16,822)</u>  | <u>(250,000)</u>  |
| <u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</u>                    |             | 156,010          | ( 42,337)         |
| Taxation on profit on ordinary<br>activities                                       | 6           | <u>-</u>         | <u>69,000</u>     |
| <u>PROFIT ON ORDINARY<br/>ACTIVITIES AFTER TAXATION<br/>FOR THE FINANCIAL YEAR</u> |             | 156,010          | 26,663            |
| <u>ADVERSE BALANCE BROUGHT FORWARD</u>                                             |             | <u>( 53,688)</u> | <u>( 80,351)</u>  |
| <u>RETAINED PROFIT/(ADVERSE BALANCE)<br/>CARRIED FORWARD</u>                       |             | <u>£102,322</u>  | <u>£( 53,688)</u> |

The Notes referred to above form part of these Accounts.

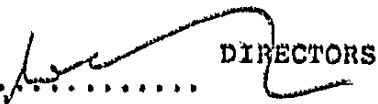
FRESHWATER PROPERTY MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 MARCH 1988

|                                                       | <u>NOTE</u> | <u>1988</u><br><u>£</u> | <u>1987</u><br><u>£</u> |
|-------------------------------------------------------|-------------|-------------------------|-------------------------|
| <u>CURRENT ASSETS</u>                                 |             |                         |                         |
| Debtors                                               | 7           | 2,880,776               | 1,689,505               |
| Cash at Bank                                          |             | 10,635                  | 436,864                 |
|                                                       |             | <u>2,921,411</u>        | <u>2,126,369</u>        |
| <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u> |             |                         |                         |
|                                                       | 8           | (2,818,989)             | (2,179,957)             |
| <u>NET ASSETS/(LIABILITIES)</u>                       |             | <u>£102,422</u>         | <u>£( 53,588)</u>       |
| <u>CAPITAL AND RESERVES</u>                           |             |                         |                         |
| Called up Share Capital                               | 9           | 100                     | 100                     |
| Profit and Loss Account                               |             | 102,322                 | ( 53,688)               |
|                                                       |             | <u>£102,422</u>         | <u>£( 53,588)</u>       |

The Notes referred to above form part of these Accounts.

..... 

.....  DIRECTORS

The Accounts approved by the Board of Directors on

FRESHWATER PROPERTY MANAGEMENT LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 MARCH 1988

|                                                                            | <u>1988</u> |           | <u>1987</u> |           |
|----------------------------------------------------------------------------|-------------|-----------|-------------|-----------|
|                                                                            | <u>£</u>    | <u>£</u>  | <u>£</u>    | <u>£</u>  |
| <u>SOURCE OF FUNDS</u>                                                     |             |           |             |           |
| Profit for the year before Taxation, being funds generated from operations |             | £156,010  |             | £26,663   |
|                                                                            |             |           |             |           |
| <u>Increase/(Reduction) in Net Working Capital</u>                         |             |           |             |           |
| Debtors                                                                    | 1,191,271   |           | (1,015,808) |           |
| Creditors falling due within one year                                      | (691,940)   |           | 516,046     |           |
|                                                                            |             | 499,331   |             | (499,762) |
|                                                                            |             |           |             |           |
| <u>Movement in Net Liquid Funds</u>                                        |             |           |             |           |
| (Reduction)/Increase in Cash at Bank                                       | (396,229)   |           | 387,372     |           |
| Reduction in Bank Overdrafts                                               | 52,908      |           | 139,053     |           |
|                                                                            |             | (343,321) |             | 526,425   |
|                                                                            |             |           |             |           |
|                                                                            |             | £156,010  |             | £ 26,663  |

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICY

The following Accounting policy has been used consistently in the preparation of the Company's Accounts.

Basis of Accounting:

The Accounts have been prepared under the Historical Cost Convention.

2. TURNOVER

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

3. ADMINISTRATIVE EXPENSES

The Administrative expenses charged in the Profit and Loss Account are comprised as follows:

|                                       | <u>1988</u>      | <u>1987</u>      |
|---------------------------------------|------------------|------------------|
|                                       | <u>£</u>         | <u>£</u>         |
| Auditors' Remuneration                | 3,500            | 3,500            |
| Management and Administration Charges | 380,000          | 380,000          |
| Legal and Professional                | 124              | -                |
|                                       | <u>£ 383,624</u> | <u>£ 383,500</u> |

4. INTEREST PAYABLE

The aggregate charge for interest payable is in relation to Bank Overdrafts and Loans repayable within one year.



# FRESHWATER PROPERTY MANAGEMENT LIMITED

## NOTES ON THE ACCOUNTS

### 5. PAYMENTS UNDER DEED OF COVENANT

The payments under Deed of Covenant are related to total profits as computed for taxation purposes; any adjustment to the payments will be reflected in a subsequent accounting period when relevant taxation computations have been agreed with the Inland Revenue.

The composition of the charge to Profit and Loss Account is as follows:

|                                                             | <u>1988</u><br><u>£</u> | <u>1987</u><br><u>£</u> |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Payment during year                                         | 160,000                 | 250,000                 |
| Overpayment refunded in relation to prior accounting period | (143,178)               | ( - )                   |
|                                                             | <u>£16,822</u>          | <u>£250,000</u>         |

### 6. TAXATION

|                                                                     | <u>1988</u>  | <u>1987</u>    |
|---------------------------------------------------------------------|--------------|----------------|
| Corporation Tax: adjustment in respect of prior accounting periods. | <u>£ NIL</u> | <u>£69,000</u> |

### 7. DEBTORS

|                                  | <u>1988</u><br><u>£</u> | <u>1987</u><br><u>£</u> |
|----------------------------------|-------------------------|-------------------------|
| Amounts due from Holding Company | 131,178                 | -                       |
| Taxation Recoverable             | 12,000                  | -                       |
| Other Debtors                    | 2,737,598               | 1,689,505               |
|                                  | <u>£2,880,776</u>       | <u>£1,689,505</u>       |

The major portion of other Debtors are represented by amounts due from Companies certain Directors of which are also Directors of this Company: the amounts due are on Current Account which are interest-free and repayable on demand.

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES ON THE ACCOUNTS

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | <u>1988</u>       | <u>1987</u>       |
|------------------------------|-------------------|-------------------|
|                              | <u>£</u>          | <u>£</u>          |
| Corporation Tax              | 1,100             | 1,100             |
| Other Taxation               | 130,600           | 159,900           |
| Bank Loans and Overdrafts    | 64,126            | 117,034           |
| Other Creditors and Accruals | 2,623,163         | 1,901,923         |
|                              | <u>£2,818,989</u> | <u>£2,179,957</u> |

9. CALLED UP SHARE CAPITAL

Authorised, Issued and Fully paid:

At 31 March 1988 and

31 March 1987:

100 Ordinary Shares of £1 each

£ 100

10. CONTINGENT LIABILITIES

The Company has entered into a joint and several unlimited guarantees in respect of Bank Overdraft facilities granted to itself and Companies in which one of the Directors of this Company is also a Director. The facilities utilised at 31 March 1988 amounted to £98,000 (1987: £240,000).

11. ULTIMATE HOLDING COMPANY

The Company's Ultimate Holding Company is Mayfair Charities Limited a Company incorporated in England for Charitable purposes.