

FRESHWATER PROPERTY MANAGEMENT LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 MARCH 2010

COMPANY REGISTRATION NUMBER 891786



COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

FRESHWATER PROPERTY MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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FRESHWATER PROPERTY MANAGEMENT LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr B S E Freshwater Mr S I Freshwater Mr L Stempel
Company secretary	Mr M R M Jenner F C I S
Registered office	Freshwater House 158-162 Shaftesbury Avenue London WC2H 8HR
Auditor	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road London NW11 0PU

FRESHWATER PROPERTY MANAGEMENT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2010

PRINCIPAL ACTIVITIES

The principal activity of the company is that of property management

DIRECTORS

The directors who served the company during the year were as follows:

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

DIRECTORS' INTERESTS

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.

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 of which Mr B S E Freshwater and Mr S I Freshwater are governors.

The directors do not have any beneficial interest in the share capital of the company, its parent undertaking or any subsidiary of the parent undertaking.

DONATIONS

The financial statements include charitable donations under Gift Aid of £161,000 (2009 - £252,000) in favour of the company's parent undertaking, Mayfair Charities Limited.

DIRECTORS' RESPONSIBILITIES

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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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

FRESHWATER PROPERTY MANAGEMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

- 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

AUDITOR

Cohen Arnold are deemed to be re-appointed under section 487(2) of the Companies Act 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office.
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

Signed by order of the directors



MR M R M JENNER F C I S
Company Secretary

Approved by the directors on *2 Dec 2010*.

FRESHWATER PROPERTY MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FRESHWATER PROPERTY MANAGEMENT LIMITED
YEAR ENDED 31 MARCH 2010

We have audited the financial statements of Freshwater Property Management Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


FRESHWATER PROPERTY MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FRESHWATER PROPERTY MANAGEMENT LIMITED *(continued)*

YEAR ENDED 31 MARCH 2010

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



JOSHUA NEUMANN (Senior
Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

2 Dec 2010.

FRESHWATER PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
TURNOVER	2	806,950	875,225
Administrative Expenses		<u>(761,281)</u>	<u>(890,903)</u>
OPERATING PROFIT/(LOSS)	3	45,669	(15,678)
Interest Receivable		99,780	205,422
Interest Payable and Similar Charges		<u>(38,165)</u>	<u>(39,229)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		107,284	150,515
Tax on Profit on Ordinary Activities	4	<u>(25,000)</u>	<u>(31,000)</u>
PROFIT FOR THE FINANCIAL YEAR		82,284	119,515
Balance Brought Forward		<u>1,372,754</u>	<u>1,253,239</u>
Balance Carried Forward		<u>1,455,038</u>	<u>1,372,754</u>

The notes on pages 8 to 11 form part of these financial statements

FRESHWATER PROPERTY MANAGEMENT LIMITED

BALANCE SHEET

31 MARCH 2010

	Note	2010 £	£	2009 £	£
CURRENT ASSETS					
Debtors	5	6,533,430		5,834,995	
Cash at Bank		<u>8,113,774</u>		<u>4,417,477</u>	
		14,647,204		10,252,472	
CREDITORS: Amounts falling due within one year	6	<u>(13,192,066)</u>		<u>(8,879,618)</u>	
NET CURRENT ASSETS			1,455,138		1,372,854
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,455,138</u>		<u>1,372,854</u>
CAPITAL AND RESERVES					
Called-Up Equity Share Capital	8		100		100
Profit and Loss Account			1,455,038		1,372,754
SHAREHOLDERS' FUNDS			<u>1,455,138</u>		<u>1,372,854</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on *2 Dec 2010*, and are signed on their behalf by


MR B S E FRESHWATER
Director

Company Registration Number 891786

The notes on pages 8 to 11 form part of these financial statements.

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

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 April 2008)

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 a parent undertaking registered in England and Wales which prepares consolidated financial statements that include a consolidated cash flow statement

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

Current tax

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions

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

2. TURNOVER

The turnover of the company is mainly derived from its property management activities

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging.

	2010	2009
	£	£
Directors' remuneration	—	—
Auditor's fees	<u>11,400</u>	<u>11,000</u>

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
Consideration payable for group relief	<u>25,000</u>	<u>31,000</u>
Total current tax	<u>25,000</u>	<u>31,000</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>107,284</u>	<u>150,515</u>
Profit on ordinary activities by rate of tax	30,040	42,144
Disallowed provision	(4,803)	(8,157)
Other differences	<u>(237)</u>	<u>(2,987)</u>
Total current tax (note 4(a))	<u>25,000</u>	<u>31,000</u>

5. DEBTORS

	2010 £	2009 £
Amounts owed by group undertakings	291,339	138,549
Other debtors	<u>6,242,091</u>	<u>5,696,446</u>
	<u>6,533,430</u>	<u>5,834,995</u>

Other debtors include amounts totalling £688,000 (2009 - £1,000,000) due from companies of which certain directors are also directors of the company. The amounts due bear interest at both fixed rates and at rates geared to Bankers Base Rate and are all effectively repayable on demand.

Other debtors also include amounts totalling £3,852,591 (2009 - £2,955,364) 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.

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

6. CREDITORS: Amounts falling due within one year

	2010		2009
	£	£	£
Amounts owed to group undertakings		241,547	120,021
Other creditors including taxation			
Consideration payable for group relief	25,000		31,000
Deferred taxation	70,000		70,000
VAT	9,506		6,757
Other creditors and accruals	<u>12,846,013</u>		<u>8,651,840</u>
	<u>12,950,519</u>		<u>8,759,597</u>
	<u>13,192,066</u>		<u>8,879,618</u>

Other creditors and accruals include amounts totalling £10,544,335 (2009 - £5,931,906) 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.

7. RELATED PARTY TRANSACTIONS

No transactions with related parties other than those disclosed above were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective April 2008).

8. SHARE CAPITAL

Authorised share capital:

	2010		2009
	£		£
100 Ordinary shares of £1 each	<u>100</u>		<u>100</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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. ULTIMATE PARENT COMPANY

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.