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FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1987

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 1987.

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 1987 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 282 Taxes Act 1970.

FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

Charitable Donations:

During the year the Company made a Donation amounting to £250,000 under a Deed of Covenant executed in favour of its Holding Company, Mayfair Charities Limited.

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

HEAD OFFICE



H E SEVERN
SECRETARY

FRESHWATER HOUSE
158 - 162 SHAFTESBURY AVENUE
LONDON WC2H 8HR

11 APR 1988

AUDITORS' REPORT TO THE MEMBERS

-OF-

FRESHWATER PROPERTY MANAGEMENT LIMITED

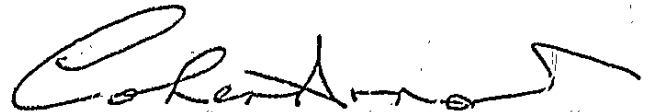
We have audited the annexed Accounts in accordance with approved Auditing Standards.

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 1987 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

111 APR 1988



COHEN, ARNOLD & CO
Chartered Accountants

FRESHWATER PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1987

	<u>NOTE</u>	<u>1987</u>	<u>1986</u>
		<u>£</u>	<u>£</u>
Commissions Receivable	2	631,636	683,855
Interest Receivable		15,138	17,187
		<u>646,774</u>	<u>701,042</u>
Administrative Expenses	3	(383,500)	(407,500)
Interest Payable	4	(62,610)	(50,138)
Reduction in provision for bad and doubtful debts		6,999	3,995
Payment under Deed of Covenant	5	(250,000)	(400,000)
		<u> </u>	<u> </u>
<u>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(42,337)	(152,601)
Taxation on profit on ordinary activities - Credit	6	69,000	-
		<u> </u>	<u> </u>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</u>		26,663	(152,601)
<u>ADVERSE BALANCE BROUGHT FORWARD</u>		(80,351)	72,250
		<u> </u>	<u> </u>
<u>ADVERSE BALANCE CARRIED FORWARD</u>		<u>£(53,688)</u>	<u>£(80,351)</u>


The Notes referred to above form part of these Accounts.

FRESHWATER PROPERTY MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 MARCH 1987

	<u>NOTE</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
<u>CURRENT ASSETS</u>			
Debtors	7	1,689,505	2,705,313
Cash at Bank		436,864	49,492
		<u>2,126,369</u>	<u>2,754,805</u>
 <u>CREDITORS: AMOUNTS FALLING</u> <u>DUE WITHIN ONE YEAR</u>			
	8	(2,179,957)	(2,835,056)
 <u>NET LIABILITIES</u>			
		<u>£(53,588)</u>	<u>£(80,251)</u>
 <u>CAPITAL AND RESERVES</u>			
Called up Share Capital	9	100	100
Profit and Loss Account		(53,688)	(80,351)
		<u>£(53,588)</u>	<u>£(80,251)</u>

The Notes referred to above form part of these Accounts.

..... 

.....  DIRECTORS

The Accounts approved by the Board of Directors on 11 APR 1988

FRESHWATER PROPERTY MANAGEMENT LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 MARCH 1987

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
<u>SOURCE OF FUNDS</u>		
Profit/(Loss) for the year before Taxation, being funds generated from/ (absorbed by) operations	£26,663	£(152,601)
	<u> </u>	<u> </u>
 <u>Increase/(Reduction) in Net Working Capital</u>		
Debtors	(1,015,808)	1,561,616
Creditors falling due within one year	516,046	(1,225,019)
	<u> </u>	<u> </u>
	(499,762)	336,597
 <u>Movement in Net Liquid Funds</u>		
Increase/(Reduction) in Cash at Bank	387,372	(242,372)
Reduction/(Increase) in Bank Overdrafts	139,053	(246,826)
	<u> </u>	<u> </u>
	526,425	(489,198)
	<u> </u>	<u> </u>
	<u>£ 26,663</u>	<u>£(152,601)</u>

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>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Auditors' Remuneration	3,500	3,500
Management and Administration Charges	380,000	404,000
	<u>£ 383,500</u>	<u>£ 407,500</u>

4. INTEREST PAYABLE

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

5. PAYMENT UNDER DEED OF COVENANT

The payment under the Deed of Covenant is related to total profits as computed for taxation purposes. Any adjustment to the payment will be reflected in a subsequent Accounting period when relevant taxation computations have been agreed with the Inland Revenue.

6. TAXATION

	<u>1987</u>	<u>1986</u>
Corporation Tax: adjustment in respect of prior accounting periods.	£69,000	£ NIL

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES ON THE ACCOUNTS

7. DEBTORS

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Other Debtors	£1,689,505	£2,705,313

The major portion of the above is 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.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Corporation Tax	1,100	375,100
Other Taxation	159,900	99,400
Bank Loans and Overdrafts	117,034	256,087
Other Creditors and Accruals	1,901,923	1,104,469
Amounts due to Holding Company	-	1,000,000
	<u>£2,179,957</u>	<u>£2,835,056</u>

9. CALLED UP SHARE CAPITAL

Authorised, Issued and Fully paid:

At 31 March 1987 and

31 March 1986:

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 1987 amounted to £240,000 (1986: £118,000).

11. ULTIMATE HOLDING COMPANY

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



THE FRESHWATER GROUP OF COMPANIES

Freshwater House 158-162 Shaftesbury Avenue London WC2H 8HR Telephone 01-836 1555

YOUR REF:

OUR REF: CCM/JS

12th April 1988

Registrar of Companies,
Companies Registration Office,
Companies House,
Crown Way,
CARDIFF.
CF4 3UZ

Dear Sir,

Re: FRESHWATER PROPERTY MANAGEMENT LIMITED - NO.891786

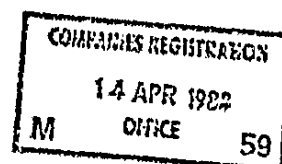
I enclose a signed copy of the Audited Accounts of the above Company for the year ended 31st March 1987 for placing on the Company file.

Please would you sign and return the enclosed copy of this letter by way of official receipt in due course.

Yours faithfully,


C.C. MORSE
Assistant to the Company Secretary.

LETREGFPM





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LETREGFPM