COMPANY REGISTRATION NUMBER: 00990596

CHERRY ORCHARD PROPERTIES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2016

COHEN ARNOLD
Chartered accountant & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

CHERRY ORCHARD PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

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CHERRY ORCHARD PROPERTIES LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2016

The director presents his report and the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is property investment in commercial and residential properties in the UK. From time to time the Company undertakes the redevelopment of its existing properties. The Company's business model is generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the Company's investment properties is considered to be potentially for sale in the right circumstances. There has been no significant change in the nature of the company's business activities during the year under review, nor is any envisaged in the immediate future.

DIRECTOR

The director who served the company during the year was as follows:

Mr B S E Freshwater

The director does not have a service contract nor does he receive any emoluments from the company.

The majority of the day-to-day management of the company's property and its operations is carried out by Freshwater Property Management Limited and Highdorn Co. Limited. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of either of these companies.

Mr BSE Freshwater is also a governor of the parent undertaking of Freshwater Property Management Limited, but has no beneficial interest in that company.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes.

The company did not pay a dividend in the year (2015: £nil). The director does not propose a final dividend for the year (2015: £nil).

PROPERTIES

A professional valuation of all the Company's investment portfolio was carried out at 2016 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The valuation totalled £1,579,925 (2015: £1,354,925) producing a surplus of £191,384 (2015: £165,000) which has been included in the profit and loss account.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 director is 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. He is 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.

DONATIONS

During the year the company made no charitable donation nor political contribution.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on ...15 DEC 2016... and signed on behalf of the board by:

M R M Jenner, F.C.I.S.
Company Secretary

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHERRY ORCHARD PROPERTIES LIMITED

YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Cherry Orchard Properties Limited for the year ended 31 March 2016 which comprise the profit and loss account, statement of income and retained earnings, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, as a body, in accordance with chapter 3 of part 16 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 DIRECTOR AND AUDITOR

As explained more fully in the director's responsibilities statement, the director is 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 and express an opinion on 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 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 the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHERRY ORCHARD PROPERTIES LIMITED *(continued)*

YEAR ENDED 31 MARCH 2016

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 director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Joshua Neumann (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered accountant & statutory auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

1 5 DEC 2016

CHERRY ORCHARD PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
TURNOVER	3	**95,619**	86,472
Cost of sales		**(49,752)**	(49,353)
GROSS PROFIT		**45,867**	37,119
Administrative expenses		**(5,670)**	(4,474)
Net valuation gains on investment property		**191,384**	165,000
Profit on disposal of investment property		**-**	5,985
OPERATING PROFIT	4	**231,581**	203,630
Other interest receivable and similar income		**200**	223
Interest payable and similar charges	6	**(21,800)**	(21,785)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**209,981**	182,068
Tax on profit on ordinary activities	7	**(23,755)**	(38,000)
PROFIT FOR THE FINANCIAL YEAR		**186,226**	144,068

All the activities of the company are from continuing operations.

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Profit for the financial year and total comprehensive income		**186,226**	144,068
RETAINED EARNINGS AT THE START OF THE YEAR		**511,098**	367,030
RETAINED EARNINGS AT THE END OF THE YEAR		**697,324**	511,098

The balance on the profit and loss account at 31 March 2016 includes £1,169,665 of unrealised profits which are not available for distribution.

The notes on pages 8 to 16 form part of these financial statements.

CHERRY ORCHARD PROPERTIES LIMITED

BALANCE SHEET

31 MARCH 2016

	Note	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Investment properties	8		1,579,925		1,354,925
CURRENT ASSETS					
Debtors	9	74,176		71,971	
Cash at bank and in hand		93,463		130,060	
		167,639		202,031	
CREDITORS: amounts falling due within one year	10	(799,385)		(811,758)	
NET CURRENT LIABILITIES			(631,746)		(609,727)
TOTAL ASSETS LESS CURRENT LIABILITIES			948,179		745,198
PROVISIONS	12		(249,755)		(233,000)
NET ASSETS			698,424		512,198
CAPITAL AND RESERVES					
Called up share capital	13		1,100		1,100
Profit and loss account	14		697,324		511,098
SHAREHOLDERS FUNDS			698,424		512,198

These financial statements were approved by the board of directors and authorised for issue on 15 DEC 2016, and are signed on behalf of the board by:

B S E Freshwater
Director

Company registration number: 00990596

The notes on pages 8 to 16 form part of these financial statements.

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. ACCOUNTING POLICIES

Basis of preparation

Cherry Orchard Properties Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

The financial statements have been prepared under the historical cost convention except that investment property is measured at fair value.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, notwithstanding the company's net current liabilities, as the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on available sources of finance.

Disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

The Company's parent undertaking, The Raphael Freshwater Memorial Association Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of The Raphael Freshwater Memorial Association Limited are prepared in accordance with the Charities SORP and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements and key sources of estimation uncertainty

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18.

2. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover comprises rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Property outgoings

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Lease payments under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued. Any gain or loss arising from a change in fair value is recognised in the profit and loss account.

Disposals of properties

The company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the company's profit on ordinary activities, and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred. In addition the company also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

2. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Income and expenses

Interest receivable and Interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Interest receivable and similar income include interest receivable on intercompany loans and late payment charges.

Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in The Raphael Freshwater Memorial Association Limited group.

3. TURNOVER

Turnover arises from:

	2016	2015
	£	£
Rent receivable	**87,915**	83,712
Service charges receivable	**7,704**	2,760
	95,619	86,472

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Fees payable for the audit of the financial statements	**4,420**	4,440

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent undertaking, The Raphael Freshwater Memorial Association Limited.

5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees including the directors during the year (2015: £Nil).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Interest on banks loans and overdrafts	**15**	–
Other interest payable and similar charges	**21,785**	21,785
	21,800	21,785

Interest paid to group undertakings amounted to £16,000 (2015: £16,000).

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Major components of tax expense

	2016	2015
	£	£
Current tax:		
Consideration payable for group relief	**7,000**	5,000
Deferred tax:		
Origination and reversal of timing differences	**40,055**	33,000
Impact of change in tax rate	**(23,300)**	–
Total deferred tax	**16,755**	33,000
Tax on profit on ordinary activities	**23,755**	38,000

All tax is recognised in the profit and loss account.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	**209,981**	182,068
Profit on ordinary activities by rate of tax	**41,996**	38,234
Effect of expenses not deductible for tax purposes	**3,838**	1,741
Timing differences on unrealised gains	**1,778**	(1,650)
Impact of change in tax rate	**(23,300)**	-
Other differences	**(557)**	(325)
Tax on profit on ordinary activities	**23,755**	38,000

Factors that may affect future tax expense

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 18 November 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future tax charge accordingly.

8. INVESTMENT PROPERTIES

	Freehold property	Long leasehold property	**Total**
	£	£	**£**
Fair Value			
At 1 April 2015	264,100	1,090,825	**1,354,925**
Additions	33,616	–	**33,616**
Revaluations	(23,866)	215,250	**191,384**
At 31 March 2016	273,850	1,306,075	**1,579,925**
Carrying amount			
At 31 March 2016	273,850	1,306,075	**1,579,925**
At 31 March 2015	264,100	1,090,825	1,354,925

8. INVESTMENT PROPERTIES *(continued)*

Investment properties held at valuation

An independent professional revaluation of the Company's property was carried out at 31 March 2016 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures are based on open market value assessed in accordance with the RICS Valuation – Professional Standards (2015).

Valuation techniques and key inputs

The company's residential apartments (£1,306,075) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies. Sales value assumptions were in the range of £447 to £526 per square foot.

The company's commercial units (£273,850) were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review. Equivalent yields used was 7.26% and estimated rental value used was £10.25 per square foot.

Historical cost model

The historical cost of investment properties at 31 March 2016 is £160,505 (2015: £126,889).

9. DEBTORS

	2016	2015
	£	£
Trade debtors	**16,098**	17,420
Amounts owed by group undertakings	**30,000**	30,000
Other debtors	**28,078**	24,551
	74,176	71,971

All debtors are payable within one year or are payable on demand. Intra-group loans are interest-free sterling loans repayable on demand.

Other debtors include a loan of £19,742 (2015: £19,742), due by Craigton Combined Securities Limited of which Mr B S E Freshwater, the director of this company, is also a director. The loan is an interest-free sterling loan repayable on demand.

10. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	**6,599**	12,084
Amounts owed to group undertakings	**490,894**	485,894
Other creditors	**301,892**	313,780
	799,385	811,758

Intra-group loans are sterling loans repayable on demand and comprise £256,000 (2015: £256,000) which includes interest paid at 8% per annum, with the remaining loans being interest-free.

10. CREDITORS: amounts falling due within one year *(continued)*

Other creditors include an interest-free management balance of £87,156 (2015: £107,964) due to Highdorn Co. Limited (note 16).

Also included in Other creditors is a sterling loan advance of £53,000 (2015: £53,000) due to Freshwater Property Management Limited of which Mr B S E Freshwater, the director of this company, is also a director. The loan bears interest at variable rates and is repayable on demand. At the balance sheet date, interest of £137,653 (2015: £131,868) was accrued and unpaid.

11. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2016	2015
	£	£
Included in provisions (note 12)	**249,755**	233,000

12. PROVISIONS

	Deferred tax (note 11)
	£
At 1 April 2015	**233,000**
Additions	**16,755**
At 31 March 2016	**249,755**

13. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	**£**	No.	£
Ordinary shares of £1 each	**1,000**	**1,000**	1,000	1,000
Deferred Ordinary shares of £1 each	**100**	**100**	100	100
	1,100	**1,100**	1,100	1,100

14. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

15. COMMITMENTS UNDER OPERATING LEASES

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	**58,520**	49,817
Later than 1 year and not later than 5 years	**62,042**	56,157
Later than 5 years	**10,153**	8,279
	130,715	114,253

16. DIRECTOR'S INTERESTS IN CONTRACTS

The majority of the day-to-day management of the company's properties and its operations is carried out by Highdorn Co. Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a director of Highdorn Co. Limited and has a non-beneficial interest therein. Mr B S E Freshwater is also a director of Freshwater Property Management Limited and a governor of its parent undertaking, Mayfair Charities Limited but has no beneficial interest in either of these companies.

During the year there were no charges payable to Highdorn Co. Limited for these services and no such amounts were owing to Highdorn Co. Limited at 31 March 2016.

During the year, £266 (2015: £3,777), including VAT, was payable to Freshwater Property Management Limited for these services which were charged for at normal commercial rates. The amount owing to Freshwater Property Management Limited at 31 March 2016 is £4,043 (2015: £4,309).

17. PARENT COMPANY AND CONTROLLING PARTY

The company is controlled by its parent undertaking, The Raphael Freshwater Memorial Association Limited, a company incorporated in England for charitable purposes. The Raphael Freshwater Memorial Association Limited does not have a controlling party.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up is The Raphael Freshwater Memorial Association Limited.

Copies of these financial statements can be obtained from the following address:

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

18. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Property valuations

The valuation of the company's properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 8). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 2 above, the company's properties are valued by external valuers with appropriate qualifications and experience.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.