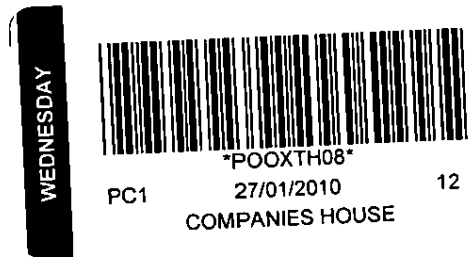


FRESHWATER PROPERTY MANAGEMENT LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 MARCH 2009



COMPANY REGISTRATION NUMBER 891786

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

FRESHWATER PROPERTY MANAGEMENT LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

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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
& Registered Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

FRESHWATER PROPERTY MANAGEMENT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

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 is a governor.

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 £252,000 (2008 - £400,000) in favour of the company's parent undertaking, Mayfair Charities Limited.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). 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:

FRESHWATER PROPERTY MANAGEMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

- 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 proper accounting records that 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 1985. 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 VII of the Companies Act 1985.

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 21 December 2009.

FRESHWATER PROPERTY MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FRESHWATER PROPERTY MANAGEMENT LIMITED

YEAR ENDED 31 MARCH 2009

We have audited the financial statements of Freshwater Property Management Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, 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 shareholders, 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 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

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 Directors' 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 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 judgements made by the directors 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.

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

YEAR ENDED 31 MARCH 2009

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 the company's affairs as at 31 March 2009 and of its profit 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.



COHEN ARNOLD
Chartered Accountants
& Registered Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

21 December 2009

FRESHWATER PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
TURNOVER	2	875,225	935,018
Administrative Expenses		<u>(890,903)</u>	<u>(1,196,372)</u>
OPERATING LOSS	3	(15,678)	(261,354)
Interest Receivable		205,422	311,565
Interest Payable and Similar Charges		<u>(39,229)</u>	<u>(43,100)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		150,515	7,111
Tax on Profit on Ordinary Activities	4	<u>(31,000)</u>	<u>(28,000)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		119,515	(20,889)
Balance Brought Forward		<u>1,253,239</u>	<u>1,274,128</u>
Balance Carried Forward		<u>1,372,754</u>	<u>1,253,239</u>

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

FRESHWATER PROPERTY MANAGEMENT LIMITED

BALANCE SHEET

31 MARCH 2009

	Note	2009 £	£	2008 £	£
CURRENT ASSETS					
Debtors	5	5,834,995		5,866,345	
Cash at Bank		4,417,477		2,998,281	
		<u>10,252,472</u>		<u>8,864,626</u>	
CREDITORS: Amounts falling due within one year	6	<u>(8,879,618)</u>		<u>(7,611,287)</u>	
NET CURRENT ASSETS			1,372,854		1,253,339
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,372,854</u>		<u>1,253,339</u>
CAPITAL AND RESERVES					
Called-Up Equity Share Capital	8		100		100
Profit and Loss Account			1,372,754		1,253,239
SHAREHOLDERS' FUNDS			<u>1,372,854</u>		<u>1,253,339</u>

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 and authorised for issue on 21 December 2009, 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 2009

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 January 2007).

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.

Related parties 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.

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.

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.

2. TURNOVER

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

3. OPERATING LOSS

Operating loss is stated after charging:

	2009	2008
	£	£
Directors' emoluments	—	—
Auditor's fees	<u>11,000</u>	<u>10,400</u>

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
Consideration payable for group relief	31,000	28,000
Total current tax	<u>31,000</u>	<u>28,000</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% (2008 - 30%).

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>150,515</u>	<u>7,111</u>
Profit on ordinary activities by rate of tax	42,144	2,133
Disallowed provision	(8,157)	25,181
Other differences	<u>(2,987)</u>	<u>686</u>
Total current tax (note 4(a))	<u>31,000</u>	<u>28,000</u>

5. DEBTORS

	2009 £	2008 £
Amounts owed by group undertakings	138,549	134,359
Other debtors	<u>5,696,446</u>	<u>5,731,986</u>
	<u>5,834,995</u>	<u>5,866,345</u>

Other debtors include amounts totalling £1,000,000 (2008 - £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 £2,955,364 (2008 - £3,191,849) 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 2009

6. CREDITORS: Amounts falling due within one year

	2009		2008
	£	£	£
Amounts owed to group undertakings		120,021	135,101
Other creditors including taxation:			
Consideration payable for group relief	31,000		28,000
Deferred taxation	70,000		70,000
VAT	6,757		13,600
Other creditors and accruals	<u>8,651,840</u>		<u>7,364,586</u>
	<u>8,759,597</u>		<u>7,476,186</u>
	<u>8,879,618</u>		<u>7,611,287</u>

Other creditors and accruals include amounts totalling £5,931,906 (2008 - £5,387,013) 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 January 2007).

8. SHARE CAPITAL

Authorised share capital:

	2009		2008
	£		£
100 Ordinary shares of £1 each	<u>100</u>		<u>100</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009

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.