

FRESHWATER PROPERTY MANAGEMENT LIMITED

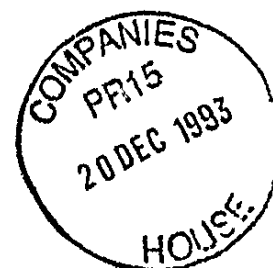
Company No: 891786

FINANCIAL STATEMENTS

for the year ended

31 MARCH 1993

COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
LONDON W1X 2JP



FRESHWATER PROPERTY MANAGEMENT LIMITED

DIRECTORS

Mr B S E Freshwater
Mr S I Freshwater
Mr L Stempel
Mr D R Hodges (Resigned 10th August 1992)
Mr H E Severn
Mr D G Weaver (Resigned 21st October 1992)

SECRETARY

Mr C C Morse

REGISTERED OFFICE

Freshwater House,
158-162 Shaftesbury Avenue,
LONDON WC2H 8HR

AUDITORS

Cohen, Arnold & Co.
13-17 New Burlington Place,
Regent Street,
LONDON W1X 2JP

FRESHWATER PROPERTY MANAGEMENT LIMITED

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FOR THE YEAR ENDED 31ST MARCH 1993

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FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the Financial Statement of the Company for the year ended 31st March 1993.

BUSINESS REVIEW:

The principal activity of the Company is that of property management.

RESULTS AND DIVIDEND:

The financial results of the Company's activities for the year ended 31 March 1993 are fully reflected in the attached Financial Statements 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 are:

Mr B S E Freshwater
Mr S I Freshwater
Mr I Stempel
Mr D R Hodges (Resigned 10th August 1992)
Mr H E Severn
Mr D G Weaver (resigned 21st October 1992)

The Articles of Association do not require the Directors to retire by rotation. The Directors do not have Service Contracts, nor did they receive any emoluments from the Company in the year under review.

DIRECTORS' 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 is a Governor of the Parent Undertaking but does not have any beneficial interest therein nor in this Company.

DIRECTOR'S INTEREST IN CONTRACTS:

Day-to-day management of the Company is carried out by Highborn Co. Limited, one of the Freshwater Group of Companies, with which this Company is closely associated. Mr B S E Freshwater is a Director of Highborn Co. Limited and is also interested in Share Capital.

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.

FRESHWATER PROPERTY MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

(Continued)

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



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C C MORSE
SECRETARY

1st December 1993

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

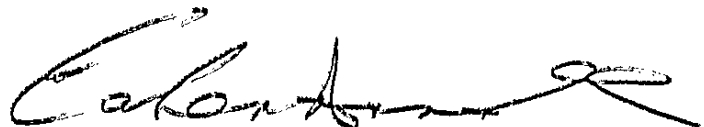
REPORT OF THE AUDITORS, COHEN ARNOLD & CO

TO THE MEMBERS OF

FRESHWATER PROPERTY MANAGEMENT LIMITED

We have audited the Financial Statements set out on pages 4 to 9 in accordance with Auditing Standards.

In our opinion, the Financial Statements give a true and fair view of the state of affairs of the Company at 31st March 1993 and of the results for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

LONDON

Date: 14 December 1993

FRESHWATER PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1993

		<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
	<u>Note</u>		
Commissions Receivable	2	883,343	908,627
Interest Receivable	3	260,213	114,477
		<hr/>	<hr/>
		1,143,556	1,023,104
Administrative Expenses	4	(710,632)	(641,520)
Interest Payable	5	(51,452)	(49,939)
Reduction in Provision for Bad and Doubtful Debts		11,044	10,512
Payment under Deed of Covenant		-	(200,000)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		392,516	142,157
Taxation on Profit on Ordinary Activities	6	(138,071)	(555,050)
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		254,445	(412,893)
Retained Profit Brought Forward		242,299	655,192
		<hr/>	<hr/>
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>£496,744</u>	<u>£242,299</u>

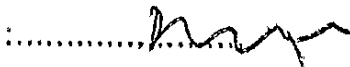
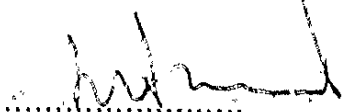
The Notes on pages 6 to 9 form part of these Financial Statements.

FRESHWATER PROPERTY MANAGEMENT LIMITED

BALANCE SHEET AS AT 31ST MARCH 1993

	<u>Note</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
<u>CURRENT ASSETS</u>			
Debtors	7	6,091,273	4,912,098
Cash at Bank		102,683	3,770
		<hr/>	<hr/>
		6,193,956	4,915,868
<u>CREDITORS: AMOUNTS FALLING</u> <u>DUE WITHIN ONE YEAR</u>	8	(5,697,112)	(4,673,469)
		<hr/>	<hr/>
<u>NET ASSETS</u>		£496,844	£242,399
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	9	100	100
Profit and Loss Account		496,744	242,299
		<hr/>	<hr/>
		£496,844	£242,399
		<hr/>	<hr/>

The Notes on pages 6 to 9 form part of these Financial Statements.

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DIRECTORS

Approved by the Board of Directors on...14... December 1993

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

a. BASIS OF ACCOUNTING :

The Financial Statements have been prepared under the Historical Cost Convention and in accordance with applicable accounting standards.

b. CASH FLOW STATEMENT :

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No: 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

2. TURNOVER

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

3. INTEREST RECEIVABLE

	<u>1993</u> £	<u>1992</u> £
Interest Receivable from Fellow Subsidiary Undertakings	54,536	66,728
External Interest Receivable	193,393	42,993
Bank Deposit Interest Receivable	-	4,756
Taxation Repayment Supplement	12,284	-
	<hr/>	<hr/>
	£260,213	£114,477
	<hr/>	<hr/>

FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES ON THE FINANCIAL STATEMENTS

4. ADMINISTRATIVE EXPENSES

The Administrative Expenses are comprised as follows:

	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Auditors' Remuneration	4,500	5,000
Management and Administration Charges	706,000	636,000
Legal and Professional Charges	132	520
	<hr/>	<hr/>
	£710,632	£641,520
	<hr/>	<hr/>

The Directors of the Company received no emoluments from the Company during the year nor in the previous year.

Apart from the Directors, there were no other employees of the Company during the year or in the previous year.

5. INTEREST PAYABLE

The aggregate charge for interest payable is comprised as follows:

	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Bank Charges and Interest	51,452	49,303
Interest on Overdue Taxation	-	636
	<hr/>	<hr/>
	£51,452	£49,939
	<hr/>	<hr/>

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FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES ON THE FINANCIAL STATEMENTS

6. TAXATION

	<u>1993</u> £	<u>1992</u> £
Corporation Tax:		
Current Year	-	20,000
Prior Year Adjustments	(1,929)	50
Deferred Tax (in respect of accrued interest receivable)	100,000	-
Consideration Payable for Group Relief:		
Current Year	40,000	30,000
Prior Year Adjustments	-	505,000
	<hr/> £138,071	<hr/> £555,050

7. DEBTORS

	<u>1993</u> £	<u>1992</u> £
Amount Due From Parent Undertaking	113,970	74,325
Amounts Due from Fellow Subsidiary Undertakings (See below)	728,000	1,856,000
Interest Receivable From Fellow Subsidiary Undertakings	114,109	59,573
External Interest Receivable	245,012	51,619
Taxation Recoverable	-	12,667
Loan Debtors (See below)	2,161,100	521,000
Other Debtors (See below)	2,729,082	2,336,914
	<hr/> £6,091,273	<hr/> £4,912,098

Amounts Due from Fellow Subsidiary Undertakings bear interest at both fixed rates and at rates geared to Bankers Base Rates. The loans are effectively repayable on demand.

Loan Debtors are represented by amounts due from Companies, certain Directors of which are also Directors of this Company: the amounts due bear interest at both fixed rates and at rates geared to Bankers Base Rate. The loans are also effectively repayable on demand.

The major proportion of Other Debtors is represented by amounts 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 and are interest-free and effectively repayable on demand.

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FRESHWATER PROPERTY MANAGEMENT LIMITED

NOTES ON THE FINANCIAL STATEMENTS

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1993</u>	<u>1992</u>
	£	£
Amount due to Fellow Subsidiary Undertaking	146,127	149,334
Corporation Tax (Note 6)	-	20,000
Deferred Taxation	100,000	-
Consideration Payable for Group Relief (Note 6)	70,000	30,000
Bank Loans and Overdrafts	323,219	548,141
Schedule 16 Taxes Act, 1988	-	20,000
Other Creditors and Accruals	5,057,766	3,905,994
	<hr/> £5,697,112	<hr/> £4,673,469

9. CALLED UP SHARE CAPITAL

Authorised, Issued and Fully paid:

	Number	£
At 31st March 1993 and 31st March 1992:		
Ordinary Shares of £1 each	100	100

10. CONTINGENT LIABILITIES

The Company has given an unlimited cross-guarantee in respect of Bank loan and overdraft facilities granted to the undermentioned.

	<u>1993</u>	<u>1992</u>
	£	£
Companies connected with a Director	5,145	790
Third Parties	711,219	731,845
	<hr/> £716,364	<hr/> £732,635

11. PARENT UNDERTAKING

The Company's Parent Undertaking is Mayfair Charities Limited, a Company incorporated in England for Charitable purposes.