

RUSLING BILLING JONES

Chartered Accountants

Incorporating J.W. Denton & Co.

Consultant: Peter Duffell FCA

635 Old Kent Road
London SE15 1JU

Tel: 0171-358 0164

Fax: 0171-732 8224

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 1995**

Company Number 301310



**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
REPORT OF THE DIRECTORS**

Directors

M J F Saxton Chairman
C B Saxton
P P W Smith

The directors submit their report together with the financial statements of the company for the year ended 31 March 1995.

Review of the business

The principal activities of the company during the year remained the dealing in investment properties, from which the company receives rents. These activities will continue in the foreseeable future.

Directors

The interests of the directors in the £1 ordinary shares of the company were as follows:-

	31 March 1995	31 March 1994
M J F Saxton	52	52
C B Saxton	2	2
P P W Smith	18	18

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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:

- * 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
REPORT OF THE DIRECTORS**

Auditors

In accordance with Section 384(1) of the Companies Act 1985, a resolution to appoint Rusling Billing Jones as auditors will be proposed at the Annual General Meeting.

This report was approved by the Board on 23rd August 1995, taking advantage of special exemptions available to small companies.

By Order of the Board

CBSaxton

Secretary

RUSLING BILLING JONES

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REPORT OF THE AUDITORS to the shareholders of METROPOLITAN & COUNTRY & ESTATE COMPANY LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

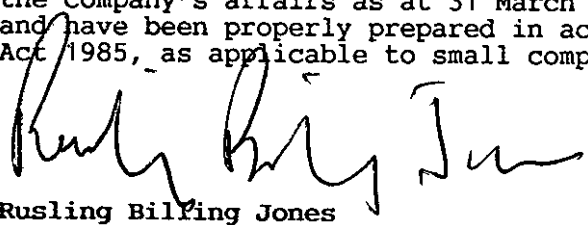
Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, as applicable to small companies.



Rusling Billing Jones
Registered Auditors

29 AUGUST 1995

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1995**

	Notes	1995	1994
Turnover	2	155,856	137,499
Cost of sales		(38,615)	(45,005)
Gross profit		117,241	92,494
Administrative expenses		(14,970)	(13,939)
Operating profit	3	102,271	78,555
Profit on disposal of property		-	-
Interest receivable		2,590	3,102
Profit on ordinary activities before taxation		104,861	81,657
Tax on profit on ordinary activities	4	(26,215)	(20,401)
Profit on ordinary activities after taxation		78,646	61,256
Dividends	5	(32,000)	(28,000)
Retained profit for the year		£46,646 =====	£33,256 =====

The results stated above represent the continuing activities of the company.

METROPOLITAN & COUNTRY
& ESTATE COMPANY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 1995

	1995	1994
Profit for the year	79,129	61,256
Less: Previous unrealised surplus on revaluation re properties sold	-	-
	79,129	61,256
Unrealised surplus/(deficiency) on revaluation of properties	152,474	(12,995)
Total gains/(losses) recognised since last annual report	£231,603 =====	£48,261 =====

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 1995**

	Notes	1995	1994
Fixed assets			
Tangible assets	6	1,518,000	1,320,047
Current assets			
Debtors	7	50,614	44,498
Bank deposits		64,144	55,040
Cash at bank		238	709
		114,996	100,247
Creditors - amounts falling due within one year	8	69,645	56,063
Net current assets		45,351	44,184
		£1,563,351	£1,364,231
		=====	=====
Capital and reserves			
Called up share capital	9	200	200
Revaluation reserve	10	1,078,723	926,249
Profit and loss account	10	484,428	437,782
Shareholders' funds			
- all equity	11	£1,563,351	£1,364,231
		=====	=====

The directors have taken advantage in preparing these accounts of the special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the Board on 23rd August 1995

CB Saxton

Mike Smith

)
) Directors
)

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
NOTES TO THE ACCOUNTS**

1. Accounting policies

The following are the more important accounting policies adopted by the company.

(a) Basis of preparation

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties.

(b) Freehold properties

These are held as investment properties and are stated at market value. Cost is reduced by the amount of government grant receivable. No depreciation is provided.

(c) Rental income

This is brought into account on an accrual basis.

(d) Repairs and renewals

These costs are charged to revenue as they are incurred.

(e) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

2. Turnover

Represents rents receivable on investment properties and is derived from the United Kingdom.

3. Operating profit is stated after charging

	1995	1994
Directors' remuneration as directors	£12,500	£11,500
Auditors' remuneration	£1,586	£1,539
	=====	=====

4. Tax

Corporation tax at 25% (1994: 25%) based on the adjusted profit for the year	26,215	20,414
Over-provision in previous year	-	(13)
	-----	-----
	£26,215	£20,401
	=====	=====

5. Dividends

Proposed	£32,000	£28,000
	=====	=====

METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)

6. Tangible fixed assets	Cost	Valuation
At 1 April 1994	393,798	1,320,047
Additions	45,479	45,479
Disposals	-	-
Deficiency on revaluation	-	152,474
At 31 March 1995	£439,277	£1,518,000
	=====	=====

The freehold properties held at that time were revalued at 31 March 1995 by Saxton & Co Estate Agents & Valuers, on an open market basis at an amount of £1,518,000. The surplus was credited to the revaluation reserve. (Note 10)

7. Debtors	1995	1994
Trade debtors	40,058	36,354
ACT recoverable	8,000	7,000
Other debtors	2,556	1,144
	£50,614	£44,498
	=====	=====

8. Creditors : amounts falling due within one year		
Trade creditors	7,294	7,015
Corporation tax	19,215	11,124
ACT on dividends	8,000	7,000
Accruals and deferred income	3,136	2,924
Proposed dividend	32,000	28,000
	£69,645	£56,063
	=====	=====

9. Share capital		
Ordinary shares of £1 each		
Authorised, allotted, issued and fully paid	£200	£200
	===	===

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED**
NOTES TO THE ACCOUNTS (continued)

10. Reserves	1995	1994
: Revaluation : freehold properties		
At 1 April 1994	926,249	939,244
Increase/(Decrease) on valuation	152,474	(12,995)
Disposals	-	-
At 31 March 1995	£1,078,723	£926,249
	=====	=====
The potential tax liability on the revaluation surplus amounts to £356,000, for which no provision has been made.		
: Profit and Loss Account		
At 1 April 1994	437,782	404,526
Retained profit for year	46,646	33,256
At 31 March 1995	£484,428	£437,782
	=====	=====
11. Reconciliation of movement in Shareholders' Funds		
Profit for the year	78,646	61,256
Dividends	(32,000)	(28,000)
	46,646	33,256
Other recognised gains/(losses)	152,474	(12,995)
Net addition/(reduction) to shareholders' funds	199,120	20,261
Opening shareholders' funds	1,364,231	1,343,970
Closing shareholders' funds	£1,563,351	£1,364,231
	=====	=====