

RUSLING BILLING JONES

Chartered Accountants

Incorporating J. W. Denton & Co.

Consultant: Peter Duffell FCA

635 Old Kent Road

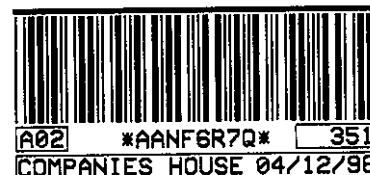
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**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 1996**

Company Reg. No. 00301310



**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 1996.

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 1996	31 March 1995
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 *7th October* 1996, 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 LAND & 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 1996 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

14 OCTOBER 1996 .

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1996**

	Notes	1996	1995
Turnover	2	169,748	155,856
Cost of sales		(49,171)	(38,615)
Gross profit		120,577	117,241
Administrative expenses		(14,834)	(14,970)
Operating profit	3	105,743	102,271
Profit on disposal of property		-	-
Interest receivable		4,720	2,590
Profit on ordinary activities before taxation		110,463	104,861
Tax on profit on ordinary activities	4	(27,616)	(26,215)
Profit on ordinary activities after taxation		82,847	78,646
Dividends	5	(36,000)	(32,000)
Retained profit for the year		£46,847 =====	£46,646 =====

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

METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 1996

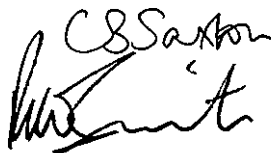
	1996	1995
Profit for the year	82,847	78,646
Unrealised surplus on revaluation of properties	75,000	152,474
Total gains recognised since last annual report	£157,847 =====	£231,120 =====

**METROPOLITAN & COUNTRY LAND
& ESTATE COMPANY LIMITED
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 1996**

	Notes	1996	1995
Fixed assets			
Tangible assets	6	1,593,000	1,518,000
Current assets			
Debtors	7	54,836	50,614
Bank deposits		105,655	64,144
Cash at bank		356	238
		160,847	114,996
Creditors - amounts falling due within one year	8	68,649	69,645
Net current assets		92,198	45,351
		£1,685,198	£1,563,351
		=====	=====
Capital and reserves			
Called up share capital	9	200	200
Revaluation reserve	10	1,153,723	1,078,723
Profit and loss account	10	531,275	484,428
Shareholders' funds - all equity	11	£1,685,198	£1,563,351
		=====	=====

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 7th October 1996


) 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

	1996	1995
Directors' remuneration as directors	£12,500	£12,500
Auditors' remuneration	£1,633	£1,586
	=====	=====

4. Tax

Corporation tax at 25% (1995: 25%) based on the adjusted profit for the year	£27,616	£26,215
	=====	=====

5. Dividends

Proposed	£36,000	£32,000
	=====	=====

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

6. Tangible fixed assets	Cost	Valuation
At 1 April 1995	439,277	1,518,000
Additions	-	-
Disposals	-	-
Surplus on revaluation	-	75,000
At 31 March 1996	£439,277	£1,593,000
	=====	=====

The freehold properties held at that time were revalued at 31 March 1996 by Saxton & Co Estate Agents & Valuers, on an open market basis at an amount of £1,593,000. The surplus was credited to the revaluation reserve. (Note 10)

7. Debtors	1996	1995
Trade debtors	43,917	40,058
ACT recoverable	9,000	8,000
Other debtors	1,919	2,556
	£54,836	£50,614
	=====	=====

8. Creditors : amounts falling due within one year		
Trade creditors	1,329	7,294
Corporation tax	19,616	19,215
ACT on dividends	9,000	8,000
Accruals and deferred income	2,704	3,136
Proposed dividend	36,000	32,000
	£68,649	£69,645
	=====	=====

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	1996	1995
: Revaluation : freehold properties		
At 1 April 1995	1,078,723	926,249
Increase on valuation	75,000	152,474
At 31 March 1996	£1,153,723 =====	£1,078,723 =====
The potential tax liability on the revaluation surplus amounts to £381,000, for which no provision has been made.		
: Profit and Loss Account		
At 1 April 1995	484,428	437,782
Retained profit for year	46,847	46,646
At 31 March 1996	£531,275 =====	£484,428 =====
11. Reconciliation of movement in Shareholders' Funds		
Profit for the year	82,847	78,646
Dividends	(36,000)	(32,000)
	46,847	46,646
Other recognised gains	75,000	152,474
Net addition to shareholders' funds	121,847	199,120
Opening shareholders' funds	1,563,351	1,364,231
Closing shareholders' funds	£1,685,198 =====	£1,563,351 =====