

635 Old Kent Road  
London SE15 1JU  
Telephone: 0171-358 0164  
Fax: 0171-732 8224  
E-mail: [thorntonspringer.co.uk](mailto:thorntonspringer.co.uk)

**METROPOLITAN & COUNTRY LAND  
& ESTATE COMPANY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended  
31 March 1997**

**Company Reg. No. 00301310**



## Partners:

G. J. Billing FCA  
J. W. Denton FCA, ATII  
S. B. Ison FCCA  
S. A. Kaye FCA, FCCA  
P. G. Runacres FCA, ACMA  
N. F. Springer FCA, FCCA  
P. L. Wallyn FCA

**Associates:**

A. I. L. Thomson MA(Hons) MSc ACCA  
N. A. Harvey  
Financial Services:  
P. W. Weston ALIA (dip), MSFA, Investment Manager  
S. A. Ison MLIA (dip)

Head Office:

67 Westow Street  
London SE19 3RW

Moscow Office:

6 Basmanny tupik, office 303  
103064 Moscow

103064 Москва  
Басманный тупик, д. 6, офис 303

**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 1997.

**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 1997 | 31 March 1996 |
|--------------|---------------|---------------|
| 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**

On 1 September 1997 Rusling Billing Jones merged its practice with Thornton Springer. In accordance with Section 384(1) of the Companies Act 1985, a resolution to appoint Thornton Springer as auditors will be proposed at the Annual General Meeting.

This report was approved by the Board on 16<sup>th</sup> October 1997, taking advantage of special exemptions available to small companies.

By Order of the Board



Secretary

**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.

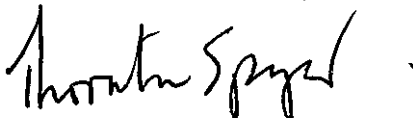
**Basis of opinion**

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 1997 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.



**THORNTON SPRINGER  
Registered Auditors**

21 OCTOBER 1997.

METROPOLITAN & COUNTRY LAND  
& ESTATE COMPANY LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1997

|                                                      | Notes | 1997                    | 1996                    |
|------------------------------------------------------|-------|-------------------------|-------------------------|
| Turnover                                             | 2     | 191,955                 | 169,748                 |
| Cost of sales                                        |       | (60,020)                | (49,171)                |
| <b>Gross profit</b>                                  |       | <b>131,935</b>          | <b>120,577</b>          |
| Administrative expenses                              |       | (15,462)                | (14,834)                |
| <b>Operating profit</b>                              | 3     | <b>116,473</b>          | <b>105,743</b>          |
| Profit on disposal of property                       |       | -                       | -                       |
| Interest receivable                                  |       | 4,859                   | 4,720                   |
| <b>Profit on ordinary activities before taxation</b> |       | <b>121,332</b>          | <b>110,463</b>          |
| Tax on profit on ordinary activities                 | 4     | (29,119)                | (27,616)                |
| <b>Profit on ordinary activities after taxation</b>  |       | <b>92,213</b>           | <b>82,847</b>           |
| Dividends                                            | 5     | (40,000)                | (36,000)                |
| <b>Retained profit for the year</b>                  |       | <b>£52,213</b><br>===== | <b>£46,847</b><br>===== |

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 1997**

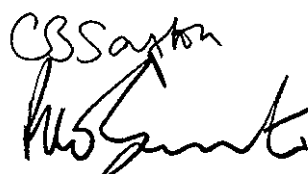
|                                                    | 1997     | 1996     |
|----------------------------------------------------|----------|----------|
| Profit for the year                                | 92,213   | 82,847   |
| Unrealised surplus on<br>revaluation of properties | 234,416  | 75,000   |
|                                                    | <hr/>    | <hr/>    |
| Total gains recognised<br>since last annual report | £326,629 | £157,847 |
|                                                    | =====    | =====    |

**METROPOLITAN & COUNTRY LAND  
& ESTATE COMPANY LIMITED  
BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 1997**

|                                                        | Notes | 1997       | 1996       |
|--------------------------------------------------------|-------|------------|------------|
| <b>Fixed assets</b>                                    |       |            |            |
| Tangible assets                                        | 6     | 1,883,000  | 1,593,000  |
| <b>Current assets</b>                                  |       |            |            |
| Debtors                                                | 7     | 66,342     | 54,836     |
| Bank deposits                                          |       | 118,014    | 105,655    |
| Cash at bank                                           |       | 381        | 356        |
|                                                        |       | <hr/>      | <hr/>      |
|                                                        |       | 184,737    | 160,847    |
| <b>Creditors - amounts falling due within one year</b> | 8     | 95,910     | 68,649     |
|                                                        |       | <hr/>      | <hr/>      |
| <b>Net current assets</b>                              |       | 88,827     | 92,198     |
|                                                        |       | <hr/>      | <hr/>      |
|                                                        |       | £1,971,827 | £1,685,198 |
|                                                        |       | =====      | =====      |
| <b>Capital and reserves</b>                            |       |            |            |
| Called up share capital                                | 9     | 200        | 200        |
| Revaluation reserve                                    | 10    | 1,388,139  | 1,153,723  |
| Profit and loss account                                | 10    | 583,488    | 531,275    |
|                                                        |       | <hr/>      | <hr/>      |
| <b>Shareholders' funds - all equity</b>                | 11    | £1,971,827 | £1,685,198 |
|                                                        |       | =====      | =====      |

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 16th October 1997


 )  
 ) 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**

|                                      | 1997    | 1996    |
|--------------------------------------|---------|---------|
| Directors' remuneration as directors | £13,000 | £12,500 |
| Auditors' remuneration               | £1,692  | £1,633  |
|                                      | =====   | =====   |

**4. Tax**

|                                                                              |         |         |
|------------------------------------------------------------------------------|---------|---------|
| Corporation tax at 24% (1996: 25%) based on the adjusted profit for the year | £29,119 | £27,616 |
|                                                                              | =====   | =====   |

**5. Dividends**

|          |         |         |
|----------|---------|---------|
| Proposed | £40,000 | £36,000 |
|          | =====   | =====   |

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

| 6.    Tangible fixed assets | Cost     | Valuation  |
|-----------------------------|----------|------------|
| At 1 April 1996             | 439,277  | 1,593,000  |
| Additions                   | 55,584   | 55,584     |
| Disposals                   | -        | -          |
| Surplus on revaluation      | -        | 234,416    |
|                             | <hr/>    | <hr/>      |
| At 31 March 1997            | £494,861 | £1,883,000 |
|                             | =====    | =====      |

The freehold properties held at that time were revalued at 31 March 1997 by Saxton & Co Estate Agents & Valuers, on an open market basis at an amount of £1,883,000. The surplus was credited to the revaluation reserve. (Note 10)

| 7.    Debtors   | 1997    | 1996    |
|-----------------|---------|---------|
| Trade debtors   | 52,626  | 43,917  |
| ACT recoverable | 10,000  | 9,000   |
| Other debtors   | 3,716   | 1,919   |
|                 | <hr/>   | <hr/>   |
|                 | £66,342 | £54,836 |
|                 | =====   | =====   |

| 8.    Creditors : amounts falling due<br>within one year |         |         |
|----------------------------------------------------------|---------|---------|
| Trade creditors                                          | 19,771  | 1,329   |
| Corporation tax                                          | 20,119  | 19,616  |
| ACT on dividends                                         | 10,000  | 9,000   |
| Accruals and deferred income                             | 6,020   | 2,704   |
| Proposed dividend                                        | 40,000  | 36,000  |
|                                                          | <hr/>   | <hr/>   |
|                                                          | £95,910 | £68,649 |
|                                                          | =====   | =====   |

| 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.                                                                                                               | <b>Reserves</b>                                              | <b>1997</b>         | <b>1996</b>         |
|                                                                                                                   | : Revaluation : freehold properties                          |                     |                     |
|                                                                                                                   | At 1 April 1996                                              | 1,153,723           | 1,078,723           |
|                                                                                                                   | Increase on valuation                                        | 234,416             | 75,000              |
|                                                                                                                   |                                                              | <hr/>               | <hr/>               |
|                                                                                                                   | At 31 March 1997                                             | £1,388,139<br>===== | £1,153,723<br>===== |
| The potential tax liability on the revaluation surplus amounts to £458,000, for which no provision has been made. |                                                              |                     |                     |
|                                                                                                                   | : Profit and Loss Account                                    |                     |                     |
|                                                                                                                   | At 1 April 1996                                              | 531,275             | 484,428             |
|                                                                                                                   | Retained profit for year                                     | 52,213              | 46,847              |
|                                                                                                                   |                                                              | <hr/>               | <hr/>               |
|                                                                                                                   | At 31 March 1997                                             | £583,488<br>=====   | £531,275<br>=====   |
| 11.                                                                                                               | <b>Reconciliation of movement<br/>in Shareholders' Funds</b> |                     |                     |
|                                                                                                                   | Profit for the year                                          | 92,213              | 82,847              |
|                                                                                                                   | Dividends                                                    | (40,000)            | (36,000)            |
|                                                                                                                   |                                                              | <hr/>               | <hr/>               |
|                                                                                                                   |                                                              | 52,213              | 46,847              |
|                                                                                                                   | Other recognised gains                                       | 234,416             | 75,000              |
|                                                                                                                   |                                                              | <hr/>               | <hr/>               |
|                                                                                                                   | Net addition to<br>shareholders' funds                       | 286,629             | 121,847             |
|                                                                                                                   | Opening shareholders' funds                                  | 1,685,198           | 1,563,351           |
|                                                                                                                   |                                                              | <hr/>               | <hr/>               |
|                                                                                                                   | Closing shareholders' funds                                  | £1,971,827<br>===== | £1,685,198<br>===== |