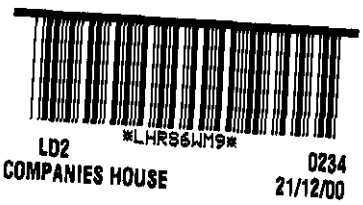
METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

Company No: 954321

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2000



COHEN, ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1S 2HL

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

DIRECTORS

B. S. E. Freshwater
D. Davis

SECRETARY

C. C. Morse F.C.I.S

REGISTERED OFFICE

13/17 New Burlington Place
Regent Street
London W1S 2HL

AUDITORS

Cohen, Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2000

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METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

BUSINESS REVIEW

The principal activity of the Company is Property Trading which has remained unchanged during the year and no change is envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Company's activities for the year ended 31 March 2000 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 (1999: £Nil).

PROPERTY

A professional valuation of the property held for trading purposes was carried out at 31 March 1997 by the Group's valuers, Cardales, on the basis of open market value. The surplus of £478,599 over book value has not been incorporated into the Financial Statements. Had this surplus been incorporated into the Financial Statements the Company's deficiency of net assets would have been reduced to £515,934. The Directors are satisfied that at 31 March 2000 property held for trading still had a value substantially in excess of its book value.

DIRECTORS

The Directors who served throughout the year, and who are still in office, are:

Mr. B. S. E. Freshwater
Mr. D. Davis

The Articles of Association do not require the Directors to retire by rotation.

Neither Director has a Service Contract nor do they receive any emoluments from the Company.

The whole of the issued share capital of the Company is owned by The Raphael Freshwater Memorial Association Limited, a Company registered in Great Britain, and incorporated in England for charitable purposes, of which Mr. B. S. E. Freshwater and Mr. D. Davis are Governors, but do not have any interest in the capital of either company.

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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

i) select suitable accounting policies and apply them consistently

DIRECTORS' RESPONSIBILITIES (continued)

ii) make judgements and estimates that are reasonable and prudent

iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements

iv) 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 maintaining 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.

DIRECTORS' INTEREST IN CONTRACTS

Day-to-day management of the Company is carried out by the Highdorn 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 Highdorn Co Limited and also has a non-beneficial interest in its share capital.

DONATIONS

During the year the Company made no charitable donation nor political contribution (1999: £Nil).

CLOSE COMPANY

The Company is a "close company" as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the Board to fix their remuneration will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

HEAD OFFICE:

Freshwater House
158/162 Shaftesbury Avenue
LONDON WC2H 8HR

.....
C. C. MORSE - SECRETARY

DATE : 23 NOV 2000

REPORT OF THE AUDITORS' COHEN, ARNOLD & CO

TO THE MEMBERS

- OF -

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

We have audited the Financial Statements on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As indicated in the Directors' Report, 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 the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We have 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 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 and to give reasonable assurance that the Financial Statements are free from material mis-statement, 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 at 31 March 2000 and of the results for the year then ended, and have been properly prepared in accordance with the Companies' Act 1985.

London
Date: 23 NOV 2000

COHEN, ARNOLD & CO
Chartered Accountants and
Registered Auditor

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000		1999	
		£	£	£	£
Rents and Charges Receivable	3	74,233		68,359	
Property Outgoings		(54,399)		(41,362)	
			19,834		26,997
Administrative and other Expenses	4		(7,285)		(7,712)
OPERATING PROFIT			12,549		19,285
Interest Receivable	5		181		265
Interest Payable	6		(91,862)		(91,898)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(79,132)		(72,348)
Taxation - (charge)/credit	7		(1,000)		97,500
(LOSS)/PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR			(80,132)		25,152
Adverse Balance Brought Forward			(914,501)		(939,653)
ADVERSE BALANCE CARRIED FORWARD			£(994,633)		£(914,501)

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The Notes on pages 6 to 10 form part of these Financial Statements.

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

BALANCE SHEET AS AT 31 MARCH 2000

	Note	2000 £	1999 £
CURRENT ASSETS			
Stocks - Property Held for Trading	**1.3**	221,401	221,401
Debtors	**8**	436,059	459,975
Cash at Bank		6,490	19,594
		663,950	700,970
CREDITORS: Amounts falling due within one year	**9**	(1,658,483)	(1,615,371)
DEFICIENCY IN NET ASSETS		£(994,533)	£(914,401)
CAPITAL AND RESERVES			
Called up Share Capital	**10**	100	100
Profit and Loss Account		(994,633)	(914,501)
		£(994,533)	£(914,401)

The Financial Statements were approved by the Board on 23 NOV 2000 and signed on its behalf by

.....
B. S. E. FRESHWATER

DIRECTORS

.....
D. DAVIS

The Notes on pages 6 to 10 form part of these Financial Statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standard.

The Financial Statements have been prepared using accounting principles appropriate to a going concern, on the basis that the financial support extended by the Company's Parent Undertaking will continue for the forseeable future.

1.2 ACQUISITIONS AND DISPOSAL OF PROPERTIES

Acquisitions and Disposals are considered to have taken place at the date of legal completion and are included in the Financial Statements accordingly.

1.3 STOCKS

Stock is comprised of leasehold property held for trading and is included in the Financial Statements at the lower of cost and estimated net realisable value.

1.4 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. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities.

3. TURNOVER

The Turnover of the Company is derived from its property held for trading purposes.

4. ADMINISTRATIVE EXPENSES

	2000	1999
	£	£
Auditor's Remuneration	4,935	5,287
Office and Administration Charges (Note 11)	2,350	2,350
Legal and Professional Charges	-	75
	£7,285	£7,712

The Directors of the Company did not receive any emoluments from the Company during this year or 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 RECEIVABLE

	2000	1999
External Interest Receivable	£181	£265

6. INTEREST PAYABLE

	2000	1999
	£	£
On loans repayable within 5 years:		
Loan from Parent Undertaking	86,000	86,000
Loan from Connected Company	5,846	5,866
Bank Interest and Charges	16	32
	£91,862	£91,898

7. TAXATION

	2000 £	1999 £
Consideration Receivable for Group Relief		
- Current Year	-	98,000
- Prior Years	(1,000)	(500)
	(1,000)	97,500

8. DEBTORS

	2000 £	1999 £
Rents Due and Accrued	876	512
Consideration Receivable for Group Relief	97,000	116,500
Amounts due from Fellow Subsidiary Undertakings (see below)	296,000	301,000
Amounts due from Connected Company (see below)	14,793	14,793
Other Debtors and Prepayments	27,390	27,170
	£436,059	£459,975

Amounts due from Fellow Subsidiary Undertakings is stated after deducting a provision thereagainst of £100,000 (1999: £100,000). The loans are interest free and effectively repayable on demand.

The Amount due from Connected Company represents an amount due from Haysgrans Property Co. Limited, a subsidiary of a Charitable Company which is governed by the Directors of this Company. The amount is interest free and effectively repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Rents Charged in Advance	13,857	13,263
Amount due to Parent Undertaking (see below)	1,079,324	1,079,324
Amounts due to Connected Companies (see below)	159,492	148,403
Amount due to Fellow Subsidiary Undertaking (see below)	75,000	50,000
Interest Payable to Parent Undertaking	258,038	258,038
Interest Payable to Connected Company	52,043	46,197
Other Creditors and Accruals	20,729	20,146
	£1,658,483	£1,615,371

The Amount due to the Parent Undertaking bears interest at the rate of 8% per annum and is effectively repayable on demand.

Amounts due to Connected Companies relates to Metropolitan Properties Company Limited and Highdorn Co. Limited, companies in which Mr B S E Freshwater, a director of this company is a director, and in the Share Capital of which he has a direct or indirect interest, which is held in a beneficial or fiduciary capacity and to Freshwater Property Management Limited, a Subsidiary of a Charitable Company, which is governed by the Directors of the Company. Mr D Davis is also a director of Metropolitan Properties Company Limited but has no interest in its Share Capital.

Included in Amounts due to Connected Companies are loans aggregating £80,000 (1999: £80,000) which bear interest at varying rates and are effectively repayable on demand.

The amount due to Fellow Subsidiary Undertaking is interest free and effectively repayable on demand.

10. CALLED UP SHARE CAPITAL

	Number	£
Ordinary Shares of £1 each:		
Authorised , Issued and Fully Paid:		
At 31 March 2000 and 31 March 1999	100	100

11. DIRECTORS' INTERESTS IN CONTRACTS

Day-to-day management of the Company is carried out by Highdorn Co. Limited, a Company in which Mr B S E Freshwater is a director and also has a non beneficial interest in its share capital. During the year £2,350 (1999 : £2,350) including VAT, was paid to Highdorn Co. Limited for the full range of management and administrative services which were charged for at normal commercial rates.

12. ULTIMATE PARENT UNDERTAKING AND CONTROL

The Company is controlled by its Ultimate Parent Undertaking, The Raphael Freshwater Memorial Association Limited, a Company registered in Great Britain and incorporated in England for Charitable purposes. The Raphael Freshwater Memorial Association Limited does not have a controlling party.