

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

Company No: 954321

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2002

**COHEN, ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU**



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METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

DIRECTORS

B. S. E. Freshwater
D. Davis

SECRETARY

M. R. M. Jenner F.C.I.S

REGISTERED OFFICE

Freshwater House
158-162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen, Arnold & Co
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2002

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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 2002.

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 2002 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 (2001: £Nil).

PROPERTY

A professional valuation of the property held for trading purposes was carried out at 31 March 2002 by the Company's valuers, Cardales, on the basis of open market value. The surplus of £2,733,599 over book value has not been incorporated into the Financial Statements. Had this surplus been incorporated into the Financial Statements the Company would have net assets of £1,747,977.

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

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

DIRECTORS' REPORT

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 (2001: £Nil).

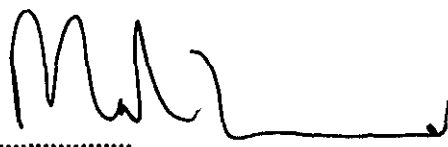
CLOSE COMPANY

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



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M. R. M. JENNER – SECRETARY

HEAD OFFICE:
Freshwater House
158/162 Shaftesbury Avenue
LONDON WC2H 8HR

DATE : 16 JAN 2003

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

- OF -

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

We have audited the Financial Statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 1 to 2, the Directors of the company are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the Financial Statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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.

INDEPENDENT AUDITORS' REPORT(Continued)

TO THE SHAREHOLDERS

- OF -

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2002 and of its results for the year then ended, and have been properly prepared in accordance with the Companies' Act 1985.

Cohen Arnold & Co

London

Date: ...**16 JAN. 2003**

COHEN ARNOLD & CO
Chartered Accountants
Registered Auditor

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

		£	<u>2002</u> £	£	<u>2001</u> £
	Note				
Rents and Charges Receivable	3	78,231		82,993	
Property Outgoings		(66,810)		(37,919)	
			11,421		45,074
Administrative and other Expenses	4		(1,090)		(5,535)
OPERATING PROFIT			10,331		39,539
Interest Receivable	5		126		317
Interest Payable	6		(89,756)		(91,646)
Reduction in Provision Against Fellow Subsidiary Undertaking			100,000		-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			20,701		(51,790)
Taxation - credit	7		24,000		16,000
PROFIT / (LOSS) ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR			44,701		(35,790)
Adverse Balance Brought Forward			(1,030,423)		(994,633)
ADVERSE BALANCE CARRIED FORWARD			£(985,722)		£(1,030,423)

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 7 to 11 form part of these Financial Statements.

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

BALANCE SHEET AS AT 31 MARCH 2002

	Note	<u>2002</u> £	<u>2001</u> £
CURRENT ASSETS			
Stocks - Property Held for Trading	1.3	221,401	221,401
Debtors	8	530,755	426,830
Cash at Bank		28,442	53,993
		780,598	702,224
CREDITORS: Amounts falling due within one year	9	(1,766,220)	(1,732,547)
DEFICIENCY IN NET ASSETS		£(985,622)	£(1,030,323)
CAPITAL AND RESERVES			
Called up Share Capital	10	100	100
Profit and Loss Account		(985,722)	(1,030,423)
		£(985,622)	£(1,030,323)

The Financial Statements were approved by the Board on **16 JAN 2003**
and signed on its behalf by


.....
B. S. E. FRESHWATER - DIRECTOR

The Notes on pages 7 to 11 form part of these Financial Statements.

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

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 Standards.

The Financial Statements have been prepared on a going concern basis having regard to the Company's inherent surplus on trading stock.

1.2 ACQUISITIONS AND DISPOSALS 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.

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

3. TURNOVER

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

4. ADMINISTRATIVE EXPENSES

	<u>2002</u>	<u>2001</u>
	£	£
Auditor's Remuneration	3,405	3,170
Office and Administration Charges	(2,350)	2,350
General Expenses	35	15
	£1,090	£5,535

The Directors of the Company did not receive any emoluments from the Company during this year nor in the previous year.

Apart from the Directors, there were no other employees of the Company during the year nor in the previous year.

5. INTEREST RECEIVABLE

	<u>2002</u>	<u>2001</u>
External Interest Receivable	£126	£317

6. INTEREST PAYABLE

	<u>2002</u>	<u>2001</u>
	£	£
On loans repayable within 5 years:		
Loan from Parent Undertaking	86,000	86,000
Loan from Connected Company	3,616	5,465
Bank Interest and Charges	140	181
	£89,756	£91,646

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

7. TAXATION

	<u>2002</u> £	<u>2001</u> £
Consideration Receivable for Group Relief		
Current Year	£24,000	£16,000

8. DEBTORS

	<u>2002</u> £	<u>2001</u> £
Rents Due and Accrued	2,117	-
Consideration Receivable for Group Relief	24,000	16,000
Amounts due from Fellow Subsidiary Undertakings (see below)	471,000	386,000
Amounts due from Connected Company (see below)	14,793	14,793
Other Debtors and Prepayments	18,845	10,037
	<u>£530,755</u>	<u>£426,830</u>

Amounts due from Fellow Subsidiary Undertakings is stated after deducting a provision thereagainst of £Nil (2001: £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.

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Rents Charged in Advance	12,208	10,606
Amount due to Parent Undertaking (see below)	1,079,324	1,079,324
Amounts due to Connected Companies (see below)	148,593	171,760
Amount due to Fellow Subsidiary Undertakings (see below)	105,000	50,000
Interest Payable to Parent Undertaking	344,038	344,038
Interest Payable to Connected Company	61,124	57,508
Other Creditors and Accruals	15,933	19,311
	£1,766,220	£1,732,547

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 (2001: £80,000) which bear interest at varying rates and are effectively repayable on demand; the remaining loans are interest-free and effectively repayable on demand.

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

10. CALLED UP SHARE CAPITAL

	<u>Number</u>	<u>£</u>
Ordinary Shares of £1 each:		
Authorised , Issued and Fully Paid:		
At 31 March 2001 and 31 March 2002	100	100

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

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 including VAT, was refundable (2001 : £2,350 payable) to Highdorn Co. Limited for the full range of management and administrative services which were charged for at normal commercial rates.

12. PARENT UNDERTAKING AND CONTROL

The Company is controlled by its 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.

METROPOLITAN PROPERTIES CO (CLOISTERS) LIMITED

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

	<u>2002</u>		<u>2001</u>	
	£	£	£	£
Rents Receivable		78,231		82,993
Outgoings:				
Ground Rent and Service Charges Payable	60,737		27,715	
Rates	205		203	
Repairs and Maintenance	1,506		3,830	
Letting Commission	(455)		2,318	
Porterage	376		-	
Legal and Professional Charges	789		64	
Agents' Commission	3,652		3,789	
		(66,810)		(37,919)
NET PROPERTY REVENUE		£11,421		£45,074