

Registered number  
00420575

MEPC (1946) Limited  
Annual Report and Financial Statements  
For the year ended 30 June 2016

WEDNESDAY



\*L5YU87LC\*

LD5

25/01/2017

#39

COMPANIES HOUSE

**MEPC (1946) Limited**  
**Annual Report and Financial Statements**  
**Contents**

	<b>Page</b>
Company Information	1
Strategic Report	2
Directors' Report	3
Directors' Responsibilities Statement	5
Independent Auditor's Report	6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the financial statements	11

**MEPC (1946) Limited**  
**Company Information**

**Directors**

D Grose  
E Mousley (resigned 8 July 2016)  
M Torode (appointed 23 June 2016)  
K Wilman

**Company Secretary**

MEPC Secretaries Limited

**Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

**Bankers**

Royal Bank of Scotland  
PO Box 39952  
2 1/2 Devonshire Square  
London  
United Kingdom  
EC2M 4XJ

**Registered office**

Lloyds Chambers  
1 Portsoken Street  
London  
United Kingdom  
E1 8HZ

**Registered number**

00420575

## **MEPC (1946) Limited**

### **Strategic Report**

The directors present their strategic report for the year ended 30 June 2016

#### **Principal activity**

The principal activity of the company is to act as the holding company for other group entities. The principal activity of other group entities is investment in real estate.

#### **Review of business**

The results for the year are set out in the Profit and Loss Account on page 7.

The profit before tax for the financial year was £5.1m (2015: £12.2m) and the directors consider this to be the key performance indicator for the company.

During the year the company commenced a programme to reduce the number of unrequired dormant subsidiaries in existence within the group. To this end, 23 entities were passed into the hands of the liquidator on 6 May 2016 with a further 13 entities passed into the hands of the liquidator subsequent to the year end on 29 September 2016.

This programme is ongoing, but otherwise, the directors foresee no material change in the scope or nature of the company's activities in the next year.

#### **Principal risks and uncertainties**

The company's financial assets and liabilities predominantly relate to:

- Investments in subsidiary undertakings
- Receivables from its immediate parent entity
- Amounts payable to and receivable from subsidiary undertakings

The directors do not consider there are any issues surrounding the valuation or recoverability of these assets and liabilities.

Approved by the Board and signed on its behalf by



**M Torode**  
**Director**

19 January 2017

## **MEPC (1946) Limited**

### **Directors' Report**

The directors present their annual report and audited financial statements for the year ended 30 June 2016

#### **Directors**

The directors who served throughout the year are as stated in the Company Information

The directors have had no interests in the shares of the company throughout the year

#### **Future developments**

Likely future developments are discussed in the strategic report

#### **Going concern**

The accounts are prepared on the basis of going concern on the basis that the directors intend MEPC (1946) Limited to continue to hold investments in subsidiary undertakings for the foreseeable future

The company is in a net current liability position and net assets position at the year end

As noted in the previous year's financial statements, Metropolitan Investment Property Limited issued a letter of support confirming that it would not demand repayment of the £46,966,682 loan for at least 12 months from the date of signing of the 30 June 2015 accounts of MEPC (1946) Limited. The accounts were duly signed on 29 March 2016. MEPC (1946) Limited were, likewise, providing support to Metropolitan Investment Property Limited to ensure that Metropolitan Investment Property Limited remained a going concern until at least 28 March 2017.

Subsequent to the 30 June 2016 year-end, on 29 September 2016, Metropolitan Investment Property Limited was passed into the hands of the liquidator. At that date, all amounts payable to, and receivable from, MEPC (1946) Limited were simultaneously settled in full to facilitate the liquidation process. Consequently, the going concern status of both parties was maintained throughout.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

#### **Financial risk management objectives and policies**

The company's activities expose it to a number of financial risks including market risk, credit risk and liquidity risk.

##### ***Market risk***

Market risk is the risk that market prices of investment properties change. Refer to principal risks and uncertainties for further information.

##### ***Credit risk***

The company's principal financial assets are cash and deposits, debtors and investment properties.

The company's credit risk is primarily attributable to its debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on cash and deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

##### ***Liquidity risk***

The company is financed by shareholders' capital and reserves. The company maintains sufficient reserves of cash to meet its liquidity requirements at all times.

**MEPC (1946) Limited**  
**Directors' Report**

**Dividends**

Interim dividends totalling £19,499,987 have been paid (2015 £nil) The directors do not recommend payment of a final dividend (2015 £nil)

**Disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

**Auditor**

Deloitte LLP, the statutory auditor, has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board and signed on its behalf by



**M Torode**  
**Director**  
**19 January 2017**

## **MEPC (1946) Limited**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year. In preparing these financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and accounting estimates that are reasonable and prudent,
- (c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- (d) 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MEPC (1946) LIMITED**

We have audited the financial statements of MEPC (1946) Limited for the year ended 30 June 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Jennifer Chase, ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

19 January 2017



**MEPC (1946) Limited**  
**Profit and Loss Account**  
**for the year ended 30 June 2016**

	<u>Notes</u>	Year ended 30 June 2016 £'m	Year ended 30 June 2015 £'m
Dividends received from subsidiaries		-	2 2
Administrative expenses		<u>(0 2)</u>	<u>(1 5)</u>
<b>Operating (loss) / profit</b>	<b>2</b>	(0 2)	0 7
(Impairment) / write back of investment in subsidiary		(0 1)	1 3
Write off of investment on liquidation of subsidiaries		(0 1)	-
Write off of intercompany creditor balance	<b>3</b>	0 5	5 3
<b>Profit on ordinary activities before interest and taxation</b>		<u>0 1</u>	<u>7 3</u>
Interest receivable	<b>4</b>	5 0	4 9
<b>Profit on ordinary activities before taxation</b>		<u>5 1</u>	<u>12 2</u>
Taxation on Profit on ordinary activities	<b>5</b>	-	-
<b>Retained Profit for the financial year</b>		<u>5 1</u>	<u>12 2</u>

All activities derive from continuing operations

Notes 1 to 14 form part of these financial statements

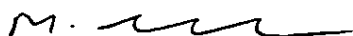
There are no recognised gains or losses in the current or prior year other than those stated above  
Accordingly, no separate Statement of Other Comprehensive Income has been presented

**MEPC (1946) Limited**  
**Registered number 00420575**  
**Balance Sheet**  
**as at 30 June 2016**

	Notes	30 June 2016 £'m	30 June 2015 £'m
<b>Fixed assets</b>			
Investment properties - land	6	-	-
Investment in subsidiary undertakings	7	55 1	55 3
<b>Current assets</b>			
Debtors	8		
- trade debtors due within one year		0 2	-
- intercompany debtors due within one year		0 1	0 3
- intercompany debtors due after one year		243 4	238 4
Cash and short-term deposits		5 1	24 8
		248 8	263 5
<b>Creditors: amounts falling due within one year</b>			
Amounts due to subsidiary undertakings	10	(50 6)	(51 1)
Other creditors	9	(0 1)	(0 1)
<b>Net current liabilities</b>		(45 3)	(26 1)
<b>Net assets</b>		253 2	267 6
<b>Capital and reserves</b>			
Called up Share Capital	11	130 3	130 3
Share Premium account	11	78 1	78 1
Profit and Loss account		44 8	59 2
<b>Shareholders' funds</b>		253 2	267 6

Notes 1 to 14 form part of these financial statements

The financial statements of MEPC (1946) Limited (registered no 00420575) were approved by the Board of Directors and authorised for issue on 19 January 2017 and signed on their behalf by



**M Torode**  
**Director**  
**19 January 2017**

**MEPC (1946) Limited**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2016**

	Notes	Called up Share Capital £'m	Share Premium Account £'m	Profit and Loss Account £'m	Total £'m
<b>Balance at 1 July 2014</b>	<b>11</b>	130.3	78.1	47.0	255.4
Total profit for the year		-	-	12.2	12.2
<b>Balance at 1 July 2015</b>	<b>11</b>	<u>130.3</u>	<u>78.1</u>	<u>59.2</u>	<u>267.6</u>
Total profit for the year		-	-	5.1	5.1
Distribution paid		-	-	(19.5)	(19.5)
<b>Balance at 30 June 2016</b>	<b>11</b>	<u>130.3</u>	<u>78.1</u>	<u>44.8</u>	<u>253.2</u>

Notes 1 to 14 form part of these financial statements

**MEPC (1946) Limited**  
**Statement of Cash Flows**  
**for the year ended 30 June 2016**

	Notes	2016 £'m	2015 £'m
<b>Operating (loss) / profit</b>		(0 2)	0 7
<i>Adjustments for</i>			
Dividends received		-	(2 2)
(Increase) / decrease in debtors	8		
- trade debtors due within one year		(0 2)	-
- intercompany debtors due within one year		0 2	-
- intercompany debtors due after one year		(5 0)	(4 8)
Net cash outflow from operating activities		<u>(5 2)</u>	<u>(6 3)</u>
<b>Cash inflows from investing activities</b>			
Disposal of land		-	0 1
Dividends received		-	2 2
Interest received	4	5 0	4 9
Cash inflow from investing activities		<u>5 0</u>	<u>7 2</u>
<b>Cash outflows from financing activities</b>			
Dividends paid		(19 5)	-
Net (decrease) / increase in cash and cash equivalents		<u>(19 7)</u>	<u>0 9</u>
Cash and cash equivalents at beginning of year		24 8	23 9
Cash and cash equivalents at end of year		<u>5 1</u>	<u>24 8</u>

**MEPC (1946) Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the prior year.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

The functional currency of MEPC (1946) Limited is considered to be pounds sterling as this is the currency of the primary economic environment in which the company operates.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to Note 14 for an explanation of the transition.

Group accounts incorporating the financial statements of subsidiary undertakings are not prepared as the company is a wholly owned subsidiary undertaking of a company registered in England and Wales. Advantage has been taken of the exemption as defined in FRS 102 9.3 from preparing consolidated accounts as the group is consolidated by Leconport Estates.

**Statement of Compliance**

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

**Going concern**

The directors are satisfied that at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. This is discussed in the Directors Report on page 3, under the heading 'Going concern'.

**Investment properties - land**

The land is included at valuation. All surpluses and deficits against book value arising on the valuation are transferred to the profit and loss account. Net gains or losses on disposal of properties are calculated by reference to book value at date of disposal. Disposals are recognised at point of unconditional exchange. The land was disposed of in the prior year.

**Other income**

Other income is recognised when earned net of any VAT or other sales taxes.

**Investment in subsidiaries**

Investments in subsidiary undertakings are held at cost less provision for impairment by the parent undertaking. Provision is only made where the underlying value of the subsidiary is less than the book value in the parent undertaking and the deficit is considered to be permanent.

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors are recognised by the company and carried at original invoice amount less an allowance for any uncollectible or impaired amounts.

A provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are specifically identified. Other debtors are recognised at fair value.

Trade creditors are recognised by the company and carried at original invoice amount. Other creditors are recognised at fair value.

**Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**MEPC (1946) Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**Distributions**

It is the policy of the company to make distributions from the profit and loss account from time to time as the directors think fit. In accordance with FRS 102, distributions are classified as finance costs within the Statement of Cash Flows.

**Cash and deposits**

Cash and deposits includes cash at bank, cash on hand and overnight deposits.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 1, the company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the company has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Valuation of investments in subsidiaries**

Investments in subsidiaries are carried on the balance sheet at cost less estimated provision for impairment which is reviewed annually by reference to net asset values of the subsidiaries and the effect of disposals or liquidations of subsidiary companies during the year.

**2 Operating (loss) / profit**

The auditor's remuneration of £16,300 (2015: £16,300) for the company has been borne by MEPC (1946) Limited.

There were no non-audit fees incurred in the current year (2015: £nil).

There was no directors' remuneration paid in the current year (2015: £nil). At the year end no retirement benefits were accrued for any directors (2015: £nil) under defined contribution schemes or under defined benefit schemes.

The company had no employees during the current and prior year.

**3 Write off of intercompany creditor balance**

On 6 May 2016, 23 subsidiary companies were passed into the hands of the liquidator, giving rise to the write-off of intercompany creditor balances payable to the subsidiaries, to the value of £0.5m. These amounts corresponded to the net assets on the books of the subsidiaries which became irrecoverable by MEPC (1946) Limited as part of the liquidation process.

In the previous year, the intercompany balance due to LCI Limited was written off, as the British Virgin Islands company, LCI Limited, had been struck off and as a result the Directors considered that the liability was extinguished. A corresponding gain was recognised in the profit and loss account for the previous year.

**4 Interest receivable**

**Interest receivable and similar income**

Interest income on loans to immediate parent company  
 External interest income

Year ended 30 June 2016 £'m	Year ended 30 June 2015 £'m
5.0	4.8
-	0.1
<u>5.0</u>	<u>4.9</u>

**MEPC (1946) Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**5 Taxation / deferred taxation**

	Year ended 30 June 2016 £'m	Year ended 30 June 2015 £'m
Taxation in profit and loss account, United Kingdom corporation tax at 20% (2015 20.75%)	-	-
Total current taxation	-	-
Factors affecting tax charge for year,		
Profit on ordinary activities before taxation	5.1	12.2
Profit on ordinary activities before taxation multiplied by tax at the UK standard rate of 20% (2015 20.75%)	1.0	2.5
Effects of		
Expenses not deductible for tax purposes	0.1	-
Income not taxable for tax purposes	(0.1)	(1.8)
Adjust closing deferred tax to average rate of 20.00%	3.1	-
Deferred tax not recognised	(4.1)	-
Group relief surrendered	-	0.3
Defined benefit scheme timing differences	-	(2.0)
Unrelieved tax losses and other deductions arising in the year / period	-	1.0
Current tax credit for the year / period	-	-

Deferred tax assets totalling £28.6m (2015 £33.7m) have not been recognised in respect of carried forward losses as the company is not sufficiently certain that it will be able to recover these assets within a relatively short period of time.

From 1 April 2015, the main rate of corporation tax reduced to 20%. In addition a number of further changes to the UK tax system were substantially enacted as part of the Finance Bill 2015 on 26 October 2015. These include legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and 18% from 1 April 2020. Subsequently in the 2016 budget it was announced that the main rate of UK corporation tax would instead be reduced to 17% from 1 April 2020. This further change was not substantially enacted at the balance sheet date.

**6 Investment properties**

All remaining investment property was disposed of during the previous year and thus no external valuation took place in 2016. The disposal price of the property in the prior year was £85,000, compared to a carrying value of £60,000.

	Year ended 30 June 2016 Freehold land £'m	Year ended 30 June 2015 Freehold land £'m
Valuation		
At 1 July 2015 / 1 July 2014	-	0.1
Disposals	-	(0.1)
At 30 June 2016 / 30 June 2015	-	-

**MEPC (1946) Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**7 Investment in subsidiary undertakings**

	£'m
<b>Cost</b>	
At 1 July 2015	67.4
Disposals / liquidations in the year	(0.1)
At 30 June 2016	<u>67.3</u>
<b>Provision for impairment</b>	
At 1 July 2015	(12.1)
Movement in provision in the year	(0.1)
At 30 June 2016	<u>(12.2)</u>
<b>Net book value at 30 June 2016</b>	<u>55.1</u>
<b>Net book value at 1 July 2015</b>	<u>55.3</u>

The reduction in the cost of investments in subsidiary undertakings relates to the 23 subsidiaries passed into the hands of the liquidator on 6 May 2016

The principal subsidiary entities (all registered in England and Wales) owned by MEPC (1946) Limited are

	Principal activity	<u>% Holding of ordinary shares</u>	
		30 June 2016	30 June 2015
The following 23 subsidiaries were passed into the hands of the liquidator on 6 May 2016			
Birmingham Central Properties Limited	Liquidated	0.00%	100.00%
Caledonian Land Developments Limited	Liquidated	0.00%	100.00%
Caledonian Land Estates Limited	Liquidated	0.00%	100.00%
Caledonian Land Investments Limited	Liquidated	0.00%	100.00%
FOC Company (No 2) Limited	Liquidated	0.00%	100.00%
J Sanders & Sons (Continuation) Limited	Liquidated	0.00%	100.00%
MEPC Business Space Limited	Liquidated	0.00%	100.00%
MEPC Finance Limited	Liquidated	0.00%	100.00%
MEPC Investments Limited	Liquidated	0.00%	100.00%
MEPC Projects Limited	Liquidated	0.00%	100.00%
MEPC Street Properties Limited	Liquidated	0.00%	100.00%
MEPC Tunbridge Wells Limited	Liquidated	0.00%	100.00%
MEPC UK Holdings	Liquidated	0.00%	100.00%
Metrobarn Limited	Liquidated	0.00%	100.00%
Ortem Estates Limited	Liquidated	0.00%	100.00%
Property Security Overseas Limited	Liquidated	0.00%	100.00%
Second Covent Garden Property Company Limited	Liquidated	0.00%	100.00%
Star Properties No 4 Limited	Liquidated	0.00%	100.00%
Streethouser Investments Limited	Liquidated	0.00%	100.00%
The House and London Land Syndicate Limited	Liquidated	0.00%	100.00%
Threadneedle Property Company Limited	Liquidated	0.00%	100.00%
Town Investments Limited	Liquidated	0.00%	100.00%
Wellesbourne Park Management Limited	Liquidated	0.00%	100.00%



**MEPC (1946) Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

The following 13 subsidiaries were passed into the hands of the liquidator on 29 September 2016

Caledonian Land Limited	Dormant	100 00%	100 00%
Caledonian Land Properties Limited	Dormant	100 00%	100 00%
Carlton Healthcare Limited	Dormant	100 00%	100 00%
English Property Corporation	Dormant	100 00%	100 00%
Manchester Commercial Buildings Company Limited	Dormant	100 00%	100 00%
MEPC Developments Limited	Dormant	100 00%	100 00%
MEPC Holdings Limited	Dormant	100 00%	100 00%
MEPC London Limited	Dormant	100 00%	100 00%
MEPC Two Rivers LP Limited	Dormant	100 00%	100 00%
Metropolitan Investment Property Limited	Property investment	100 00%	100 00%
Monument Investment Trust Limited	Dormant	100 00%	100 00%
Nonpareil Securities Limited	Dormant	100 00%	100 00%
Planned Properties Limited	Dormant	100 00%	100 00%

The following 5 subsidiaries are part of a formal project to dissolve legacy subsidiaries

Louisville Investments Limited	Dormant	100 00%	100 00%
MEPC Secretaries Limited	Dormant	100 00%	100 00%
MEPC UK Limited	Dormant	100 00%	100 00%
The London County Freehold and Leasehold Properties Limited	Dormant	100 00%	100 00%
The Metropolitan Railway Surplus Lands Company	Property investment	100 00%	100 00%

The other 4 subsidiary companies are

Hermes Asset Management Limited	Dormant	100 00%	100 00%
MEPC HPE Limited	Dormant	100 00%	100 00%
MEPC Limited	Property investment	100 00%	100 00%
MEPC Milton Park Limited	Inactive	100 00%	100 00%

**8 Debtors**

	<b>2016</b> <b>£'m</b>	<b>2015</b> <b>£'m</b>
<b>Amounts due within one year</b>		
Trade debtors (credits due from suppliers)	0 2	-
<b>Intercompany debtors</b>		
Due from Caduceus Estates Limited	0 1	0 1
Due from group undertakings	-	0 1
Due from BT Pension Scheme	-	0 1
	0 1	0 3
<b>Amounts due after one year</b>		
Loans to immediate parent company - Leconport Estates	243 4	238 4

Debtors are initially recognised at cost and the carrying value is considered to be the same as fair value

The loan facility with MEPC (1946) Limited's parent company, Leconport Estates, is due for repayment on 31 December 2017  
The interest rate in respect of the facility is LIBOR plus 1 5% payable quarterly

**9 Other Creditors**

	<b>2016</b> <b>£'m</b>	<b>2015</b> <b>£'m</b>
Accruals	0 1	0 1

Creditors are initially recognised at cost and the carrying value is considered to be the same as fair value

**MEPC (1946) Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**10 Amounts due to subsidiary undertakings**

	2016 £'m	2015 £'m
Amounts due to UK subsidiary undertakings	50.6	51.1

Amounts due to subsidiary undertakings are non interest bearing, no security is provided in respect of the amounts due and all amounts are repayable on demand

**11 Called up share capital and share premium account**

	Allotted, called up and fully paid	2015 £'m
	2016 £'m	
Equity Ordinary shares of £0.3026 each	130.3	130.3

At 30 June 2016 there were 430,759,951 (2015: 430,759,951) ordinary shares in issue

At 30 June 2016 the Share Premium Account was valued at £78,072,637 (2015: £78,072,637)

**12 Related Parties**

	2016 £'m	2015 £'m
As at 30 June 2016 the following amounts were due to MEPC (1946) Limited		
Leconport Estates	243.4	238.4
Caduceus Estates Limited	0.1	0.1

	2016 £'m	2015 £'m
As at 30 June 2016 the following amounts were due from MEPC (1946) Limited		
Other subsidiary investments	(50.6)	(51.1)

**13 Explanation of the transition to FRS 102**

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the period ended 30 June 2015, however the date of transition to FRS 102 was 1 July 2014. There have been no adjustments to equity at 30 June 2015 and at 30 June 2016 as a result of transition to FRS 102.

**14 Ultimate parent company and controlling party**

The directors regard Leconport Estates to be the company's immediate parent, and the parent of the smallest group of which the company is a member to prepare group financial statements.

The directors regard the BT Pension Scheme as the company's ultimate parent controlling party. It is the parent of the largest group of which the company is a member to prepare group financial statements.

The address of both the BT Pension Scheme and Leconport Estates is Lloyds Chambers, 1 Portsoken Street, London E1 8HZ, where copies of the BT Pension Scheme's and Leconport Estate's financial statements are available.