

COMPANY REGISTRATION NUMBER 647313

**METROPOLITAN PROPERTIES CO. (COLMAN)
LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2014



COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	B S E Freshwater D Davis
Company secretary	M R M Jenner, F.C.I.S.
Registered office	Freshwater House 158-162 Shaftesbury Avenue London WC2H 8HR
Auditor	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road London NW11 0PU

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is property investment. There has been no significant change in the nature of the company's business activities during the year under review, nor is any envisaged in the immediate future.

RESULTS AND DIVIDENDS

The loss for the year amounted to £257,770. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

B S E Freshwater

D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract, nor do they receive any emoluments from the company.

PROPERTY

A professional valuation of the company's investment property was carried out at 31 December 2014 by the company's valuers, Colliers International. The resultant figure has been included in the financial statements under review and the surplus of £58,000 above previous book value (2013: £2,000 deficit) has been transferred to the revaluation reserve.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 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 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.

DONATIONS

During the year the company made no charitable donation nor political contribution.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

AUDITOR

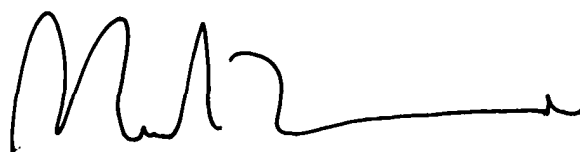
Cohen Arnold are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'M R M Jenner', followed by a long horizontal line.

M R M Jenner, F.C.I.S.
Company Secretary

Approved by the directors on 3 September 2015

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED
YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of Metropolitan Properties Co. (Colman) Limited for the year ended 31 December 2014 on pages 6 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).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 set out on page 2, 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 31 December 2014 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2014

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



JOSHUA NEUMANN (Senior Statutory Auditor)

For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

3 September 2015

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
TURNOVER	2	223,034	146,438
Cost of Sales		(115,396)	(40,824)
GROSS PROFIT		107,638	105,614
Administrative Expenses		(6,000)	(6,000)
OPERATING PROFIT	3	101,638	99,614
Interest Receivable and Similar Income		592	188
Interest Payable and Similar Charges	5	(430,000)	(564,000)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(327,770)	(464,198)
Tax on Loss on Ordinary Activities	6	70,000	108,000
LOSS FOR THE FINANCIAL YEAR		(257,770)	(356,198)

All of the activities of the company are classed as continuing.

The notes on pages 9 to 14 form part of these financial statements.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
Loss for the Financial Year Attributable to the Shareholders	(257,770)	(356,198)
Unrealised Profit/(Loss) on Revaluation of Certain Fixed Assets	<u>58,000</u>	<u>(2,000)</u>
Total Gains and Losses Recognised Since the Last Annual Report	<u>(199,770)</u>	<u>(358,198)</u>

The notes on pages 9 to 14 form part of these financial statements.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible Assets	7	1,075,375	1,017,375
CURRENT ASSETS			
Debtors	8	427,758	418,082
Cash at Bank		<u>5,750</u>	<u>5,750</u>
		433,508	423,832
CREDITORS: Amounts falling due within one year	9	<u>(9,458,509)</u>	<u>(9,191,063)</u>
NET CURRENT LIABILITIES		(9,025,001)	(8,767,231)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(7,949,626)</u>	<u>(7,749,856)</u>
CAPITAL AND RESERVES			
Called-Up Equity Share Capital	12	2	2
Revaluation Reserve	13	916,317	858,317
Profit and Loss Account	13	<u>(8,865,945)</u>	<u>(8,608,175)</u>
DEFICIT	14	<u>(7,949,626)</u>	<u>(7,749,856)</u>

These accounts were approved by the directors and authorised for issue on 3 September 2015, and are signed on their behalf by:


B S E Freshwater
 Director

Company Registration Number: 647313

The notes on pages 9 to 14 form part of these financial statements.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, notwithstanding the company's net current liabilities, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Metropolitan Properties Company Limited, the company's intermediate parent undertaking. The Metropolitan Properties Company Limited group has considerable financial resources together with a large property portfolio and access to credit facilities. Metropolitan Properties Company Limited has provided the company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Cash flow statement

Under Financial Reporting Standard No. 1 "Cash Flow Statements" the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of an intermediate parent undertaking registered in England and Wales which prepares consolidated financial statements that include a consolidated cash flow statement.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other wholly owned Metropolitan Properties Company Limited group companies.

Turnover

Turnover comprises rents and service charges receivable less applicable provisions. Rent receivable from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis up to the date when it is expected that the prevailing market rent will be receivable.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Investment property

Investment property is included in the balance sheet at professional valuation at 31 December 2014, on the basis stated in the "Tangible Fixed Assets" note to the financial statements. In accordance with Statement of Standard Accounting Practice No. 19:

i) investment property is revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, with the exception of permanent diminutions in value which are written off through the profit and loss account; and

ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards the company's investment property, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, the property is not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation and amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Taxation

The charge or credit for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax:

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Deferred tax:

Deferred tax is provided in respect of all timing differences that have originated but not reversed by the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in future, except that:

- No provision is made in respect of unrealised property revaluation surpluses; and
- Deferred tax assets are recognised to the extent that they are considered recoverable.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

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. Disposals include the net proceeds from lease extensions.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

The turnover of the company is represented by rents and charges receivable in respect of the property held for investment purposes.

The gross profit is comprised as follows:

	2014 £	2013 £
Rents and charges receivable	223,034	146,438
Property outgoings	<u>(115,396)</u>	<u>(40,824)</u>
Gross profit	<u>107,638</u>	<u>105,614</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2014 £	2013 £
Auditor's remuneration - as auditor	<u>4,800</u>	<u>4,800</u>

4. PARTICULARS OF EMPLOYEES

The company has no employees and no salaries or wages have been paid to the directors during the year.

The staff provided by the property and administrative management company, Highdorn Co. Limited, are engaged under joint employment contracts with a fellow subsidiary of the company and their costs subsequently recharged to the company at a level appropriate to the activity of the company. No recharges were made during the year (2013: Nil).

In addition to the above, the company's property outgoings includes the following employment costs relating to portorage staff:

	2014 £	2013 £
Wages & Salaries	3,994	3,916
Social Security Costs	<u>313</u>	<u>310</u>
	<u>4,307</u>	<u>4,226</u>

The average number of portorage staff employed during the year was 1 (2013: 1).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Other similar charges payable	<u>430,000</u>	<u>564,000</u>

Other similar charges payable relate to interest payable to group undertakings.

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
Corporation tax	-	-
Consideration receivable for group relief	<u>(70,000)</u>	<u>(108,000)</u>
Total current tax	<u>(70,000)</u>	<u>(108,000)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%).

	2014	2013
	£	£
Loss on ordinary activities before taxation	<u>(327,770)</u>	<u>(464,198)</u>
Loss on ordinary activities by rate of tax	<u>(70,471)</u>	<u>(107,926)</u>
Land remediation relief	<u>(42)</u>	<u>(63)</u>
Other differences	<u>513</u>	<u>(11)</u>
Total current tax (note 6(a))	<u>(70,000)</u>	<u>(108,000)</u>

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) was substantially enacted on 2 July 2013. A further reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantially enacted on 2 July 2013. In July 2015 the Government announced further reductions in the UK Corporation Tax rate to 19% by 1 April 2017 and to 18% by 1 April 2020. This will reduce the Company's future tax charge accordingly.

The potential deferred taxation liability at 31 December 2014 in respect of the revaluation of investment property, for which no provision has been made, is estimated at £74,000 (2013: £64,000).

7. TANGIBLE FIXED ASSETS

	Freehold Properties
	£
COST OR VALUATION	
At 1 January 2014	1,017,375
Revaluation	<u>58,000</u>
At 31 December 2014	<u>1,075,375</u>
NET BOOK VALUE	
At 31 December 2014	<u>1,075,375</u>
At 31 December 2013	<u>1,017,375</u>

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

7. TANGIBLE FIXED ASSETS *(continued)*

The historical cost of investment property at 31 December 2014 is £159,058.

A professional valuation of the company's investment property was carried out at 31 December 2014 by the company's valuers, Colliers International. The valuation figure is based on open market value assessed in accordance with the RICS Statement of Asset Valuation Practice and Guidance Notes.

8. DEBTORS

	2014	2013
	£	£
Trade debtors	60,589	85,062
Amounts owed by group undertakings	188,367	126,378
Other debtors	802	1,642
Consideration receivable for group relief	178,000	205,000
	<u>427,758</u>	<u>418,082</u>

9. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	40,185	107,329
Amounts owed to group undertakings	9,404,606	9,072,326
Other creditors	13,718	11,408
	<u>9,458,509</u>	<u>9,191,063</u>

10. CHARGES ON ASSETS AND GUARANTEES

During the year, the company charged its property with a book value of £1,075,375 at 31 December 2014 in support of a loan facility granted to Metropolitan Properties Company Limited, the company's intermediate parent undertaking, the aggregate indebtedness of which amounted to £Nil at 31 December 2014.

11. DIRECTORS' INTERESTS IN CONTRACTS

The majority of the day to day management of the company's property and its operation is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies, with which this company is closely related. Mr B S E Freshwater is a director but has no beneficial interest in the share capital of that company.

During the year £3,133 (2013: £7,943), including VAT, was payable to Highdorn Co. Limited for these services which were charged for at normal commercial rates.

12. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

METROPOLITAN PROPERTIES CO. (COLMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

13. RESERVES

	Revaluation reserve £	Profit and loss account £
Balance brought forward	858,317	(8,608,175)
Loss for the year	—	(257,770)
Other gains and losses		
- Revaluation of fixed assets	<u>58,000</u>	<u>—</u>
Balance carried forward	<u>916,317</u>	<u>(8,865,945)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Loss for the financial year	(257,770)	(356,198)
Other net recognised gains and losses	<u>58,000</u>	<u>(2,000)</u>
Net reduction to shareholders' deficit	(199,770)	(358,198)
Opening shareholders' deficit	<u>(7,749,856)</u>	<u>(7,391,658)</u>
Closing shareholders' deficit	<u>(7,949,626)</u>	<u>(7,749,856)</u>

15. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address:

Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.