

**COMPANY REGISTRATION NUMBER: 1710237**

**METROPOLITAN MANAGEMENT SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**



**COHEN ARNOLD**  
Chartered accountant & statutory auditor  
New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

**METROPOLITAN MANAGEMENT SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

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# **METROPOLITAN MANAGEMENT SERVICES LIMITED**

## **DIRECTOR'S REPORT**

### **YEAR ENDED 31 DECEMBER 2016**

The director presents his report and the financial statements of the company for the year ended 31 December 2016.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is the provision of management services. 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.

#### **DIRECTOR**

The director who served the company during the year was as follows:

B S E Freshwater

The director does not have a service contract with the company.

The majority of the day-to-day management of the company's operations is carried out by Highdorn Co. Limited. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, Highdorn Co. Limited.

#### **RESULTS AND DIVIDENDS**

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2015: £nil). The director does not propose a final dividend for the year (2015: £nil).

#### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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. He is 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 MANAGEMENT SERVICES LIMITED**

**DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

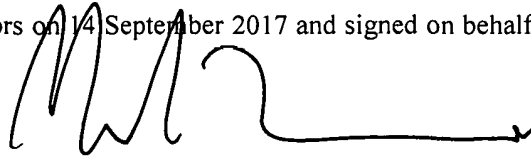
**AUDITOR**

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 14 September 2017 and signed on behalf of the board by:

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

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

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

**METROPOLITAN MANAGEMENT SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METROPOLITAN**  
**MANAGEMENT SERVICES LIMITED**

**YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of Metropolitan Management Services Limited for the year ended 31 December 2016 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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 DIRECTOR AND AUDITOR**

As explained more fully in the director's responsibilities statement, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's 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 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, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

**METROPOLITAN MANAGEMENT SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METROPOLITAN**  
**MANAGEMENT SERVICES LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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 director was 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 accountant & statutory auditor

New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

14 September 2017

**METROPOLITAN MANAGEMENT SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>TURNOVER</b>	<b>4</b>	<b>1,728,760</b>	<b>1,714,150</b>
Cost of sales		<u>(1,716,760)</u>	<u>(1,702,150)</u>
<b>GROSS PROFIT</b>		<b>12,000</b>	<b>12,000</b>
Administrative expenses		<u>(4,835)</u>	<u>(4,800)</u>
<b>OPERATING PROFIT</b>	<b>5</b>	<b>7,165</b>	<b>7,200</b>
Interest payable and similar expenses	<b>7</b>	<u>(85)</u>	<u>(75)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>7,080</b>	<b>7,125</b>
Tax on profit	<b>8</b>	<u>(1,416)</u>	<u>(1,400)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b><u>5,664</u></b>	<b><u>5,725</u></b>

All the activities of the company are from continuing operations.

The notes on pages 8 to 13 form part of these financial statements.


# METROPOLITAN MANAGEMENT SERVICES LIMITED

## BALANCE SHEET

31 DECEMBER 2016

	Note	2016 £	£	2015 £	£
<b>CURRENT ASSETS</b>					
Debtors	9	557,899		526,639	
Cash at bank and in hand		<u>78,383</u>		<u>92,269</u>	
		636,282		618,908	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(439,615)</u>		<u>(427,905)</u>	
<b>NET CURRENT ASSETS</b>			<u>196,667</u>		<u>191,003</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>196,667</u>		<u>191,003</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		100		100
Profit and loss account	12		<u>196,567</u>		<u>190,903</u>
<b>TOTAL EQUITY</b>			<u>196,667</u>		<u>191,003</u>

These financial statements were approved by the board of directors and authorised for issue on 14 September 2017, and are signed on behalf of the board by:

  
**B S E Freshwater**  
 Director

Company registration number: 1710237

The notes on pages 8 to 13 form part of these financial statements.



**METROPOLITAN MANAGEMENT SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	<b>Total £</b>
<b>AT 1 JANUARY 2015</b>	100	185,178	185,278
Profit for the year	—	5,725	5,725
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	5,725	5,725
<b>AT 31 DECEMBER 2015</b>	100	190,903	191,003
Profit for the year	—	5,664	5,664
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	5,664	5,664
<b>AT 31 DECEMBER 2016</b>	100	196,567	196,667

The notes on pages 8 to 13 form part of these financial statements.

# **METROPOLITAN MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

### **1. GENERAL INFORMATION**

Metropolitan Management Services Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the company and available sources of finance.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements nor any estimates with a significant risk of material adjustment in the next year.

#### **Disclosure exemptions**

The Company's immediate parent undertaking, Metropolitan Properties Company Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Metropolitan Properties Company Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

#### **Turnover**

Turnover comprises management charges receivable in relation to property management. Management charges are recognised in the profit and loss account exclusive of VAT in the period they fall due with reference to the management agreement.

**METROPOLITAN MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

**3. ACCOUNTING POLICIES** *(continued)*

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# METROPOLITAN MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2016

#### 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 its financial liabilities.

#### Basic financial instruments

##### Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

##### Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

#### Income and expenses

##### Interest receivable and Interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

#### Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in the Metropolitan Properties Company Limited group.

#### 4. TURNOVER

Turnover arises from:

	2016	2015
	£	£
Management charges receivable	<u>1,728,760</u>	<u>1,714,150</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>4,800</u>	<u>4,800</u>

# METROPOLITAN MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2016

#### 5. OPERATING PROFIT *(continued)*

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's immediate parent undertaking, Metropolitan Properties Company Limited.

#### 6. PARTICULARS OF EMPLOYEES

The staff provided by the administrative management company, Highdorn Co. Limited, are engaged under joint employment contracts with the company. During the year a total of 219 (2015: 222) persons were employed in this way. The average number of full time equivalents whose staff costs were borne by the company during the year was 37 (2015: 35). The aggregate staff costs of these persons is £1,716,760 (2015: £1,702,150).

#### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Interest on banks loans and overdrafts	<u>85</u>	<u>75</u>

#### 8. TAX ON PROFIT

##### Major components of tax expense

	2016 £	2015 £
<b>Current tax:</b>		
Consideration payable for group relief	<u>1,416</u>	<u>1,400</u>
<b>Tax on profit</b>	<u><b>1,416</b></u>	<u><b>1,400</b></u>

All tax is recognised in the profit and loss account.

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the same as (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>7,080</u>	<u>7,125</u>
Profit on ordinary activities by rate of tax	<u>1,416</u>	<u>1,443</u>
Other differences	<u>—</u>	<u>(43)</u>
<b>Tax on profit</b>	<u><b>1,416</b></u>	<u><b>1,400</b></u>

##### Factors that may affect future tax expense

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 18 November 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future tax charge accordingly.

# METROPOLITAN MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

### 9. DEBTORS

	2016	2015
	£	£
Amounts owed by group undertakings	<u>557,899</u>	<u>526,639</u>

Intra-group loans are interest-free sterling loans repayable on demand.

### 10. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Social security and other taxes	2,275	2,275
Other creditors	<u>437,340</u>	<u>425,630</u>
	<u>439,615</u>	<u>427,905</u>

Other creditors include £434,524 (2015: £422,730) due to Highdorn Co. Limited, a company referred to in note 13.

### 11. CALLED UP SHARE CAPITAL

**Issued, called up and fully paid**

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 12. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

### 13. DIRECTORS' INTERESTS IN CONTRACTS

The majority of the day to day management of the company's operations is carried out by Highdorn Co. Limited ("Highdorn"). Mr B S E Freshwater is a director of, but has no beneficial interest in the share capital of Highdorn.

During the year no charges were payable to Highdorn and no amounts were owing to Highdorn for these services at 31 December 2016 (2015: £Nil).

**METROPOLITAN MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

**14. PARENT COMPANY AND CONTROLLING PARTY**

The company is controlled by its immediate parent undertaking, Metropolitan Properties Company Limited, a company registered in England and Wales.

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:

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

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