

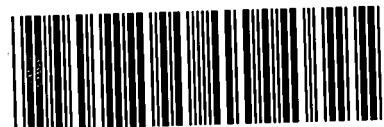
COMPANY REGISTRATION NUMBER: 3245983

Metropolitan Properties (City) Limited

Financial Statements

31 December 2017

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Metropolitan Properties (City) Limited

Financial Statements

Year ended 31 December 2017

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Metropolitan Properties (City) Limited

Directors' Report

Year ended 31 December 2017

The directors present their report and the financial statements of the Company for the year ended 31 December 2017.

Principal activities and business review

The principal activity of the Company is property investment in commercial and residential properties in the UK. From time to time the Company undertakes new developments and also the redevelopment of existing properties. The Company's business model is generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the Company's investment properties is considered to be potentially for sale in the right circumstances. 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.

Directors

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

D Davis
B S E Freshwater

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

The directors do not have service contracts.

The majority of the day-to-day management of the Company's properties and its operations are carried out by Highdorn Co. Limited. Mr B S E 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 other comprehensive income and explanatory notes. The financial position of the company at the end of the year is set out in the attached balance sheet and explanatory notes.

The Company did not pay a dividend in the year (2016: £nil). The directors do not propose a final dividend for the year (2016: £nil).

Directors' responsibilities statement

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 the profit or loss of the Company for that period.

Metropolitan Properties (City) Limited

Directors' Report *(continued)*

Year ended 31 December 2017

In preparing these financial statements, the directors are 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 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.

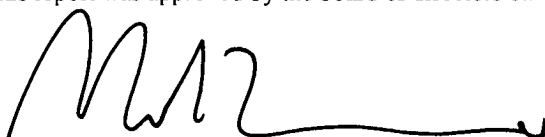
Auditor

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.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board of directors on 12 September 2018 and signed on behalf of the board by:



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

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

Independent Auditor's Report to the Members of Metropolitan Properties (City) Limited

Opinion

We have audited the financial statements of Metropolitan Properties (City) Limited ("the Company") for the year ended 31 December 2017 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity, and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Metropolitan Properties (City) Limited

(continued)

Directors' responsibilities

As explained more fully in their directors' responsibility statement, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Richard Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

28 September 2018

Metropolitan Properties (City) Limited

Profit and Loss Account and Other Comprehensive Income

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	2,389,067	2,813,421
Property outgoings		<u>(985,585)</u>	<u>(1,131,016)</u>
Gross profit		1,403,482	1,682,405
Administrative expenses		<u>(22,000)</u>	<u>(21,980)</u>
Net valuation gains on investment property		<u>(58,946)</u>	<u>2,983,439</u>
Operating profit	5	1,322,536	4,643,864
Interest receivable and similar income	6	49	172
Interest payable and similar expenses	7	<u>(3,058,000)</u>	<u>(2,993,000)</u>
(Loss)/profit before taxation		(1,735,415)	1,651,036
Tax on (loss)/profit	9	<u>322,720</u>	<u>(341,519)</u>
(Loss)/profit for the financial year and total comprehensive income		<u>(1,412,695)</u>	<u>1,309,517</u>

All the activities of the Company are from continuing operations.

The notes on pages 9 to 17 form part of these financial statements.

Metropolitan Properties (City) Limited

Balance Sheet

31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	10	51,500,000	50,000,000
Current assets			
Debtors	11	1,989,459	1,229,331
Cash at bank and in hand		179,684	179,637
		<u>2,169,143</u>	<u>1,408,968</u>
Creditors: amounts falling due within one year	12	<u>(53,220,543)</u>	<u>(49,547,673)</u>
Net current liabilities		<u>(51,051,400)</u>	<u>(48,138,705)</u>
Total assets less current liabilities		<u>448,600</u>	<u>1,861,295</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account	14	447,600	1,860,295
Total equity		<u>448,600</u>	<u>1,861,295</u>

These financial statements were approved by the board of directors and authorised for issue on 12 September 2018, and are signed on behalf of the board by:

B S E Freshwater
Director

Company registration number: 3245983

The notes on pages 9 to 17 form part of these financial statements.

Metropolitan Properties (City) Limited

Statement of Changes in Equity

Year ended 31 December 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2016	1,000	550,778	551,778
Profit for the year		1,309,517	1,309,517
Total comprehensive income for the year	—	1,309,517	1,309,517
At 31 December 2016	1,000	1,860,295	1,861,295
Loss for the year		(1,412,695)	(1,412,695)
Total comprehensive income for the year	—	(1,412,695)	(1,412,695)
At 31 December 2017	1,000	447,600	448,600

The notes on pages 9 to 17 form part of these financial statements.

Metropolitan Properties (City) Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The Company is a company limited by shares, registered in England and Wales. The address of the registered office is Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR.

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 except that investment property is measured at fair value.

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 notified the Company of their intention to continue to make available such funds as are needed by the Company for at least 12 months from the date of approval of these financial statements. 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.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

Metropolitan Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Disclosure exemptions

The Company's intermediate parent undertaking, Centremanor Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Centremanor Limited are prepared in accordance with UK GAAP, FRS 102 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 FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and other financial instruments

Turnover

Turnover comprises rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Property outgoings

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Lease payments under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and the unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit and loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Metropolitan Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

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 the equity or 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 adjustments 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 expenses 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. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

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.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

a) Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and

b) No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

Metropolitan Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

Sale of investment properties

The Company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the Company's profit and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred. In addition the company also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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.

Related party transactions

The Company has taken advantage of the exemptions in FRS 102 in order to dispense with the requirements to disclose transactions with other companies in the Centremanor Limited Group.

Metropolitan Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Rents receivable	1,764,432	1,926,747
Service charges receivable	624,635	886,674
	<u>2,389,067</u>	<u>2,813,421</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/crediting:

	2017	2016
	£	£
Fees payable for the audit of the financial statements	18,000	17,980
Movement in provision for bad debts	<u>322,632</u>	<u>(61,669)</u>

Amounts receivable by the Company's auditor in respect of services to the Company, other than for 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 ultimate parent undertaking, Linnet Limited.

6. Interest receivable and similar income

	2017	2016
	£	£
Interest on late payments	<u>49</u>	<u>172</u>

7. Interest payable and similar expenses

	2017	2016
	£	£
Interest due to group undertakings	<u>3,058,000</u>	<u>2,993,000</u>

8. Particulars of employees

None of the directors received remuneration in respect of their services to the Company (2016: £nil).

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 (2016: nil).

Metropolitan Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

9. Tax on (loss)/profit

Major components of tax (income)/expense

	2017 £	2016 £
Current tax:		
Adjustments in respect of prior periods	–	608,000
Consideration receivable for group relief	(322,720)	(266,481)
Total current tax	<u>(322,720)</u>	<u>341,519</u>
Tax on (loss)/profit	<u>(322,720)</u>	<u>341,519</u>

Reconciliation of tax (income)/expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £	2016 £
(Loss)/profit on ordinary activities before taxation	(1,735,415)	1,651,036
(Loss)/profit on ordinary activities by rate of tax	(334,067)	330,207
Adjustment to tax charge in respect of prior periods	–	608,000
Indexation allowance	11,347	(596,688)
Tax on (loss)/profit	<u>(322,720)</u>	<u>341,519</u>

Factors that may affect future tax income

A 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 Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

10. Investment property

	Freehold property £
Cost or valuation	
At 1 January 2017	50,000,000
Additions	1,558,946
Revaluations	(58,946)
At 31 December 2017	51,500,000
Carrying amount	
At 31 December 2017	51,500,000
At 31 December 2016	50,000,000

Investment property held at valuation

An independent professional revaluation of all of the Company's freehold and leasehold property was carried out on 31 December 2017 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures are based on open market value assessed in accordance with the RICS Valuation - Professional Standards (2014).

Valuation techniques and key inputs

The company's commercial units (£51.5 million (2016: £50 million)) were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review. Equivalent yields used 4.18% (2016: 4.6%) and estimated rental values £24.40 per square foot (2016: £24.40 per square foot).

Historical cost model

The historical cost of investment properties included in the above valuation is £33,761,366 (2016: £32,202,420).

11. Debtors

	2017 £	2016 £
Trade debtors	479,866	21,027
Amounts owed by group undertakings	91,954	96,000
Group relief receivable	589,201	266,481
Other debtors	828,438	845,823
	1,989,459	1,229,331

Metropolitan Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

11. Debtors *(continued)*

All debtors are payable within one year or are payable on demand. All intra-group loans are sterling loans with interest received at the rate of 6.36% (2016: 6.52%), netted with interest payable on intra-group loans.

12. Creditors: amounts falling due within one year

	2017	2016
	£	£
Rents and service charges charged and paid in advance	781,390	556,584
Amounts owed to group undertakings	51,377,481	48,176,140
Corporation tax	–	254,000
Social security and other taxes	202,298	–
Other creditors	859,374	560,949
	<u>53,220,543</u>	<u>49,547,673</u>

All intra-group loans are sterling loans repayable on demand with interest paid at the rate of 6.36% (2016: 6.52%).

13. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

14. Reserves

The profit and loss account reserve records retained earnings and accumulated losses.

15. Operating leases

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	1,677,316	1,905,560
Later than 1 year and not later than 5 years	5,396,281	7,134,989
Later than 5 years	1,158,098	1,677,677
	<u>8,231,695</u>	<u>10,718,226</u>

Metropolitan Properties (City) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

16. Charges on assets

The Company has charged its freehold investment properties with a book value at 31 December 2017 of £51,500,000 (2016: £50,000,000) as part security for loan facilities granted to Metropolitan Properties (Commercial) Limited, a subsidiary of an intermediate parent undertaking and also executed a floating charge over all the assets and undertaking of the company.

17. Related party transactions

The majority of the day-to-day management of the Company's properties and its operations are carried out by Highdorn Co. Limited ("Highdorn"). Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, Highdorn.

In their capacity as property managing agents, Highdorn collect rents and incur direct property expenses on behalf of the Company. During the year £68,713 (2016: £103,942) was charged by Highdorn for the provision of a full range of management services, which were charged for at normal commercial rates. The credit balance outstanding in respect of these services at 31 December 2017 is £139,024 (2016: £72,257), which has been included in other creditors.

18. Controlling party

The Company is controlled by its immediate parent company, Metropolitan Properties Company Limited, whose registered office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The Company's ultimate controlling party is its ultimate parent company, Linnet Limited, which is incorporated in the Isle of Man and controlled by trusts.

The largest group in which the results of the Company are consolidated is that headed by Centremanor Limited. The smallest group in which the results of the Company are consolidated is that headed by Metropolitan Properties Company Ltd. Copies of these financial statements can be obtained from the following address: Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. No other group financial statements include the results of the Company.

19. Accounting estimates and judgements

i. Property valuations

The valuation of the company's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 10). Therefore, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 10 above, all the Company's properties are valued by external valuers with appropriate qualifications and experience.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.