

COMPANY REGISTRATION NUMBER: 03384712

METROPOLITAN (E.M.) LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 DECEMBER 2016



METROPOLITAN (E.M.) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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METROPOLITAN (E.M.) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2016.

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year and preceding financial year. It is anticipated that the company will remain dormant for the foreseeable future.

DIRECTORS

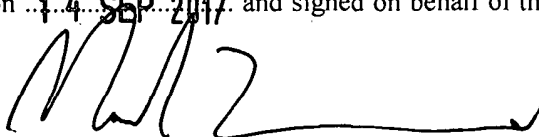
The directors who served the company during the year were as follows:

B S E Freshwater
D Davis

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on ~~1.4.2017~~ **1.4.SEP.2017** 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

METROPOLITAN (E.M.) LIMITED

BALANCE SHEET

31 DECEMBER 2016

	Note	2016 £	£	2015 £	£
FIXED ASSETS					
Investment properties	4		40,000		40,000
CURRENT ASSETS					
Debtors	5	2		2	
CREDITORS: amounts falling due within one year	6	<u>(40,000)</u>		<u>(40,000)</u>	
NET CURRENT LIABILITIES			<u>(39,998)</u>		<u>(39,998)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2</u>		<u>2</u>
CAPITAL AND RESERVES					
Called up share capital	7		<u>2</u>		<u>2</u>
MEMBERS FUNDS			<u>2</u>		<u>2</u>


The company did not trade during the current year or prior year and has not made either a profit or loss.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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


B S E Freshwater
Director

Company registration number: 03384712

The notes on pages 3 to 7 form part of these financial statements.

METROPOLITAN (E.M.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Metropolitan (E.M.) 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.

Disclosure exemptions

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.

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.

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

Dormant status

The company is dormant as defined by section 1169 of the Companies Act 2006. The company received no income and incurred no expenditure during the current year or prior year and therefore no income statement is presented within these financial statements. There have been no movements in members funds during the current year or prior year.

Judgements and key sources of estimation uncertainty

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 10.

METROPOLITAN (E.M.) 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. 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.

METROPOLITAN (E.M.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

Investment properties

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

- 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
- 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.

Disposals of 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 on ordinary activities, 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

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.

METROPOLITAN (E.M.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

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. INVESTMENT PROPERTIES

	Long leasehold property £
Fair value	
At 1 Jan 2016 and 31 Dec 2016	<u>40,000</u>
Carrying amount	
At 31 December 2016	<u>40,000</u>

Investment properties held at valuation

An independent professional revaluation of the Company's property was carried out at 31 December 2016 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figure is based on open market value assessed in accordance with the RICS Valuation - Professional Standards (2014).

Valuation techniques and key inputs

The company's residential apartments and houses (£40,000) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies.

Historical cost model

The historical cost of investment property at 31 December 2016 is £40,000 (2015: £40,000).

5. DEBTORS

	2016 £	2015 £
Other debtors	<u>2</u>	<u>2</u>

All debtors are payable within one year or payable on demand.

6. CREDITORS: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>40,000</u>	<u>40,000</u>

All intra-group loans are sterling loans repayable on demand.

METROPOLITAN (E.M.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

7. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

8. CAPITAL AND RESERVES

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

9. 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:

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.

10. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Property valuations

The valuation of the company's investment property is inherently subjective, depending on many factors, including the individual nature of the property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 4). Therefore the valuation is subject to a degree of uncertainty and is 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 3 above, the company's property was valued by external valuers with appropriate qualifications and experience.