

Company Registration No 7403315

Metric Property Finance Holdings Limited

Report and Financial Statements

31 March 2012

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Metric Property Finance Holdings Limited

Report and financial statements 2012

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Metric Property Finance Holdings Limited

Report and financial statements 2012

Officers and professional advisers

Directors

Valentine Beresford (appointed 8 November 2010)
Sue Ford (appointed 8 November 2010)
Andrew Jones (appointed 8 November 2010)
Mark Stirling (appointed 8 November 2010)
Ruth Bracken (appointed 11 October 2010, resigned 8 November 2010)
Travers Smith Limited (appointed 11 October 2010, resigned 8 November 2010)
Travers Smith Secretaries Limited (appointed 11 October 2010, resigned 8 November 2010)

Company Secretary

Richard Howell (appointed 8 November 2010)
Travers Smith Secretaries Limited (appointed 11 October 2010, resigned 8 November 2010)

Registered Office

Connaught House
1-3 Mount Street
London
W1K 3NB

Solicitors

Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Metric Property Finance Holdings Limited

Directors' report

The directors submit their report together with the audited financial statements for the period ended 31 March 2012

Incorporation, business review and principal activities

The Company was incorporated on 11 October 2010 as De Facto 1806 Limited. On 8 November 2010 the Company changed its name to Metric Property Finance Holdings Limited. The Company is a holding company. The accounts have been prepared on a going concern basis. The Company is funded via an inter-company current account provided by the Company's ultimate parent, Metric Property Investments plc, which has confirmed its continuing financial support and therefore the directors consider the Company is in a position to meeting its liabilities as they fall due.

The Company has two subsidiaries: Metric Property Finance 1 Limited and Metric Property Finance 2 Limited.

The Company did not trade during the period and consequently has no income or expenditure. Dividends of £nil were paid during the period. The Company has net assets of £2 and net amounts owed by group companies of £2.

Future outlook

It is expected that current levels of activity will be maintained during the forthcoming year.

Principal risks and uncertainties

The Company, as a subsidiary of Metric Property Investments plc, is managed on a unified basis as part of the Metric Property Investments plc group. The principal risks faced by the Company reflect those of the Metric Property Investments plc group and the table below outlines the principal risks and uncertainties faced by the Metric Property Investments plc group in delivering its strategic priorities for the forthcoming year.

Strategic risks

- Investment acquisitions underperform financial objectives
- Failure to identify business opportunities and innovate
- Property markets are cyclical. Performance depends on general economic conditions and in particular the retail sector.
- Development projects fail to deliver expected returns due to increased costs, delays or changes in property market values.

Financial risks

- Inability to raise finance to implement strategy
- Adverse interest rate movements
- Failure to comply with loan covenants
- Failure to comply with REIT conditions
- Counterparty credit risk resulting in loss of cash deposit

Metric Property Finance Holdings Limited

Directors' report

Principal risks and uncertainties (continued)

Asset management risks

- Tenant failure
- Failure to let vacant units

Operational risks

- Loss of key staff
- Failure to comply with health and safety requirements
- Environmental liabilities

These risks and uncertainties are described in greater detail together with mitigating factors on pages 28 to 29 of the Metric Property Investments plc Annual Report and Accounts 2012. Further information on financial risks is set in note 8 to these financial statements.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that the KPIs relevant to understanding the development, performance and position of the business are profit before tax, net asset value and debt. The results are disclosed above.

Directors

The present directors of the Company all of whom served throughout the period, unless otherwise stated, are as shown on page 1.

The Group has arranged insurance cover in respect of legal action against its Directors.

None of the Directors has a service agreement with the Company and they are not entitled to any compensation on termination of appointment or sale of the Company by the Metric Property Investments plc group.

Charitable and political donations

The Company did not make any charitable or political donations during the period.

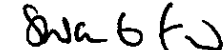
Auditor and disclosure of information to the auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

So far as each director is aware, there is no relevant audit information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware. Each director has taken all the steps that they ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

On behalf of the Board



Sue Ford

Director

9 July 2012

Metric Property Finance Holdings Limited

Statement of directors' responsibilities

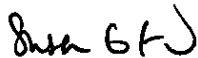
The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 period. In preparing these financial statements, International Accounting Standards 1 requires that the directors

- properly select and apply accounting policies,
- present information, including accounting policies, in the manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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.

By Order of the Board



Sue Ford
Director
9 July 2012

Independent auditor's report to the members of Metric Property Finance Holdings Limited

We have audited the financial statements of Metric Property Finance Holdings Limited for the period ended 31 March 2012 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 March 2012 and of its result for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

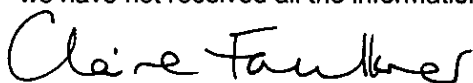
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Claire Faulkner (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

9 July 2012

Metric Property Finance Holdings Limited

Income statement Period ended 31 March 2012

	Notes	Period from 11 October 2010 to 31 March 2012 £
Gross rental income		-
Property operating expenses		-
Net rental income		-
Administration expenses	2	-
Gain/(deficit) arising on valuation of investment properties		-
Operating profit/(loss)		-
Dividends received from subsidiaries		-
Finance income	3	-
Finance costs	4	-
Profit before tax		-
Tax	5	-
Profit after tax		-

All activities during the period are derived from continuing operations

There are no other items of comprehensive income or expense in the current period and therefore no statement of comprehensive income is shown

Metric Property Finance Holdings Limited

Balance Sheet As at 31 March 2012

	Notes	As at 31 March 2012 £
Non-current assets		
Investment in subsidiaries	6	4
Amounts owed by Group undertakings	7	2
Total non-current assets		6
Current assets		
Trade and other receivables		-
Cash at bank and short-term deposits		-
Total current assets		-
Total assets		6
Current liabilities		
Trade and other payables		-
Total current liabilities		-
Non-current liabilities		
Amounts owing to Group undertakings	7	(4)
Total non-current liabilities		(4)
Total liabilities		(4)
Net assets		2
Equity		
Share capital	9	2
Retained earnings		-
Total equity		2

The financial statements of Metric Property Finance Holdings Limited (registered number 7403315) were approved by the Board of Directors and authorised for issue on 9 July 2012 and signed on its behalf by



Sue Ford
Director

Metric Property Finance Holdings Limited

Statement of changes in equity Period ended 31 March 2012

	Share capital £	Retained earnings £	Total £
At incorporation	-	-	-
Issue of ordinary shares	2	-	2
Profit for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total equity attributable to equity shareholders	2	-	2
	<hr/>	<hr/>	<hr/>

Metric Property Finance Holdings Limited

Cash flow statement Period ended 31 March 2012

	Period from 11 October 2010 to 31 March 2012 £
Cash flows from operating activities	
Operating profit/(loss)	-
Adjustment for non-cash items	
Increase in trade and other receivables	-
Increase in trade and other payables	-
	<hr/>
Cash inflow generated from operations	-
Interest received	-
Interest paid	-
	<hr/>
Net cash received from operating activities	-
Cash flows from investing activities	
Investment in subsidiary undertakings	(4)
Dividends received from subsidiaries	-
	<hr/>
Net cash used in investing activities	(4)
Cash flows from financing activities	
Issue of shares	2
Net movement in loans from group undertakings	2
	<hr/>
Net cash received from financing activities	4
Net movement in cash and cash equivalents	-
Cash and cash equivalents at incorporation	-
	<hr/>
Cash and cash equivalents at the end of the period	-

Metric Property Finance Holdings Limited

Notes to the financial statements

Period ended 31 March 2012

1. Accounting policies

General

Metric Property Finance Holdings Limited is a limited company incorporated in Great Britain. The Company's ultimate holding company is Metric Property Investments plc ("the Group") which is also incorporated in Great Britain. Consequently, the Company is exempt from preparing Group financial statements.

These financial statements are presented in pounds sterling since that is the currency in which the majority of the Company's transactions are denominated. The financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The current period financial statements have been prepared for the seventeen months and 21 days ended 31 March 2012.

The financial statements have been prepared on a going concern basis. This is discussed further in the Directors' Report on page 2.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

Summary of significant accounting policies

Impairment

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying value of an asset exceeds its recoverable amount the asset is considered impaired and written down accordingly.

Financial instruments

Cash and cash equivalents Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible into a known amount of cash and are subject to insignificant risk of changes in value.

Trade and other receivables Trade and other receivables are initially recognised at invoiced value and subsequently at amortised cost, less provisions for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the agreed terms of the receivables concerned.

Trade and other payables Trade and other payables are non-interest bearing and are initially recognised at invoiced amount and subsequently at amortised cost.

Borrowings The Company's borrowings in the form of its bank loans are recognised initially at fair value, after taking account of attributable transaction costs. Subsequently, borrowings are held at amortised cost, with any attributable costs charged to the income statement using the effective interest rate method.

Metric Property Finance Holdings Limited

Notes to the financial statements Period ended 31 March 2012

1. Accounting policies (continued)

Financial instruments

Derivatives The Company enters into derivative transactions such as interest rate swaps in order to manage the risks arising from its activities. Derivatives are initially recorded at fair value and are re-measured to fair value as calculated by the counterparties based on market prices at subsequent balance sheet dates. The Company does not apply hedge accounting to its derivative financial instruments and hence any change in the fair value of such derivatives is recognised immediately in the income statement as a finance cost. As the Company is a wholly owned subsidiary it has taken the available exemption from making the disclosures required under IFRS 7 Financial Instruments Disclosures, as these disclosures are included in the consolidated financial statements of Metric Property Investments plc, which are publicly available.

Interest receivable and other finance income represents interest on cash balances held.

Income tax

The charge for current UK corporation tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax is provided on all temporary differences, except in respect of investments in subsidiaries and joint ventures where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Standard and interpretations in issue not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 9 Financial Instruments,
- IFRS 10 Consolidated Financial Statements,
- IFRS 13 Fair Value Measurement,
- Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities,
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Improvements to IFRS – 2011

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application, other than on presentation and disclosure.

Metric Property Finance Holdings Limited

Notes to the financial statements Period ended 31 March 2012

2 Administration expenses

Employees

There were no employees directly employed by the Company

Audit fees

A notional charge of £2,000 for the Company is deemed payable to Deloitte LLP in respect of the audit of the financial statements. The actual amounts payable to Deloitte LLP are paid at group level by Metric Property Investments plc

Directors' remuneration

The directors received no remuneration in respect of their services to the Company during the period. Some of the directors are also directors of Metric Property Investments plc, the company's ultimate holding company, and the remuneration of these directors is disclosed in the financial statements of that company

3 Finance income

	Period from 11 October 2010 to 31 March 2012 £
Third party interest receivable	-
Interest received on subsidiary inter-company loan balance	-
	<u>-</u>

4 Finance costs

	Period from 11 October 2010 to 31 March 2012 £
Total third party loan interest	-
Interest on loans on inter-company loan balance	-
	<u>-</u>

5 Tax

	Period from 11 October 2010 to 31 March 2012 £
Current tax	
Corporation tax at 26%	-
REIT conversion charge	-
	<u>-</u>
Total tax on ordinary activities	<u>-</u>

Metric Property Finance Holdings Limited

Notes to the financial statements Period ended 31 March 2012

5 Tax (continued)

Factors affecting tax for the period

The tax charge differs from the standard rate of corporation tax in the UK. The differences are explained below

	Period from 11 October 2010 to 31 March 2012 £
Profit before tax at the standard rate of income tax in the UK of 26%	-
Effects of	
REIT tax exemption	-
REIT conversion charge	-
Total tax on ordinary activities	-

Factors that may affect future tax charges

Metric Property Investments plc converted to a REIT on 24 March 2010. As a result, no UK corporation tax should be due on future income or capital gains in respect of investment properties within the REIT group, of which the Company is a member.

The standard rate of UK corporation tax is due to fall in stages to 23 per cent by 2014. This is unlikely to impact the Company's tax charge significantly.

6 Investments

	31 March 2012 £
At incorporation	-
Additions	4
At 31 March 2012	4

Investments are held at the lower of cost or net realisable value.

At 31 March 2012 the Company's has the following subsidiary undertakings

	Country of incorporation	Proportion of voting rights held (by way of share capital held)	Nature of business
Metric Property Finance 1 Limited	England	100%	Holding Company
Metric Property Finance 2 Limited	England	100%	Holding Company

All of the undertakings listed above operate in their country of incorporation. All shares held are ordinary shares.

As a wholly owned subsidiary of Metric Property Investments plc, the Company did not prepare consolidated accounts for the period ended 31 March 2012. The above entities are not consolidated by the Company under the exemption provided by s400 of the Companies Act 2006.

Metric Property Finance Holdings Limited

Notes to the financial statements Period ended 31 March 2012

7. Amounts owing to Group undertakings

Intercompany loans have no fixed repayment terms and are interest free. Metric Property Investments plc has agreed that they will not demand repayment of intercompany loans owing to it within the next twelve months.

8. Financial risk management

Through the Company's operations it is exposed to a variety of risks. The principal risks that are potentially material to the Company and the policies for managing these risks are summarised below.

Liquidity risk

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due. Liquidity risk is managed on an aggregate basis for all Group operations, including the Company. The Company relies on the provision of credit through intercompany funding from its parent, Metric Property Investments plc.

Credit risk

Credit risk reflects the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Group's cash deposits are placed with a diversified range of banks and money market funds, with high credit ratings of at least AA-, and strict counterparty limits ensure the Group's exposure to bank failure is minimised.

Capital risk

The capital structure of the Company is managed by the Board of Directors as part of the overall Group position. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns and as such aims to maintain an appropriate mix of equity and debt financing. Equity comprises issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. Amounts due to Group undertakings comprise of loans received from the ultimate parent undertaking Metric Property Investments plc.

Market and interest rate risk

The Company is exposed to market risk through interest rate fluctuations. The Group manages this risk by holding a significant portion of external bank borrowings at either fixed or capped rates of interest. The Group will use interest rate derivatives including swaps and caps to manage its interest rate exposure and hedge future interest rate risk for the term of the respective bank loan. This policy does not entirely eliminate the risk although the Directors believe it provides an appropriate balance of exposure.

9. Share capital

	31 March 2012 £
Allotted, called up and fully paid	
2 ordinary shares of £1 each	<u>2</u>

On incorporation on 11 October 2010 two ordinary shares of £1 were issued for cash at a subscription price of £1 per share.

The Company has one class of ordinary shares, which carry no right to fixed income.

Metric Property Finance Holdings Limited

Notes to the financial statements

Period ended 31 March 2012

10. Related party transactions

Transactions between the Company and Metric Property Investments plc, which is also the ultimate controlling party, group companies are shown below

	31 March 2012 £
Nature of transaction	
Management fees paid	-
Interest paid	-
	<hr/>
	-
	<hr/>

Significant balances outstanding between the Company and Metric Property Investments plc group companies are shown below

	Group 31 March 2012 £
Amount due from / (to) ultimate parent company	2
Amount due from / (to) subsidiary companies	(4)
	<hr/>
	(2)
	<hr/>

The above balance is not secured

The ultimate holding company is Metric Property Investments plc. Metric Property Investments plc is the smallest and largest group of which the Company is a member to prepare group accounts. Copies of the consolidated accounts of Metric Property Investments plc can be obtained from Connaught House, 1-3 Mount Street, London W1K 3NB.