

Company Registration No. 07780077

**Metric LP Income Plus Limited**

**Financial Statements**

**For the year ended 31 March 2019**



# **Metric LP Income Plus Limited**

## **Financial statements for the year ended 31 March 2019**

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# **Metric LP Income Plus Limited**

**Financial statements for the year ended 31 March 2019**

## **Company information**

### **Directors**

Martin McGann  
Andrew Jones  
Valentine Beresford  
Mark Stirling

### **Company Secretary**

Jadzia Duzniak

### **Registered Office**

1 Curzon Street  
London  
W1J 5HB

### **Auditor**

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

## **Metric LP Income Plus Limited**

### **Directors' report**

The directors present their report with the audited financial statements for the year ended 31 March 2019. The Company qualifies as a small company under section 382 of the Companies Act 2006 and accordingly has not produced a Strategic Report. This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies exemption.

#### **Business review and principal activities**

The Company is a limited partner to the Metric Income Plus Limited Partnership. The Company has a 50% economic interest in the Metric Income Plus Limited Partnership.

The accounts have been prepared on a going concern basis. The Company is in a net asset position but has net current liabilities. The Company's parent, LondonMetric Property Plc, has confirmed its continuing financial support by way of an intercompany loan to be provided as and when required and therefore the directors consider the Company is in a position to meet its liabilities as they fall due for the foreseeable future.

The Company is a wholly owned subsidiary of Metric Property Investments plc which is a wholly owned subsidiary of LondonMetric Property Plc.

#### **Results and dividends**

The results for the Company show a pre-tax profit of £3,204,791 (2017/18: £2,360,776). Dividends of £3,052,710 (2017/18: £2,817,217) were paid during the year. The Company has net assets of £51,558,300 (2017/18: net liabilities £334,499) and amounts owing to group companies of £2,004,441 (2017/18: £48,812,240).

#### **Directors**

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

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 LondonMetric Property Plc group ("the Group").

The Group has arranged insurance cover in respect of legal action against its directors, which include the directors of the Company.

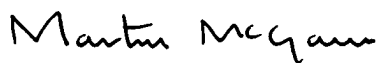
#### **Auditor and disclosure of information to the auditor**

BDO 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 their duty as a director in order to make themselves 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 section 418 of the Companies Act 2006.

On behalf of the Board



**Martin McGann**

Director

22 July 2019

## **Metric LP Income Plus Limited**

### **Directors' responsibilities statement**

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 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), including FRS 101 'Reduced Disclosure Framework'. 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

## **Independent auditor's report to the members of Metric LP Income Plus Limited**

### **Opinion**

We have audited the financial statements of Metric LP Income Plus Limited ("the Company") for the year ended 31 March 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

## **Independent auditor's report to the members of Metric LP Income Plus Limited (continued)**

### **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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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.



**Russell Field** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, United Kingdom

Date: 22 July 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Metric LP Income Plus Limited

### Profit and loss account Year ended 31 March 2019

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Administration expenses	2	-	(6,750)
<b>Operating loss</b>		-	(6,750)
Distributions received		4,542,752	3,750,182
Finance costs	3	(1,337,961)	(1,382,656)
<b>Profit before tax</b>		3,204,791	2,360,776
Tax	4	-	-
<b>Profit after tax</b>		<u>3,204,791</u>	<u>2,360,776</u>

All activities during the current and prior year are derived from continuing operations.

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

The notes on pages 9 to 13 form part of these financial statements.



## Metric LP Income Plus Limited

### Balance Sheet As at 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
<b>Non-current assets</b>			
Investment in joint venture	5	1,828,571	1,827,739
Loans advanced to joint venture	5	51,734,170	46,650,002
Total non-current assets		53,562,741	48,477,741
<b>Total assets</b>		53,562,741	48,477,741
<b>Non-current liabilities</b>			
Amounts owing to Group undertakings	6	(2,004,441)	(48,812,240)
Total non-current liabilities		(2,004,441)	(48,812,240)
<b>Total liabilities</b>		(2,004,441)	(48,812,240)
<b>Net assets/(liabilities)</b>		51,558,300	(334,499)
<b>Equity</b>			
Share capital	7	51,740,719	1
Retained loss		(182,419)	(334,500)
<b>Total equity</b>		51,558,300	(334,499)

The financial statements of Metric LP Income Plus Limited (registered number 07780077) were approved by the Board of Directors and authorised for issue on 22 July 2019 and signed on its behalf by:

*Martin McGann*

**Martin McGann**  
Director

The notes on pages 9 to 13 form part of these financial statements.

## Metric LP Income Plus Limited

### Statement of changes in equity Year ended 31 March 2019

	Share capital £	Retained loss £	Total £
At 1 April 2018	1	(334,500)	(334,499)
Shares issued at par	51,740,718	-	51,740,718
Profit for the year	-	3,204,791	3,204,791
Dividend paid	-	(3,052,710)	(3,052,710)
<b>Total equity attributable to equity shareholders</b>	<b>51,740,719</b>	<b>(182,419)</b>	<b>51,558,300</b>

### Year ended 31 March 2018

	Share capital £	Retained loss £	Total £
At 1 April 2017	1	121,941	121,942
Profit for the year	-	2,360,776	2,360,776
Dividend paid	-	(2,817,217)	(2,817,217)
<b>Total equity attributable to equity shareholders</b>	<b>1</b>	<b>(334,500)</b>	<b>(334,499)</b>

The notes on pages 9 to 13 form part of these financial statements.

# **Metric LP Income Plus Limited**

## **Notes to the financial statements Year ended 31 March 2019**

### **1. Accounting policies**

#### **a) General information**

Metric LP Income Plus Limited is a private limited company incorporated in England under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the business review on page 2.

#### **b) Statement of compliance**

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, financial instruments, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of LondonMetric Property Plc. The group accounts of LondonMetric Property Plc are available to the public and can be obtained as set out in note 8.

#### **c) Basis of preparation**

The functional and presentational currency of the Company is sterling. The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **Impact of new and revised Standards**

##### **IFRS9 "Financial Instruments"**

This standard deals with the classification, measurement and recognition of financial assets and liabilities and replaces the guidance in IAS39 Financial Instruments: Recognition and Measurement.

The adoption of IFRS9 has led to no changes in the carrying amounts of financial instruments or the classification and presentation of financial instruments.

The principal accounting policies adopted are set out below.

## **Metric LP Income Plus Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2019**

#### **1. Accounting policies (continued)**

##### **Estimates and judgements**

The preparation of financial statements in conformity with FRS101 requires the directors to make judgements, 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 reporting period.

The most critical accounting policies in determining the financial condition and results of the Company are those requiring the greatest degree of subjective or complex judgements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the change is recognised over those periods.

##### **d) Financial assets and financial liabilities**

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual terms of the instrument. Unless otherwise indicated, the carrying amounts of the financial assets and liabilities are a reasonable approximation of their fair values.

##### **i) Financial assets**

The Company classifies its financial assets at amortised cost only if the asset is held in a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. All of the Company's financial assets fall within the financial assets at amortised cost classification.

Financial assets at amortised cost comprise trade and other receivables, intra-group loans and cash and cash equivalents. They are initially recognised at fair value, plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for expected credit losses. Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

##### **ii) Financial liabilities**

Financial liabilities include interest bearing loans, trade payables (including rent deposits and retentions under construction contracts) and other short-term monetary liabilities. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Interest bearing loans are initially recorded at fair value net of direct issue costs, and subsequently carried at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

##### **e) Finance costs**

Net finance costs include interest payable on borrowings and finance costs amortised.

##### **f) Finance income**

Finance income includes interest receivable on funds invested, measured at the effective rate of interest on the underlying sum invested.

## Metric LP Income Plus Limited

### Notes to the financial statements (continued) Year ended 31 March 2019

#### 1. Accounting policies (continued)

##### g) Dividends

Dividends on equity shares are recognised when they become legally payable. Dividends receivable are recognised when the right to receive payment is established.

##### h) Tax

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

##### i) Going concern

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

##### j) Investment in subsidiaries

Investments in subsidiaries are shown at cost less provision for impairment. An impairment review is carried out annually to assess the recoverable amount based on the net assets of the subsidiary companies.

#### 2. Administration expenses

##### a) Employees

There were no employees directly employed by the Company in the current or prior year.

##### b) Audit fees

The auditor's remuneration for the current and prior year was borne by the ultimate parent company. Fees attributable to the audit of the Company were £1,300 (2017/18: £1,250). There were no non-audit fees payable by the Company to BDO LLP and its associates in the current or prior year.

##### c) Directors' remuneration

The directors received no remuneration in respect of their services to the Company during the current or prior year. All of the directors are also directors of LondonMetric Property Plc, the Company's ultimate holding company, and the remuneration of these directors is disclosed in the financial statements of that company.

#### 3. Finance costs

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Interest payable on intercompany loan balance	<u>1,337,961</u>	<u>1,382,656</u>

## Metric LP Income Plus Limited

### Notes to the financial statements (continued) Year ended 31 March 2019

#### 4. Tax

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
<b>Current tax</b>		
Current tax on profit for the year	-	-
<b>Total tax on ordinary activities</b>	-	-

#### Factors affecting tax for the year

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

	Year to 31 March 2019 £	Year to 31 March 2018 £
Profit on ordinary activities before tax	3,204,791	2,360,776
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017/18: 19%)	608,911	448,547
Effects of: REIT tax exemption	(608,911)	(448,547)
<b>Total tax on ordinary activities</b>	-	-

#### Factors that may affect future tax charges

The Company is a member of a REIT group, as part of the LondonMetric Property Plc group. 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.

#### 5. Investments and loans advanced to joint venture

	Investment 31 March 2019 £	Loans advanced 31 March 2019 £	Investment 31 March 2018 £	Loans advanced 31 March 2018 £
At 1 April	1,827,739	46,650,002	1,827,267	41,930,474
Equity advanced	832	-	472	-
Loans advanced	-	8,314,168	-	4,719,528
Loans repaid	-	(3,230,000)	-	-
<b>At 31 March</b>	<b>1,828,571</b>	<b>51,734,170</b>	<b>1,827,739</b>	<b>46,650,002</b>

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

## Metric LP Income Plus Limited

### Notes to the financial statements (continued)

Year ended 31 March 2019

#### 5. Investments and loans advanced to joint venture (continued)

On 28 September 2017 the Company made a further £25,000,000 commitment, comprising of £2,500 of capital and £24,997,500 of loan advances, to the Metric Income Plus Limited Partnership, whose registered office is at 1 Curzon Street, London, W1J 5HB. As at 31 March 2019 £15,575,000 remained undrawn (2017/18: £20,660,000). This commitment is subject to appropriate investment opportunities being sourced. The loan is non interest bearing and has no fixed repayment terms.

At 31 March 2019 the Company had the following direct investments:

	Country of incorporation	Proportion of voting rights held (by way of partners equity held)	Nature of business
Metric Income Plus Limited Partnership	England	50%	Property investment

The above undertaking operates in its country of incorporation. Its registered address is One Curzon Street, London, W1J 5HB.

#### 6. Amounts owing to Group undertakings

Intercompany loans have no fixed repayment terms and are interest bearing at the LondonMetric Property Plc group's weighted average cost of debt. Metric Property Investments plc has agreed that it will not demand repayment of the intercompany loan balance within the next twelve months.

#### 7. Share capital

	31 March 2019 £	31 March 2018 £
<b>Allotted, called up and fully paid</b>		
1 ordinary shares of £1 each	51,740,719	1

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

On 5 February 2019, 51,740,718 ordinary shares of £1 each were issued at par.

A dividend of 3,052,710 (5.9 pence per share) was paid on 5 February 2019.

Dividends totalling £2,817,217 (£2,817,217 per share) were paid in the prior year.

#### 8. Controlling party information

The intermediate parent company is Metric Property Investments plc and the ultimate parent company is LondonMetric Property Plc. The registered office for both companies is 1 Curzon Street, London W1J 5HB. LondonMetric Property Plc is the largest group of which the Company is a member to prepare group accounts. Copies of the consolidated accounts of LondonMetric Property Plc can be obtained from its registered office and its website [www.londonmetric.com](http://www.londonmetric.com).