

Registration number: 09123728

Capco Covent Garden Residential Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

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Capco Covent Garden Residential Limited

Directors' Report for the year ended 31 December 2016

The Directors submit their annual report and the audited financial statements of the Company for the year ended 31 December 2016.

Incorporation

Capco Covent Garden Residential Limited ("the Company") was incorporated (company number 09123728) and registered in England and Wales on 9 July 2014.

Principal activity

The principal activity of the Company is the letting and management of residential property in the Covent Garden area of Central London.

Business review

Fair review of the business

The Company's results for and financial position at the year ended 31 December 2016 are set out in full in the statement of comprehensive income, the balance sheet and the notes relating thereto.

The profit on ordinary activities before tax was £319,000 (2015: loss of £(194,000)). Total shareholder funds at 31 December 2016 were £125,000 (2015: deficit of £(194,000)). The Directors expect that the present level of activity of the Company will continue for the foreseeable future.

Principal risks and uncertainties

The Directors believe that the principal risks and uncertainties facing the Company are not materially different to those disclosed in the Group Annual Report & Accounts of Capital & Counties Properties PLC for the year ended 31 December 2016 that are publicly available and in which the Company is consolidated.

Given the straightforward nature of the business, the Company Directors are of the opinion that analysis using KPIs is not necessary for an understanding of its development, performance or position.

Dividends

The Directors do not recommend a payment of dividend for the year (2015: £nil).

Directors of the Company

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are given below:

T G Attree

S-J Curtis (resigned 31 August 2016)

S Das (resigned 31 December 2016)

C Denness

I D Hawksworth

S S Jobanputra (appointed 16 December 2016)

M V A McGrath (appointed 16 December 2016)

G J Yardley

Capco Covent Garden Residential Limited

Directors' Report for the year ended 31 December 2016

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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. The Directors 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.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company's ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout the financial year in respect of the Group, including the Company and its Directors.

Independent auditors

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the Company is not required to hold an annual general meeting and accordingly the Auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

Capco Covent Garden Residential Limited

Directors' Report for the year ended 31 December 2016

Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Directors have taken advantage of the exemption from preparing a Strategic Report.

Approved by the Board on 30 August 2017 and signed on its behalf by:

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T G Attree
Director

Capco Covent Garden Residential Limited

Independent Auditors' Report to the members of Capco Covent Garden Residential Limited

Report on the financial statements

Our opinion

In our opinion, Capco Covent Garden Residential Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Capco Covent Garden Residential Limited

Independent Auditors' Report to the members of Capco Covent Garden Residential Limited

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

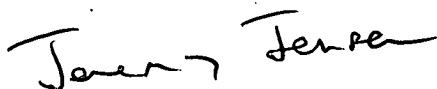
Capco Covent Garden Residential Limited

Independent Auditors' Report to the members of Capco Covent Garden Residential Limited

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report include the disclosures required by applicable legal requirements.



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Jeremy Jensen (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date:.....

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Capco Covent Garden Residential Limited

Statement of Comprehensive Income for the year ended 31 December 2016

		Year ended 31 December 2016 £ 000	9 July 2014 to 31 December 2015 £ 000
Continuing operations:	Note		
Turnover	2	<u>1,329</u>	<u>854</u>
Net property income/(expense)	2	57	(194)
Administrative expenses		-	-
Intercompany debt waiver		<u>262</u>	<u>-</u>
Profit/(loss) on ordinary activities before tax	3	319	(194)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the period		<u>319</u>	<u>(194)</u>
Total comprehensive income/(expense) for the period		<u>319</u>	<u>(194)</u>

The Company had no movements in shareholder funds other than those included in the statement of comprehensive income and therefore a separate statement of changes in shareholder funds has not been presented.

The notes on pages 9 to 14 form an integral part of these financial statements.

Capco Covent Garden Residential Limited

Balance Sheet as at 31 December 2016

	Note	31 December 2016 £ 000	31 December 2015 £ 000
Non-current assets			
Debtors	5	1	5
Current assets			
Debtors	5	650	360
Cash at bank and in hand		18	10
		<u>668</u>	<u>370</u>
Creditors: Amounts falling due within one year			
Creditors	6	<u>(544)</u>	<u>(569)</u>
Net current assets/(liabilities)		<u>124</u>	<u>(199)</u>
Net assets/(liabilities)		<u>125</u>	<u>(194)</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account		<u>125</u>	<u>(194)</u>
Total shareholders' funds/(deficit)		<u>125</u>	<u>(194)</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements on pages 7 to 14 have been approved by the Board on 30 August 2017 and signed on its behalf by:

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T G Attree
Director

Capco Covent Garden Residential Limited

Notes to the Financial Statements for the year ended 31 December 2016

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The Directors have considered the level of financial support that may be made available to the Company by the ultimate parent company, Capital & Counties Properties PLC. The Directors have assessed the financial information contained in the 2016 Annual Report & Accounts of Capital & Counties Properties PLC that have been prepared on a going concern basis. The Directors have concluded from their assessment that there is a reasonable expectation that the Company will have adequate support from Capital & Counties Properties PLC to meet ongoing and future commitments for a period of at least 12 months from the date of approval of the financial statements and have therefore resolved that the financial statements be prepared on a going concern basis.

FRS 101 sets out a reduced disclosure framework that addresses the financial reporting requirements of and disclosure exemptions available in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS"). Amendments are made to the requirements of IFRS where necessary so as to comply with the Companies Act 2006.

The Company, as a qualifying entity, is a member of a group where the parent of that group, being Capital & Counties Properties PLC, prepares publicly available consolidated financial statements that are intended to give a true and fair view and the Company is included in the consolidation. Details of where the 2016 Annual Report & Accounts of Capital & Counties Properties PLC can be obtained are disclosed in note 9.

The Directors have taken advantage of the following disclosure exemptions available under FRS 101:

- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements';
- The requirements of IAS 7 'Statement of Cash Flows';
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group.

The Directors have notified the shareholders of the Company in writing about the use of disclosure exemptions in these financial statements and the shareholders do not object.

New standards and interpretations

No new accounting standards and interpretations that are effective for the year ended 31 December 2016 have had a material impact on the financial statements.

Capco Covent Garden Residential Limited

Notes to the Financial Statements for the year ended 31 December 2016

1 Accounting policies (continued)

Critical accounting judgements and key sources of estimation and uncertainty

The preparation of financial statements in accordance with FRS 101 requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, equity, income and expenses from sources not readily apparent. Although these estimates and assumptions are based on management's best knowledge of the amount, historical experiences and other factors, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period.

Significant judgements and sources of estimation and uncertainty relate to revenue recognition and tax.

Tax

The charge for current tax is based on the results for the period as adjusted for items that are non-assessable or disallowed and any adjustment in respect of prior periods. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Debtors

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost. The Directors exercise judgement as to the collectability of the Company's debtors and determine whether it is appropriate to impair these assets. Debtors falling due after more than one year are presented under current assets in accordance with Companies Act 2006 requirements.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business. Creditors are recognised at fair value and subsequently measured at amortised cost until settled.

Amounts owed to and from group undertakings

Amounts owed to and from group undertakings are recognised at fair value and subsequently measured at amortised cost until settled.

Capco Covent Garden Residential Limited

Notes to the Financial Statements for the year ended 31 December 2016

2 Turnover and net rental income/(expense)

Turnover arose in the United Kingdom from continuing operations. In the opinion of the Directors, the Company carried on only one class of business.

	Year ended 31 December 2016 £ 000	9 July 2014 to 31 December 2015 £ 000
Rental income	1,329	854
Rental expense	(1,272)	(1,048)
Net property income/(expense)	<u>57</u>	<u>(194)</u>

3 Profit on ordinary activities before tax

The profit on ordinary activities before tax of £319,000 (2015: loss of £(194,000)) is arrived at after charging:

	Year ended 31 December 2016 £ 000	9 July 2014 to 31 December 2015 £ 000
Auditor remuneration - audit services	<u>-</u>	<u>-</u>

Auditors' remuneration of £2,575 (2015: £2,000) for the year has been met by an intermediate parent, Capco Covent Garden Limited, and has not been recharged.

There were no employees during the year (2015: none).

Directors' emoluments

No Director received any remuneration for services to the Company in either year. Some of the Directors are also directors of Capital & Counties Properties PLC, the Company's ultimate parent company, and the remuneration of these Directors is disclosed in the financial statements of Capital & Counties Properties PLC.

Capco Covent Garden Residential Limited

Notes to the Financial Statements for the year ended 31 December 2016

4 Tax on result on ordinary activities

The differences between the tax assessed for the period and the current average standard rate of United Kingdom corporation tax of 20 per cent (2015: 20.25 per cent) are shown below:

	Year ended 31 December 2016 £ 000	9 July 2014 to 31 December 2015 £ 000
Profit/(loss) on ordinary activities before tax	319	(194)
Current average United Kingdom corporation tax at 20.00% (2015: 20.25%)	64	(40)
Effects of:		
Non-taxable loan waiver	(53)	-
Group relief surrendered	(11)	40
Tax on profit/(loss) on ordinary activities	-	-

Finance Act 2015 sets the main rate of UK corporation tax at 20 per cent with effect on 1 April 2015. The enactment of Finance (No. 2) Act 2015 and Finance Act 2016 reduces the main rate of corporation tax to 19 per cent from April 2017 and 17 per cent from April 2020.

5 Debtors

	31 December 2016 £ 000	31 December 2015 £ 000
Amounts falling due after more than one year		
Rent receivable	1	5
Amounts falling due within one year		
Rent receivable	130	32
Receivables from group undertakings	232	-
Prepayments and accrued income	278	328
Other receivables	10	-
	650	360
	651	365

Capco Covent Garden Residential Limited

Notes to the Financial Statements for the year ended 31 December 2016

6 Creditors: amounts falling due within one year

	31 December 2016 £ 000	31 December 2015 £ 000
Rent in advance	228	99
Accrued expenses	14	-
Amounts owed to group undertakings	-	326
Other creditors	302	144
	<u>544</u>	<u>569</u>

Amounts owed to group undertakings were unsecured, interest bearing, repayable on demand.

7 Operating leases

The Company earns rental income by leasing properties to tenants under operating leases.

In the United Kingdom standard commercial leases vary considerably between markets and locations but typically are for a term of five to 15 years at market rent with provisions to review to market rent every five years.

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

	2016 £ 000	2015 £ 000
Within one year	922	604
In two to five years	46	398
In over five years	-	-
	<u>968</u>	<u>1,002</u>

Capco Covent Garden Residential Limited

Notes to the Financial Statements for the year ended 31 December 2016

8 Called up share capital

Issued, called up and fully paid shares

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

9 Ultimate parent company

The ultimate parent company and controlling party is Capital & Counties Properties PLC, a company incorporated and registered in England and Wales, copies of whose consolidated financial statements may be obtained from the Company Secretary at 15 Grosvenor Street, London, W1K 4QZ.

The Company's immediate parent is Covent Garden Limited, a company incorporated in Jersey, copies of whose financial statements may be obtained from 1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG.