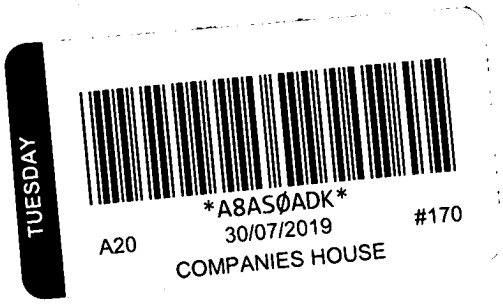
Registration number: 09123728

Capco Covent Garden Residential Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Capco Covent Garden Residential Limited

Directors' Report
for the year ended 31 December 2018

The Directors submit their annual report and the audited financial statements of the Company for the year ended 31 December 2018.

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

Principal activities
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 2018 are set out in full in the statement of comprehensive income, the balance sheet and the notes relating thereto.

The loss before tax was £71,000 (2017: loss of £85,000). Total shareholder deficit at 31 December 2018 were £31,000 (2017 funds: £40,000). 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 2018 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.

Going concern
The Directors note that the Company is in a net liability position. The Directors have considered the level of financial support including that which 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 2018 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 to meet ongoing and future commitment for a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Directors have prepared the 2018 Annual Report & Financial Statements on a going concern basis.

Dividends
The Directors do not recommend the payment of a dividend for the year (2017: £nil).

Capco Covent Garden Residential Limited

Directors' Report
for the year ended 31 December 2018

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

C I Denness

I D Hawksworth

S S Jobanputra

G J Yardley (resigned 30 June 2019)

M V A McGrath

Statement of Directors' responsibilities in respect of the financial statements
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 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.

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.

Disclosure of information to auditors
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.

Capco Covent Garden Residential Limited

Directors' Report
for the year ended 31 December 2018

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.

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 24/07/19 and signed on its behalf by:

#

T G Attree
Director

Date 24/07/2019

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

Report on the audit of the financial statements

Opinion

In our opinion, Capco Covent Garden Residential Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of Comprehensive Income for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements
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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Capco Covent Garden Residential Limited

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

Auditors' 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 auditors' 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 on the FRC's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditors' report.

Use of this report
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.

Other required reporting

Companies Act 2006 exception reporting

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.

Jeremy Jensen.

.....
Jeremy Jensen (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date: 24/07/19

Capco Covent Garden Residential Limited

Statement of Comprehensive Income for the year ended 31 December 2018

Continuing operations:	Note	2018 £ 000	2017 £ 000
Turnover	2	3,189	2,553
Net property expense	2	(71)	(85)
Loss before tax	3	(71)	(85)
Tax on loss	4	-	-
Loss for the financial year		(71)	(85)
Total comprehensive expense for the year		(71)	(85)

The Company had no movements in shareholders' (deficit)/funds other than those included in the statement of comprehensive income and therefore a separate statement of changes in shareholders' 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 2018

	Note	2018 £ 000	2017 £ 000
Current assets			
Debtors	5	1,026	918
Cash at bank and in hand		82	37
		1,108	955
Creditors: Amounts falling due within one year			
Creditors	6	(1,139)	(915)
Net (liabilities)/assets		(31)	40
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		(31)	40
Total shareholders' (deficit)/funds		(31)	40

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 24/07/19. and signed on its behalf by:

#

T G Attree

Director

Date 24/07/2019

Notes to the Financial Statements for the year ended 31 December 2018

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 including 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 2018 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 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 as explained in the Directors' report on page 1.

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 2018 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 2018 have had a material impact on the financial statements.

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.

Turnover
Rent receivable consists of gross income calculated on an accruals basis, together with sales and services provided by the Company in the ordinary course of business. Rental income is spread evenly over the period from lease commencement to lease expiry.

Tenant lease incentive payments, including surrender premiums paid which can be directly linked to enhanced rental income, are amortised on a straight-line basis over the lease term. Upon receipt of a surrender premium for the early termination of a lease, the profit and non-recoverable outgoings relating to the lease concerned are immediately reflected in net rental income.

Contingent rents, being lease payments that are not fixed at the inception of a lease, for example increases arising on rent reviews, are recorded as income in the periods in which they are earned.

Where the outcome of an outstanding rent review is rasonably certain, rent is accrued from the review date based upon an estimated annual rent. Estimates are derived from knowledge of market rents for comparable properties determined on an individual property basis and updated for progress of negotiations.

Where revenue is obtained by the sale of property, it is recognised when the significant risks and rewards have been transferred to the buyer. This will normally take place on exchange of contracts unless there are conditions that suggest insufficient probability of future economic benefits flowing to the Company. For conditional exchanges, sales are recognised when these conditions are satisfied. Revenue arising from the sale of property under construction is recognised when contracts have been exchanged, the building work is physically complete and significant conditions with the buyer have been satisfied.

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.

1 Accounting policies (continued)

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
Trade payables 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.

2 Turnover and net rental 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.

	2018 £ 000	2017 £ 000
Rental income	3,189	2,553
Rental expense	(3,260)	(2,638)
Net property expense	(71)	(85)

3 Loss before tax

The loss before tax of £71,000 (2017: profit of £85,000) is arrived at after charging:

	2018 £ 000	2017 £ 000
Auditor remuneration - audit services	-	-

Auditors' remuneration of £2,839 (2017: £2,704) 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 (2017: 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.

4 Tax on loss

The differences between the tax assessed for the year and the amount that would arise by applying the current average standard rate of corporation tax in the United Kingdom of 19.0 per cent (2017: 19.25 per cent) are shown below:

	2018 £ 000	2017 £ 000
Loss before tax	(71)	(85)
Current average United Kingdom corporation tax at 19.0% (2017: 19.25%)	(13)	(16)
Effects of:		
Group relief surrendered	13	16
Tax on loss	-	-

Following the enactment of Finance (No. 2) Act 2015 and Finance Act 2016, the main rate of corporation tax reduced to 19 per cent from April 2017 and will reduce further to 17 per cent from April 2020.

5 Debtors

	2018 £ 000	2017 £ 000
Amounts falling due within one year		
Rent receivable	280	142
Receivables from group undertakings	-	185
Prepayments and accrued income	743	591
Other receivables	3	-
	1,026	918
	1,026	918

Amounts owed from group undertakings were unsecured, interest free and repayable on demand.

6 Creditors: amounts falling due within one year

	2018 £ 000	2017 £ 000
Rent in advance	510	444
Accrued expenses	38	2
Amounts owed to group undertakings	52	-
Other creditors	539	469
	1,139	915

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

7 Called up share capital

Issued, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

8 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:

	2018 £ 000	2017 £ 000
Within one year	2,186	1,409
In two to five years	862	414
In over five years	-	-
	3,048	1,823

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 27 Esplanade, St Helier, Jersey, JE1 1SG.