

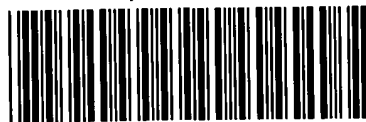
Registration number: 09897743

Covent Garden Group Holdings Limited

Annual Report and Financial Statements

for the Period from 2 December 2015 to 31 December 2016

SATURDAY



A68BINN6

A27

10/06/2017

#215

COMPANIES HOUSE

Covent Garden Group Holdings Limited

Directors' Report for the Period from 2 December 2015 to 31 December 2016

The Directors submit their annual report and the audited financial statements of the Company for the period from 2 December 2015 to 31 December 2016.

Incorporation

Covent Garden Group Holdings Limited ("the Company") was incorporated (company number 09897743) and registered in England and Wales on 2 December 2015.

Principal activity

The principal activity of the Company is the holding of investments.

Business review

Fair review of the business

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

The loss on ordinary activities before tax was £3,080,000. Total shareholder deficit at 31 December 2016 was £3,997,000. 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.

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 (appointed 3 December 2015)

S-J Curtis (appointed 2 December 2015 and resigned 31 August 2016)

S Das (appointed 2 December 2015 and resigned 31 December 2016)

I D Hawksworth (appointed 2 December 2015)

S S Jobanputra (appointed 16 December 2016)

M V A McGrath (appointed 16 December 2016)

G J Yardley (appointed 2 December 2015)

Dividends

The Directors do not recommend a payment of dividend for the period.

Covent Garden Group Holdings Limited

Directors' Report

for the Period from 2 December 2015 to 31 December 2016

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 13 month period. 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.

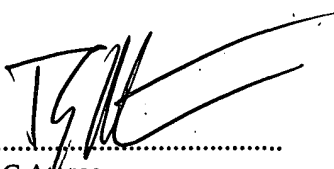
Covent Garden Group Holdings Limited

Directors' Report for the Period from 2 December 2015 to 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 26 May 2017 and signed on its behalf by:


.....
T G Attree
Director

Covent Garden Group Holdings Limited

Independent Auditors' Report to the members of Covent Garden Group Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Covent Garden Group Holdings 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 loss for the 13 month period (the "period") 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 period then ended;
- the Statement of Changes in Equity for the period 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, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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
- 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.

Covent Garden Group Holdings Limited

Independent Auditors' Report to the members of Covent Garden Group Holdings 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.

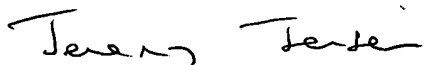
We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

Covent Garden Group Holdings Limited

Independent Auditors' Report to the members of Covent Garden Group Holdings Limited

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.



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

Date: 26/05/2017

Covent Garden Group Holdings Limited

Income Statement for the Period from 2 December 2015 to 31 December 2016

		2 December 2015 to 31 December 2016 £ 000
Continuing operations:	Note	
Turnover		-
Intercompany debt waiver		(262)
Operating loss		(262)
Interest receivable on amounts due from group undertakings		15,386
Interest payable and similar charges	3	(15,386)
Change in fair value of derivative financial instruments	6	(2,818)
Loss on ordinary activities before tax	2	(3,080)
Tax on loss on ordinary activities	4	-
Total comprehensive expense for the period		<u>(3,080)</u>

The notes on pages 11 to 20 form part of these financial statements.

Covent Garden Group Holdings Limited

Statement of Comprehensive Income for the Period from 2 December 2015 to 31 December 2016

	Note	2 December 2015 to 31 December 2016 £ 000
Loss for the period		(3,080)
Items that may be reclassified subsequently to the income statement		
Loss on cash flow hedge		(917)
Total comprehensive expense for the period		<u>(3,997)</u>

The notes on pages 11 to 20 form part of these financial statements.

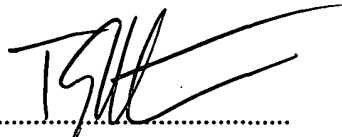
Covent Garden Group Holdings Limited

Balance Sheet as at 31 December 2016

	Note	2016 £ 000
Fixed assets		
Investments	5	-
Derivative financial instruments	6	88
		<u>88</u>
Current assets		
Trade and other receivables	7	2,482,708
Creditors: Amounts falling due within one year		
Trade and other creditors	8	(1,802,230)
Other current financial liabilities		<u>(21)</u>
Creditors: Amounts falling due within one year		<u>(1,802,251)</u>
Net current assets		<u>680,457</u>
Total assets less current liabilities		<u>680,545</u>
Creditors: Amounts falling due after more than one year		
Loans and borrowings	9	(670,622)
Derivative financial instruments	6	<u>(13,920)</u>
Creditors: Amounts falling due after more than one year		<u>(684,542)</u>
Net liabilities		<u>(3,997)</u>
Capital and reserves		
Called up share capital	11	-
Other reserves		(917)
Profit and loss account		<u>(3,080)</u>
Shareholders' deficit		<u>(3,997)</u>

The notes on pages 11 to 20 form part of these financial statements.

The financial statements on pages 7 to 20 have been approved by the Board on 26 May 2017 and signed on its behalf by:



 T G Attree
 Director

Covent Garden Group Holdings Limited

Statement of Changes in Equity for the Period from 2 December 2015 to 31 December 2016

	Share capital £000	Other reserve £000	Accumulated losses £000	Total equity £000
Loss for the year	-	-	(3,080)	(3,080)
Other comprehensive expense				
Novation of cash flow hedge	-	267	-	267
Loss on valuation of cash flow hedge	-	(1,184)	-	(1,184)
Total comprehensive expense for the year	<u>-</u>	<u>917</u>	<u>3,080</u>	<u>3,997</u>
Balance at 31 December 2016	<u>-</u>	<u>(917)</u>	<u>(3,080)</u>	<u>(3,997)</u>

The notes on pages 11 to 20 form part of these financial statements.

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 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").

A risk the Company faces is that fellow group undertakings may request settlement of balances due by the Company. In this regard, 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 11.

The Directors of the Company 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';
- The requirements of IFRS 7 'Financial Instruments: Disclosures'; and
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair value Measurement' in relation to investment and development property.

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.

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

1 Accounting policies (continued)

New standards and interpretations

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

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.

Areas of estimation and uncertainty are included in the accounting policies below, the most significant being income tax and recognition of derivatives.

Tax

Current tax is the amount payable on the taxable income for the year and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

In accordance with IAS 12 'Income Taxes' ("IAS 12"), deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of those assets and liabilities. However temporary differences are not recognised to the extent that they arise from the initial recognition of assets and liabilities that at the time of the transaction affect neither accounting nor taxable profit and loss.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that management believes it is probable that future taxable profit will be available against which the deferred tax assets can be recovered. Deferred income tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable Company or different taxable entities where there is an intention to settle balances on a net basis.

Investments

Investments are stated at cost less impairment losses, if any. Impairment losses are determined with reference to the investment's fair value less estimated selling costs. Fair value is derived from the net assets attributable to the investment at the balance sheet date. Reversal of prior impairment is calculated on a consistent basis as the original impairment charge and may not exceed the original cost prior to impairment. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income.

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

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.

Derivative financial instruments

The Company uses non-trading derivative financial instruments to manage exposure to interest rate risk. They are initially recognised on the trade date at fair value and subsequently remeasured at fair value based on market price.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Instruments that have not been designated as qualifying for hedge accounting are classified as held for trading. Changes in fair value of these instruments are recognised directly in the income statement.

The Company designates certain derivatives as hedges of a highly probable forecast transaction (cash flow hedge). For hedging instruments, the Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

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.

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

1 Accounting policies (continued)

Borrowings

Borrowings are ordinarily recognised initially at their net proceeds as an approximation of fair value.

If the transaction price is not an approximation of fair value at initial recognition, the Group determines the fair value as evidenced by a quoted price in an active market for an identical instrument or based on a valuation technique that uses data from observable markets. Where equity holders of the Group are party to the transaction the difference between the net proceeds and fair value is recognised within equity.

Borrowings are subsequently carried at amortised cost. Any transaction costs, premiums or discounts are capitalised and recognised over the contractual life of the loan using the effective interest rate method; or on a straight line basis where it is impractical to do so.

In the event of early repayment, transaction costs, premiums or discounts paid or unamortised costs are recognised immediately in the income statement.

Amounts owed to and from group undertakings

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

Group financial statements

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements because the ultimate parent company, Capital & Counties Properties PLC, prepares consolidated financial statements that are publicly available and into which the Company's financial statements are consolidated.

2 Loss on ordinary activities before tax

The loss on ordinary activities before tax of £3,080,000 is arrived at after charging:

Auditor remuneration - audit services

2 December
2015 to 31
December
2016
£ 000

-

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

2 Loss on ordinary activities before tax (continued)

Auditors' remuneration of £2,163 for the period has been met by an intermediate parent, Capco Covent Garden Limited, and has been recharged.

There were no employees during the period.

Directors' emoluments

No Director received any remuneration for services to the Company in the period. 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.

3 Interest payable and similar charges

	2 December 2015 to 31 December 2016 £ 000
Interest expense on loans and borrowings	10,040
Interest expense on amounts due to group undertakings	<u>5,346</u>
	<u>15,386</u>

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

4 Tax on result on ordinary activities

The differences between the tax assessed for the year and the current average standard rate of United Kingdom corporation tax of 20.0 per cent are shown below:

	2 December 2015 to 31 December 2016 £ 000
Loss on ordinary activities before tax	(3,080)
Current average United Kingdom corporation tax at 20.0%	(616)
Effects of:	
Transfer pricing adjustment	1,069
Non-taxable loan waiver	52
Movement on derivative financial instruments not recognised	564
Group relief surrendered / (claimed)	(1,069)
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.

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

5 Investments

Details of the subsidiary as at 31 December 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held 2016
Covent Garden Limited	Holding company	Jersey, Channel Islands	100%

	31 December 2016 £
Cost	
Additions	2
As at 31 December	2
Impairment	
As at 31 December	-
Carrying value at 31 December	2

6 Derivative financial instruments

	2016 £000
Derivative assets held for trading	
Interest rate caps	88
Derivative financial instruments	88
Derivative financial liabilities held for trading	
Interest rate swaps	3,657
Interest rate caps and collars	10,263
Derivative financial instruments	13,920

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

6 Derivative financial instruments (continued)

The Company has entered into interest rate caps, collars and swaps to reduce the exposure to interest rate risk arising from the bank loan issued at floating rate linked to LIBOR.

The fair value of derivative financial instruments are determined from observable market prices or estimated using appropriate yield curves at 31 December each year by discounting the future contractual cash flows to the net present values.

The movement in fair value as at 31 December 2016 has resulted in a loss of £2,818,000 recorded through the statement of comprehensive income.

7 Trade and other receivables

	31 December 2016 £ 000
Amounts owed by group undertakings	2,482,708
Trade and other receivables	<u>2,482,708</u>

Amounts owed by group undertakings were unsecured, repayable on demand and interest bearing at 1.25 per cent.

8 Creditors: amounts falling due within one year

	31 December 2016 £ 000
Accrued expenses	913
Amounts due to group undertakings	<u>1,801,317</u>
	<u>1,802,230</u>

Amounts owed to group undertakings were unsecured, repayable on demand and interest bearing at 1.25 per cent.

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

9 Borrowings

	2016						
	Carrying value £000	Nominal value £000	Fair value £000	Secured £000	Un- secured £000	Fixed rate £000	Floating rate £000
Non-current							
Bank loan	347,198	350,000	350,000	-	347,198	-	347,198
Loan notes	<u>323,424</u>	<u>325,000</u>	<u>330,700</u>	-	<u>323,424</u>	<u>323,424</u>	-
Total borrowings	<u>670,622</u>	<u>675,000</u>	<u>680,700</u>	-	<u>670,622</u>	<u>323,424</u>	<u>347,198</u>
Cash and cash equivalents	-						
Net debt	<u>670,622</u>						

The fair values of floating rate borrowings have been established using the market value, which approximates nominal value. The fair values of fixed rate borrowings have been calculated using a discounted cash flow approach.

In June 2016, a £705 million five year debt facility was novated from a group undertaking to the Company. £640 million of the facility matures in 2021 with the remaining £65 million maturing in 2020 with an option to extend to 2021. Both portions have an additional option to extend to 2022.

Also in June 2016, £150 million of US Private Placement loan notes was novated from a group undertaking to the Company. £75 million matures in 2024 and £75 million matures in 2026.

On 14 November 2016, the Company issued a US Private Placement of £125 million 10 year and a £50 million 12 year senior unsecured notes. The Company incurred and capitalised charges of £0.8 million as a result of the placement.

Cash and undrawn committed facilities attributable to the Company at 31 December 2016 were £355.0 million.

10 Deferred tax

In accordance with IAS 12, the deferred tax asset has not been recognised in the financial statements due to uncertainty regarding the level of profits that will be available in future years against which deferred tax can be recovered.

Covent Garden Group Holdings Limited

Notes to the Financial Statements for the Period from 2 December 2015 to 31 December 2016

10 Deferred tax (continued)

2 December
2015 to 31
December
2016
£ 000

On derivative financial instruments

Movement during the year

3,154

At 31 December

3,154

11 Called up share capital

Allotted, called up and fully paid shares

31 December 2016
No. £

Ordinary of £1 each

2

2

12 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 financial statements may be obtained from the Company Secretary, 15 Grosvenor Street, London, W1K 4QZ.

The Company's immediate parent is Covent Garden LP 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.