

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 23 March 2018
for
Canadian & Portland Estates PLC**



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for the Year Ended 23 March 2018**

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Canadian & Portland Estates PLC

**Company Information
for the Year Ended 23 March 2018**

DIRECTORS:

J P Miles
D S Leigh
D Goldstein
Mrs M K Miles
Mrs S Clark

SECRETARIES:

Mrs S Clark
Ms E Tiptaft

REGISTERED OFFICE:

76 New Bond Street
London
W1S 1RX

REGISTERED NUMBER:

01676411 (England and Wales)

AUDITORS:

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

**Group Strategic Report
for the Year Ended 23 March 2018**

The directors present their strategic report of the company and the group for the year ended 23 March 2018. The Group is an investor in commercial property, with occasional development and trading thereof.

REVIEW OF BUSINESS

The business continued to perform well with good levels of occupancy across the portfolio.

KEY PERFORMANCE INDICATORS

Given the relatively straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business. The directors monitor gross rentals as a key measure which were as follows:

2018: £538,500

2017: £584,087

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks of which the group are aware are:

- Loss of tenants resulting in rental and other void costs;
- Potential increases in interest rates;
- Ensuring sufficient cashflow

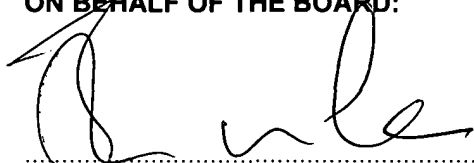
The Group plans for the above by:

- Having high quality properties to minimise voids levels;
- Having a low loan to value ratio to minimise the impact of any voids or reductions in market values;
- Monitoring cashflow across the business on a quarterly basis and producing forecasts regularly.

FUTURE DEVELOPMENTS

The group will continue to explore opportunities to improve returns on existing property holdings and may make new acquisitions should unusually attractive opportunities arise.

ON BEHALF OF THE BOARD:



.....
J P Miles - Director

Date: 5 December 2018

**Report of the Directors
for the Year Ended 23 March 2018**

The directors present their report with the financial statements of the company and the group for the year ended 23 March 2018.

DIVIDENDS

The company did not declare any dividends in the year (2017: £55,000,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 24 March 2017 to the date of this report.

J P Miles
D S Leigh
D Goldstein
Mrs M K Miles
Mrs S Clark

FINANCIAL RISK MANAGEMENT

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation.

GOING CONCERN

The directors' assessment of going concern is set out in Note 2 to the financial statements.

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with S414C of the Companies Act; included in the Strategic Report is the review of the business and principal risks and uncertainties. This information would have otherwise been required by Schedule 7 of the Large and Medium size Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and 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). 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

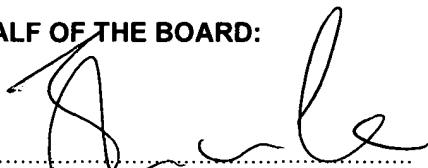
Canadian & Portland Estates PLC (Registered number: 01676411)

**Report of the Directors
for the Year Ended 23 March 2018**

AUDITORS

The auditors, RSM UK Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
J P Miles - Director

Date: 5 December 2018

Report of the Independent Auditors to the Members of Canadian & Portland Estates PLC

Opinion

We have audited the financial statements of Canadian & Portland Estates PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 23 March 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 23 March 2018 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Canadian & Portland Estates PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

RSM UK Audit LLP

Nicholas Davies FCA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: *7/12/2018*

Canadian & Portland Estates PLC (Registered number: 01676411)

**Consolidated Income Statement
for the Year Ended 23 March 2018**

	Notes	2018 £	2017 £
TURNOVER		538,500	584,087
Cost of sales		<u>(88,018)</u>	<u>(144,916)</u>
GROSS PROFIT		450,482	439,171
Administrative expenses		<u>(38,713)</u>	<u>(9,610)</u>
		411,769	429,561
Gain/(loss) on revaluation of investments		<u>-</u>	<u>(350,000)</u>
OPERATING PROFIT		411,769	79,561
Interest receivable and similar income		<u>22</u>	<u>49</u>
PROFIT BEFORE TAXATION		411,791	79,610
Tax on profit	4	<u>(55,598)</u>	<u>61,350</u>
PROFIT FOR THE FINANCIAL YEAR		<u>356,193</u>	<u>140,960</u>
Profit attributable to:			
Owners of the parent		246,064	126,778
Non-controlling interests		<u>110,129</u>	<u>14,182</u>
		<u>356,193</u>	<u>140,960</u>

The notes form part of these financial statements

Canadian & Portland Estates PLC (Registered number: 01676411)

**Consolidated Other Comprehensive Income
for the Year Ended 23 March 2018**

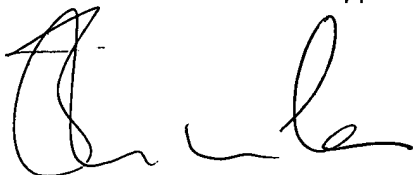
	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		356,193	140,960
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>356,193</u>	<u>140,960</u>
Total comprehensive income attributable to:			
Owners of the parent		246,064	126,778
Non-controlling interests		<u>110,129</u>	<u>14,182</u>
		<u>356,193</u>	<u>140,960</u>

The notes form part of these financial statements

Consolidated Statement of Financial Position
23 March 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	7	<u>3,150,000</u>	<u>3,150,000</u>
		3,150,000	3,150,000
CURRENT ASSETS			
Debtors	9	2,529,309	2,267,912
Cash at bank		<u>307,005</u>	<u>322,399</u>
		2,836,314	2,590,311
CREDITORS			
Amounts falling due within one year	10	<u>298,212</u>	<u>294,102</u>
NET CURRENT ASSETS		<u>2,538,102</u>	<u>2,296,209</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,688,102	5,446,209
PROVISIONS FOR LIABILITIES	11	<u>(186,984)</u>	<u>(198,164)</u>
NET ASSETS		<u>5,501,118</u>	<u>5,248,045</u>
CAPITAL AND RESERVES			
Called up share capital	12	50,040	50,040
Share premium	13	3,580	3,580
Fair value reserve	13	1,698,306	1,687,126
Retained earnings	13	<u>3,472,049</u>	<u>3,239,960</u>
SHAREHOLDERS' FUNDS		5,223,975	4,980,706
NON-CONTROLLING INTERESTS	14	<u>277,143</u>	<u>267,339</u>
TOTAL EQUITY		<u>5,501,118</u>	<u>5,248,045</u>

The financial statements were approved by the Board of Directors on 5 December 2018 and were signed on its behalf by:



.....
J P Miles - Director

The notes form part of these financial statements

Company Statement of Financial Position
23 March 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Investments	8	<u>963,348</u>	<u>963,348</u>
		963,348	963,348
CURRENT ASSETS			
Debtors	9	2,881,520	2,675,867
Cash at bank		<u>245,437</u>	<u>257,823</u>
		3,126,957	2,933,690
CREDITORS			
Amounts falling due within one year	10	<u>67,905</u>	<u>163,321</u>
NET CURRENT ASSETS		<u>3,059,052</u>	<u>2,770,369</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,022,400</u>	<u>3,733,717</u>
CAPITAL AND RESERVES			
Called up share capital	12	50,040	50,040
Share premium	13	3,580	3,580
Retained earnings	13	<u>3,968,780</u>	<u>3,680,097</u>
SHAREHOLDERS' FUNDS		<u>4,022,400</u>	<u>3,733,717</u>
Company's profit for the financial year		<u>288,683</u>	<u>338,454</u>

The financial statements were approved by the Board of Directors on 5 December 2018 and were signed on its behalf by:



J P Miles - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 23 March 2018**

	Share capital £	Retained earnings £	Share Premium £	Fair value reserve £	Non- Controlling interest £	Total equity £
Balance at 24 March 2016	50,040	57,922,200	3,580	1,909,912	319,073	60,204,805
Changes in equity						
Dividends (transactions with owners)	-	(55,000,000)	-	-	-	(55,000,000)
Total comprehensive income	-	126,778	-	-	14,182	140,960
Fair value transfer	-	190,982	-	(222,786)	31,804	-
Non-controlling interest distribution paid	-	-	-	-	(97,720)	(97,720)
Balance at 23 March 2017	<u>50,040</u>	<u>3,239,960</u>	<u>3,580</u>	<u>1,687,126</u>	<u>267,339</u>	<u>5,248,045</u>
Changes in equity						
Total comprehensive income	-	246,064	-	-	110,129	356,193
Fair value transfer	-	(13,975)	-	11,180	2,795	-
Non-controlling interest distribution paid	-	-	-	-	(103,120)	(103,120)
Balance at 23 March 2018	<u>50,040</u>	<u>3,472,049</u>	<u>3,580</u>	<u>1,698,306</u>	<u>277,143</u>	<u>5,501,118</u>

The notes form part of these financial statements

**Company Statement of Changes in Equity
for the Year Ended 23 March 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 24 March 2016	50,040	58,341,643	3,580	58,395,263
Changes in equity				
Dividends	-	(55,000,000)	-	(55,000,000)
Total comprehensive income	-	338,454	-	338,454
Balance at 23 March 2017	<u>50,040</u>	<u>3,680,097</u>	<u>3,580</u>	<u>3,733,717</u>
Changes in equity				
Total comprehensive income	-	288,683	-	288,683
Balance at 23 March 2018	<u>50,040</u>	<u>3,968,780</u>	<u>3,580</u>	<u>4,022,400</u>

The notes form part of these financial statements

Canadian & Portland Estates PLC (Registered number: 01676411)

**Consolidated Statement of Cash Flows
for the Year Ended 23 March 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	158,273	(1,411,155)
Paid to minority interest		(103,120)	(97,720)
Tax paid		<u>(70,569)</u>	<u>(547,452)</u>
Net cash (used in)/from operating activities		<u>(15,416)</u>	<u>(2,056,327)</u>
Cash flows from investing activities			
Interest received		<u>22</u>	<u>49</u>
Net cash from investing activities		<u>22</u>	<u>49</u>
Decrease in cash and cash equivalents		(15,394)	(2,056,278)
Cash and cash equivalents at beginning of year	2	<u>322,399</u>	<u>2,378,677</u>
Cash and cash equivalents at end of year	2	<u><u>307,005</u></u>	<u><u>322,399</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 23 March 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	411,791	79,610
Loss on revaluation of fixed assets	-	350,000
Finance income	<u>(22)</u>	<u>(49)</u>
	411,769	429,561
Increase/(decrease) in trade and other debtors	(261,399)	(1,423,393)
Increase/(decrease) in trade and other creditors	<u>7,903</u>	<u>(417,323)</u>
Cash generated from operations	<u>158,273</u>	<u>(1,411,155)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 23 March 2018

	23.3.18	24.3.17
	£	£
Cash and cash equivalents	<u>307,005</u>	<u>322,399</u>

Year ended 23 March 2017

	23.3.17	24.3.16
	£	£
Cash and cash equivalents	<u>322,399</u>	<u>2,378,677</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 23 March 2018**

1. STATUTORY INFORMATION

Canadian & Portland Estates PLC is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1.

The functional currency of the group and the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the group and company operates. The consolidated financial statements are also presented in pounds sterling.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements to the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over its useful economic life. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss for the parent company is omitted from the group financial statements by virtue of s408 of the Companies Act 2006. The accounts can be obtained from 76 New Bond Street, London W1S 1RX.

Joint ventures

The company is involved in one joint venture. The full asset and income is brought into the accounts with a deduction for the JV partner shown as a Minority Interest charge.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The directors have prepared detailed cash flow forecasts and valuation projections which they believe are based upon reasonable assumptions. These forecasts show that the group can meet its obligations as they fall due for at least 12 months and thus the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents net rents receivable from tenants. Rental income from operating leases is recognised on a straight line basis over the term of the relevant leases.

Profit on the sale of properties is recognised on the exchange of contracts provided that, if the exchange is conditional, all material conditions have been satisfied by the date the financial statements are approved and there are no foreseeable circumstances which might prevent the completion of contracts and/or the physical handover of the properties concerned.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 23 March 2018**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to sale of the asset.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account. Any gains or losses arising on the revaluation are taken to the fair value reserve.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the assets' carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial assets to the extent that the revised recoverable value does not lead to the revised carrying amount higher than the carrying value had no impairment been recognised.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 23 March 2018**

2. ACCOUNTING POLICIES - continued

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Significant judgements and estimates

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Valuation of Investment Property

Investment property, which is freehold, was revalued to fair value at 23 March 2018, based on a valuation undertaken by Samantha Clark, director and a member of the Royal Institution of Chartered Surveyor, with recent experience in the location and class of the investment property being valued.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements as a qualifying entity:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are included within these financial statements of Canadian & Portland Estates PLC.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 23 March 2018 nor for the year ended 23 March 2017.

The average number of employees during the year was as follows:

	2018	2017
Directors	<u>5</u>	<u>5</u>
	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 23 March 2018

4. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	66,778	65,864
Deferred tax	<u>(11,180)</u>	<u>(127,214)</u>
Tax on profit	<u>55,598</u>	<u>(61,350)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>411,880</u>	<u>79,610</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	78,257	15,922
Effects of:		
Group relief claim	(17,238)	-
Deferred tax movement	(11,180)	(127,214)
Timing differences	<u>5,759</u>	<u>49,942</u>
Total tax charge/(credit)	<u>55,598</u>	<u>(61,350)</u>

5. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

6. DIVIDENDS

	2018 £	2017 £
Final paid	<u>-</u>	<u>55,000,000</u>

7. TANGIBLE FIXED ASSETS

Group

	Long leasehold £
COST	
At 24 March 2017 and 23 March 2018	<u>3,150,000</u>
NET BOOK VALUE	
At 23 March 2018	<u>3,150,000</u>
At 23 March 2017	<u>3,150,000</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 23 March 2018**

7. TANGIBLE FIXED ASSETS - continued

The valuations of the investment properties at the balance sheet date were valued by a director, who is a member of the Royal Institution of Chartered Surveyors with recent experience in the location and class of the investment property being valued.

On historical cost basis, the group's investment properties would be included at an original cost of £1,264,710 (2017: £1,264,710).

8. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST OR VALUATION	
At 24 March 2017 and 23 March 2018	<u>963,348</u>
NET BOOK VALUE	
At 23 March 2018	<u>963,348</u>
At 23 March 2017	<u>963,348</u>

Cost or valuation at 23 March 2018 is represented by:

	Shares in group undertakings £
Valuation in 2018	<u>963,348</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Canadian & Portland Developments Limited

Registered office: 76 New Bond Street, London, London, W1S 1RX
Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00	<u>2</u>	<u>2</u>
Aggregate capital and reserves			

Chapel Properties Limited

Registered office: 76 New Bond Street, London, London, W1S 1RX
Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00	<u>2,178</u>	<u>30,881</u>
Aggregate capital and reserves			
Profit/(loss) for the year		<u>(28,733)</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 23 March 2018

8. **FIXED ASSET INVESTMENTS - continued**

Canadian & Butler Limited

Registered office: 76 New Bond Street, London, London, W1S 1RX

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>(30,211)</u>	<u>(30,211)</u>

Felixstowe Joint Venture

Registered office: 76 New Bond Street, London, London, W1S 1RX

Nature of business: Investment property

	% holding	2018 £	2017 £
Class of shares:			
n/a	75.00		
Aggregate capital and reserves		1,170,918	1,635,644
Profit for the year		<u>440,522</u>	<u>404,318</u>

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	192,337	174,583	-	-
Amounts owed by group undertakings	2,210,007	2,003,571	2,209,224	2,003,571
Other debtors	-	30,000	672,296	672,296
Prepayments and accrued income	<u>126,965</u>	<u>59,758</u>	<u>-</u>	<u>-</u>
	<u>2,529,309</u>	<u>2,267,912</u>	<u>2,881,520</u>	<u>2,675,867</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	-	1	-	-
Amounts owed to group undertakings	50,000	50,000	18,127	97,457
Tax	62,073	65,864	49,778	65,864
VAT	23,786	29,674	-	-
Accruals and deferred income	159,303	145,513	-	-
Accrued expenses	<u>3,050</u>	<u>3,050</u>	<u>-</u>	<u>-</u>
	<u>298,212</u>	<u>294,102</u>	<u>67,905</u>	<u>163,321</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 23 March 2018

11. PROVISIONS FOR LIABILITIES

	Group	
	2018 £	2017 £
Deferred tax	<u>186,984</u>	<u>198,164</u>
Group		
		Deferred tax £
Balance at 24 March 2017		198,164
Provided during year		<u>(11,180)</u>
Balance at 23 March 2018		<u>186,984</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
50,040	Ordinary	£1	<u>50,040</u>	<u>50,040</u>

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

13. RESERVES

The Group's and Company's other reserves are as follows:

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The fair value reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

14. NON-CONTROLLING INTERESTS

The minority interest represents a 25% interest in the property owned by the Felixstowe Joint Venture.

15. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Canadian & Portland Estates (Holdings) Limited, a company incorporated in England and Wales. Consolidated financial statements are prepared by this entity and copies can be obtained from the registered office at 76 New Bond Street, London, W1S 1RX.

16. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' Section 33, not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 23 March 2018

17. **ULTIMATE CONTROLLING PARTY**

There is no individual controlling party.

18. **FINANCIAL INSTRUMENTS**

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	2018 £	2017 £
Financial assets		
Measured at fair value through profit or loss		
• Investment properties (see note 7)	3,150,000	3,150,000
Measured at undiscounted amount receivable		
• Trade and other debtors (see note 9)	192,337	204,583
• Amounts due from group undertakings (see note 9)	2,210,007	2,003,571
	<u>5,552,344</u>	<u>5,358,154</u>
Financial liabilities		
Measured at undiscounted amount payable		
• Trade and other creditors (see note 10)	85,859	95,539
• Amounts owed to group undertakings (see note 10)	50,000	50,000
	<u>135,859</u>	<u>145,539</u>