

Registration number: 03523833

# Cornish Residential Property Investments Limited

Annual Report and Financial Statements

for the Year Ended 31. March 2018

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**Cornish Residential Property Investments Limited**

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## **Cornish Residential Property Investments Limited**

### **Strategic Report for the Year Ended 31 March 2018**

The directors present their Strategic Report for the year ended 31 March 2018.

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

Cornish Residential Property Investments Limited ("the company") is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of The British Land Company PLC group of companies ("the group").

The company's principal activity is property investment and investment holding in the United Kingdom (UK).

As shown in the company's Profit and Loss Account on page 8, the company's turnover of £16,837,336 has increased £16,084,090 compared with turnover of £753,246 in the prior year, principally as a result of dividends received from subsidiaries. Loss on ordinary activities before taxation is £249,489 compared to a loss on ordinary activities before taxation of £143,624 in the prior year.

Dividends of £nil (2017: £nil) were paid in the year.

The Balance Sheet on page 10 shows that the company's financial position at the year end has, in net assets terms, decreased compared with the prior year.

The value of investments held as at 31 March 2018 has decreased by 67.6%, as shown in note 10 to the company's Balance Sheet.

The Board uses total return, to monitor the performance of the group. This is a measure of growth in total equity per share, adding back any current year dividend.

The company is a subsidiary of The British Land Company PLC. The company's strategy is the same as the group's strategy - to deliver an above average annualised total return to shareholders, which is achieved by creating attractive environments in the right places focused around the people who work, shop and live in them.

The expected future developments of the company are determined by the strategy of the group. There are no future developments outside of the company's current operations planned.

For more information also see The British Land Company PLC group annual report.

The performance of the group, which includes the company, is discussed in the group's annual report which does not form part of this report.

#### **Principal risks and uncertainties**

This company is part of a large property investment group. As such, the fundamental underlying risks for this company are those of the property group as discussed below.

**Cornish Residential Property Investments Limited**

**Strategic Report for the Year Ended 31 March 2018 (continued)**

The company generates returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:

- demand for space from occupiers against available supply;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- legislative changes, including planning consents and taxation;
- engagement of development contractors with strong covenants;
- key staff changes; and
- environmental and health and safety policies.

These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to directors and is considered and managed on a continuous basis. Directors use their knowledge and experience to knowingly accept a measured degree of market risk.

The company's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

The financial risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group accounts.

The company has no third party debt. It therefore has no interest rate exposure.

Approved by the Board on 07/08/18 and signed on its behalf by:

*Victoria Cooper*  
V. COOPER

British Land Company Secretarial Limited  
Company secretary

## **Cornish Residential Property Investments Limited**

### **Directors' Report for the Year Ended 31 March 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

#### **Directors of the company**

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

S M Barzycki

T A Roberts

L M Bell (resigned 19 January 2018)

P S Macey

J C McNuff

C J Middleton

N M Webb

C M Forshaw (resigned 5 April 2017)

#### **Directors' responsibilities statement**

The directors acknowledge their responsibilities for preparing the Annual Report 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The company has indemnified one or more of its current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

A number of associated companies within the group have indemnified one or more of their current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

#### **Environmental matters**

Across the group, The British Land Company PLC recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies. The group's full sustainability report is available online at:

[www.britishland.com/sustainability/reports-and-publications/2018](http://www.britishland.com/sustainability/reports-and-publications/2018)

**Cornish Residential Property Investments Limited**

**Directors' Report for the Year Ended 31 March 2018 (continued)**

**Going concern**

The directors consider the company to be a going concern and the accounts are prepared on this basis. Details of this are shown in note 2 of the financial statements.

**Subsequent Events**

Details of significant events since the Balance Sheet date, if any, are contained in note 17.

**Disclosure of information to the auditors**

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Reappointment of independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

Approved by the Board on 07/08/18 and signed on its behalf by:

*Victorian Cooper*

V. COOPER

British Land Company Secretarial Limited  
Company secretary

## **Cornish Residential Property Investments Limited**

### **Independent Auditors' Report to the Members of Cornish Residential Property Investments Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Cornish Residential Property Investments Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 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 March 2018; the Profit and Loss Account, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

##### **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**

We have nothing to report in respect of the following matters in relation to which 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.

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.

##### **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 Strategic Report and 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.

**Cornish Residential Property Investments Limited**

**Independent Auditors' Report to the Members of Cornish Residential Property Investments Limited (continued)**

***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 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 Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

***Responsibilities of directors for the financial statements***

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

***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](http://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.



**Cornish Residential Property Investments Limited**

**Independent Auditors' Report to the Members of Cornish Residential Property Investments Limited (continued)**

We have no exceptions to report arising from this responsibility.

*Saira Choudhry*

.....  
Saira Choudhry (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

Date: *9 August 2018*

**Cornish Residential Property Investments Limited**

**Profit and Loss Account for the Year Ended 31 March 2018**

	Note	2018 £	2017 £
Turnover	4	16,837,336	753,246
Cost of sales		<u>(108,495)</u>	<u>(196,870)</u>
Operating profit		<u>16,728,841</u>	<u>556,376</u>
Revaluation of investment properties	9	(15,162)	(14,523)
Impairment of investments	10	<u>(16,278,330)</u>	<u>-</u>
Profit on ordinary activities before interest and taxation		435,349	541,853
Interest payable and similar expenses	5	<u>(684,838)</u>	<u>(685,477)</u>
Loss on ordinary activities before taxation		(249,489)	(143,624)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
Loss for the year		<u>(249,489)</u>	<u>(143,624)</u>

Turnover and results were derived from continuing operations within the United Kingdom.

The notes on pages 12 to 20 form an integral part of these financial statements.

**Cornish Residential Property Investments Limited**

**Statement of Comprehensive Income for the Year Ended 31 March 2018**

	2018 £	2017 £
Loss for the year	<u>(249,489)</u>	<u>(143,624)</u>
Total comprehensive expense for the year	<u><u>(249,489)</u></u>	<u><u>(143,624)</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements.

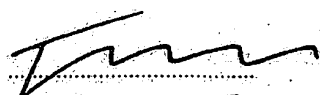
**Cornish Residential Property Investments Limited**

(Registration number: 03523833)

**Balance Sheet as at 31 March 2018**

	Note	31 March 2018 £	31 March 2017 £
<b>Fixed assets</b>			
Investment properties	9	15,549,341	15,564,503
Investments	10	7,785,129	24,063,459
		<u>23,334,470</u>	<u>39,627,962</u>
<b>Current assets</b>			
Debtors	11	22,750,295	6,537,287
		22,750,295	6,537,287
Creditors due within one year	12	(184,589)	(422)
<b>Net current assets</b>		<u>22,565,706</u>	<u>6,536,865</u>
<b>Total assets less current liabilities</b>		<u>45,900,176</u>	<u>46,164,827</u>
Creditors due after more than one year	13	(15,549,340)	(15,564,502)
<b>Net assets</b>		<u>30,350,836</u>	<u>30,600,325</u>
<b>Capital and reserves</b>			
Share capital	14	32,142,676	32,142,676
Profit and loss account		(1,791,840)	(1,542,351)
<b>Shareholders' funds</b>		<u>30,350,836</u>	<u>30,600,325</u>

Approved by the Board on 07/08/18 and signed on its behalf by:

  
J. McNeill  
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

**Cornish Residential Property Investments Limited**

**Statement of Changes in Equity for the Year Ended 31 March 2018**

	Share capital £	Profit and loss account £	Total £
<b>Balance at 1 April 2016</b>	32,142,676	(1,398,727)	30,743,949
Loss for the year	-	(143,624)	(143,624)
Total comprehensive expense for the year	-	(143,624)	(143,624)
<b>Balance at 31 March 2017</b>	<u>32,142,676</u>	<u>(1,542,351)</u>	<u>30,600,325</u>
<b>Balance at 1 April 2017</b>	32,142,676	(1,542,351)	30,600,325
Loss for the year	-	(249,489)	(249,489)
Total comprehensive expense for the year	-	(249,489)	(249,489)
<b>Balance at 31 March 2018</b>	<u>32,142,676</u>	<u>(1,791,840)</u>	<u>30,350,836</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

## **Cornish Residential Property Investments Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018**

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House  
45 Seymour Street  
London  
W1H 7LX

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments properties. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements in accordance with Companies Act 2006 Section 400, because it is included in the group accounts of The British Land Company PLC.

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;

**Cornish Residential Property Investments Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**2 Accounting policies (continued)**

- (h) The requirements of IFRS 7 to disclose financial instruments; and
- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group accounts of The British Land Company PLC. The group accounts of The British Land Company PLC are available to the public and can be obtained as set out in note 18.

**Going concern**

The directors consider that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the directors feel that the company is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

**Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 April 2017 have had a material effect on the financial statements.

**Turnover**

*Rental income from investment property*

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure that the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

Where a lease incentive payment, including surrender premia paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is immediately reflected in income.

**Taxation**

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible).

Deferred tax is provided on items that may become taxable at a later date, on the difference between the balance sheet value and tax base value, on an undiscounted basis.

## **Cornish Residential Property Investments Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequently to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Any surplus or deficit arising on revaluing investment properties is recognised in the Profit and Loss Account as a fair value movement.

Where properties held for investment are appropriated to trading stock, they are transferred at market value. If properties held for trading are appropriated to investment, they are transferred at book value.

##### **Head leases**

Where an investment property is held under a head lease, the head lease is initially recognised as an asset, being the sum of the premium paid on acquisition plus the present value of minimum group rent payments. The corresponding rent liability to the head leaseholder is included in the balance sheet as a finance lease obligation. As ground rents are paid both the head lease asset and liability unwinds, with residual amounts being classified to revaluation of investment property and interest on finance lease obligations respectively.

##### **Investments**

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments.

##### **Share in group undertakings**

Shares in group undertakings, including dividends received from group subsidiaries, are recognised in the profit and loss account in the year to which they relate.

#### **3 Significant accounting judgements and key sources of estimation uncertainty**

The key source of estimation uncertainty relates to the valuation of the property portfolio where an external valuation is obtained, and to the valuation of investments. In accounting for net rental income, the group is required to judge the recoverability of any income accrued and provides against the credit risk on these amounts. The potential for management to make judgements or estimates relating to those items which would have a significant impact on the financial statements is considered, by the nature of the group's business, to be limited.

#### **4 Turnover**

The analysis of the company's turnover for the year from continuing operations is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Rental income from investment property	<b>559,058</b>	<b>753,246</b>
Dividends received	<b>16,278,278</b>	<b>-</b>
	<b>16,837,336</b>	<b>753,246</b>



**Cornish Residential Property Investments Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**5 Interest payable and similar expenses**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest on finance lease obligations	<b>684,838</b>	<b>685,477</b>
	<b>684,838</b>	<b>685,477</b>

**6 Auditors' remuneration**

A notional charge of £1,810 (2017: £1,760) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2018. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

No non-audit fees (2017: £nil) were paid to PricewaterhouseCoopers LLP.

**7 Staff costs**

No director received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made. The value of this service was negligible.

Average number of employees, excluding directors, of the company during the year was nil (2017: nil)

**Cornish Residential Property Investments Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**8 Tax on loss on ordinary activities**

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	-	-
Tax charge in the profit and loss account	-	-
	2018 £	2017 £
<b>Tax reconciliation</b>		
Loss on ordinary activities	(249,489)	(143,624)
Tax on loss on ordinary activities at UK corporation tax rate of 19% (2017: 20%)	(47,403)	(28,725)
<b>Effects of:</b>		
REIT exempt income and gains	47,393	25,820
Taxable Transfer Pricing Adjustments	56,781	32,727
Decrease in fair value of property & investments	3,095,763	2,905
Income not taxable	(3,095,753)	-
Group Relief	(56,781)	(32,727)
<b>Total tax charge</b>	-	-

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This rate reduction has been reflected in the calculation of deferred tax on the Balance Sheet date, where relevant.

**Cornish Residential Property Investments Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**9 Investment properties**

	£
<b>Fair value</b>	
1 April 2017	15,564,503
Revaluation	<u>(15,162)</u>
31 March 2018	<u><u>15,549,341</u></u>
<b>Fair value</b>	
1 April 2016	15,579,026
Revaluation	<u>(14,523)</u>
31 March 2017	<u><u>15,564,503</u></u>
<b>Analysis of cost and valuation</b>	
<b>31 March 2018</b>	
Cost	15,698,390
Valuation	<u>(149,049)</u>
<b>Net book value</b>	<u><u>15,549,341</u></u>
<b>31 March 2017</b>	
Cost	15,698,390
Valuation	<u>(133,887)</u>
<b>Net book value</b>	<u><u>15,564,503</u></u>

At 31 March 2018 the book value of freehold investment properties owned by the company was £15,549,341 (2017: £15,564,503).

Investment properties are valued by adopting the "investment method" of valuation. This approach involves applying capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Properties were valued to fair value at 31 March 2018 by Knight Frank LLP, independent valuers not connected with the company, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

**Cornish Residential Property Investments Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**10 Investments**

	Shares in subsidiaries £	Total £
<b>Underlying net asset value of investment</b>		
1 April 2017	24,063,459	24,063,459
Provision for Impairment	<u>(16,278,330)</u>	<u>(16,278,330)</u>
31 March 2018	<u>7,785,129</u>	<u>7,785,129</u>
<b>Underlying net asset value of investment</b>		
1 April 2016	<u>24,063,459</u>	<u>24,063,459</u>
31 March 2017	<u>24,063,459</u>	<u>24,063,459</u>
<b>Provision for underlying net asset change</b>		
1 April 2017	(1,018,322)	(1,018,322)
Provision written off	<u>(16,278,330)</u>	<u>(16,278,330)</u>
31 March 2018	<u>(17,296,652)</u>	<u>(17,296,652)</u>
<b>Provision for underlying net asset change</b>		
1 April 2016	<u>(1,018,322)</u>	<u>(1,018,322)</u>
31 March 2017	<u>(1,018,322)</u>	<u>(1,018,322)</u>
<b>At cost</b>		
31 March 2018	<u>25,081,781</u>	<u>25,081,781</u>
31 March 2017	<u>25,081,781</u>	<u>25,081,781</u>

Details of the subsidiaries as at 31 March 2018 are as follows:

Subsidiary	Principal activity	Interest	Country
Tweed Premier 4 Limited	Dormant	100%	United Kingdom
Cornish Residential Properties Trading Limited	Dormant	100%	United Kingdom

All investments based in the United Kingdom have a registered address of York House, 45 Seymour Street, London, W1H 7LX.

**Cornish Residential Property Investments Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**11 Debtors**

	31 March 2018 £	31 March 2017 £
Trade debtors	40,468	90,437
Amounts due from related parties	22,464,668	6,446,850
Accrued income	245,159	-
	<u>22,750,295</u>	<u>6,537,287</u>

Debtors from related parties relate to amounts due from group companies which are repayable on demand. There is no interest charged on these balances.

**12 Creditors due within one year**

	31 March 2018 £	31 March 2017 £
Accrued expenses	184,167	-
Amounts due to related parties	422	422
	<u>184,589</u>	<u>422</u>

Amounts due to related parties relate to amounts owed to group companies which are repayable on demand. Interest is charged on these balances in accordance with the group policy on intercompany loan accounts.

**13 Creditors due after more than one year**

	31 March 2018 £	31 March 2017 £
Finance lease obligation - head lease	<u>15,549,340</u>	<u>15,564,502</u>

**Cornish Residential Property Investments Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**14 Share capital**

Allotted, called up and fully paid shares

	No.	31 March 2018 £	No.	31 March 2017 £
Ordinary shares of £1 each	32,142,676	32,142,676	32,142,676	32,142,676

**15 Capital commitments**

The total amount contracted for but not provided in the financial statements was £nil (2017: £nil)

**16 Contingent liabilities**

The company had no contingent liabilities as at 31 March 2018 (2017: £nil).

**17 Subsequent events**

There have been no significant events since the year end.

**18 Parent and ultimate parent undertaking**

The immediate parent company is BL Residual Holding Company Limited.

The British Land Company PLC is the smallest and largest group for which group accounts are available and which include the company. The ultimate holding company and controlling party is The British Land Company PLC. Group accounts for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.