

WATER STREET INVESTMENTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020
REGISTERED IN ENGLAND NO 219528



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WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

OFFICERS AND PROFESSIONAL ADVISORS AT 30 JUNE 2020

Company Secretary	Barcosec Limited
Directors	A Broccardo A Brophy C Stangroome S Saloustros
Independent Auditors	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Registered Address	1 Churchill Place, London, E14 5HP
Registration Number	219528

WATER STREET INVESTMENTS LIMITED**COMPANY No. 219528****DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

The Directors present their report together with the audited financial statements for the year ended 30 June 2020. The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities and review of business

The principal activity of Water Street Investments Limited (the "Company") is to act as an investment holding company. At 30 June 2020 the Company held a 45.05% (2019: 45.05%) interest in the common stock of St George International Inc. (SGI) and a 16.3% (2019: 16.3%) interest in the Series A preferred stock of SGI. The remainder of the stock is owned by The Barclays Bank UK Retirement Fund (UKRF) through its investment in Barclays Nominees (George Yard) Limited.

On 30 June 2020 SGI owned a 50% (2019: 50%) interest in a United States partnership, Abercromby Property International (API), which held an interest in various other properties in the United States, either directly or through its subsidiaries.

The interests in API not held by SGI were owned on 30 June 2020 by certain subsidiaries of The Shipbuilding Industries Pension Scheme and Friends Life Limited.

Going Concern

The Directors believe that the company is a going concern primarily due to its interests in SGI.

Results and dividends

During the year the Company made a loss after taxation of £752 (2019: £9,262 profit). No interim dividend was paid to the UKRF (2019: £Nil). Shareholders funds decreased to £910,232 (2019: £910,984). The Directors do not propose a final dividend (2019: £Nil).

Directors and company secretary

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

A Broccardo
A Brophy
C Stangroome
S Saloustros

Barcosec Limited is the company secretary.

Qualifying third party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 30 June 2020 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities, including qualifying third party indemnity provisions and qualifying indemnity provisions which may occur (or have occurred) in connection with their duties, powers or office.

The following statement, which should be read in conjunction with the Auditor's Report, set out on pages 5 and 6, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditor in relation to the financial statements.

WATER STREET INVESTMENTS LIMITED**COMPANY No. 219528****DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (continued)****Statement of Directors' responsibilities**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards for small and medium sized entities (IFRSs) 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable
- state whether they have been prepared in accordance with IFRSs for small and medium sized entities
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Independent Auditor

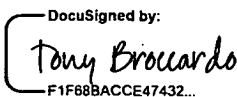
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure of information to Auditor

As far as the Directors are aware, there is no relevant audit information of which the auditor is unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD ON 12 APRIL 2021

DocuSigned by:

 15 April 2021
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A Broccardo
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATER STREET INVESTMENTS LIMITED**Opinion**

We have audited the financial statements of Water Street Investments Limited ("the company") for the year ended 30 June 2020 which comprise the income statement, balance sheet, statement of other comprehensive income, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATER STREET INVESTMENTS LIMITED (continued)**Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

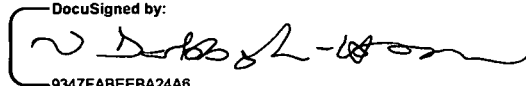
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 an auditor's report 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.

DocuSigned by:



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Nadia Dabbagh-Hobrow (Senior Statutory Auditor)**for and on behalf of KPMG LLP, Statutory Auditor***Chartered Accountants*

15 Canada Square

London E14 5GL

15 April 2021

WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

INCOME STATEMENT AS AT YEAR ENDED 30 JUNE 2020

	Note	2020 £	2019 £
SUNDRY INCOME	3	-	9,876
INTEREST PAYABLE AND SIMILAR CHARGES	4	<u>(752)</u>	<u>(614)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(752)	9,262
TAXATION ON ORDINARY ACTIVITIES	6	<u>-</u>	<u>-</u>
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	10	<u><u>(752)</u></u>	<u><u>9,262</u></u>

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

A statement of comprehensive income is shown on page 9.

The notes on pages 10 to 13 form part of these financial statements.

WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

BALANCE SHEET AS AT YEAR ENDED 30 JUNE 2020

	Note	£	2020 £	£	2019 £
NON CURRENT ASSETS					
Shares in group undertakings	8		<u>901,143</u>		<u>901,143</u>
			901,143		901,143
CURRENT ASSETS					
Cash and other equivalents			<u>12,322</u>	<u>12,987</u>	
			12,322	12,987	
TOTAL ASSETS			<u>913,465</u>		<u>914,130</u>
LIABILITIES DUE IN LESS THAN ONE YEAR					
	7		<u>(3,233)</u>		<u>(3,146)</u>
NET ASSETS			<u>910,232</u>		<u>910,984</u>
SHAREHOLDER'S EQUITY					
Called up share capital	9	7		7	
Retained Earnings	10		<u>910,225</u>	<u>910,977</u>	
TOTAL SHAREHOLDER'S EQUITY			<u>910,232</u>		<u>910,984</u>

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations (IFRICs) issued by the Interpretations Committee, as published by the International Accounting Standards Board (IASB).

The financial statements set out on pages 7 to 13 were approved by the Directors on 12 April 2021 and signed on their behalf by:

DocuSigned by:

Tony Broccardo April 2021

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A Broccardo
Director

WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

STATEMENT OF OTHER COMPREHENSIVE INCOME AS AT YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	(752)	9,262
TOTAL RECOGNISED (LOSS) / PROFIT RELATING TO THE YEAR	(752)	9,262

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Share Capital £	Retained Earnings £	Total Equity £
BALANCE AS AT 1 JULY 2019	7	910,977	910,984
LOSS FOR THE FINANCIAL YEAR	-	(752)	(752)
BALANCE AS AT 30 JUNE 2020	7	910,225	910,232

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2020

	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES	
Bank charges	(670)
EFFECT OF EXCHANGE RATES	5
NET DECREASE IN CASH AND CASH EQUIVALENTS	(665)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,987
CASH AND CASH EQUIVALENTS AT END OF YEAR	12,322

NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED 30 JUNE 2020

1. ULTIMATE PARENT UNDERTAKING AND FINANCIAL SUPPORT

Water Street Investments Limited (the "Company") is a wholly owned subsidiary of The Barclays Bank UK Retirement Fund (UKRF), which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Consolidated financial statements of UKRF can be obtained from the company secretary at 1 Churchill Place, London, E14 5HP.

The Trustee of the UKRF is Barclays Pension Funds Trustees Limited. The 7 ordinary shares are owned by Barclays Nominees (George Yard) Limited on trust for Barclays Pension Funds Trustees Limited which is a company incorporated in the United Kingdom. The Company is a private limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London, E14 5HP.

2. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, under the historic cost convention in accordance with the International Financial Reporting Standards (IFRS) for small and medium sized entities. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

After reviewing the outlook for the Company (including the implications from the COVID-19 outbreak), taking into account the role it has and the value of the underlying investments, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

(a) Shares in group undertakings

The shares in group undertakings in which the Company has a participating interest are included in the balance sheet at the original book cost. No provision for impairment in value is required following the annual review, see note 8.

(b) Foreign currencies

At the end of each reporting period foreign currency items are translated using the closing rate. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Other exchange gains and losses are included in the profit and loss account under administrative expenses.

In accordance with the provisions of IAS21, where the Financial Statement include foreign equity investments in the reporting entity, exchange differences shall be recognised at cost using the exchange rate at date of transaction.

(c) Financial Statements

The parent undertaking of the Company, UKRF, prepares Group Accounts which consolidate these financial statements.

(d) Interest and expenses

Interest income is accounted for on a receivable basis. Interest payable and expenses are accounted for on an accruals basis.

WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED 30 JUNE 2020 (continued)

2. ACCOUNTING POLICIES (continued)

(e) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

(f) Loan valuation

Loans in foreign currency are valued at the exchange rate at the year end.

3. SUNDRY INCOME

	2020	2019
	£	£
Foreign exchange redress compensation	-	9,876
	<u>-</u>	<u>9,876</u>

4. EXPENSES

	2020	2019
	£	£
Bank charges	(752)	(614)
	<u>(752)</u>	<u>(614)</u>

The audit fee for the Company of £9,000 (2019: £8,265) was met by the UKRF.

5. EMPLOYEES

The Company has no employees (2019: none). A Broccardo, C Stangroome and S Saloustros are employed by Barclays Bank PLC and A Brophy is employed by Barclays Execution Services Limited. No Director received additional remuneration from Water Street Investments Limited. One director exercised share options under Barclays PLC Sharesave Scheme during the year.

WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED 30 JUNE 2020 (continued)

6. TAXATION ON ORDINARY ACTIVITIES

	2020 £	2019 £
a) Analysis of tax charge in the year		
Foreign tax	-	-
b) Factors affecting current tax charge		
(Loss) / Profit before tax	(752)	9,262
Tax charge at average UK corporation tax rate of 19% (2019: 19%)	143	(1,760)
Effects of:		
Losses (not utilised)/utilised	(143)	1,760
Non taxable non UK dividend income	-	-
Foreign tax suffered	-	-
Current tax charge for the year	-	-

Legislation has been introduced to maintain the main rate for corporation tax to 19% from 1 April 2020 (cancelling the enacted reduction to 17%).

There is an unrecognised deferred tax asset of £1,836,911 (2019: £1,643,424) in respect of unutilised tax losses of £9,667,950 (2019: £9,667,198) as it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

7. LIABILITIES DUE IN LESS THAN ONE YEAR

	2020 £	2019 £
Loan from SGI	3,233	3,146

A loan of \$4,000 was agreed with SGI during the prior year to fund company operating expenses. The change in the loan balance relates to foreign exchange movements only.

8. SHARES IN GROUP UNDERTAKING

At 30 June 2020 the Company held a 45.05% (2019: 45.05%) interest in the common stock of St George International, Inc. (SGI), a company incorporated in the United States, and a 16.3% (2019: 16.3%) interest in the Series A preferred stock of SGI.

On 30 June 2020 SGI owned a half share in a United States partnership, Abercromby Property International (API), which held an interest in various properties in the United States either directly or through further subsidiaries.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The shares in group undertakings are denominated in US dollars and represents an equity investment in SGI as follows:

	2020 £	2019 £
Shares in SGI at cost (US\$1,539,350)	901,143	901,143

WATER STREET INVESTMENTS LIMITED

COMPANY No. 219528

NOTES TO THE FINANCIAL STATEMENTS AS AT YEAR ENDED 30 JUNE 2020 (continued)

8. SHARES IN GROUP UNDERTAKING (continued)

The Directors consider that the market value of the shares in SGI at 30 June 2020 was in excess of its carrying value in the balance sheet. The fair value of the investment was estimated at £15.9 million (2019: £16.6 million).

The most recent results available for SGI are to 31 March 2020 and include the results of Abercromby Property International for the year ended 31 March 2020 and 31 March 2019 respectively, on a United States income tax basis rather than an accruals basis.

9. CALLED UP SHARE CAPITAL

	2020	2019
	£	£
Allotted and fully paid: 7 (2019: 7) ordinary shares of £1 each	7	7

10. RETAINED EARNINGS

	2020	2019
	£	£
Surplus at beginning of year	910,977	901,715
(Loss) / Profit for the financial year	(752)	9,262
Surplus at end of year	910,225	910,977

11. SHAREHOLDER'S EQUITY

	2020	2019
	£	£
Opening shareholder's surplus	910,984	901,722
(Loss) / Profit for the financial year	(752)	9,262
Closing shareholder's surplus	910,232	910,984

12. RELATED PARTY TRANSACTIONS

There have been no transactions with the Company's ultimate parent undertaking, the UKRF in the year (2019: nil). During 2019 the Company entered into transactions with its associated undertaking (SGI), including a \$4,000 loan. The Company's bank balances are held with Barclays Bank PLC, which is a related party of the Company's ultimate parent undertaking. This has resulted in the following:

	2020	2019
	£	£
Income statement:	(752)	9,876
Balance sheet:		
Cash held with Barclays Bank PLC	12,322	12,987
Shares in group undertakings	901,143	901,143
Loan from SGI	(3,233)	(3,146)

13. POST BALANCE SHEET EVENTS

There are no other post balance sheet events to report at the date of signing.