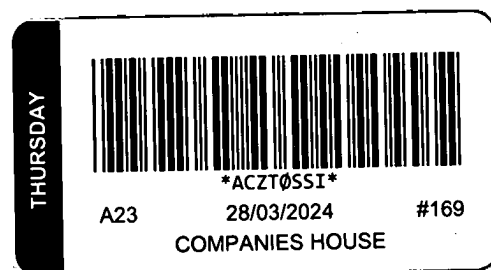


REGISTERED IN ENGLAND NUMBER: 00219528

WATER STREET INVESTMENTS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



WATER STREET INVESTMENTS LIMITED

**Directors' Report and Financial Statements
For the year ended 30 June 2023**

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WATER STREET INVESTMENTS LIMITED

Officers And Professional Advisors At 30 June 2023

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	00219528

WATER STREET INVESTMENTS LIMITED

Directors' Report

For the year ended 30 June 2023

The Directors present their report together with the audited financial statements of Water Street Investments Limited (the "Company") for the year ended 30 June 2023. 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 the Company is to act as an investment holding company. At 30 June 2023 the Company held a 45.05% (2022: 45.05%) interest in the common stock of St George International Inc. (SGI) and a 16.3% (2022: 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 2023 SGI owned a 50% (2022: 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 2023 by certain subsidiaries of The Shipbuilding Industries Pension Scheme and Friends Life Limited.

Profit and dividends

During the year the Company made a loss after taxation of £566 (2022: £864 loss). No interim dividend was paid to the UKRF (2022: £Nil). Shareholders funds decreased to £908,339 (2022: £908,905). The Directors do not propose a final dividend (2022: £Nil).

Directors and company secretary

The Directors of the Company, who served during the year and up to the date of signing the financial statements are shown below:

A Broccardo
A Brophy
S Saloustros
C Stangroome

Barcosec Limited is the company secretary.

Going Concern

The Directors believe that the Company is a going concern primarily due to its interests in SGI, which has a market capitalisation of US\$17.8m at 31 March 2023. After reviewing the Company's financial position, performance and available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

WATER STREET INVESTMENTS LIMITED

Directors' Report

For the year ended 30 June 2023

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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 UK-adopted international 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 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 United Kingdom adopted international accounting standards;
- 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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Barclays Group risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in note 5.

Directors third party indemnity provisions

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 2023 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.

Environment

The Company's environmental policy is aligned with the UKRF's Responsible Investment policy which is owned by the Trustee of the UKRF and is reviewed on an annual basis to reflect any changes to the UKRF's strategy. The UKRF's Climate Change Risk Management Policy was introduced in September 2021 and was reviewed and updated in 2023. The Trustee considers climate-related financial risks and their potential implications for the UKRF within the Fund's wider Responsible Investment approach and consideration of Environmental, Social and Governance factors. The Trustee frames its Responsible Investment activities within its regulatory and fiduciary obligations, as well as its commitments as a signatory to the Principles for Responsible Investment and UK Stewardship Code. The Trustee is also a member of the Asset Owners Network of the Accounting for Sustainability. In the interest of the UKRF's members and aligned with the goals of the Paris Agreement the UKRF Trustee has set a net zero ambition for the UKRF to aim to halve the greenhouse gas emissions associated with the wider investment portfolio by 2030 and to be net zero by 2050.

WATER STREET INVESTMENTS LIMITED

Directors' Report

For the year ended 30 June 2023

Environment (continued)

The UKRF Trustee published its first Task Force on Climate-related Financial Disclosures statement in respect of the year ended 30 September 2022 in April 2023 as required by the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021. The aim of the Task Force on Climate-related Financial Disclosures is to improve both the quality of governance and oversight in identifying, assessing and managing climate risk. The statement for the year ended 30 September 2023 will be made available by 30 April 2024 via the Trustee website at the following address, where the current 2022 statement can also be found:

<https://epa.towerswatson.com/accounts/barclays/public/barclays-bank-task-force-climate-disclosures/>.

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.

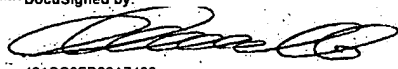
Statement of disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information, of which the Company's auditor is unaware. The Directors 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.

Small companies provision

This report has been prepared in accordance with the special provisions applicable to small companies set out in section 415A of the Companies Act 2006. The Company has also taken advantage of the small companies exemption from the requirement to prepare a Strategic Report.

FOR AND ON BEHALF OF THE BOARD

DocuSigned by:

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Tony Broccardo

Director

Date: 25/3/2024

Company number: 00219528

WATER STREET INVESTMENTS LIMITED

Independent Auditor's Report For the year ended 30 June 2023

Independent Auditor's Report To The Directors 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 2023 which comprise the income statement, statement of financial position, statement of other comprehensive income, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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").

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.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and management as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

WATER STREET INVESTMENTS LIMITED

Independent Auditor's Report For the year ended 30 June 2023

Independent Auditor's Report To The Directors Of Water Street Investments Limited (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included high-risk journal entries and other adjustments made at the end of the reporting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This Company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent Auditor's Report For the year ended 30 June 2023

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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Fang Fang Zhou (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

Date: 25/3/2024

WATER STREET INVESTMENTS LIMITED**As at 30 June 2023****Income Statement**

	Note	2023 £	2022 £
Interest payable and similar charges	6	<u>(566)</u>	<u>(864)</u>
Loss before tax		(566)	(864)
Tax	8	<u>-</u>	<u>-</u>
Loss after tax	12	<u><u>(566)</u></u>	<u><u>(864)</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.

Statement of other comprehensive income

	2023 £	2022 £
Loss for the financial year	<u>(566)</u>	<u>(864)</u>
Total comprehensive loss for the year	<u><u>(566)</u></u>	<u><u>(864)</u></u>

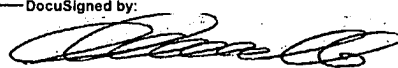
The accompanying notes form an integral part of the financial statements.

WATER STREET INVESTMENTS LIMITED**As at 30 June 2023****Statement of Financial Position**

	Note	£	2023 £	£	2022 £
ASSETS					
Non current assets					
Shares in group undertakings	10		<u>901,143</u>		<u>901,143</u>
Total non-current assets			<u>901,143</u>		<u>901,143</u>
Current assets					
Cash and other equivalents		<u>10,342</u>		<u>11,054</u>	
Total current assets		<u>10,342</u>		<u>11,054</u>	
Total assets			<u>911,485</u>		<u>912,197</u>
LIABILITIES					
Current liabilities	9		<u>(3,146)</u>		<u>(3,292)</u>
Net assets			<u>908,339</u>		<u>908,905</u>
SHAREHOLDER'S EQUITY					
Called up share capital	11	7		7	
Retained Earnings	12	<u>908,332</u>		<u>908,898</u>	
Total shareholders' equity			<u>908,339</u>		<u>908,905</u>

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 March 2024 and were signed on its behalf by:

DocuSigned by:

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Tony Broccardo
 Director 25/3/2024
 Company Number: 00219528

WATER STREET INVESTMENTS LIMITED**Statement of Changes in Equity
For the year ended 30 June 2023**

	Share Capital	Retained Earnings	Total Equity
	£	£	£
Balance as at 1 July 2022	7	908,898	908,905
Loss for the financial year	-	(566)	(566)
	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2023	7	908,332	908,339
	<hr/>	<hr/>	<hr/>

	Share Capital	Retained Earnings	Total Equity
	£	£	£
Balance as at 1 July 2021	7	909,762	909,769
Loss for the financial year	-	(864)	(864)
	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2022	7	908,898	908,905
	<hr/>	<hr/>	<hr/>

**Statement of Cash Flow
For the year ended 30 June 2023**

	2023	2022
	£	£
Cash flows from operating activities		
Bank charges	(696)	(635)
Effect of exchange rates	(16)	168
Net decrease in cash and cash equivalents	(712)	(467)
Cash and cash equivalents at beginning of year	11,054	11,521
Cash and cash equivalents at end of year	10,342	11,054

The accompanying notes form an integral part of the financial statements

WATER STREET INVESTMENTS LIMITED

Notes to the financial statements

For year ended 30 June 2023

1. Reporting entity

The Company is a wholly owned investment of The Barclays Bank UK Retirement Fund (UKRF), who is the beneficiary of the Company. 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. These financial statements are prepared for Water Street Investments Limited, the principal activity of which is to act as investment holding company. The financial statements are prepared for the Company in line with the UK Companies Act 2006.

2. Basis of preparation

The Company financial statements have been prepared in accordance with United Kingdom adopted international accounting standards. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

2.1 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IFRS 9, as set out in the relevant accounting policies.

After reviewing the Company's financial position, performance and available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

2.2 New and amended standards

i) New standards, interpretations and amendments effective from 1 January 2022

There are no new amended standards that have had a material impact on the Company's accounting policies.

ii) New standards, interpretations and amendments not yet effective

There are no new amended standards that are expected to have a material impact on the Company's accounting policies.

3. Functional and presentation currency

These financial statements are presented in pounds sterling, the currency of the country in which the Company is incorporated.

WATER STREET INVESTMENTS LIMITED**Notes to the financial statements
For year ended 30 June 2023****4. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

(a) Foreign currency translation

The Company applies IAS 21 The Effects of Changes in Foreign Exchange Rates. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Foreign currency monetary balances are translated into Sterling at the period end exchange rates. Exchange gains and losses on such balances are taken to the income statement under expenses. Non-monetary foreign currency balances in relation to items measured in terms of historical cost are carried at historical transaction date exchange rates. Non-monetary foreign currency balances in relation to items measured at fair value are translated using the exchange rate at the date when the fair value was measured.

(b) 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 10.

(c) Financial Statements

The parent undertaking of the Company, UKRF, prepares non-consolidated accounts as it applies the allowable exemption under FRS102 for pension schemes and does not consolidate investment subsidiaries held as part of the investment portfolio in the financial statements. Therefore, the Company is included in the investments in subsidiaries reported at fair value in the UKRF's 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.

(e) Current and deferred taxation

Income tax payable on taxable profits ('current tax'), is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current year or prior year taxable profits.

Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except from the initial recognition of goodwill. Deferred tax is not recognised where the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are only offset where there is both a legal right to set-off and an intention to settle on a net basis or to realise the asset and settle the liability simultaneously with the same tax authority.

(f) Loan valuation

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

WATER STREET INVESTMENTS LIMITED**Notes to the financial statements****For year ended 30 June 2023****5. Financial risks**

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk, (which includes foreign currency risk, interest rate risk and price risk). Consequently, the Company devotes resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business.

(a) Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Directors are comfortable that there is no exposure to credit risk.

(b) Liquidity risk

This is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. The Company has the financial support of the beneficiary, UKRF.

There are a very low volume of transactions, so the monitoring of liquidity is carried out annually to ensure there are sufficient funds to cover the bank charges levied on the US bank account.

(c) Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates. The company is not significantly exposed to market risk.

- **Foreign currency risk:** The Company is exposed to foreign currency risk from foreign currency transactions, and recognised assets and liabilities.
- **Price risk:** Price risk is the risk that market prices for the Company's investments measured at fair value may fall. The impact of price risk is partially mitigated as holdings are valued at historic cost which is considerably lower than the underlying fair value of the assets in which the Company invests.

6. Expenses

	2023 £	2022 £
Bank charges and other related costs	<u>(566)</u>	<u>(864)</u>
	<u>(566)</u>	<u>(864)</u>

The audit fee for the Company of £15,000 (2022: £11,000) was met by the UKRF.

7. Employees and key management personnel compensation

The Company has no employees (2022: 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 remuneration for their services to Water Street Investments Limited. Three Directors are accruing retirement benefits under a defined benefit scheme or defined contribution scheme (2022: Three). One Director exercised options under the Barclays PLC Sharesave Scheme during 2023 (2022: One). Four Directors are entitled to benefits under the Share Value Plan (2022: Four). All benefits stated are from the Directors' respective employers.

WATER STREET INVESTMENTS LIMITED**Notes to the financial statements
For year ended 30 June 2023****8. Taxation on ordinary activities**

	2023	2022
	£	£
a) Analysis of tax charge in the year		
Current tax (charge)/credit:	-	-
Overall tax (charge)/credit in the income statement	-	-
b) Factors affecting current tax charge		
Loss before tax	(566)	(864)
Tax charge at average UK corporation tax rate of 19% (2022: 19%)	108	164
Effects of:		
Losses not utilised	(108)	(164)
Overall tax (charge)/ credit	-	-
Effective tax rate%	0%	0%

The Finance Act 2021 passed into legislation in May 2021 and increased the main rate of UK corporation tax from 19% to 25% effective from 1 April 2023. The Company used a small profits UK Corporation Tax rate of 19% to calculate the current tax balances for the year ended 30 June 2023.

Legislation has been introduced to increase the main rate of corporation tax from 19% to 25%, effective from 1 April 2023, which was substantively enacted on 24 May 2021. Deferred tax balances at 30 June 2023 have been remeasured at the tax rate to be applied when temporary differences are expected to reverse.

There is an unrecognised deferred tax asset of £2,417,461 (2022: £2,417,319) in respect of unutilised tax losses of £9,669,843 (2022: £9,669,277) as it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

The UK Government enacted legislation in 2023 to implement the OECD Inclusive Framework on Base Erosion and Profit Shifting Pillar Two Framework to introduce a global minimum tax rate of 15% and a UK domestic minimum tax which will apply for accounting periods beginning on or after 31 December 2023.

The Company has adopted the International Tax Reform - Pillar Two Model Rules amendments to IAS 12, which were issued on 23 May 2023 and approved by the UK Endorsement Board on 19 July 2023, and has applied the exception set out in paragraph 4A in respect of recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

WATER STREET INVESTMENTS LIMITED**Notes to the financial statements****For year ended 30 June 2023 (continued)****9. Liabilities due in less than one year**

	2023	2022
	£	£
Loan from SGI	3,146	3,292

A loan of US\$4,000 was agreed with SGI during 2019 to fund Company operating expenses. The loan with zero percent interest will be repaid as part of the next redemption of the investment in SGI, or offset against any dividend payable by SGI to the Company. The change in the loan balance relates to foreign exchange movements only.

10. Shares in group undertaking

At 30 June 2023 the Company held a 45.05% (2022: 45.05%) interest in the common stock of St George International, Inc. (SGI), a company incorporated in the United States, and a 16.3% (2022: 16.3%) interest in the Series A preferred stock of SGI.

On 30 June 2023 SGI owned half the interest 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:

	2023	2022
	£	£
Shares in SGI at cost (US\$1,539,350)	901,143	901,143

The Directors consider that the market value of the shares in SGI at 30 June 2023 was in excess of its carrying value in the balance sheet. The fair value of the investment was estimated at £14.0 million (2022: £15.4 million).

The most recent results available for SGI are to 31 March 2023 and include the results of Abercromby Property International for the year ended 31 March 2023 and 31 March 2022 respectively, on a United States income tax basis rather than an accruals basis.

11 Called up share capital

	2023	2022
	£	£
Allotted and fully paid: 7 (2022: 7) ordinary shares of £1 each	7	7

WATER STREET INVESTMENTS LIMITED**Notes to the financial statements
For year ended 30 June 2023 (continued)****12. Retained earnings**

	2023	2022
	£	£
Surplus at beginning of year	908,898	909,762
Loss for the financial year	(566)	(864)
Surplus at end of year	<u>908,332</u>	<u>908,898</u>

13. Shareholder's equity

	2023	2022
	£	£
Opening shareholder's surplus	908,905	909,769
Loss for the financial year	(566)	(864)
Closing shareholder's surplus	<u>908,339</u>	<u>908,905</u>

14. Related party transactions

There have been no transactions with the Company's ultimate parent undertaking, the UKRF in the year (2022: nil). 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:

	2023	2022
	£	£
Income statement:	(566)	(864)
Balance sheet:		
Cash held with Barclays Bank PLC	10,342	11,054
Interest in group undertakings	901,143	901,143
Loan from SGI	(3,146)	(3,292)

15. Parent undertaking and ultimate holding company

The Company is a subsidiary undertaking of Barclays Nominees George Yard Limited (BNGY) which is the immediate parent company incorporated in the United Kingdom. BNGY hold shares in the Company on Trust for the Trustee Company on behalf of the UKRF.

16. Post balance sheet events

There were no post balance sheet events.