

Registration number: 12632994

Capco Investment London (No.3) Limited

Annual Report and Financial Statements
for the year ended 31 December 2021



Capco Investment London (No.3) Limited

Directors' Report for the year ended 31 December 2021

The Directors present their report and the audited financial statements of Capco Investment London (No.3) Limited (the "Company") for the year ended 31 December 2021.

On 15 November 2020 the Company changed its name from Newco 678C Limited to Capco Investment London (No.3) Limited.

Incorporation

The Company was incorporated and registered in England and Wales and domiciled in the United Kingdom, with Company number 12632994, on 29 May 2020 as a private company limited by shares. The registered office of the Company is Regal House, 14 James Street, London, United Kingdom, WC2E 8BU.

Principal activities

The principal activity of the Company is the holding of investments. All activities are based in the United Kingdom.

Future Prospects

It is the opinion of the Directors that for the foreseeable future the Company will continue in operation to the holding of investments of the Capital & Counties Properties PLC group.

Business review

Fair review of the business

The Company's results for and financial position at the year ended 31 December 2021 are set out in full in the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes relating thereto.

Both the level of business during the year and the year end financial position were as expected. The profit before taxation for the year ended 31 December 2021 was £10,544,643 (2020 period: £13,787,746). Total shareholders' funds at 31 December 2021 were £24,332,390 (2020: £13,787,747).

Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of its development, performance or position.

Capco Investment London (No.3) Limited

Directors' Report for the year ended 31 December 2021

Principal risks and uncertainties

The current economic backdrop is characterised by rising inflation and higher interest rates with potential impacts on valuations, funding, customers and consumers. Comparing to 2020, whilst the challenges and disruption caused by COVID-19 have reduced, risks remain and the backdrop remains challenging.

The COVID-19 pandemic brought about unprecedented challenges and disruption to the broader economy and the business.

In recent years the UK has also experienced heightened economic and political uncertainty after voting to leave the EU from 31 January 2020 and completing the transitional period on 31 December 2020. Uncertainty remains in particular in relation to long-term international trade arrangements and the overall impact on the UK economy.

Additionally, due to the timing of the pandemic and other significant geo-political events, it is difficult to quantify the full effects of Brexit or disassociate the impact of these significant events. Understanding the effects of these events as well as the impact on the business and the market remains critical and the Directors continues to monitor this carefully.

The Directors believe that the principal risks and uncertainties that face the Company are not materially different to those disclosed in the Group Annual Report & Accounts of Capital & Counties Properties PLC for the year ended 31 December 2021 that are publicly available and in which the Company is consolidated.

Going Concern

The Directors' assessment for preparing the financial statements on a going concern basis is set out in note 1.

Dividends

The Directors do not recommend the payment of a dividend for the year (2020 period: £nil).

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:

I D Hawksworth

S S Jobanputra

M V A McGrath

Capco Investment London (No.3) Limited

Directors' Report for the year ended 31 December 2021

Statement of Directors' Responsibilities

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 period. 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, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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 applicable United Kingdom Accounting Standards, comprising FRS 101 have 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Capco Investment London (No.3) Limited

Directors' Report for the year ended 31 December 2021

Directors' indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company's ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout the financial period in respect of the group, including the Company and its Directors.

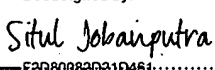
Independent auditors

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the Company is not required to hold an annual general meeting and accordingly the Auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial period.

Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Directors have taken advantage of the exemption from preparing a Strategic Report.

Approved by the Board on14/06/2022 and signed on its behalf by:

DocuSigned by:

F2080082D21D461.....
S S Jobanputra
Director

Date:14 June.....2022

Independent auditors' report to the members of Capco Investment London (No.3) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Capco Investment London (No.3) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit 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, which comprise: the Balance Sheet as at 31 December 2021; 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act (2006). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and the group's internal auditors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in their significant accounting estimates, and;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. 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

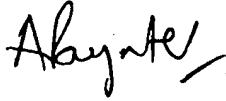
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained 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.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Andrew Paynter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 June 2022

Capco Investment London (No.3) Limited**Statement of Comprehensive Income
for the year ended 31 December 2021**

			Period from 29 May 2020 to 31 December
	Note	2021 £ 000	2020 £ 000
Administrative expenses	4	(4)	(729)
Dividend income		639	-
Operating profit/(loss)		635	(729)
Change in fair value of financial assets through profit or loss	8	12,239	14,640
Interest payable and similar expenses	3	(2,329)	(123)
Profit before taxation		10,545	13,788
Tax on profit	7	-	-
Profit for the financial year/period		10,545	13,788
Total Comprehensive income for the year/period		10,545	13,788

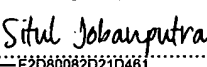
These notes on pages 12 to 18 form an integral part of these financial statements.

Capco Investment London (No.3) Limited**Balance Sheet
as at 31 December 2021**

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Financial assets at fair value through profit and loss	8	163,633	151,394
Current assets			
Debtors		15	-
Creditors: Amounts falling due within one year	9	<u>(77,349)</u>	<u>(75,902)</u>
Net current liabilities		<u>(77,334)</u>	<u>(75,902)</u>
Total assets less current liabilities		86,299	75,492
Borrowings	10	<u>(61,966)</u>	<u>(61,704)</u>
Net assets		<u>24,333</u>	<u>13,788</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		<u>24,333</u>	<u>13,788</u>
Total Shareholders' funds		<u>24,333</u>	<u>13,788</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 12 to 18 form an integral part of these financial statements. These financial statements on pages 9 to 18 have been approved by the Board on 14/06/2022 and signed on its behalf by:

DocuSigned by:

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 S S Jobanputra
 Director

14 June
 Date:.....2022

Capco Investment London (No.3) Limited**Statement of Changes in Equity
for the year ended 31 December 2021**

	Called up Share capital £ 000	Profit and Loss account £ 000	Total Shareholders' funds £ 000
At 29 May 2020	-	-	-
Profit for the period	-	13,788	13,788
Total comprehensive income	-	13,788	13,788
At 31 December 2020	-	13,788	13,788
At 1 January 2021	-	13,788	13,788
Profit for the year	-	10,545	10,545
Total comprehensive income	-	10,545	10,545
At 31 December 2021	-	24,333	24,333

* 1 Ordinary share of £1 nominal value issued on incorporation

Capco Investment London (No.3) Limited

Notes to the Financial Statements for the year ended 31 December 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, derivative financial instruments and financial instruments measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

Summary of disclosure exemptions

FRS 101 sets out a reduced disclosure framework that addresses the financial reporting requirements of and disclosure exemptions available in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS"). Amendments are made to the requirements of IFRS where necessary so as to comply with the Companies Act 2006.

The Company, as a qualifying entity, is a member of a group where the parent of that group, being Capital & Counties Properties PLC, prepares publicly available consolidated financial statements that are intended to give a true and fair view and the Company is included in the consolidation. Details of where the 2021 Annual Report & Accounts of Capital & Counties Properties PLC can be obtained are disclosed in note 12.

The Directors of the Company have taken advantage of the following disclosure exemptions available under FRS 101:

The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements';

The requirements of IFRS 7 'Financial Instruments: Disclosures';

The requirements of IAS 7 'Statement of Cash Flows';

The requirements of paragraphs 91 to 99 of IFRS 13, 'Fair value measurements' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);

The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and

The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

Based on their analysis the Directors are satisfied that the Company has adequate resources to continue trading for the foreseeable future and there is a reasonable expectation that the Company will be able to meet its ongoing and future commitments for at least 12 months from the date of approval of the financial statements and have therefore resolved that the financial statements be prepared on a going concern basis.

As a consequence of this, the Directors consider that the Company is well placed to manage its business risks successfully despite the current, heightened economic and political uncertainty resulting from the pandemic and geo-political events. Accordingly, they believe the going concern basis of preparation is appropriate.

Capco Investment London (No.3) Limited

Notes to the Financial Statements for the year ended 31 December 2021

1 Accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for annual periods that begin on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards:

IFRS 7 'Financial Instruments: Disclosures' (amendment) (Interest Rate Benchmark Reform)

IFRS 9 'Financial Instruments' (amendment) (Interest Rate Benchmark Reform)

IAS 39 'Financial Instruments' (amendment) (Interest Rate Benchmark Reform)

IFRS 16 'Leases' (amendment) (COVID-19 related Rent Concessions)

Amendments to IFRS (Annual improvements cycle 2018-2020)

At the date of approval of the financial statements the following standards and interpretations which have not been applied in these financial statements were in issue but not effective, and in some cases have not been adopted for use in the UK-adopted international accounting standards:

IAS 1 'Presentation of Financial Statements' (amendment) (Classification of Liabilities as Current and Non-Current)

IFRS 3 'Business Combinations' (amendment) (Reference to Conceptual Framework)

IAS 16 'Property, Plant and Equipment' (amendment) (Proceeds before Intended Use)

IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (Onerous contracts - Cost of fulfilling a contract)

The Company has assessed the impact of these new standards and interpretations and does not anticipate any material impact on the financial statements.

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 periods presented, unless otherwise stated.

Finance income and expense policy

Interest receivable and payable is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Capco Investment London (No.3) Limited

Notes to the Financial Statements for the year ended 31 December 2021

1 Accounting policies (continued)

Investments and other financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

For assets measured at fair value through profit or loss, gains and losses will be recorded in profit or loss.

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets at fair value through profit or loss comprise listed equity investments. The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains or losses in the Statement Of Comprehensive Income as applicable.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Impairment of financial assets

The Company applies the IFRS 9 'Financial Instruments' expected credit loss model in order to calculate a lifetime expected loss allowance for all financial assets. To measure the expected credit losses, receivables are reviewed on an individual contract basis. The expected loss rates are based on forward-looking information as well as historical evidence of collection. In the current environment the historical loss rates are adjusted to reflect current and future information such as estimated future cash flows or by using fair value where this is available through observable market prices and review of macro-economic factors which may affect the counter-party's ability to settle the receivables.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Capco Investment London (No.3) Limited

Notes to the Financial Statements for the year ended 31 December 2021

1 Accounting policies (continued)

Amounts owed to and from group undertakings

Amounts owed to and from group undertakings are recognised at fair value and subsequently measured at amortised cost until settled. These balances are assessed annually for impairment in accordance with IFRS 9 'Financial Instruments' using the expected credit loss model. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the original impairment was recognised, the impairment reversal is recognised in the income statement on a basis consistent with the original charge.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 101 requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, equity, income and expenses from sources not readily apparent. Although these estimates and assumptions are based on management's best knowledge of the amount, historical experiences and other factors, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year.

Areas of estimation and uncertainty are included within the accounting policies above. There are no significant accounting judgements and estimation uncertainties in this Company.

3 Interest payable and similar expenses

	2021	Period from 29 May 2020 to 31 December 2020
	£ 000	£ 000
Interest on borrowings	1,862	9
Interest paid to group undertakings	462	114
Other finance costs	5	-
	<u>2,329</u>	<u>123</u>

Capco Investment London (No.3) Limited

Notes to the Financial Statements for the year ended 31 December 2021

4 Auditors' remuneration

Included within administration expenses is:

		Period from 29 May 2020 to 31 December 2020
	2021 £ 000	2020 £ 000
Audit of the financial statements	<u>3</u>	<u>3</u>

Auditors' remuneration of £2,981 (2020 period: £2,839) for the year has been met by the Company's ultimate parent, Capital & Counties Properties PLC and has been recharged.

5 Directors' remuneration

No Director received any remuneration for services to the Company in the year (2020 period: £nil). The Directors are also directors of Capital & Counties Properties PLC, the Company's ultimate parent company, and their remuneration is disclosed in the financial statements of Capital & Counties Properties PLC.

6 Staff costs

There were no employees during the year (2020 period: nil).

Capco Investment London (No.3) Limited

Notes to the Financial Statements for the year ended 31 December 2021

7 Tax on profit

The differences between the tax assessed for the period and the amount that would arise by applying the standard rate of corporation tax in the United Kingdom of 19 per cent are shown below:

	2021 £ 000	Period from 29 May 2020 to 31 December 2020 £ 000
Profit before taxation	10,545	13,788
Current standard United Kingdom corporation tax at 19% (2020: 19%)	2,003	2,620
Expenses disallowed	-	138
Group relief surrendered	356	2
Transfer pricing adjustment	87	22
REIT tax-exempt investment profits	(121)	-
Revaluation attributable to REIT business	(2,325)	(2,782)
Total tax charge/(credit)	-	-

The UK Budget announced on 3 March 2021, confirmed an increase in the main corporation tax rate from 19 to 25 per cent with effect from 1 April 2023. This change was substantively enacted on 24 May 2021 and therefore has been reflected in these financial statements.

8 Financial instruments

Financial assets

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include the following:

	Carrying value	
	2021 £ 000	2020 £ 000
Listed equity securities: Shaftesbury PLC	163,633	151,394

At 31 December 2021 the Company held 26,607,067 shares in Shaftesbury PLC held at the closing share price of 615 pence per share.

Capco Investment London (No.3) Limited

Notes to the Financial Statements for the year ended 31 December 2021

8 Financial instruments (continued)

Amounts recognised in profit and loss

During the year, a gain of £12,239,251 (2020 period: £14,640,137) was recognised in Statement of Comprehensive Income.

9 Creditors: Amounts falling due within one year

	2021 £ 000	2020 £ 000
Accrued expenses	-	119
Amounts owed to group undertakings	77,349	75,783
	<u>77,349</u>	<u>75,902</u>

Amounts owed to group undertakings accrue interest at 0 per cent or at such rates and on such terms as shall be agreed from time to time between the parties in writing. The loan accrued interest at 0.6 per cent during the year (2020: 0.6 per cent during the period).

10 Borrowings

	2021 £ 000	2020 £ 000
Secured loan	<u>61,966</u>	<u>61,704</u>

The Company holds a £62.5 million three-year secured loan which is secured against shares in Shaftesbury PLC. The secured loan is interest bearing at SONIA plus a credit adjustment spread.

11 Called up share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary Shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12 Parent and ultimate parent undertaking

The ultimate parent company of the largest group and smallest group of which the Company is a member and for which consolidated financial statements are available is Capital & Counties Properties PLC, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, Regal House, 14 James Street, London, WC2E 8BU.

The immediate parent company is Capco Investment London 2 Limited, a company incorporated in England and Wales, copies of whose financial statements may be obtained as above.