

CAPCO GROUP TREASURY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Company number 6451189

THURSDAY



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CAPCO GROUP TREASURY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors submit their report and audited financial statements of the Company for the year ended 31 December 2011.

PRINCIPAL ACTIVITY

The Company's principal activity is that of carrying out treasury activities for fellow group undertakings of Capital & Counties Properties PLC.

BUSINESS REVIEW

The Company's results and financial position for the year ended 31 December 2011 are set out in full in the profit and loss account, the balance sheet, and the notes relating thereto.

The Company's performance was broadly in line with expectations. Foreign exchange losses were recorded in the year from re-translation of the Company's US Dollar denominated loans with the USD weakening against the British Pound.

Loss on ordinary activities before taxation was £3,592,000 (2010: Profit £234,946,000). Shareholders' funds at 31 December 2011 were £231,354,000 (2010: £234,946,000).

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

DIVIDENDS

The directors do not recommend the payment of a dividend for 2011 (2010: £nil)

DIRECTORS IN THE YEAR

S Das

I D Hawksworth

G J Yardley

B S Tattar

CAPCO GROUP TREASURY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and to 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.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

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 year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

CAPCO GROUP TREASURY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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. Elective Resolutions are in force to dispense with the appointment of auditors annually.

By order of the Board

A handwritten signature in black ink, appearing to read 'S Das', with a stylized flourish at the end.

**S Das
Director
25 June 2012**

CAPCO GROUP TREASURY LIMITED

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of Capco Group Treasury Limited (registered company no. 6451189) for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 in the Directors' Report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CAPCO GROUP TREASURY LIMITED

INDEPENDENT AUDITORS' REPORT

Matters on which we are required to report by exception

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

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



Mark Pugh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 June 2012

CAPCO GROUP TREASURY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

| | Notes | 2011 £'000 | 2010 £'000 |
|---|-------|----------------|----------------|
| Continuing operations | | | |
| Interest receivable and similar income | | 6,636 | 6,580 |
| Interest payable and similar charges | | <u>(6,875)</u> | <u>(5,283)</u> |
| Net finance (expense)/income | 2 | (239) | 1,297 |
| Administrative expenses | | (324) | (730) |
| Foreign exchange (losses)/gains | | (3,029) | 1,547 |
| Exceptional items | 3 | - | <u>232,832</u> |
| (Loss)/profit on ordinary activities before taxation | 4 | <u>(3,592)</u> | <u>234,946</u> |
| Taxation | 5 | - | - |
| (Loss)/profit for the financial year | | <u>(3,592)</u> | <u>234,946</u> |

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore a statement of total recognised gains and losses has not been included.

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

The notes on pages 8 to 12 form part of these financial statements.

CAPCO GROUP TREASURY LIMITED

BALANCE SHEET AT 31 DECEMBER 2011

| | Notes | 2011 £'000 | Restated 2010 £'000 |
|---|-------|------------------|---------------------------|
| Current assets | | | |
| Debtors | 6 | 1,009,933 | 675,426 |
| Cash at bank and in hand | 7 | <u>63,115</u> | <u>144,909</u> |
| | | 1,073,048 | 820,335 |
| Creditors: amounts falling due within one year | 8 | <u>(841,694)</u> | <u>(585,389)</u> |
| Net assets | | <u>231,354</u> | <u>234,946</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | - | - |
| Profit and loss reserve | 10 | <u>231,354</u> | <u>234,946</u> |
| Total shareholder's funds | | <u>231,354</u> | <u>234,946</u> |

The notes on pages 8 to 12 form part of these financial statements

The financial statements on pages 6 to 12 have been approved by the Board of Directors on 25 June 2012 and signed on its behalf by



S Das
Director



B S Tattar
Director

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards

The principal accounting policies are set out below:

Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded at the exchange rate prevailing at the transaction dates. Foreign exchange gains and losses resulting from settlement of these transactions and retranslation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Interest receivable

Interest receivable is shown gross before deduction of income tax and is included on an accruals basis.

Interest payable

Interest payable is recognised on an accruals basis.

Taxation

The charge for current taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed, 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.

Cash flow statement

The Company is not required to produce a statement of cash flows under Financial Reporting Standard 1 (Revised 1996) as at 31 December 2011 it is a wholly owned subsidiary of Capital & Counties Properties PLC and the cash flows of the company are included in the consolidated financial statements of the ultimate parent company, which are publicly available.

Related party transactions

The Company is ultimately wholly owned by Capital & Counties Properties PLC, whose consolidated financial statements are publicly available, and therefore the Company is exempt under the terms of Financial Reporting Standard 8 from disclosing details of transactions with related parties who are members or investees of the Capital & Counties Properties PLC group.

Financial instruments

The Company is not required to meet the disclosure requirements for the financial instruments as set out under Financial Reporting Standard 29 as it is a wholly owned subsidiary of Capital & Counties Properties PLC whose consolidated financial statements are publicly available.

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting policies (continued)

Exceptional items

Exceptional items are in the directors' view, those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance.

Restatement

The prior year comparatives have been restated to correct amounts owed to and due from group undertakings. There is no impact on the profit and loss account. The impact on the balance sheet is as follows:

| | 2010 £000 |
|---|--------------|
| Decrease in amounts due from group undertakings | (25,275) |
| Decrease in amounts due to group undertakings | 25,275 |

2. Net finance (expense)/income

| | 2011 £'000 | 2010 £'000 |
|--|----------------|----------------|
| Interest receivable from group undertakings | 5,890 | 6,199 |
| Other interest receivable and similar income | 746 | 381 |
| Interest receivable | <u>6,636</u> | <u>6,580</u> |
| Interest payable to group undertakings | <u>(6,875)</u> | <u>(5,283)</u> |
| Interest payable | <u>(6,875)</u> | <u>(5,283)</u> |
| Net finance (expense)/income | <u>(239)</u> | <u>1,297</u> |

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

3. Exceptional items

Related party debt waiver

On 12 March 2010, the Company entered into a Funding Framework Agreement with the Capital Shopping Centres Group PLC ("CSC") (formally Liberty International PLC) whereby the Company borrowed £407,767,000 to meet its working capital requirements.

On 28 April 2010, CSC waived £364,600,000 of the existing loan in advance of the Company's demerger from CSC which completed in May 2010

With effect from 1 October 2010 the Company agreed to grant debt waivers to the following group undertakings of Capital & Counties Properties PLC.

| | 2010 £'000 |
|------------------------------------|-----------------|
| C&C Properties No.9 Limited | (56,164) |
| Qudos Broadband Limited | (3,515) |
| C&C Greenwich Limited | (2,686) |
| C&C Properties (Jersey) Limited | (1,019) |
| Capvestco Limited | (6,072) |
| Capco ECO Limited | <u>(62,312)</u> |
| Related party debt waivers granted | (131,768) |
| Debt waiver received | <u>364,600</u> |
| Exceptional items | <u>232,832</u> |

4. (Loss)/profit on ordinary activities before taxation

The loss on ordinary activities before taxation of £3,592,000 (2010 profit £234,946,000) is arrived at after charging:

| | 2011 £'000 | 2010 £'000 |
|---|---------------|---------------|
| Auditors' remuneration – audit services | nil | nil |
| Directors' remuneration | nil | nil |

Auditors' remuneration of £2,000 (2010: £2,000) was settled on behalf of the Company by its parent, Capital & Counties Properties PLC, and has not been recharged

There were no employees during the year (2010 nil).

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

5. Taxation

The differences between the taxation charged for the year and the current standard rate of United Kingdom corporation tax 26.5% (2010: 28%) are shown below:

| | 2011 £'000 | 2010 £'000 |
|--|----------------|-----------------|
| (Loss)/profit on ordinary activities before taxation | <u>(3,592)</u> | <u>234,946</u> |
| United Kingdom corporation tax at 26.5% (2010: 28%) | (952) | 65,785 |
| Effects of: | | |
| Expenses disallowed, net of capitalised interest | - | (427) |
| Transfer pricing adjustment | (54) | (1,371) |
| Group relief | 1,006 | 1,206 |
| Non-taxable loan waiver | - | <u>(65,193)</u> |
| Taxation on (loss)/profit on ordinary activities | <u>-</u> | <u>-</u> |

6. Debtors

| | 2011 £'000 | Restated 2010 £'000 |
|-------------------------------------|------------------|---------------------------|
| Accruals finance | 2,762 | - |
| Amounts due from group undertakings | <u>1,007,171</u> | <u>675,426</u> |
| | <u>1,009,933</u> | <u>675,426</u> |

Amounts due from group undertakings are unsecured, interest bearing and repayable on demand.

7. Cash at bank and in hand

| | 2011 £'000 | 2010 £'000 |
|----------------------------|---------------|----------------|
| Cash at bank | 81 | 109 |
| Cash on short term deposit | <u>63,034</u> | <u>144,800</u> |
| | <u>63,115</u> | <u>144,909</u> |

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

8. Creditors: amounts falling due within one year

| | 2011 £'000 | Restated 2010 £'000 |
|-----------------------------------|----------------|---------------------------|
| Amounts due to group undertakings | <u>841,694</u> | <u>585,389</u> |

Amounts due to group undertakings are unsecured, interest bearing and repayable on demand.

9. Called up share capital

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Issued, called up and fully paid 1 ordinary shares of £1 each | <u>1</u> | <u>1</u> |
| | <u>1</u> | <u>1</u> |

The concept of authorised share capital was abolished by the Companies Act 2006 with effect from 1 October 2009. Under saving provisions, the current maximum number of shares which may be issued by the Company is 1,000 ordinary shares of £1 each.

10. Reserves

| | Profit and loss reserves £'000 | Total £'000 |
|---------------------|---|----------------|
| At 1 January 2011 | 234,946 | 234,946 |
| Loss for the year | <u>(3,592)</u> | <u>(3,592)</u> |
| At 31 December 2011 | <u>231,354</u> | <u>231,354</u> |

11. Ultimate parent company

The ultimate and immediate parent company is Capital & Counties Properties PLC, a company incorporated and registered in England and Wales, copies of whose consolidated financial statements may be obtained from the Company Secretary, 15 Grosvenor Street, London, W1K 4QZ.