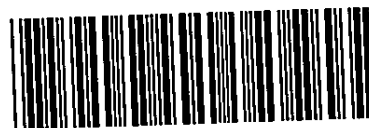


**CAPCO GROUP TREASURY LIMITED**  
**(Formerly Liberty Capital Investments Limited)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Company number 6451189

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# **CAPCO GROUP TREASURY LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors submit their report and audited financial statements of the Company for the year ended 31 December 2010.

## **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 2010 are set out in full in the profit and loss account, the balance sheet, and the notes relating thereto.

Following the demerger of Liberty International PLC in May 2010, the Company's ultimate parent entity became Capital & Counties Properties PLC. Immediately prior to demerger the Company received a debt waiver of £364,600,000 from what was at the time a fellow group undertaking of Liberty International PLC. The Company then provided onwards waivers to a number of fellow group undertakings as detailed in note 3 post demerger.

Other than the exceptional items noted above, the Company's performance was broadly in line with expectations. Cash reserves and interest bearing advances generated a somewhat modest net finance income in the context of the historically low base rates during the last 12 months.

Foreign exchange gains were recorded in the year from re-translation of the Company's US Dollar denominated loans with the USD strengthening against the British Pound.

Profit on ordinary activities before taxation was £234,946,000 (2009: £nil). Shareholders' funds at 31 December 2010 were £234,946,000 (2009: £1).

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 2010 (2009: £nil).

## **DIRECTORS IN THE YEAR**

D A Fischel	resigned 19 April 2010
S Folger	resigned 19 April 2010
S Das	appointed 19 April 2010
I D Hawksworth	appointed 19 April 2010
G J Yardley	appointed 19 April 2010
B S Tattar	appointed 19 April 2010

# **CAPCO GROUP TREASURY LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

### **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. No indemnity is provided for the Company's auditors.

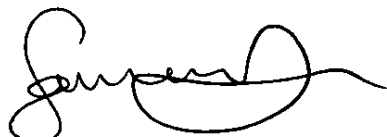
# **CAPCO GROUP TREASURY LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

### **AUDITORS**

As the Company is no longer dormant, PricewaterhouseCoopers LLP were appointed as auditors of the Company during the year. 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. The auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

**By order of the Board**

A handwritten signature in black ink, appearing to read 'S Das', with a long horizontal flourish extending to the right.

**S Das  
Director  
31 May 2011**

# **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 2010 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.

### **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 2010 and of its profit 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**  
**31 May 2011**

# CAPCO GROUP TREASURY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £'000	2009 £'000
<b>Continuing operations</b>			
Interest receivable and similar income		6,580	-
Interest payable and similar charges		(5,283)	-
<b>Net finance income</b>	2	1,297	-
Administrative expenses		(730)	-
Foreign exchange gains		1,547	-
Exceptional items	3	232,832	-
<b>Profit on ordinary activities before taxation</b>	4	234,946	-
Taxation	5	-	-
<b>Profit for the financial year</b>		234,946	-

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 profit on ordinary activities before taxation and the profit for the year and their historical cost equivalents.

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

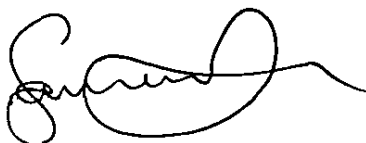
# CAPCO GROUP TREASURY LIMITED

## BALANCE SHEET AT 31 DECEMBER 2010

	Notes	2010 £'000	2009 £'000
<b>Current assets</b>			
Debtors	6	700,701	-
Cash at bank and in hand	7	<u>144,909</u>	<u>-</u>
		845,610	
<b>Creditors: amounts falling due within one year</b>	8	<u>(610,664)</u>	<u>-</u>
<b>Net current assets</b>		<u>234,946</u>	<u>-</u>
<b>Net assets</b>		<u>234,946</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss reserve	10	<u>234,946</u>	<u>-</u>
<b>Total shareholder's funds</b>		<u>234,946</u>	<u>-</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 31 May 2011 and signed on its behalf by



**S Das**  
Director



**B Tattar**  
Director



# CAPCO GROUP TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 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 2010 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 disclose requirement 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 2010

### Exceptional items

Exception 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.

### 2. Net finance income

	2010 £'000	2009 £'000
Interest receivable from group undertakings	6,199	-
Other interest receivable and similar income	381	-
<b>Interest receivable</b>	<b>6,580</b>	<b>-</b>
Interest payable to group undertakings	(5,283)	-
<b>Interest payable</b>	<b>(5,283)</b>	<b>-</b>
<b>Net finance income</b>	<b>1,297</b>	<b>-</b>

# CAPCO GROUP TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 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.

	£'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	(62,312)
	<hr/>
Related party debt waivers granted	(131,768)
Debt waiver received	<hr/>
	364,600
Exceptional items	<hr/>
	232,832

### 4. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation of £234,946,000 (2009: £nil) is arrived at after charging:

	2010 £'000	2009 £'000
Auditors' remuneration – audit services	nil	nil
Directors' remuneration	nil	nil

Auditors' remuneration of £2,000 (2009: £nil) 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 (2009 nil).

# CAPCO GROUP TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 5. Taxation

The differences between the taxation charged for the year and the current standard rate of United Kingdom corporation tax 28% (2009: 28%) are shown below:

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	<u>234,946</u>	<u>-</u>
United Kingdom corporation tax at 28% (2009: 28%)	65,785	-
Effects of:		
Expenses disallowed, net of capitalised interest	(427)	
Transfer pricing adjustment	(1,371)	
Group relief	1,206	
Non-taxable loan waiver	<u>(65,193)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

### 6. Debtors

	2010 £'000	2009 £'000
Current:		
Amounts due from group undertakings	<u>700,701</u>	<u>-</u>

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

### 7. Cash at bank and in hand

	2010 £'000	2009 £'000
Cash at bank	109	-
Cash on short term deposit	<u>144,800</u>	<u>-</u>
	<u>144,909</u>	<u>-</u>

# CAPCO GROUP TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 8. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Amounts due to group undertakings	610,664	-

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

### 9. Called up share capital

	2010 £	2009 £
Issued, called up and fully paid 1 ordinary shares of £1 each	1	1
	1	1

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 2010	-	-
Profit for the year	234,946	234,946
At 31 December 2010	234,946	234,946

### 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.