Registration number: 6451189

Capco Group Treasury Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Capco Group Treasury Limited

Strategic Report for the Year Ended 31 December 2022

The Directors present their Strategic Report for Capco Group Treasury Limited ("the Company") for the year ended 31 December 2022.

Fair review of the business
The Company's results for and financial position at the year ended 31 December 2022 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 loss before taxation for the year ended 31 December 2022 was £59,436k (2021: £2,053k). Total shareholders' funds at 31 December 2022 were £79,895k (2021: £139,330k).

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.

Future Prospects
It is the opinion of the Directors that for the foreseeable future the Company will continue carrying out treasury activities for fellow group undertakings.

Principal risks and uncertainties
Refer to the Directors' Report for details surrounding the principal risks and uncertainties faced by the entity.

Section 172 (1) Companies Act 2006 Statement
When taking decisions, the Directors give careful consideration to the likely impact of any recommended proposal, to ensure that the decision aligns with the Shaftesbury Capital PLC (formerly Capital & Counties Properties PLC) Group's and the Company's strategy and is likely to promote the success of the Company, whilst giving consideration to the potential impact of any decision on the Company's stakeholders. The Directors confirm that, for the year ended 31 December 2022, they acted to promote the long-term success of the Company and the Shaftesbury Capital PLC (formerly Capital & Counties Properties PLC) Group as a whole, for the benefit of the Group's and Company's stakeholders, whilst having due regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006.

The precise matters considered by the Directors of the Company will depend on the nature of the proposal, but will often include factors such as the likely long-term consequences of a decision, the fostering of relationships with suppliers, operational impacts on the community and environment, maintaining the Company's and Group's reputation for high standards of business conduct and treating stakeholders fairly. To allow the Directors of the Company to consider these matters effectively, when applicable, they receive regular updates on stakeholder views from the Group's senior management, and a dedicated section within Group approval papers sets out the likely impact of the proposed recommendation on relevant stakeholders.

Whilst it is not always possible to meet the preferences of all stakeholders, the Directors aim to ensure all relevant factors are considered before a decision is taken.

Approved by the Board on 20/04/23 and signed on its behalf by:

DocuSigned by:
Situl Jobanputra
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S S Jobanputra
Director

Date 20/04 2023

Capco Group Treasury Limited

Directors' Report for the year ended 31 December 2022

The Directors present their report and the audited financial statements of Capco Group Treasury Limited (the "Company") for the year ended 31 December 2022.

Incorporation
The Company was incorporated and registered in England and Wales and domiciled in the United Kingdom, with Company number 6451189, on 12 December 2007 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 that of carrying out treasury activities for fellow group undertakings of Shaftesbury Capital PLC (formerly Capital & Counties Properties PLC). All activities are based in the United Kingdom.

Financial review and future prospects
Details of the Company's results for and financial position at 31 December 2022 are set out in the Financial Review section of the Strategic Report, along with future prospects for the Company.

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.

Macro-economic factors, such as availability and cost of credit for occupiers and their businesses, the potential for the level of consumer spending to be impacted by the increase in the cost of living, business and consumer confidence, inflation rates, rising energy costs, supply chain disruption, labour shortages and other operational costs has a direct impact on businesses and consumers and give rise to an economic backdrop that is exceptionally challenging

The Group's operations may also be adversely affected if it fails to comply with climate and environmental regulation or its own environmental, social or governance aims and standards. Operations may also be adversely affected by climate and environment related risks, which if realised could lead to significant costs to mitigate environmental impacts.

The Directors believe that the principal risks and uncertainties that face the Company are not materially different to those disclosed in the Annual Report of Capital & Counties Properties PLC (which changed its name to Shaftesbury Capital PLC with effect from 6 March 2023) for the year ended 31 December 2022 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 (2021: £nil).

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

I D Hawksworth

S S Jobanputra

M V A McGrath

The following Director was appointed after the year end:

C P A Ward (appointed 6 March 2023)

Statement of Directors' Responsibilities

The Directors are responsible 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.

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's immediate and ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout the financial year 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 year.

Approved by the Board on 20/04/23...... and signed on its behalf by:

DocuSigned by:

Situl Jobanputra

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S S Jobanputra
Director

Date 20/04 2023

Independent auditors' report to the members of Capco Group Treasury Limited

Report on the audit of the financial statements

Opinion

In our opinion, Capco Group Treasury Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 and Financial Statements (the "Annual Report"), which comprise: Balance Sheet as at 31 December 2022; Statement of Comprehensive Income and 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 2022 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 Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 orsuspected 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.
- 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: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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Andrew Paynter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 April 2023

Capco Group Treasury Limited

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Interest receivable and similar income	3	16,656	23,558
Interest payable and similar expenses	4	(55,365)	(14,746)
		(38,709)	8,812
Administrative expenses		(755)	(753)
Change in value of other receivables	5	(19,972)	(10,112)
Loss before taxation	6	(59,436)	(2,053)
Tax on loss	9	-	-
Loss and total comprehensive expense for the financial year		(59,436)	(2,053)

The notes on page 11 to 20 form an integral part of these financial statements.

Capco Group Treasury Limited

Balance Sheet
as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Non current assets			
Trade and other receivables	10	86,480	82,954
Current assets			
Trade and other receivables	10	2,577,720	2,630,771
Cash and cash equivalents	11	87	17,194
		2,577,807	2,647,965
Creditors: amounts falling due within one year	12	(2,584,393)	(2,591,589)
Net current (liabilities)/assets		(6,586)	56,376
Net assets		79,894	139,330
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		79,894	139,330
Total shareholders' funds		79,894	139,330

The notes on page 11 to 20 form an integral part of these financial statements. The financial statements on pages 8 to 20 have been approved by the Board on 20/04/23 and signed on its behalf by:

DocuSigned by:
Situl Jobanputra
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S S Jobanputra

Director

Date 20/04 2023

Capco Group Treasury Limited

Statement of Changes in Equity
for the year ended 31 December 2022

	Called up share capital £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 January 2021	-	141,383	141,383
Loss and total comprehensive expense for the year	-	(2,053)	(2,053)
At 31 December 2021	-	139,330	139,330
At 1 January 2022	-	139,330	139,330
Loss and total comprehensive expense for the year	-	(59,436)	(59,436)
At 31 December 2022	-	79,894	79,894

Capco Group Treasury Limited

Notes to the Financial Statements for the year ended 31 December 2022

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 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 Shaftesbury Capital PLC (formerly 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 2022 Annual Report of Capital & Counties Properties PLC (which changed its name to Shaftesbury Capital PLC with effect from 6 March 2023) can be obtained are disclosed in note 14.

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.

1 Accounting policies (continued)

Going concern

The balance sheet shows that the Company has net current liabilities. As a result, the immediate and ultimate parent company has agreed to support the Company for a period of at least 12 months from the date of signing these financial statements. The existence of this support results in the going concern of the Company being dependent on the going concern of the immediate and ultimate parent company of the group.

Having assessed the going concern position of the group, details of which are also included in the Annual Report & Accounts of Capital & Counties Properties PLC (which changed its name to Shaftesbury Capital PLC with effect from 6 March 2023) for the year ended 31 December 2022, the Directors consider that the group is well placed to manage its business risks successfully despite the current economic climate.

As a consequence of this, the Directors consider that the going concern basis of preparation is appropriate.

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 2022. 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 3 'Business Combinations' (amendment) (Reference to the Conceptual Framework)
• IAS 16 'Property, Plant and Equipment' (amendment) (Proceeds before intended use)
• IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (amendment) (Onerous Contracts - Cost of Fulfilling a Contract)
• 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)
• IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 (amendment) (Disclosure of Accounting Policies)
• IAS 8 'Accounting Policies, Changes in Accounting Estimates, and Errors' (amendment) (Definition of Accounting Estimates)
• IAS 12 'Income Taxes' (amendment) (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

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

There were no new accounting policies adopted during the year.

1 Accounting policies (continued)

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 years presented, unless otherwise stated.

Interest and similar charges
Interest income and expense is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

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

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

In accordance with IAS 12 'Income Taxes' ("IAS 12"), deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of those assets and liabilities. However temporary differences are not recognised to the extent that they arise from the initial recognition of assets and liabilities that at the time of the transaction affect neither accounting nor taxable profit and loss.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that the Directors believe it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable group or different taxable entities where there is an intention to settle balances on a net basis.

Interest bearing loans
Interest bearing loans are recognised initially at their net proceeds on issue, as an approximation of their fair value, and subsequently carried at amortised cost. They are assessed for impairment annually in accordance with IFRS 9 'Financial Instruments' by comparing the carrying value to the present value of estimated future cash flows.

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.

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.

Impairment of financial assets

The Company applies the IFRS 9 'Financial Instruments' simplified approach to measuring expected credit losses which uses 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 historical evidence of collection. 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 macroeconomic factors which may affect the counterparty's ability to settle the receivables. 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Foreign currencies

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

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 are based on management's best knowledge of the amount, event or actions, 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 period in which the estimate is revised if the revision affects only that period.

Areas of estimation, uncertainty and judgement are included within the accounting policies below, the more significant being amounts owed from group undertakings and the loan to the Lillie Square Joint Venture. Judgement is required in the assessment of scenarios for recoverability of amounts owed from group undertakings and the assignment of probabilities to those specific scenarios.

Capco Group Treasury Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

3 Interest receivable and similar income

	2022 £ 000	2021 £ 000
Interest receivable on interest-bearing loans	3,526	1,443
Interest receivable from group undertakings	12,163	15,446
Interest receivable on deep discount bonds	-	6,611
Other interest receivable and similar income	967	58
Interest receivable and similar income	16,656	23,558

4 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Other interest payable and similar charges	9	7
Interest payable to group undertakings	55,355	14,739
Interest payable and similar expenses	55,364	14,746

5 Change in value of other receivables

	2022 £ 000	2021 £ 000
Impairment/(write-back) of receivables	25	(45,973)
Waiver of amounts owed from Group undertakings	19,947	56,085
Change in value of other receivables	19,972	10,112

Waiver of amounts owed from Group undertakings
Deep discount bonds ("DDBs"), with a nominal value of £276.1 million, were issued by Lillie Square GP Limited, acting as general partner to Lillie Square LP (the "Lillie Square Joint Venture") to the Company and an entity within the Kwok Family Interests ("KFI") in August 2012, and were due to mature in August 2021. Ahead of the DDBs maturing in August 2021, the Company and the entity within KFI waived a portion of the DDBs and reduced the nominal redemption value to £163.0 million (Company share: £81.5 million), which resulted in the crystallisation of a debt waiver loss of £56.1 million recognised in the prior year.

In the current year, Capco Group Treasury Limited performed an impairment review of amounts receivable from group undertakings by comparing the carrying value of the loans receivable from Group undertakings to the net asset value of the relevant counterparties. This resulted in the Company waiving loans receivable to the value of £19.9 million from Group undertakings which will be dissolved in the foreseeable future.

5 Change in value of other receivables (continued)

Following the reduction in nominal value of the DDBs, the Company and an entity within KFI each provided an interest bearing loan of £81.5 million, bearing interest at 4.25 per cent, to the Lillie Square Joint Venture which were used to repay the DDBs at their revised nominal value. The effective interest rate was previously 12 per cent and this interest rate, together with the higher level of debt, had resulted in significant impairments, when assessing the future discounted cashflows of the Lillie Square Joint Venture, being recorded by the Company in prior periods. The reassessment using the loan now in place has resulted in a write back of £50.3 million in the prior year. In the prior year, an impairment review of amounts receivable by the Company from the Lillie Square Joint Venture, resulted in an impairment of £4.4 million.

In the current year, an impairment review of amounts receivable by the Company from Capco Investment London 2 Limited resulted in an impairment of £25k.

Impairment/(write-back) of receivables

In addition to the interest bearing loan a working capital facility of £28.1 million (2021: £45.5 million) has been advanced to the Lillie Square Joint Venture by the Company. Cumulative impairments of £28.1 million (2021: £22.7 million) have been booked against the facility. During the year a repayment of £17.5 million was received in respect of the loan. The net receivable of nil (2021: £22.8 million), is included within "Trade and other receivables" Note 10 at the balance sheet date.

The Lillie Square Joint Venture is in a net liability position and incurred losses during the current year. As the Company's investment in the Lillie Square Joint Venture has been previously fully impaired and the Company's carrying value of the investment in Lillie Square Joint Venture remains nil, these losses have been taken into account within the impairment analysis of other receivables due from the joint venture.

As required by IFRS 9, an impairment assessment was performed comparing the carrying amount of the interest bearing loans and working capital facility, to the present value of the estimated future cash flows from the joint venture.

The key assumptions made in the impairment assessment were the cash flows to be generated over the project life and the timing thereof. In terms of IFRS 9 requirements the Company applied a discount rate of 4.25 per cent (being the effective interest rate on the interest bearing loan to the Lillie Square Joint Venture) to the cash flows which are in line with the strategic plan of the joint venture. As a result, the Company concluded that the recoverable amounts were greater than the carrying amounts of the interest bearing loan and working capital facility and no additional impairment were booked against the interest bearing loan.

6 Loss before taxation

The loss before taxation of £59,436k (2021: £2,053k) is arrived at after charging:

	2022 £ 000	2021 £ 000
Auditors' remuneration - audit services	5	3

Auditors' remuneration of £5k (2021: £3k) for the year has been met by the Company's direct and ultimate parent, Shaftesbury Capital PLC (formerly Capital & Counties Properties PLC) and has been recharged.

7 Directors' remuneration

No Director received any remuneration for services to the Company in either year. Certain Directors were also directors of Capital & Counties Properties PLC (called Shaftesbury Capital PLC with effect from 6 March 2023), the Company's ultimate parent company. The remuneration of those directors appointed prior to 31 December 2022 is disclosed in the financial statements of Capital & Counties Properties PLC (called Shaftesbury Capital PLC with effect from 6 March 2023) for the same period.

8 Staff costs

There were no employees during the year (2021: none).

9 Tax on loss

The differences between the tax assessed for the year and the amount that would arise by applying the current average standard rate of corporation tax in the United Kingdom of 19.00 per cent (2021: 19.00 per cent) are shown below:

	2022 £ 000	2021 £ 000
Loss before taxation	(59,436)	(2,053)
Standard United Kingdom corporation tax at 19% (2021: 19%)	(11,293)	(390)
Transfer pricing adjustment	(2,308)	(2,888)
Non-deductible loan waiver	3,795	10,656
Non-taxable items	-	(462)
Impairment of investment disallowed	-	(8,735)
Losses carried forward not recognised	-	1,358
Group relief surrendered	9,806	461
Total tax charge	-	-

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 no further amendments to the corporation tax rate have been enacted to date.

Deferred tax

The change in corporation tax rate, referred to above, has been enacted for the purposes of IAS 12 'Income Taxes' ("IAS 12") and therefore has been reflected in these financial statements based on the expected timing of the realisation of deferred tax.

In accordance with IAS 12, the below deferred tax asset has not been recognised in the financial statements due to uncertainty regarding the level of profits that will be available in future years against which deferred tax can be recovered.

9 Tax on loss (continued)

Deferred tax asset - unrecognised	**2022 £000**	**2021 £000**
At 1 January	4,426	1,773
Prior year adjustments	41	233
Increase due to rate change	-	1,062
Losses carried forward not recognised	-	1,358
At 31 December	4,467	4,426

10 Trade and other receivables

	2022 £ 000	**2021 £ 000**
Debtors due in more than one year		
Loan to Lillie Square Joint Venture	86,480	82,954
Total trade and other debtors	86,480	82,954
Debtors due within one year		
Amounts owed from group undertakings	2,577,720	2,630,770
Corporation tax asset	-	1
Total trade and other debtors	2,664,200	2,713,725

In August 2021, Deep Discount Bonds ("DDBs"), with a nominal value of £276.1 million, which were issued by the joint venture to the Company and KFI in August 2012, were due to mature. Ahead of the DDBs maturing, the Company and KFI waived a portion of the DDBs and reduced the nominal redemption value to £163.0 million (Company share £81.5 million). This resulted in a write back of £50.3 million of the previously impaired balance and the crystallisation of a debt waiver loss of £56.1 million recognised in the prior year. Following the reduction in nominal value of the DDBs, the Company and KFI each provided an interest bearing loan of £81.5 million, bearing interest at 4.25 per cent, to the joint venture which were used to repay the DDBs at their revised nominal value.

In addition to the interest bearing loan a working capital facility of £28.1 million (2021: £45.5 million) has been advanced to the Lillie Square Joint Venture by the Company. Cumulative impairments of £28.1 million (2021: £22.7 million) have been booked against the facility. During the year a repayment of £17.5 million was received in respect of the loan. The net receivable of nil (2021: £22.8 million), is included within "Trade and other receivables" Note 10 at the balance sheet date. The Lillie Square Joint Venture is in a net liability position and incurred losses during the current year. As the Company's investment in the Lillie Square Joint Venture has been previously fully impaired and the Company's carrying value of the investment in Lillie Square remains nil, these losses have been taken into account within the impairment analysis of other receivables due from the joint venture.

Lillie Square GP Limited is a related group undertaking of the Company, being an equity accounted joint venture, within the Shaftesbury Capital PLC (formerly Capital & Counties Properties PLC) Group.

Amounts owed from group undertakings are unsecured, interest bearing and repayable on demand. No impairment was recorded in the current or prior year.

11 Cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash at bank	87	94
Short-term deposits	-	17,100
	87	17,194

12 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Trade creditors	25	-
Amounts owed to group undertakings	2,584,368	2,591,589
	2,584,393	2,591,589

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

13 Called up share capital

Allotted, called up and fully paid shares

	2022 No.	2022 £	2021 No.	2021 £
Ordinary shares of £1 each	1	1	1	1

14 Parent and ultimate parent undertaking

The immediate and ultimate parent Company and controlling party of the largest group and smallest group of which the Company is a member and for which consolidated financial statements are available is Shaftesbury Capital PLC (formerly 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, Regal House, 14 James Street, London, WC2E 8BU.

15 Events after the reporting period

On 16 June 2022, Capital & Counties Properties PLC and Shaftesbury PLC ('Shaftesbury') announced that they had reached an agreement on the terms of a recommended all-share merger which would form Shaftesbury Capital PLC.

The all-share merger completed on 6 March 2023 by way of a scheme of arrangement of Shaftesbury PLC, which resulted in the Capital & Counties Properties PLC group now owning 100 per cent of the issued and to be issued share capital of Shaftesbury PLC.

Immediately following completion of the all-share merger, effective 6 March 2023, Capital & Counties Properties PLC (which is the ultimate parent of this entity) changed its name to Shaftesbury Capital PLC.