

# **LIBERTY INTERNATIONAL HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

Company number 1503621



# **LIBERTY INTERNATIONAL HOLDINGS LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their Strategic Report and audited financial statements of Liberty International Holdings Limited ("the company") for the year ended 31 December 2014.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is an investment holding company.

### **BUSINESS REVIEW**

The company's results and financial position for the year ended 31 December 2014 are set out in full in the income statement, statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

Both the level of business during the year and the year end financial position were satisfactory. Profit before tax was £62.3 million (2013 £27.6 million). Net assets at 31 December 2014 were £1,015.7 million (2013 £928.9 million).

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. The directors expect that the present level of activity will continue for the foreseeable future.

As the company's ultimate parent company is Intu Properties plc, there are no principal risks and uncertainties facing the company which are not faced by the group. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the group financial statements.

**By order of the Board**



**Martin Ellis**  
**Director**  
**23 September 2015**



**David Fischel**  
**Director**  
**23 September 2015**

# **LIBERTY INTERNATIONAL HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and audited financial statements of the company for the year ended 31 December 2014.

The company is incorporated and registered in England and Wales (company number 1503621). The company's registered office is 40 Broadway, London, SW1H 0BT.

### **DIVIDENDS**

The directors do not recommend a dividend for the year (2013 £nil).

### **CAPITAL MANAGEMENT**

The directors consider the capital of the company to be the ordinary share capital of £178.1 million (2013 £178.1 million) and share premium of £745.4 million (2013 £745.4 million). Management of this capital is performed at group level.

### **DIRECTORS IN THE YEAR**

The directors who held office in the year and until the date of this report are listed below:

Martin Ellis	
David Fischel	
Hugh Ford	appointed 20 March 2014
Trevor Pereira	
Matthews Roberts	

### **DIRECTORS' INDEMNITY PROVISION**

A qualifying third party indemnity provision (as defined in S234 of the Companies Act 2006) is in force for the benefit of the directors of the company during the financial year and at the date of the approval of the financial statements. The company's ultimate parent, Intu Properties plc, maintains directors' and officers' insurance which is reviewed annually.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

# **LIBERTY INTERNATIONAL HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **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. 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**



**Martin Ellis**  
**Director**  
**23 September 2015**

# **LIBERTY INTERNATIONAL HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBERTY INTERNATIONAL HOLDINGS LIMITED**

### **Report on the financial statements**

#### **Our opinion**

In our opinion Liberty International Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements comprise:

- the balance sheet as at 31 December 2014;
- the income statement for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on matter prescribed by the Companies Act 2006**

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

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

# **LIBERTY INTERNATIONAL HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBERTY INTERNATIONAL HOLDINGS LIMITED**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & 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.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



**Ranjan Sriskandan (Senior Statutory Auditor)**  
**For and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**London**  
**23 September 2015**

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £m	2013 £m
Dividends received		6.1	6.3
Reversal of impairment of investments in subsidiaries	5	<u>50.8</u>	<u>18.5</u>
<b>Operating profit</b>	3	<u>56.9</u>	<u>24.8</u>
Finance income	2	<u>5.4</u>	<u>2.8</u>
Net finance income		<u>5.4</u>	<u>2.8</u>
<b>Profit before tax</b>		62.3	27.6
Current tax	4	(0.5)	(0.6)
Deferred tax	4	<u>0.8</u>	<u>1.9</u>
<b>Profit for the year</b>		<u>62.6</u>	<u>28.9</u>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £m	2013 £m
<b>Profit for the year</b>		<u>62.6</u>	<u>28.9</u>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Revaluation of other investments	6	20.9	9.0
Exchange differences		9.9	(1.9)
Tax on items taken directly to other comprehensive income	9	<u>(6.6)</u>	<u>(1.6)</u>
Total items that may be reclassified subsequently to profit or loss		<u>24.2</u>	<u>5.5</u>
Other comprehensive income for the year		<u>24.2</u>	<u>5.5</u>
<b>Total comprehensive income for the year</b>		<u>86.8</u>	<u>34.4</u>

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## BALANCE SHEET AT 31 DECEMBER 2014

	Note	2014 £m	2013 £m
<b>Non-current assets</b>			
Investment in subsidiary undertakings	5	364.1	313.3
Other investments	6	184.7	153.9
		<u>548.8</u>	<u>467.2</u>
<b>Current assets</b>			
Trade and other receivables	7	676.1	665.2
Cash and cash equivalents		0.1	0.1
		<u>676.2</u>	<u>665.3</u>
<b>Total assets</b>		<u>1,225.0</u>	<u>1,132.5</u>
<b>Current liabilities</b>			
Trade and other payables	8	(197.4)	(197.5)
<b>Non-current liabilities</b>			
Deferred tax provision	9	(11.9)	(6.1)
<b>Total liabilities</b>		<u>(209.3)</u>	<u>(203.6)</u>
<b>Net assets</b>		<u>1,015.7</u>	<u>928.9</u>
<b>Equity</b>			
Share capital	10	178.1	178.1
Share premium		745.4	745.4
Other reserves	14	63.7	39.5
Retained earnings		28.5	(34.1)
<b>Total equity</b>		<u>1,015.7</u>	<u>928.9</u>

The notes on pages 10 to 21 form part of these financial statements.

The financial statements on pages 6 to 21 have been approved by the Board of Directors on 18 September 2015 and signed on its behalf by:



**Martin Ellis**  
Director



**David Fischel**  
Director



# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2014	178.1	745.4	39.5	(34.1)	928.9
Profit for the year	-	-	-	62.6	62.6
<b>Other comprehensive income:</b>					
Revaluation of other investments	-	-	20.9	-	20.9
Exchange differences	-	-	9.9	-	9.9
Tax on items taken directly to other comprehensive income	-	-	(6.6)	-	(6.6)
<b>Total comprehensive income</b>	-	-	24.2	62.6	86.8
<b>At 31 December 2014</b>	<u>178.1</u>	<u>745.4</u>	<u>63.7</u>	<u>28.5</u>	<u>1,015.7</u>
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2013	178.1	745.4	34.0	(63.0)	894.5
Profit for the year	-	-	-	28.9	28.9
<b>Other comprehensive income:</b>					
Revaluation of other investments	-	-	9.0	-	9.0
Exchange differences	-	-	(1.9)	-	(1.9)
Tax on items taken directly to other comprehensive income	-	-	(1.6)	-	(1.6)
<b>Total comprehensive income</b>	-	-	5.5	28.9	34.4
<b>At 31 December 2013</b>	<u>178.1</u>	<u>745.4</u>	<u>39.5</u>	<u>(34.1)</u>	<u>928.9</u>

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £m	2013 £m
Profit before tax	62.3	27.6
Remove:		
Reversal of impairment of investments	(50.8)	(18.5)
Finance income	(5.4)	(2.8)
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(10.9)	96.1
Decrease in trade and other payables	(0.1)	(104.6)
<b>Cash used in operations</b>	<b>(4.9)</b>	<b>(2.2)</b>
Interest received	5.4	2.8
Tax paid	(0.5)	(0.6)
<b>Cash flows from operating activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net movement in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at 1 January	0.1	0.1
<b>Cash and cash equivalents at 31 December</b>	<b>0.1</b>	<b>0.1</b>

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. Principal accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS), IFRS IC (International Financial Reporting Standards Interpretations Committee) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments. A summary of the accounting policies is set out below.

In assessing whether the going concern basis of preparation is appropriate to adopt, the directors considered a number of factors including financial projections of the company and the level of financial support that may be made available to the company by its ultimate parent, Intu Properties plc. Based on this review the directors have concluded that there is a reasonable expectation that the company will have sufficient resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Where such judgements are made they are included within the accounting policies given below.

The company takes advantage of the exemption available under IAS 27 not to prepare consolidated financial statements. The financial statements of Liberty International Holdings Limited and its subsidiary undertakings are included in the consolidated financial statements of the ultimate parent company, Intu Properties plc.

The accounting policies used are consistent with those applied in the last annual financial statements, as amended to reflect the adoption of new standards, amendments, and interpretations which became effective in the year. During 2014, the following relevant standards, amendments and interpretations endorsed by the EU became effective for the first time for the company's 31 December 2014 year end:

- IFRS 12 Disclosure of Interest in Other Entities;
- IAS 27 Separate Financial Statements (revised);
- IAS 32 Financial Instruments: Presentation (amendment);
- IAS 36 Impairment of Assets (amendment); and
- Amendments to IFRS 12 (transition guidance).

The above have not resulted in any changes to presentation or disclosure

A number of standards have been issued but are not yet adopted by the EU and so are not available for early adoption. The most significant of these are IFRS 9 Financial Instruments along with related amendments to other IFRSs, and IFRS 15 Revenue from Contracts with Customers. Based on the company's current circumstances, these standards are not expected to have a material impact on the financial statements.

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. Accounting policies (continued)

#### **Investment in subsidiary undertakings**

Investments in subsidiary undertakings are carried in the balance sheet at cost less any provision considered necessary by the directors to reflect any permanent diminution in value. Investments are reviewed at least annually for impairment. Where an indication of impairment exists, an assessment of the recoverable amount is performed. The recoverable amount is based on the greater of the investments continued value in use or its fair value less costs to sell.

#### **Other investments**

Available-for-sale investments, being investments intended to be held for an indefinite period, are initially and subsequently measured at fair value. Fair value is assessed using an appropriate methodology.

Gains or losses arising from changes in fair value are included in other comprehensive income, except to the extent those losses are considered to represent a permanent impairment, in which case they are recognised in the income statement.

Upon disposal, accumulated fair value adjustments are recycled from reserves to the income statement.

#### **Impairment of assets**

The company's assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

At each balance sheet date the company reviews whether there is any indication that an impairment loss recognised in previous periods may have decreased. If such an indication exists the asset's recoverable amount is estimated. An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount. In this case the asset's carrying amount is increased to its recoverable amount but not exceeding the carrying amount that would have been determined had no impairment loss been recognised. The reversal of an impairment loss is recognised in the income statement.

#### **Current/non-current classification**

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption in, the course of the company's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the company's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

#### **Interest income**

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

# **LIBERTY INTERNATIONAL HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

### **1. Principal accounting policies (continued)**

#### **Taxation**

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 rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases.

Temporary differences are not provided on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

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 management believe it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset only when they relate to taxes levied by the same authority and the group intends to settle them on a net basis.

Tax is included in the income statement except when it relates to items recognised directly in other comprehensive income or equity, in which case the related tax is also recognised directly in other comprehensive income or equity.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits with banks, whether restricted or unrestricted and other short-term liquid investments with original maturities of three months or less.

#### **Other payables**

Other payables are recognised and subsequently measured at amortised cost.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 2. Finance income

	2014 £m	2013 £m
Interest receivable from group undertakings	<u>5.4</u>	<u>2.8</u>

### 3. Operating profit

The operating profit of £56.9 million (2013 £24.8 million) did not include any fees in respect of directors' remuneration or auditors' remuneration (2013 £nil). The directors' remuneration for services to the company has been borne by other entities that are part of the Intu Properties plc group. No deduction has been made for auditors' remuneration of £3,750 (2013 £3,500) which was settled on behalf of the company by the ultimate parent company, Intu Properties plc, and has not been recharged.

There were no employees during the year (2013 nil).

### 4. Taxation

Taxation for the year:

	2014 £m	2013 £m
Current tax	0.5	0.6
Deferred tax	<u>(0.8)</u>	<u>(1.9)</u>
Tax credit	<u>(0.3)</u>	<u>(1.3)</u>

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 4. Taxation (continued)

The assessed tax credit for the year is lower (2013 lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2014 £m	2013 £m
Profit before tax	<u>62.3</u>	<u>27.6</u>
Profit before tax multiplied by the standard rate of tax in the UK of 21.5% (2013 23.25%)	13.4	6.4
Effects of:		
Impairment movement on investments not subject to tax	(11.3)	(5.0)
Transfer pricing	(1.1)	(0.4)
Dividends receivable subject to a lower rate of tax	(0.8)	(0.9)
Losses utilised	-	(0.3)
Group relief	(0.1)	(0.2)
Reduction in tax rate	<u>(0.4)</u>	<u>(0.9)</u>
Tax credit	<u>(0.3)</u>	<u>(1.3)</u>

### 5. Investment in subsidiary undertakings

	Cost £m	Accumulated impairment £m	Net £m
At 1 January 2013	395.3	(100.5)	294.8
Reversal of impairment	<u>-</u>	<u>18.5</u>	<u>18.5</u>
At 31 December 2013	395.3	(82.0)	313.3
Reversal of impairment	<u>-</u>	<u>50.8</u>	<u>50.8</u>
At 31 December 2014	<u>395.3</u>	<u>(31.2)</u>	<u>364.1</u>

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 5. Investment in subsidiary undertakings (continued)

Investments represent interests in the following group undertakings:

Investments	Class of share capital	% Held
Liberty International Financial Services Limited (investment holding company)	Ordinary	100
Liberty International Group Treasury Limited (treasury management)	Ordinary	100
Kindmotive Limited (dormant)	Ordinary	100
	Preference	100
Intu FM Limited (dormant) <sup>1</sup>		
Transol Investments Limited (dormant)	Ordinary	100
Intu Ventures Limited (dormant)	Ordinary	100
Intu Payments Limited (service company)	Ordinary	100
Transatlantic Holdings Limited (dormant)	Ordinary	100
The Bullfinch Company Limited (dormant) <sup>2</sup>	Ordinary	100
Runic Nominees Limited (dormant)	Ordinary	100
Broadway Construction & Development Limited (dormant)	Ordinary	100
Lakeside 1988 Limited (dormant)	Ordinary	100
	Preference	100
Intu Finance MH Limited (investment holding company)	Ordinary	100
Merry Hill Finance Limited (treasury management) <sup>3</sup>	Ordinary	100
Forth Heath (No. 3) Limited (dormant)	Ordinary	100
Middleford Property Investments Limited (dormant)	Ordinary	75

<sup>1</sup> Company being a direct subsidiary of Kindmotive Limited

<sup>2</sup> Company being a direct subsidiary of Transatlantic Holdings Limited

<sup>3</sup> Company being a direct subsidiary of Intu Finance MH Limited, and is registered in the Republic of Ireland

All of the above companies are wholly owned directly or indirectly by the company and are incorporated and registered in England and Wales except where otherwise indicated.

### 6. Other investments

	2014 £m	2013 £m
At 1 January	153.9	146.8
Revaluation	20.9	9.0
Foreign exchange	9.9	(1.9)
At 31 December	<u>184.7</u>	<u>153.9</u>

The company holds 11.4 million (2013 11.4 million) units in a US venture, EQY-CSC LLC, controlled by Equity One, convertible into Equity One shares.



# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 7. Trade and other receivables

	2014 £m	2013 £m
Amounts due from subsidiary undertakings	<u>676.1</u>	<u>665.2</u>

Amounts due from subsidiary undertakings are unsecured and repayable on demand. Certain amounts are interest bearing, with interest receivable at an average of 1% during the year (2013 0.5%).

### 8. Trade and other payables

	2014 £m	2013 £m
Amounts due to group undertakings	197.3	197.3
Other payables	<u>0.1</u>	<u>0.2</u>
	<u>197.4</u>	<u>197.5</u>

Amounts due to group undertakings are unsecured, non-interest bearing and payable on demand.

### 9. Deferred tax provision

	Other investments £m	Tax losses £m	Total £m
At 31 December 2013	(8.4)	2.3	(6.1)
Recognised in the income statement	0.8	-	0.8
Recognised directly in other comprehensive income	<u>(6.6)</u>	<u>-</u>	<u>(6.6)</u>
At 31 December 2014	<u>(14.2)</u>	<u>2.3</u>	<u>(11.9)</u>

There are no unrecognised deferred tax assets at 31 December 2014 or at 31 December 2013.

### 10. Share capital

	2014 £m	2013 £m
<b>Issued, called up and fully paid</b>		
356,170,839 (2013 356,170,839) ordinary shares of 50p each	<u>178.1</u>	<u>178.1</u>

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 11. Related party transactions

Significant balances outstanding between the company and other group undertakings are shown below:

	<b>Amounts due to</b>	
	<b>2014</b>	<b>2013</b>
	<b>£m</b>	<b>£m</b>
Transol Investments Limited	169.3	169.3
Kindmotive Limited	<u>27.8</u>	<u>27.8</u>
	<b>Amounts owed by</b>	
	<b>2014</b>	<b>2013</b>
	<b>£m</b>	<b>£m</b>
Liberty International Financial Services Limited	127.5	127.5
Liberty International Group Treasury Limited	<u>548.6</u>	<u>537.5</u>

Significant transactions between the company and other group undertakings are shown below:

<b>Group company</b>	<b>Nature of transaction</b>	<b>2014</b>	<b>2013</b>
		<b>£m</b>	<b>£m</b>
Liberty International Group Treasury Limited	Interest receivable	<u>5.4</u>	<u>2.8</u>

### 12. Ultimate parent company

The ultimate parent company is Intu Properties plc, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, 40 Broadway, London, SW1H 0BT.

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 13. Financial risk management

The company is exposed to a variety of risks arising from the company's operations, being principally foreign exchange risk, liquidity risk and credit risk.

The majority of the company's financial risk management is carried out by the Intu Properties plc treasury department and the policies for managing each of these risks and the principal effects of these policies on the results for the year are summarised below.

#### Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a functional currency other than sterling. The company's other investments are denominated in US\$.

The table summarises the company's exposure to foreign currency risk:

	2014 US\$m	2013 US\$m
Net exposure	<u>288.0</u>	<u>254.9</u>

The following foreign exchange rates apply to the company's foreign exchange risk:

	2014 US\$m	2013 US\$m
Foreign exchange rate	<u>1.593</u>	<u>1.6563</u>

The approximate impact of a 10 per cent appreciation in foreign exchange rates would be a positive movement of £20.5 million (2013 £17.1 million) to the net assets of the company. The approximate impact of a 10 per cent depreciation in foreign exchange rates would be a negative movement of £16.8 million (2013 £14.0 million) to the net assets of the company.

#### Liquidity risk

Liquidity risk is managed to ensure that the company is able to meet future payment obligations when financial liabilities fall due. Liquidity analysis is conducted to ensure that sufficient headroom is available to meet the company's operational requirements and committed investments. The group treasury policy aims to meet this objective through maintaining adequate cash, marketable securities and committed facilities to meet these requirements. The group's policy is to seek to optimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. In effect the group seeks to borrow for as long as possible at the lowest acceptable cost.

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 13. Financial risk management (continued)

The tables below set out the maturity analysis of the company's financial liabilities based on the undiscounted contractual obligations to make payments of interest and to repay principal.

	<b>2014</b>
	<b>Repayable within 1 year or on demand</b>
	<b>£m</b>
Amounts due to group undertakings	(197.3)
Other financial liabilities	<u>(0.1)</u>
	<u>(197.4)</u>
	<b>2013</b>
	<b>Repayable within 1 year or on demand</b>
	<b>£m</b>
Amounts due to group undertakings	(197.3)
Other financial liabilities	<u>(0.2)</u>
	<u>(197.5)</u>

#### **Credit risk**

The credit risk relating to cash, deposits and derivative financial instruments is actively managed by the company's treasury department. Relationships are maintained with a number of tier one institutional counterparties, ensuring compliance with company policy relating to limits on the credit ratings of counterparties (between BBB+ and AAA).

Excessive credit risk is avoided through adhering to authorised limits for all counterparties.

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 13. Financial risk management (continued)

#### Classification of financial assets and liabilities

The table below sets out the company's accounting classification of each class of financial assets and liabilities, and their fair values at 31 December 2014 and 31 December 2013.

	Carrying value £m	Fair value £m	Gain to income statement £m	Gain to other comprehensive income £m
<b>2014</b>				
Other investments	184.7	184.7	-	20.9
<b>Total available-for-sale investments</b>	<b>184.7</b>	<b>184.7</b>	<b>-</b>	<b>20.9</b>
Trade and other receivables	676.1	676.1	-	-
Cash and cash equivalents	0.1	0.1	-	-
<b>Total cash and receivables</b>	<b>676.2</b>	<b>676.2</b>	<b>-</b>	<b>-</b>
Trade and other payables	(197.4)	(197.4)	-	-
<b>Total loans and payables</b>	<b>(197.4)</b>	<b>(197.4)</b>	<b>-</b>	<b>-</b>
	Carrying value £m	Fair value £m	Gain to income statement £m	Gain to other comprehensive income £m
<b>2013</b>				
Other investments	153.9	153.9	-	9.0
<b>Total available-for-sale investments</b>	<b>153.9</b>	<b>153.9</b>	<b>-</b>	<b>9.0</b>
Trade and other receivables	665.2	665.2	-	-
Cash and cash equivalents	0.1	0.1	-	-
<b>Total cash and receivables</b>	<b>665.3</b>	<b>665.3</b>	<b>-</b>	<b>-</b>
Trade and other payables	(197.5)	(197.5)	-	-
<b>Total loans and payables</b>	<b>(197.5)</b>	<b>(197.5)</b>	<b>-</b>	<b>-</b>

The company's available for sale investments are held at fair value. These financial assets and liabilities are categorised as level 2 in the fair value hierarchy as explained below.

# LIBERTY INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 13. Financial risk management (continued)

#### Fair value hierarchy

Level 1: valuation based on quoted market prices traded in active markets.

Level 2: valuation techniques are used, maximising the use of observable market data, either directly from market prices or derived from market prices.

Level 3: where one or more inputs to valuation are not based on observable market data. Valuations at this level are more subjective and therefore more closely managed, including sensitivity analysis of inputs to valuation models. Such testing has not indicated that any material difference would arise due to a change in input variables.

### 14. Other reserves

	Capital redemption £m	Hedging reserve £m	Translation reserve £m	Revaluation reserve £m	Total £m
At 1 January 2013	20.0	2.9	(6.8)	17.9	34.0
Revaluation of other investments	-	-	-	9.0	9.0
Exchange differences	-	-	(1.9)	-	(1.9)
Tax on items taken directly to other comprehensive income	-	-	-	(1.6)	(1.6)
At 31 December 2013	20.0	2.9	(8.7)	25.3	39.5
Revaluation of other investments	-	-	-	20.9	20.9
Exchange differences	-	-	9.9	-	9.9
Tax on items taken directly to other comprehensive income	-	-	-	(6.6)	(6.6)
At 31 December 2014	20.0	2.9	1.2	39.6	63.7