

Company Number
1503621

LIBERTY INTERNATIONAL HOLDINGS PLC
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2000



LIBERTY INTERNATIONAL HOLDINGS PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2000.

Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss and total recognised gains and losses of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Principal Activities

The company is an investment holding company.

Review of Developments

The company continued to perform satisfactorily and recorded a profit before tax and exceptional items of £484.3 million (1999 - £55.4 million). Shareholders' funds decreased to £1,737.8 million from £2,341.0 million largely represented by a net distribution of £232.3 million, and a reduction in valuation of investments of £370.9 million, primarily as a result of large special dividend payments.

The principal operating subsidiary of Liberty International Holdings PLC is Capital and Counties plc, a company engaged in property investment and development.

Results and Financial Position

Information on the company's results and financial position can be seen from the profit and loss account on page 4, the balance sheet on page 5 and the notes relating thereto.

LIBERTY INTERNATIONAL HOLDINGS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

Dividends

The directors recommend the payment of a dividend of 139.7p per ordinary share (1999 – 50.0p).

The dividends on the cumulative preference stock were paid in accordance with the terms of their issue up to and including conversion of preference shares.

Future Prospects

The directors consider the future prospects of the company to be good.

Directors and Directors' Interests

During the year the following persons were directors of the company:-

D. A. Fischel
F. B. Sher
A. C. Smith

During the period under review no directors held shares in the Company. The interests of the directors in the share capital of the ultimate holding company, Liberty International PLC, are shown in the financial statements of that company.

Creditor Payment Policy

The company's current policy concerning the payment of the majority of its trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU). For other suppliers, the company's policy is to:

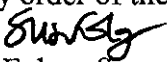
- (a) settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception. Wherever possible UK subsidiaries follow the same policy.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting of the company, to be held in 2001.

By order of the Board


S Folger Secretary
15 February 2001

**Report of the Auditors to the members of
LIBERTY INTERNATIONAL HOLDINGS PLC**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

15 February 2001

LIBERTY INTERNATIONAL HOLDINGS PLC**Profit and loss account
for the year ended 31 December 2000**

	Notes	2000 £m	1999 £m
Income from fixed asset investments		481.6	49.3
Administrative income / (expenses)		<u>(0.1)</u>	<u>(4.5)</u>
Operating profit		481.5	44.8
Exceptional items:	2		
Cost of group reorganisation		-	(5.0)
Loss on sale of investment		<u>(232.4)</u>	<u>(12.8)</u>
Profit before interest and taxation		249.1	27.0
Interest receivable	3	2.8	14.3
Interest payable and similar charges	4	<u>-</u>	<u>(3.7)</u>
Profit on ordinary activities before taxation	5	251.9	37.6
Tax on profit on ordinary activities	6	<u>(0.8)</u>	<u>(0.5)</u>
Profit on ordinary activities after taxation		251.1	37.1
Preference dividends	7	<u>(3.8)</u>	<u>(13.8)</u>
Profit attributable to ordinary shareholders		247.3	23.3
Ordinary dividends	7	<u>(479.6)</u>	<u>(157.8)</u>
Transfer from retained profits	13	<u>(232.3)</u>	<u>(134.5)</u>

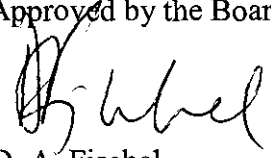
The results of the year are from continuing operations.

LIBERTY INTERNATIONAL HOLDINGS PLC

Balance sheet - 31 December 2000

	Notes	2000 £m	1999 £m
Fixed assets			
Investment in subsidiary undertakings	8	1,483.5	2,232.3
Other fixed assets	9	<u>-</u>	<u>12.7</u>
		1,483.5	2,245.0
Current assets			
Debtors	10	384.2	154.6
Creditors: amounts falling due within one year	11	<u>(129.9)</u>	<u>(58.6)</u>
Net current assets		<u>254.3</u>	<u>96.0</u>
Net assets		<u>1,737.8</u>	<u>2,341.0</u>
Capital and reserves			
<i>Equity interests</i>			
Called up ordinary share capital	12	171.4	171.4
Share premium	13	688.4	688.4
Revaluation reserve	13	794.4	1,397.6
Capital redemption reserve	13	20.0	20.0
Profit and loss account	13	<u>-</u>	<u>-</u>
		1,674.2	2,277.4
<i>Non-equity interests</i>			
Called up cumulative preference stock	12	<u>63.6</u>	<u>63.6</u>
Shareholders' funds		<u>1,737.8</u>	<u>2,341.0</u>

Approved by the Board on 15 February 2001


D. A. Fischel
Director


A.C. Smith
Director

LIBERTY INTERNATIONAL HOLDINGS PLC

Statement of total recognised gains and losses for the year ended 31 December 2000

	2000 £m	1999 £m
Profit attributable to shareholders	251.1	37.1
Revaluation of subsidiary undertakings	<u>(370.9)</u>	<u>355.1</u>
Total recognised gains and losses	<u><u>(119.8)</u></u>	<u><u>392.2</u></u>

Reconciliation of movements in shareholders' funds for the year ended 31 December 2000

	2000 £m	1999 £m
Opening shareholders' funds	2,341.0	2,023.1
Total recognised gains and losses	(119.8)	392.2
Preference dividends	(3.8)	(13.8)
Ordinary dividends	(479.6)	(157.8)
Conversion of bonds into ordinary shares	-	97.0
Issue of shares	<u>-</u>	<u>0.3</u>
Closing shareholders' funds	<u><u>1,737.8</u></u>	<u><u>2,341.0</u></u>

Note of historical cost profits and losses for the year ended 31 December 2000

	2000 £m	1999 £m
Profit on ordinary activities before taxation	251.9	37.6
Share of prior year revaluation surpluses realised	<u>232.3</u>	<u>17.5</u>
Historical cost profit on ordinary activities before taxation	<u>484.2</u>	<u>55.1</u>
Historical cost profit retained for the year after taxation and dividends	<u><u>-</u></u>	<u><u>(117.0)</u></u>

LIBERTY INTERNATIONAL HOLDINGS PLC

Notes to the accounts - 31 December 2000

1. Accounting policies

(a) Preparation of accounts

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom under the historical cost convention as modified by the revaluation of subsidiary undertakings.

(b) Income

Income from short term investments is included in the profit and loss account of the accounting period during which it accrues.

(c) Subsidiary undertakings

Investments in subsidiary undertakings are carried in the balance sheet at net asset value.

(d) Cash flow statement

The company is a wholly owned subsidiary of Liberty International PLC and the cash flows of the company are included in the consolidated group cash flow statement of Liberty International PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 from publishing a cash flow statement.

(e) Related party transactions

The company is a wholly owned subsidiary of Liberty International PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard 8 from disclosing details of transactions with related parties who are members of the group.

(f) Group accounts

The company is a wholly owned subsidiary of Liberty International PLC. Consequently, the company is exempt from preparing group accounts.

LIBERTY INTERNATIONAL HOLDINGS PLC

Notes to the accounts - 31 December 2000 (continued)

2. Exceptional items

	2000 £m	1999 £m
Sale of subsidiary undertaking	(232.3)	-
Loss on closure of subsidiary	(0.1)	-
Loss on sale of investment	-	(12.8)
Cost of group reorganisation	-	(5.0)
	<u>(232.4)</u>	<u>(17.8)</u>

During 2000, the company sold its interest in CSC (with a carrying value of £377.8 million) to Liberty International Financial Services PLC, a wholly owned subsidiary for proceeds of £145.5 million, resulting in a loss on sale of £232.3 million.

3. Interest receivable

	2000 £m	1999 £m
Interest receivable from group companies	<u>2.8</u>	<u>14.3</u>

4. Interest payable

	2000 £m	1999 £m
5.5% Liberty International Holdings subordinated convertible bond due 2009	-	3.6
Other interest payable	-	0.1
	<u>-</u>	<u>3.7</u>

5. Profit on ordinary activities before taxation

	2000 £'000	1999 £'000
This is stated after charging:		
Auditors' remuneration	3	7
Remuneration paid to auditors for non audit services	-	191
Depreciation	41	167
Secretarial and administrative charges payable to intermediate holding company	-	225
	<u>-</u>	<u>225</u>

The company had no employees during the year (1999 - none). Directors emoluments have been disclosed in the accounts of Liberty International PLC.

LIBERTY INTERNATIONAL HOLDINGS PLC

Notes to the accounts - 31 December 2000 (continued)

6. Taxation

	2000 £m	1999 £m
Group relief payable at 30% (1999 – 30.25%)	<u>0.8</u>	<u>0.5</u>

7. Dividends

	2000 £m	1999 £m
“B” preference dividend accrued or paid	1.4	12.1
“C” preference dividend accrued or paid	2.4	1.7
Ordinary dividend of 50.0p per share (1999 – 19.0p)	<u>479.6</u>	<u>157.8</u>
	<u>483.4</u>	<u>171.6</u>

8. Investment in subsidiary undertakings

	2000 £m	1999 £m
At 31 December 1999	2,232.3	1,999.1
Revaluation of subsidiary undertakings	(370.9)	355.1
Disposals	<u>(377.9)</u>	<u>(121.9)</u>
At 31 December 2000	<u>1,483.5</u>	<u>2,232.3</u>
Historic cost	<u>859.3</u>	<u>835.2</u>

Investment in subsidiary undertakings represents 100% interests (unless otherwise stated) in the following principal group companies:

Capital and Counties plc	Property investment and development
Liberty International Financial Services PLC	Investment holding company
Liberty International Group Treasury Limited	Treasury management

Companies are incorporated and registered in England and Wales unless otherwise stated.

LIBERTY INTERNATIONAL HOLDINGS PLC

Notes to the accounts - 31 December 2000 (continued)

9. Tangible fixed assets

	Investment in own shares £'000	Office equipment £'000	Leasehold improvements £'000	Motor cars £'000	Total £'000
Cost					
At 31 December 1999	12,711	612	417	168	13,908
Additions	-	-	-	-	-
Disposals	(12,711)	(612)	(417)	(57)	(13,797)
At 31 December 2000	-	-	-	111	111
Depreciation					
At 31 December 1999	-	(612)	(417)	(125)	(1,154)
Charge for the year	-	-	-	(41)	(41)
Depreciation on disposals	-	612	417	55	1,084
At 31 December 2000	-	-	-	(111)	(111)
Net book value					
At 31 December 2000	-	-	-	-	-
At 31 December 1999	12,711	-	-	43	12,754

10. Debtors

	2000 £m	1999 £m
Interest receivable	-	2.9
Dividends receivable from subsidiary undertakings	129.2	34.5
Loans to group companies	255.0	116.7
Other debtors	-	0.5
	<u>384.2</u>	<u>154.6</u>

Amounts due from group companies represent loans to group companies which carry interest at a commercial rate based on London inter-bank rates.

LIBERTY INTERNATIONAL HOLDINGS PLC

Notes to the accounts - 31 December 2000 (continued)

11. Creditors: amounts falling due within one year

	2000 £m	1999 £m
Tax payable	0.7	1.8
Dividends payable	129.2	55.2
Accruals	-	1.6
	<u>129.9</u>	<u>58.6</u>

12. Called up share capital

	2000 £m	1999 £m
Authorised		
202,992,450 ordinary shares of 50p each	101.5	101.5
259,157,583 "B" ordinary shares of 50p each	129.6	129.6
30,575,919 "A" cumulative preference stock of 50p each	15.3	15.3
22,641,024 "B" cumulative preference stock of £1 each	22.6	22.6
40,996,000 "C" cumulative preference stock of £1 each	41.0	41.0
	<u>310.0</u>	<u>310.0</u>
Issued, allotted and fully paid		
83,650,779 ordinary shares of 50p each	41.8	41.8
259,157,583 "B" ordinary shares of 50p each	129.6	129.6
22,634,844 "B" convertible preference shares of £1 each	22.6	22.6
40,996,000 "C" convertible preference shares of £1 each	41.0	41.0
	<u>235.0</u>	<u>235.0</u>

The cumulative preference stocks are non-voting and have a preferential right to return of capital on a winding-up.

LIBERTY INTERNATIONAL HOLDINGS PLC

Notes to the accounts - 31 December 2000 (continued)

13. Reserves

	Share Premium £m	Capital Redemption Reserve £m	Revaluation Reserve £m	Profit and Loss £m
At 31 December 1999	688.4	20.0	1,397.6	-
Transfer from profit and loss account	-	-	-	(232.3)
Revaluation of subsidiary undertakings	-	-	(370.9)	-
Realisation of prior year revaluations (note 2)	-	-	(232.3)	232.3
Conversion of bonds	-	-	-	-
Issue of shares	-	-	-	-
At 31 December 2000	688.4	20.0	794.4	-

14. Ultimate holding company

The directors regard Liberty International PLC, a company registered in England and Wales, as the ultimate parent company. Copies of the parent company's consolidated financial statements may be obtained from The Secretary, Liberty International PLC, 40 Broadway, London SW1H 0BT.