LIBERTY INTERNATIONAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Company number 1503621

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LIBERTY INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

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

Liberty International Holdings Limited is incorporated and registered in England and Wales. The company's registered office is 40 Broadway, London, SW1H 0BT.

PRINCIPAL ACTIVITY
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 2011 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 taxation was £43 9 million (2010 £80.6 million). Net assets at 31 December 2011 were £855.7 million (2010 £819.8 million)

In 2010 the company entered into an agreement with Equity One Inc., pursuant to which Equity One would acquire the company's interest in its US subsidiaries, through a joint venture. The transaction was completed on 4 January 2011. Consideration consisted of 11.35 million units in the venture and 4.05 million shares in Equity One common stock which were issued to a wholly owned subsidiary of the company, resulting in a gain on disposal of £26 6 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 Capital Shopping Centres Group 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.

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, Capital Shopping Centres Group PLC.

In addition, the directors assessed the risk of the company's ultimate parent company, Capital Shopping Centres Group PLC, requesting settlement of the balance due to it This assessment included reviewing the consolidated financial statements of Capital Shopping Centres Group PLC for the year ended 31 December 2011, which it was noted were prepared on a going concern basis.

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 accounts on a going concern basis.

DIVIDENDS
The directors do not recommend a dividend for the year (2010 £nil).

LIBERTY INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

CAPITAL MANAGEMENT
The directors consider the capital of the company to be the ordinary share capital of £178.1 million, share premium of £745.4 million, and funding from the company's immediate parent company of £104.7 million. Management of this capital is performed at group level.

DIRECTORS IN THE YEAR
The directors who held office in the year and to the date of this report are listed below:

Martin Ellis	
David Fischel	
Trevor Pereira	
Matthews Roberts	
Kay Chaldecott	resigned 30 September 2011
Caroline Kirby	resigned 17 October 2011

DIRECTORS' INDEMNITY PROVISION
A qualifying indemnity provision (as defined in S234 of the Companies Act 2006) is in force for the benefit of the directors of the company. The company's ultimate parent, Capital Shopping Centres Group PLC, maintains directors' and officers' insurance which is reviewed annually.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

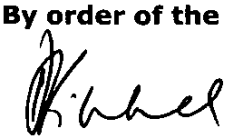
DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are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

LIBERTY INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

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



David Fischel
Director
27 September 2012

LIBERTY INTERNATIONAL HOLDINGS LIMITED

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

We have audited the financial statements of Liberty International Holdings Limited (company number 1503621) for the year ended 31 December 2011 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LIBERTY INTERNATIONAL HOLDINGS LIMITED

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

Matters on which we are required to report by exception

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

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

Alison Morris (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2012

LIBERTY INTERNATIONAL HOLDINGS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £m	Re-presented 2010 £m
Dividends received		6 1	53.4
Gain on sale of subsidiaries	7	26.6	-
Reversal of impairment of investments	6	8 4	35 0
Administration expenses – exceptional	2	-	(3.2)
Operating income		41.1	85.2
Finance income	3	2.8	4.5
Fair value movement on derivatives		-	(7.0)
Foreign exchange movements		-	(2.1)
Net finance costs		2.8	(4.6)
Profit before tax	4	43.9	80.6
Current tax	5	0.1	(2.2)
Deferred tax	5	(2.1)	-
Profit for the year		41.9	78.4

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £m	Re-presented 2010 £m
Profit for the year		41.9	78.4
Other comprehensive income			
Revaluation of other investments	7	(7.9)	-
Exchange differences	7	(0.2)	-
Tax on items taken directly to other comprehensive income	11	2.1	-
Other comprehensive income for the year		(6.0)	-
Total comprehensive income for the year		35.9	78.4

LIBERTY INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET
AT 31 DECEMBER 2011

	Notes	2011 £m	Re-presented 2010 £m
Non-current assets			
Investment in group undertakings	6	283 7	335.3
Other investments	7	124.1	-
		407 8	335.3
Current assets			
Trade and other receivables	8	757.3	806.1
Taxation		5 0	4.6
Cash and cash equivalents		0.1	-
		762.4	810.7
Total assets		1,170.2	1,146 0
Current liabilities			
Trade and other payables	9	(302.2)	(305.6)
Derivative financial instruments	10	(12.3)	(9.3)
		(314.5)	(314.9)
Non-current liabilities			
Deferred tax provision	11	-	-
Derivative financial instruments	10	-	(11.3)
		-	(11.3)
Total liabilities		(314 5)	(326 2)
Net assets		855.7	819.8
Equity			
Share capital	12	178.1	178.1
Share premium		745.4	745.4
Other reserves	16	14.0	20.0
Retained earnings		(81.8)	(123 7)
Total equity		855.7	819.8

The notes on pages 10 to 24 form part of these financial statements.

The financial statements on pages 6 to 24 have been approved by the Board of Directors on 27 September 2012 and signed on its behalf by

David Fischel
Director

Matthew Roberts
Director

LIBERTY INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
AT 31 DECEMBER 2011

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2011	178 1	745 4	20.0	(123 7)	819.8
Profit for the year	-	-	-	41.9	41.9
Other comprehensive income:					
Revaluation of other investments	-	-	(7.9)	-	(7.9)
Exchange differences	-	-	(0.2)	-	(0.2)
Tax on items taken directly to other comprehensive income	-	-	2.1	-	2.1
Total comprehensive income	-	-	(6.0)	41.9	35.9
At 31 December 2011	178.1	745.4	14.0	(81.8)	855.7

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2010	178 1	745 4	20.0	(202.1)	741.4
Profit for the year	-	-	-	78 4	78.4
Other comprehensive income·					
Exchange differences	-	-	-	-	-
Total comprehensive income	-	-	-	78.4	78.4
At 31 December 2010	178 1	745.4	20 0	(123.7)	819.8

LIBERTY INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CASH FLOWS
AT 31 DECEMBER 2011

	2011 £m	2010 £m
Profit before tax	43.9	80 6
Remove:		
Gain on sale of subsidiaries	(26.6)	-
Reversal of impairment of investment	(8.4)	(35.0)
Finance income	(2.8)	(4 5)
Fair value movement on derivatives	-	7.0
Foreign exchange movements	-	2.1
Changes in working capital:		
Change in trade and other receivables	3.7	(28.4)
Change in trade and other payables	(1.4)	0.3
Cash generated from operations	8.4	22.1
Cash flows from operating activities	8.4	22.1
Cash flows from investing activities		
Sale of other investments	-	(3.2)
Other derivative financial instruments	(8.3)	(18.9)
Cash flows from investing activities	(8.3)	(22.1)
Cash flows from financing activities	-	-
Net increase in cash and cash equivalents	0.1	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	0 1	-

LIBERTY INTERNATIONAL HOLDINGS LIMITED

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

1. Principal accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS), IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These are the company's first financial statements to be prepared under IFRS and IFRS 1 (First-time adoption of International Financial Reporting Standards) has been applied

The comparative information presented in these accounts has been restated and represented under IFRS. Further details on the restatement of comparative information and conversion to IFRS are given in note 17

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

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 including in the consolidated financial statements of the ultimate parent company, Capital Shopping Centres Group PLC.

The following standards, amendments and interpretations endorsed by the EU are effective for the first time for the company's 31 December 2011 year end:

- IAS 24 Related Party Disclosures;
- IAS 32 Financial Instruments: Presentation (amendment),
- IFRIC 14 IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments; and
- Amendments arising from 2010 annual improvements project

These either had no material impact on the financial statements or resulted in changes to presentation and disclosure only.

The following standard has been issued and adopted by the EU but is not effective for the year ended 31 December 2011 and has not been adopted early:

- IFRS 7 Financial Instruments: Disclosures (amendment)

This pronouncement is not expected to have a material impact on the financial statements, but may result in changes to presentations or disclosure.

1. Principal accounting policies (continued)

Additionally 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;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 13 Fair Value Measurement; and
- IAS 28 Investments in Associates and Joint Ventures

The impact of these on the company is being reviewed It is anticipated that the earliest period that these standards may be applied will be the year ended 31 December 2013.

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

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.

Other payables
Other payables are recognised and subsequently measured at amortised cost.

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.

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

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

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.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost.

The directors' exercise judgement as to the collectability of trade receivables and determine if it is appropriate to impair these assets. Factors such as days past due, credit status of the counterparty and historical evidence of collection are considered.

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

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.

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Derivative financial instruments
The group uses derivative financial instruments to manage exposure to interest rate and foreign exchange risk. They are initially recognised on the trade date at fair value and subsequently re-measured at fair value based on market price

Changes in fair value are recognised directly in the income statement, except for the effective portion of gains or losses on derivative financial instruments designated as a hedge of net investment in foreign operations, in which case they are recognised in other comprehensive income. Where derivative financial instruments are designated as a fair value hedge, the relevant fair value movements on the hedged item are also taken to the income statement

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

2. Administrative expenses - exceptional

	2011 £m	2010 £m
Costs associated with the disposal of investment	-	(3.2)

3. Finance income

	2011 £m	2010 £m
Interest receivable from group undertakings	2.8	4.5

4. Profit before tax

The profit before taxation of £43 9 million (2010 £80 6 million) did not include any fees in respect of auditors' remuneration or directors' remuneration (2010 £nil). No deduction has been made for auditors' remuneration of £3,500 (2010 £3,000) which was settled on behalf of the company by the ultimate parent company, Capital Shopping Centres Group PLC, and has not been recharged

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

5. Taxation

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

	2011 £m	2010 £m
Profit before tax	43 9	80.6
Current United Kingdom corporation tax at 26.5% (2010 28%)	11.6	22.6
Effects of:		
Impairment movement on investments not subject to tax	(2.2)	(9.8)
Increased tax on disposal and acquisition of investments	1.0	0 6
Expenses disallowed	-	0.9
Loss on termination of derivatives tax deductible	(2 2)	(5.3)
Transfer pricing	(1.2)	0.2
Dividends receivable	(1.7)	(11.9)
Losses (utilised)/unutilised	(5.0)	5.3
Group relief	0.5	(2.4)
Unrecognised deferred tax asset	1.2	2.0
Taxation	2 0	2.2

6. Investment in group undertakings

	Cost £m	Accumulated impairment £m	Net £m
At 1 January 2010	990.3	(245 6)	744.7
Disposals	(534.9)	90 5	(444.4)
Impairment reversal	-	35.0	35.0
At 31 December 2010	455 4	(120.1)	335.3
Additions	43.0	-	43.0
Disposals	(103.1)	0 1	(103.0)
Impairment reversal	-	8.4	8.4
At 31 December 2011	395.3	(111.6)	283.7

Investments represent interests in the following principal 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
Transol Investments Limited (dormant)	Ordinary	100
CSC Ventures Limited	Ordinary	100
CSC Payments Limited	Ordinary	100

All of the above companies are incorporated and registered in England and Wales, unless otherwise stated.

7. Other investments

	2011 £m	2010 £m
At 1 January	-	-
Additions	132 2	-
Revaluation	(7.9)	-
Foreign exchange	(0.2)	-
	124.1	-

Additions in the year reflect an available-for-sale investment being the 11.35 million units acquired in the joint venture with Equity One Inc

In 2010 the company entered into an agreement with Equity One Inc., pursuant to which Equity One would acquire the company's interest in its US subsidiaries, through a joint venture. The transaction was completed on 4 January 2011. Consideration consisted of 11 35 million units in the venture and 4.05 million shares in Equity One common stock which were issued to a wholly owned subsidiary of the company, resulting in a gain on disposal of £26.6 million.

8. Trade and other receivables

	2011 £m	2010 £m
Amounts due from subsidiary undertakings	685.3	734.1
Amounts due from group undertakings	72 0	72.0
	757 3	806.1

Amounts due from subsidiary and group undertakings are unsecured and repayable on demand. Certain amounts are interest bearing, with interest receivable at an average of 0.5% during the year (2010 0.7%).

9. Trade and other payables

	2011 £m	2010 £m
Amounts due to immediate parent	104.7	104.7
Amounts due to subsidiary undertakings	197.4	198 6
Other payables	0.1	2.3
	302.2	305.6

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

10. Derivative financial instruments

	2011 Hedging instruments £m	2010 Hedging instruments £m
Current		
Forward foreign exchange contracts	(12.3)	(9.3)
	(12.3)	(9.3)
Non-current		
Forward foreign exchange contracts	-	(11.3)
	(12.3)	(20.6)

11. Deferred tax provision

	Other investments £m	Tax losses £m	Total £m
At 31 December 2010	-	-	-
Recognised in the income statement	(7.1)	5.0	(2 1)
Recognised directly in other comprehensive income	2.1	-	2.1
At 31 December 2011	(5.0)	5 0	-

At 31 December 2011, there are unrecognised deferred tax assets of £4.8m (2010 10.7m) which have not been recognised due to uncertainty about the timing and nature of future profits.

12. Called up share capital

	2011 £m	2010 £m
Issued, called up and fully paid		
356,170,839 ordinary shares of 50p each	178.1	178.1

The concept of authorised share capital was abolished by the Companies Act 2006 with effect from 1 October 2009. Under saving provisions, the current maximum number of shares which may be issued by the company is 620,000,000 ordinary shares of 50p.

13. Related party transactions

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

	Amounts due to 2011 £m	2010 £m
Capital Shopping Centres Group PLC	104.7	104.7
Transol Investments Limited	169.3	169.3
Kindmotive Limited	27.8	27.8

	Amounts owed by 2011 £m	2010 £m
Liberty International Group Treasury Limited	557.8	562.5
Liberty International Financial Services Limited	127.5	127.5
Conduit Insurance Holdings Limited	37 4	37.4
Tai Investments Limited	34.6	34.6

14. Related party transactions (continued)

Significant transactions between the Company and other Group companies are shown below.

Group company	Nature of transaction	2011 £m	2010 £m
CSC Ventures Limited	Capital contribution	43.0	-

14. Immediate and ultimate parent company

The immediate and ultimate parent company is Capital Shopping Centres Group 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.

15. Financial risk management

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

The majority of the company's financial risk management is carried out by Capital Shopping Centres Group PLC's 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.

Market risk
Foreign exchange
Foreign exchange risk arises when recognised assets or liabilities are denominated in a functional currency other than sterling. It is Group policy to partially eliminate the foreign exchange risk through hedging instruments. This policy will continue to be reviewed as existing swaps mature. In 2010 in the company financial statements there is no effective hedge as the company held its investment in C&C US at cost less any provision for impairment and was not revalued for currency movements. Following the company's acquisition on 4 January 2011 of a US available-for-sale investment the company has an effective hedge in place.

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

	2011 US$m	2010 US$m
Investments	192.9	199.7
Forward foreign exchange swaps	(140.0)	(140.0)
Net exposure	52.9	59.7

Sensitivity analysis – impact on company reserves:

	2011 £m	2010 £m
10% appreciation in foreign exchange rates	3.8	4.2
10% depreciation in foreign exchange rates	(3.1)	(3.5)

15. Financial risk management (continued)

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 company treasury policy aims to meet this objective through maintaining adequate cash, marketable securities and committed facilities to meet these requirements. The company'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 company seeks to borrow for as long as possible at the lowest acceptable cost.

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. Where interest payment obligations are based on a floating rate the rates used are those implied by the par yield curve.

	2011		
	Repayable on demand or within 1 year £m	**1-2 years £m**	**Total £m**
Amounts due to immediate parent	(104.7)	-	(104.7)
Amounts due to group undertakings	(197.4)	-	(197.4)
Derivatives payments	(91 1)	-	(91.1)
Derivative receipts	80.1	-	80.1
	(313.1)	-	(313.1)

	2010		
	Repayable on demand or within 1 year £m	**1-2 years £m**	**Total £m**
Amounts due to immediate parent	(104.7)	-	(104.7)
Amounts due to group undertakings	(198.6)	-	(198.6)
Derivatives payments	(41.2)	(53.3)	(94 5)
Derivative receipts	31.9	42.5	74.4
	(312.6)	(10.8)	(323.4)

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.

15. 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 2011 and 31 December 2010.

The fair values of derivative financial instruments are determined from observable market prices or estimated using appropriate yield curves at 31 December each year by discounting the future contractual cash flows to the net present values.

2011	Carrying value £m	Fair value £m	Gain/(loss) to income statement £m
Other investments	124 1	124 1	-
Total available-for-sale investments	124 1	124 1	-
Trade and other receivables	757 3	757 3	-
Cash and cash equivalents	0 1	0 1	-
Total cash and receivables	757 4	757 4	-
Derivative financial instrument liabilities	(12.3)	(12 3)	-
Total held for trading liabilities	(12.3)	(12 3)	-
Trade and other payables	(302 2)	(302 2)	-
Total loans and payables	(302 2)	(302 2)	-

2010	Carrying value £m	Fair value £m	Gain/(loss) to income statement £m
Trade and other receivables	806 1	806 1	-
Cash and cash equivalents	-	-	-
Total cash and receivables	806 1	806 1	-
Derivative financial instrument liabilities	(20 6)	(20 6)	(7 0)
Total held for trading liabilities	(20 6)	(20 6)	(7 0)
Trade and other payables	(305 6)	(305 6)	-
Total loans and payables	(305 6)	(305 6)	-

The only financial assets and liabilities of the company recognised at fair value are forward foreign exchange contracts. These are all held at fair value and used as hedging instruments. They are categorised as level 2 in the fair value hierarchy as explained below

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

16. Other reserves

	Capital redemption £m	Translation reserve £m	Revaluation reserve £m	Total £m
At 1 January 2010	20 0	-	-	20.0
Exchange differences	-	-	-	-
At 31 December 2010	20.0	-	-	20.0
Revaluation of other investments	-	-	(7.9)	(7.9)
Recognised in gain on disposal of subsidiaries	-	-	-	-
Exchange differences	-	(0.2)	-	(0.2)
Tax on items taken directly to other comprehensive income	-	-	2.1	2.1
At 31 December 2011	20.0	(0.2)	(5.8)	14.0

17. Conversion to international financial reporting standards

These financial statements have been restated and represented under IFRS. Set out below are reconciliations of the profit for the year ended 31 December 2010 from UKGAAP to IFRS and for total equity under UKGAAP at 1 January 2010 and 31 December 2010 to total equity under IFRS. Additionally the balance sheet as at 1 January 2010 is presented under IFRS More detailed explanations of the key adjustments are set out below these tables.

Reconciliation of profit for the year from UKGAAP to IFRS

	Notes	Year ended 31 December 2010 £m
Operating profit (UKGAAP)		39 9
Movement in fair value of derivative financial instruments	(a)	18.9
Reversal of impairment of investment	(b)	30.9
Operating profit (IFRS)		89 7

Reconciliation of total equity from UKGAAP to IFRS

	Notes	31 December 2010 £m	1 January 2010 £m
Total equity (UKGAAP)		841.3	773.8
Fair value of derivative financial instruments	(a)	(20.5)	(32 4)
Reversal of impairment of investment	(b)	30.9	-
Remove fair value adjustment on investment in overseas subsidiaries	(c)	(31.9)	-
Total equity (IFRS)		819.8	741.4

17. Conversion to international financial reporting standards (continued)

Balance sheet at 1 January 2010 under IFRS

	1 January 2010 £m
Non-current assets	
Investment in group undertakings	744.7
	744 7
Current assets	
Trade and other receivables	337.9
	337.9
Total assets	1,082 6
Current liabilities	
Trade and other payables	(308.8)
	(308 8)
Non current liabilities	
Derivative financial instruments	(32.4)
	(32.4)
Total liabilities	(341 2)
Net assets	741 4
Equity	
Share capital	178.1
Share premium	745.4
Other reserves	20.0
Retained earnings	(202.1)
Total equity	741 4

Notes:

a) Derivative financial instruments

Under UKGAAP, the company measured derivative financial instruments at cost.
Under IFRS, derivative financial instruments are carried in the balance sheet at fair value with changes in fair value being recognised in the Income Statement unless they are eligible to be accounted for as hedges.

As the company's derivatives are cross currency interest rate swaps used to hedge the company's net investment in the US, hedge accounting has been adopted. Therefore the fair value of such instruments is recognised in the balance sheet, with changes in fair value recognised in equity. Any ineffective portion is recognised immediately in the income statement as a finance cost. When a hedging instrument expires, is sold or no longer qualifies as a hedge, the cumulative gain or loss remains in reserves until the hedged item is recognised in the income statement

17. Conversion to international financial reporting standards (continued)

b) Reversal of impairment of investment

The financial statements of the company's subsidiaries for the year ended 31 December 2011 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS), IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS for the first time. Consequently, the comparative information presented in those accounts has been restated and represented under IFRS resulting in the value of the subsidiaries changing, necessitating a reversal of impairment of investment in prior years.

c) Fair value adjustment of investment in overseas subsidiaries

Under UKGAAP, the company carried its investment in overseas subsidiary undertakings in the balance sheet at net asset value. Any surplus or deficit on revaluation, to the extent that a deficit was not permanent, was taken to the revaluation reserve. Impairments deemed to be of a permanent nature were written off in the profit and loss account. Under IFRS, the Company has elected to carry investments in subsidiaries in the balance sheet at cost less any provision considered necessary by the directors to reflect any permanent diminution in value. All foreign exchange and valuation movements previously taken directly to equity under UKGAAP have been reclassified to retained earnings at the opening IFRS balance sheet date