LIBERTY INTERNATIONAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Company number 1503621

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LIBERTY INTERNATIONAL HOLDINGS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Strategic Report and audited financial statements of Liberty International Holdings Limited ("the company") for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the company is an investment holding company, with the company holding interests in the investments as disclosed in notes 6 and 7.

BUSINESS REVIEW

On 19 January 2016, the company disposed of its interest of 11.4 million units in a US venture controlled by Equity One, receiving £201.9 million. The transaction resulted in a gain of £74.1 million that is recognised in the income statement.

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

The company's results and financial position for the year ended 31 December 2016 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 £76.8 million (2015 £41.5 million). Net assets at 31 December 2016 were £1,092.9 million (2015 £1,075.9 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.

As the company is a wholly owned subsidiary of the intu properties plc group, the company faces largely those risks and uncertainties faced by the group. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the group financial statements.

On behalf of the Board



David Fischel
Director
26 September 2017



Trevor Pereira
Director
26 September 2017

LIBERTY INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and audited financial statements of the company for the year ended 31 December 2016.

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 (2015 £nil).

CAPITAL MANAGEMENT
The directors consider the capital of the company to be the ordinary share capital of £178.1 million (2015 £178.1 million) and share premium of £745.4 million (2015 £745.4 million). Management of this capital is performed at group level.

FINANCIAL RISK MANAGEMENT
The company's approach to financial risk management is explained in note 14 to the financial statements.

GOING CONCERN
The directors have assessed the risk that the company is not a going concern and concluded that the going concern assumption is appropriate and prepared the annual report and financial statements on that basis. Further information regarding the adoption of the going concern can be found in note 1 to the financial statements.

DIRECTORS IN THE YEAR
The directors of the company who were in office during the year and up to the date of signing the financial statements were:

David Fischel
Hugh Ford
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.

LIBERTY INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Report and financial statements in accordance with applicable law and regulation.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

The directors 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

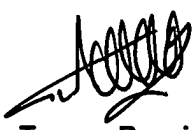
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, were appointed during the year and 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.

On behalf of the Board



Trevor Pereira
Director
26 September 2017

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 2016 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, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the income statement and statement of comprehensive income 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 the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

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, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.

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

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.

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 3, 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) ("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 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 Annual Report 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

LIBERTY INTERNATIONAL HOLDINGS LIMITED

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



Ranjan Sriskandan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 September 2017

LIBERTY INTERNATIONAL HOLDINGS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Dividends received		-	6.6
Reversal of impairment of investments in subsidiaries	6	-	29.4
Gain on sale of other investments	7	74.1	-
Operating profit	2	74.1	36.0
Finance income	3	7.2	5.5
Change in fair value of financial instruments		(4.5)	-
Net finance income		2.7	5.5
Profit before tax		76.8	41.5
Current tax	5	-	(0.5)
Deferred tax	5	0.7	(0.5)
Profit for the year		77.5	40.5

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Profit for the year		77.5	40.5
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Revaluation of other investments	7	-	12.5
Exchange differences		-	12.2
Tax on items taken directly to other comprehensive income	10	-	(5.0)
Total items that may be reclassified subsequently to profit or loss		-	19.7
Transferred to the income statement:			
On sale of other investments		(77.2)	-
Tax on sale of other investments	10	16.7	-
Total transferred to the income statement		(60.5)	-
Other comprehensive income for the year		(60.5)	19.7
Total comprehensive income for the year		17.0	60.2

LIBERTY INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Non-current assets			
Investment in subsidiary undertakings	6	393.5	393.5
Other investments	7	-	209.4
		393.5	602.9
Current assets			
Trade and other receivables	8	896.7	687.7
Cash and cash equivalents		0.1	0.1
		896.8	687.8
Total assets		1,290.3	1,290.7
Current liabilities			
Trade and other payables	9	(197.4)	(197.4)
Non-current liabilities			
Deferred tax provision	10	-	(17.4)
Total liabilities		(197.4)	(214.8)
Net assets		1,092.9	1,075.9
Equity			
Share capital	11	178.1	178.1
Share premium		745.4	745.4
Other reserves	15	22.9	83.4
Retained earnings		146.5	69.0
Total equity		1,092.9	1,075.9

The notes on pages 11 to 22 form part of these financial statements.

The financial statements on pages 7 to 22 have been approved by the Board of Directors on 26 September 2017 and signed on its behalf by:

David Fischel
Director

Trevor Pereira
Director

LIBERTY INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2016	178.1	745.4	83.4	69.0	1,075.9
Profit for the year	-	-	-	77.5	77.5
Other comprehensive income:					
Transferred to income statement on sale of other investments	-	-	(77.2)	-	(77.2)
Tax on sale of other investments	-	-	16.7	-	16.7
Total comprehensive income	-	-	(60.5)	77.5	17.0
At 31 December 2016	178.1	745.4	22.9	146.5	1,092.9

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2015	178.1	745.4	63.7	28.5	1,015.7
Profit for the year	-	-	-	40.5	40.5
Other comprehensive income:					
Revaluation of other investments	-	-	12.5	-	12.5
Exchange differences	-	-	12.2	-	12.2
Tax on items taken directly to other comprehensive income	-	-	(5.0)	-	(5.0)
Total comprehensive income	-	-	19.7	40.5	60.2
At 31 December 2015	178.1	745.4	83.4	69.0	1,075.9

LIBERTY INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £m	2015 £m
Profit before tax	76.8	41.5
Remove:		
Reversal of impairment of investments	-	(29.4)
Gain on sale of other investments	(74.1)	-
Finance income	(7.2)	(5.5)
Change in fair value of derivative financial instruments	4.5	-
Changes in working capital:		
Change in trade and other receivables	(209.1)	(11.7)
Change in trade and other payables	-	0.1
Cash used in operations	(209.1)	(5.0)
Interest received	7.2	5.4
Tax paid	-	(0.5)
Movement in deferred tax	-	0.1
Cash flows from operating activities	(201.9)	-
Sale of other investments	201.9	201.8
Cash flows from investing activities	201.9	-
Cash flows from financing activities	-	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	0.1	0.1
Cash and cash equivalents at 31 December	0.1	0.1

1. Accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS), interpretations issued by the 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 company takes advantage of the exemption available under IFRS 10 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, intu properties plc.

The accounting policies used are consistent with those applied in the last financial statements, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year. These amendments have not had an impact on the financial statements.

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 is IFRS 9 Financial Instruments along with related amendments to other IFRSs. Based on the company's current circumstances, these standards are not expected to have a material impact on the financial statements.

Estimates and assumptions
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.

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, following the impairment of assets policy, 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.

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 the 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.

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 and subsequently measured at amortised cost.

1. Accounting policies (continued)

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

Dividend income
Dividend income is recognised when the right to receive payment has been established.

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.

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 within one year of the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes and liabilities expected to be settled within one year of the reporting date. All other liabilities are classified as non-current liabilities.

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. Operating profit

The operating profit of £74.1 million (2015 £36.0 million) did not include any fees in respect of auditors' remuneration of £3,979 (2015 £3,863) in respect of the audit of the financial statements, which was settled on behalf of the company by the ultimate parent company, intu properties plc, and has not been recharged. No non-audit services were provided during the current or prior year.

The directors did not receive or waive any emoluments (2015 £nil) in respect of their services to the company.

There were no employees during the year (2015 none).

3. Finance income

	2016 £m	2015 £m
Interest receivable from group undertakings	7.2	5.5

4. Change in fair value of financial instruments

During the year, the company purchased an interest rate swap forward contract to hedge against the foreign exchange difference arising on the disposal of Equity One.

The change in fair value of financial instruments relates to the loss generated by this contract.

5. Taxation

Taxation for the year:

	2016 £m	2015 £m
Current tax	-	0.5
Deferred tax	(0.7)	0.5
Tax (credit)/expense	(0.7)	1.0

The assessed tax credit for the year is lower (2015 lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2016 £m	2015 £m
Profit before tax	76.8	41.5
Profit before tax multiplied by the standard rate of tax in the UK of 20% (2015 20.25%)	15.3	8.4
Effects of:		
Disallowed expenses	0.9	-
Impairment movement on investments not subject to tax	-	(6.2)
Transfer pricing adjustment	(0.8)	(1.0)
Dividends receivable subject to a lower rate of tax	-	(0.8)
Losses utilised	(1.7)	0.6
Group relief (without payment)	(14.4)	(0.1)
Reduction in tax rate	-	0.1
Tax (credit)/expense	(0.7)	1.0

6. Investment in subsidiary undertakings

	Cost £m	Accumulated impairment £m	Net £m
At 1 January 2015	395.3	(31.2)	364.1
Reversal of impairment	-	29.4	29.4
At 31 December 2015 and 31 December 2016	395.3	(1.8)	393.5

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
Intu FM Limited (dormant)[1]	Preference	100
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)[2]	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 Designated Activity Company (treasury management)[3]	Ordinary	100
Fortheath (No. 3) Limited (dormant)	Ordinary	100
Middleford Property Investments Limited (dormant)	Ordinary	75

All of the above companies are wholly owned directly or indirectly by the company and are incorporated and registered in England and Wales with a registered office of 40 Broadway, London, SW1H 0BT, except where otherwise indicated.

[1] Company being a direct subsidiary of Kindmotive Limited
[2] Company being a direct subsidiary of Transatlantic Holdings Limited
[3] Company being a direct subsidiary of Intu Finance MH Limited, and is registered in the Republic of Ireland with a registered office of 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3.

7. Other investments

	2016 £m	2015 £m
At 1 January	209.4	184.7
Revaluation	-	12.5
Foreign exchange	-	12.2
Disposals	(209.4)	-
At 31 December	-	209.4

On 19 January 2016, the company disposed of its interest of 11.4 million units in a US venture controlled by Equity One, receiving £201.9 million. The transaction resulted in a gain of £74.1 million that is recognised in the income statement after transfer from reserves of £77.0 million and settlement costs.

8. Trade and other receivables

	2016 £m	2015 £m
Amounts due from subsidiary undertakings	896.7	687.7

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 (2015 1%).

9. Trade and other payables

	2016 £m	2015 £m
Amounts due to group undertakings	197.3	197.3
Other payables	0.1	0.1
	197.4	197.4

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

10. Deferred tax provision

	Other investments £m	Tax losses £m	Total £m
At 1January 2016	(19.7)	2.3	(17.4)
Recognised in the income statement	3.0	(2.3)	0.7
Recognised directly in other comprehensive income	16.7	-	16.7
At 31 December 2016	-	-	-

There are no unrecognised deferred tax assets at 31 December 2016 or at 31 December 2015.

11. Share capital

	2016 £m	2015 £m
Issued, called up and fully paid		
356,170,839 (2015 356,170,839) ordinary shares of 50p each	178.1	178.1

12. Related party transactions

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

	Amounts due to 2016 £m	Amounts due to 2015 £m
Transol Investments Limited	169.3	169.3
Kindmotive Limited	27.8	27.8
Middleford Property Investment Limited	0.2	0.2

	Amounts owed by 2016 £m	Amounts owed by 2015 £m
Liberty International Financial Services Limited	142.5	142.5
Liberty International Group Treasury Limited	754.2	545.2

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

Group company	Nature of transaction	2016 £m	2015 £m
Liberty International Group Treasury Limited	Interest receivable	7.2	5.5

13. 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.

14. Financial risk management

The company is exposed to a variety of financial 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 intu properties 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. Further details of intu properties plc's financial risk management are disclosed in the group's publicly available financial statements.

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. As at 31 December 2015, the company's other investments are denominated in US$. As at 31 December 2016, the company no longer held any investments denominated in US$. The note below refer to the other investments in place at 31 December 2015.

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

	2015 US$m
Net exposure	308.6

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

	2015 US$m
Foreign exchange rate	1.4739

The approximate impact of a 10 per cent appreciation in foreign exchange rates at 31 December 2015 would be a positive movement of £23.3 million to the net assets of the company. The approximate impact of a 10 per cent depreciation in foreign exchange rates at 31 December 2015 would be a negative movement of £19.0 million to the net assets of the company.

14. 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 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.

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.

	2016 Repayable within 1 year or on demand £m
Amounts due to group undertakings	(197.3)
Other financial liabilities	(0.1)
	(197.4)

	2015 Repayable within 1 year or on demand £m
Amounts due to group undertakings	(197.3)
Other financial liabilities	(0.1)
	(197.4)

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.

14. 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 2016 and 31 December 2015.

2016	Carrying value £m	Fair value £m	Gain to other comprehensive income £m
Trade and other receivables	896.7	896.7	-
Cash and cash equivalents	0.1	0.1	-
Total cash and receivables	896.8	896.8	-
Trade and other payables	(197.4)	(197.4)	-
Total loans and payables	(197.4)	(197.4)	-

2015	Carrying value £m	Fair value £m	Gain to other comprehensive income £m
Other investments	209.4	209.4	12.5
Total available-for-sale investments	209.4	209.4	12.5
Trade and other receivables	687.7	687.7	-
Cash and cash equivalents	0.1	0.1	-
Total cash and receivables	687.8	687.8	-
Trade and other payables	(197.4)	(197.4)	-
Total loans and payables	(197.4)	(197.4)	-

The company's available for sale investments are held at fair value. These financial assets and liabilities are categorised as level 3 in the fair value hierarchy as explained below.

There were no changes in circumstances which resulted in transfers in or out for the above financial assets and liabilities during the year.

During the year the directors re-evaluated the fair value hierarchy and considered it more appropriate to classify the available-for-sale investments as Level 3 rather than Level 2.

14. 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.

15. Other reserves

	Capital redemption £m	Hedging reserve £m	Translation reserve £m	Revaluation reserve £m	Total £m
At 1 January 2015	20.0	2.9	1.2	39.6	63.7
Revaluation of other investments	-	-	-	12.5	12.5
Exchange differences	-	-	12.2	-	12.2
Tax on items taken directly to other comprehensive income	-	-	-	(5.0)	(5.0)
At 31 December 2015	20.0	2.9	13.4	47.1	83.4
Transferred to income statement on sale of other investments	-	-	(13.4)	(63.8)	(77.2)
Tax on sale of other investments	-	-	-	16.7	16.7
At 31 December 2016	20.0	2.9	-	-	22.9