

LIBERTY LIVING (LIBERTY AP) LIMITED
Company Number 03633307

Annual Report and Audited Financial Statements
For the year ended 31 August 2016



LIBERTY LIVING (LIBERTY AP) LIMITED

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For the year ended 31 August 2016

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LIBERTY LIVING (LIBERTY AP) LIMITED

COMPANY INFORMATION

For the year ended 31 August 2016

Directors	Maximilian Biagosch Thomas Jackson John Kenny Gabriel Behr
Registered Number	03633307
Registered Office	Fifth floor Peninsular House 30-36 Monument Street London EC3R 8NB
Company Secretary	Peter Cross
Independent Auditors	Deloitte LLP 2 New Street Square London EC4A 3BZ
Property Valuer	Knight Frank LLP 55 Baker Street London W1U 8AN
Solicitors	Nabarro LLP 125 London Wall London EC2Y 5AL United Kingdom
Property Asset Manager	Liberty Living Limited Fifth floor Peninsular House 30-36 Monument Street London EC3R 8NB
Bank Details	HSBC 130 New Street Birmingham B2 4JU

LIBERTY LIVING (LIBERTY AP) LIMITED

STRATEGIC REPORT

For the year ended 31 August 2016

The Directors present their strategic report on the affairs of Liberty Living (Liberty AP) Limited ('the Company') for the year ended 31 August 2016. The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The principal activity of the Company and the wider CPPIB Liberty Living Inc. Group is to invest in student accommodation throughout the United Kingdom. The Directors do not foresee a change of the Company's principal activity in the near future.

REVIEW OF THE BUSINESS

The Directors report a profit after tax of £4,824,000 (2015: £1,375,000 loss), which is in line with the Directors' expectations. The Company's Balance sheet has strengthened in the period such that net assets are £46,150,000 (2015: £41,326,000), primarily as a result of the gain on revaluation of investment property of £2,551,000 (2015: £3,496,000 loss).

No dividend was paid during the year (2015: nil) and the Directors do not recommend the payment of a final dividend (2015: nil).

Key performance indicators

The key performance indicators are profit after tax and net assets, which are discussed above.

PRINCIPAL RISKS AND UNCERTAINTIES

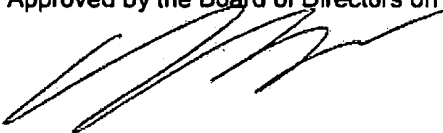
The Directors consider the following to be the principal risks and uncertainties which may affect the Company performance:

- continued availability of finance within the Group; and
- the supply of, and demand for Student Accommodation, and any associated reputation and compliance risks involved in the operation of the properties.

Financial risk management and policies

The Company's principal financial instruments comprise intercompany loans. The main purpose of these financial instruments is to provide funding for the Company's investment in property. The Company has no derivative instruments outstanding at the end of the year (2015: none).

Approved by the Board of Directors on 20 February 2017 and signed on its behalf by:



Gabriel Behr
Director

LIBERTY LIVING (LIBERTY AP) LIMITED

Registered number: 03633307

DIRECTORS' REPORT

For the year ended 31 August 2016

The Directors of Liberty Living (Liberty AP) Limited (the 'Company') present their Annual Report and the audited Financial Statements for the year ended 31 August 2016.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The principal activity and future developments of the Company are set out in the strategic report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties are set out in the strategic report.

RESULTS AND DIVIDENDS

The Company made a profit for the year of £4,824,000 (2015: £1,375,000 loss), which has been transferred to reserves.

The Directors do not recommend the payment of a dividend (2015: £nil).

DIRECTORS

The Directors set out below held office during the year and to the date of this report unless otherwise stated:

M Biagosch	– appointed 1 June 2016
T Jackson	
J Kenny	– appointed 1 June 2016
C Marshall	– resigned 31 December 2016
J Mortimore	– appointed 22 September 2015, resigned 8 December 2015
A Orlandi	– resigned 1 June 2016
P Rayner	– appointed 20 January 2016, resigned 30 November 2016
G Behr	– appointed 30 November 2016

At no time during the year or to date did any Director have any beneficial interest in the shares of the Company.

DIRECTORS INDEMNITY

CPPIB Liberty Living Inc. provides a deed of indemnity to the Directors to the extent permitted by UK law whereby CPPIB Liberty Living Inc. indemnifies a Director against any liability incurred in proceedings in which the Director is successful, and against the cost of applying to the court for breach of duty where the Director acted honestly and reasonably. The indemnity has been in force for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

LIBERTY LIVING (LIBERTY AP) LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 judgments 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. 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.

STATEMENT OF DISCLOSURE TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. See accounting policies for further information.

LIBERTY LIVING (LIBERTY AP) LIMITED

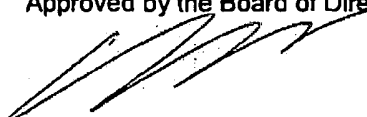
DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2016

INDEPENDENT AUDITORS

The independent auditors, Deloitte LLP, have expressed their willingness to continue in office as auditors.

Approved by the Board of Directors on 20 February 2017 and signed on its behalf by:



Gabriel Behr
Director

LIBERTY LIVING (LIBERTY AP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBERTY LIVING (LIBERTY AP) LIMITED

For the year ended 31 August 2016

We have audited the financial statements of Liberty Living (Liberty AP) Limited for the year ended 31 August 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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.

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 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.

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 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

LIBERTY LIVING (LIBERTY AP) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBERTY LIVING
(LIBERTY AP) LIMITED (CONTINUED)
For the year ended 31 August 2016**

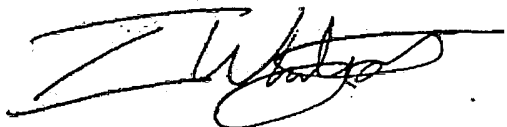
Opinion on other matters prescribed by the Companies Act 2006

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

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.



Ian Whitefoot, (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK

20 February 2017

LIBERTY LIVING (LIBERTY AP) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2016

	Note	2016 £000	2015 £000
Turnover	1	3,113	2,794
Operating costs		-	(3)
Revaluation gain/(loss) on investment property		2,551	(3,496)
Operating profit/(loss)	3	5,664	(705)
Interest receivable and similar income	5	5,591	5,665
Interest payable and similar charges	6	(6,868)	(6,849)
Profit/(loss) on ordinary activities before tax		4,387	(1,889)
Tax on profit/loss on ordinary activities	7	437	514
Profit/(loss) for the financial year		4,824	(1,375)

All items in the above statement derive from continuing operations.

There are no items of other comprehensive income for either period and accordingly no statement of comprehensive income has been presented.

The accompanying notes form an integral part of these Financial Statements.

LIBERTY LIVING (LIBERTY AP) LIMITED

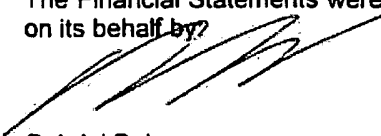
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BALANCE SHEET
As at 31 August 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investment property	8	60,030	57,360
Investment in subsidiaries	9	3	3
		<u>60,033</u>	<u>57,363</u>
Current assets			
Debtors due within one year	10	32,632	63,806
Debtors due greater than one year	10	99,833	99,833
		<u>132,465</u>	<u>163,639</u>
Creditors: amounts falling due within one year	11	<u>(17,889)</u>	<u>(50,648)</u>
Net current assets		114,576	112,991
Creditors: amounts falling due after more than one year	11	(122,300)	(122,300)
Deferred tax	12	(6,159)	(6,728)
Net assets		<u>46,150</u>	<u>41,326</u>
Capital and reserves			
Share capital	13	100	100
Share premium account		5,492	5,492
Profit and loss account		40,558	35,734
Equity Shareholder's funds		<u>46,150</u>	<u>41,326</u>

The accompanying notes form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 20 February 2017 and signed on its behalf by


 Gabriel Behr
 Director

LIBERTY LIVING (LIBERTY AP) LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 August 2016

	Share capital £000	Share premium account £000	Profit and loss account £000	Total £000
At 1 September 2014	100	5,492	37,109	42,701
Loss for the period	-	-	(1,375)	(1,375)
Total comprehensive income	-	-	(1,375)	(1,375)
At 1 September 2015	100	5,492	35,734	41,326
Profit for the period	-	-	4,824	4,824
Total comprehensive income	-	-	4,824	4,824
At 31 August 2016	100	5,492	40,558	46,150

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2016

1. ACCOUNTING POLICIES

The Financial Statements are prepared in accordance with accounting standards applicable in the United Kingdom and the functional and presentational currency of the Company is pounds sterling (£). The particular accounting policies adopted are described below.

General information and basis of accounting

Liberty Living (Liberty AP) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page. The nature of the Company's operation and its principal activities are set out in the Directors' report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information, see note 17.

The Company is included in the consolidated financial statements of Liberty Living Investments Limited. The Company meets the definition of a qualifying entity under FRS 102 and therefore has taken advantage of the disclosure exemptions in relation to financial instruments, the presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Turnover

Turnover represents rental income which is accounted for on an accruals basis and ancillary income. Rental income is deferred over the rental contract term and recognised on the date that it is receivable. Ancillary income is recognised on the date that the charge is incurred. Turnover is stated net of VAT and is wholly derived from the United Kingdom.

Operating costs, interest receivable and payable

Operating costs are costs relating to the provision of revenue and other income associated with student accommodation and accounted for on an accruals basis. Interest receivable and payable as also recognised on an accruals basis.

Investment property

Investment properties for which fair value can be measured reliably without undue costs or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account. Incremental costs of replacement or redevelopment incurred are capitalised and separately disclosed.

Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

LIBERTY LIVING (LIBERTY AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property using the revaluation model and is measured using the tax rates and allowances that apply to sale of the asset.

Investments in Subsidiaries

Investments in Subsidiaries are stated at cost less provision for any impairment in value which is considered by the Company to be permanent.

Financial instruments

The Company's financial instruments comprise debtors, cash and cash equivalents and creditors. Debtors and creditors include intercompany balances. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at fair value and subsequently measured at amortised cost. Financial assets are generally derecognised when the contractual rights to the cash flows from the financial asset expire or are settled. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Going Concern

In considering the appropriateness of the going concern basis the Board have reviewed the key risks and uncertainties to which they believe the Company is exposed, the Company's ongoing financial commitments and the availability of sufficient resources for the next twelve months and beyond.

The Company meets its day to day working capital requirements using cash and intercompany borrowing facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility.

The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

LIBERTY LIVING (LIBERTY AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, above in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These are summarised below:

Investment properties

The Company's investment properties are carried at their fair value as at the balance sheet date, further information regarding the valuation process is included in note 8.

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2016	2015
	£000	£000
Revaluation (gain)/loss of investment property	(2,551)	3,496
Auditors' remuneration in respect of the audit of the Company's financial statements	-	3

Auditors' remuneration of £6,000 in respect of the 2016 audit of the Company's financial statements has been borne by related group company.

4. DIRECTORS REMUNERATION

The Directors were not remunerated by the Company in either year as they are employed and remunerated for their service to the wider CPPIB Liberty Living Inc. Group. Certain Directors are employed within the CPPIB Liberty Living Inc. Group by Liberty Living Limited and details of remuneration paid by the company are set out in its financial statements. Where Directors are employed by the Canada Pension Plan Investment Board no charge for remuneration is made in the CPPIB Liberty Living Inc. Group.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest payable and similar charges includes:

	2016	2015
	£000	£000
Other income	-	74
Interest on Group related party loans	5,591	5,591
	5,591	5,665

LIBERTY LIVING (LIBERTY AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

6. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes:

	2016 £000	2015 £000
Interest on Group related party loans	<u>6,868</u>	<u>6,849</u>
	<u>6,868</u>	<u>6,849</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit comprises:

	2016 £000	2015 £000
Current tax		
Charge for the year	-	193
Adjustments in respect of prior years	<u>132</u>	<u>(8)</u>
Total current tax	<u>132</u>	<u>185</u>
Deferred tax		
Origination and reversal of timing difference	509	(699)
Change in tax rates	(684)	-
Adjustment in respect of prior years	<u>(394)</u>	<u>-</u>
Total deferred tax	<u>(569)</u>	<u>(699)</u>
Total tax credit on profit/(loss) on ordinary activities	<u>(437)</u>	<u>(514)</u>

The Finance Act 2016, which was substantively enacted in July 2016, provided for a reduction in the main rate of UK corporation tax from 20% to 19% with effect from 1 April 2017 and a further reduction to 17% with effect from 1 April 2020. These changes have been taken into account in calculating the current year tax charge.

LIBERTY LIVING (LIBERTY AP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 August 2016****Analysis of the tax credit**

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax and the differences are explained below:

Factors affecting the tax credit:

	2016	2015
	£000	£000
Profit/(loss) before tax	4,387	(1,889)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015:20.58%)	877	(389)
Effects of:		
Income not tax deductible	-	(15)
Group relief not paid	(369)	(60)
Capital allowances for period in excess of depreciation	-	(62)
Adjustments to tax charge in respect of previous periods	(261)	(8)
Rate differences on deferred tax	-	20
Change in tax rates	(684)	-
Total tax credit	(437)	(514)

LIBERTY LIVING (LIBERTY AP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 August 2016****8. INVESTMENT PROPERTY**

	Investment property at cost £000	Property revaluation £000	Total £000
At 1 September 2015	23,718	33,642	57,360
Property additions	119	-	119
Revaluation in year	-	2,551	2,551
At 31 August 2016	<u>23,837</u>	<u>36,193</u>	<u>60,030</u>

The Group's investment properties are valued at market value at the balance sheet date of 31 August 2016 by Knight Frank LLP, an independent firm of professional property valuers which is regulated by the Royal Institution of Chartered Surveyors ('RICS'). The valuation was undertaken in accordance with RICS Valuation - Professional Standards global January 2014, including the International Valuations Standards, and RICS Professional Standards UK January 2014 (revised April 2015). The key judgement included in the valuation are yield rates which are based on market data.

9. INVESTMENT IN SUBSIDIARIES

The Companies direct and indirect* subsidiaries are as follows:

Company Name	Country of incorporation	Principal activity
Liberty Living (Liberty CP) Limited*	United Kingdom	Property Investment
Liberty Living (Liberty PP) Limited*	United Kingdom	Property letting , Management and Holding company
Liberty Prospect Point (Liverpool) Limited	United Kingdom	Property letting and Management
Liberty Atlantic Point (Liverpool) Limited*	United Kingdom	Property letting and Management
Liberty Cambrian Point (Cardiff) Limited	United Kingdom	Property letting and Management
Liberty Living (LP Coventry) Limited*	United Kingdom	Property Investment
Liberty Point (Manchester) Limited*	United Kingdom	Property letting and Management
Liberty Living (LP Manchester) Limited*	United Kingdom	Property Investment
Liberty Point (Coventry) Limited*	United Kingdom	Property letting and Management
Liberty Living (Liberty SP) Limited*	United Kingdom	Property Investment
Liberty Severn Point (Cardiff) Limited*	United Kingdom	Property letting and Management
Liberty Quay (Newcastle) Limited*	United Kingdom	Property letting and Management
Liberty Living SpareCo Limited*	United Kingdom	Holding company
Liberty Living (LQ Newcastle) Limited	United Kingdom	Property Investment

LIBERTY LIVING (LIBERTY AP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 August 2016****10. DEBTORS**

	2016	2015
	£000	£000
Due from Group related undertakings	32,632	63,610
Tax and social security	-	196
Debtors: due within one year	32,632	63,806
Loans due from Group related undertakings	99,833	99,833
Debtors: due greater than one year	99,833	99,833

11. CREDITORS

	2016	2015
	£000	£000
Bank overdraft	12	12
Other creditors	-	5
Due to Group related undertakings	17,877	50,631
Creditors: amounts due within one year	17,889	50,648
Loans due to Group related undertakings	122,300	122,300
Creditors: amounts due after one year	122,300	122,300

The Company entered into a loan with a related group undertaking which is repayable on 29 November 2018 and carries an interest rate of 5.6%.

LIBERTY LIVING (LIBERTY AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

12. DEFERRED TAX

	Investment properties	Accumulated capital allowances and other timing differences	Total
	£000	£000	£000
At 1 September 2015	6,728	-	6,728
Credit to the profit and loss account	(214)	(355)	(569)
At 31 August 2016	<u>6,514</u>	<u>(355)</u>	<u>6,159</u>
As at 1 September 2014	7,427	-	7,427
Credit to the profit and loss account	(699)	-	(699)
As at 31 August 2015	<u>6,728</u>	<u>-</u>	<u>6,728</u>

13. SHARE CAPITAL

Authorised

	2016 £	2016 Number of shares	2015 £	2015 Number of shares
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

	2016 £	2016 Number of shares	2015 £	2015 Number of shares
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

14. CONTROLLING PARTIES

The Company's immediate parent company is Liberty Living UK Limited, a company incorporated and registered in the United Kingdom. The ultimate controlling party is the Canada Pension Plan Investment Board. The smallest and largest group to consolidate these accounts is the group headed by Liberty Living Investments Limited.

15. OTHER FINANCIAL COMMITMENTS

The Company is party to a guarantee for the £200 million loan facilities of £100 million each with HSBC Bank plc and The Royal Bank of Scotland plc (expiring 31 August 2018) and the US\$155 million (c.£100 million) US loan notes (US\$77.5 million expiring 28 February 2022 and US\$77.5 million expiring 28 February 2024) taken out by a related group undertaking. The Company's assets, including any investment property, are pledged as security for the facilities. The Company is also an obligor under the loan facility agreement.

16. SUBSEQUENT EVENTS

On 14 September 2016 Liberty Living Limited, a related group undertaking entered into a 10-year lease for the Liberty Group's head office. The Company is a guarantor for this lease.

LIBERTY LIVING (LIBERTY AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

17. TRANSITION TO FRS102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 was therefore 1 September 2014. As a consequence of adopting FRS 102, changes to accounting policies have caused the restatement of figures reported in the prior period.

Reconciliation of equity

	1 September 2014 £000	31 August 2015 £000
Equity reported under previous UK GAAP	50,128	48,054
1. Revaluation adjustment	-	-
2. Deferred tax on investment properties	(7,427)	(6,728)
	<u>42,701</u>	<u>41,326</u>

Reconciliation of profit or loss for the period ended 31 August 2015

	£000
Profit for the financial year under previous UK GAAP	1,422
1. Revaluation adjustment	(3,496)
2. Deferred tax on investment properties	699
	<u>(1,375)</u>

Explanation for adjustments

1. Revaluation adjustment

Previously recognised revaluation gains have been transferred from the revaluation reserve in equity to the profit and loss account. There is no impact on total equity due to this adjustment.

2. Deferred tax on investment properties

Deferred tax on investment properties is required to be recognised on cumulative revaluation gains. Opening equity has been adjusted for deferred tax at the date of transition and subsequent changes have been recognised through the profit and loss account.