

**LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**  
Company Number 09375849

**Annual Report and Audited Financial Statements**  
**For the year ended 31 August 2018**



# **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

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**For the year ended 31 August 2018**

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## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

**Registered number: 09375849**

### **DIRECTORS' REPORT**

**For the year ended 31 August 2018**

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The Directors of Liberty Living Investments Nominee 2 Limited (the 'Company') present their Annual Report and the audited Financial Statements for the year ended 31 August 2018. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. Accordingly, the Directors have elected to take advantage of the exemption from preparing a Strategic report.

#### **PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS**

The principal activity of the Company is to act as a Nominee Company for a Limited Partnership. The Directors do not foresee a change of the Company's principal activity in the near future.

#### **RESULTS AND DIVIDENDS**

The Company made a profit for the year of £nil (2017: £nil).

During the year the Company was included as an obligor to a wider group refinancing undertaken by a related group undertaking. Details of these events can be found in the financial statements in note 8.

The Directors do not recommend the payment of a dividend (2017: £nil).

#### **DIRECTORS**

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

M Biagosch

T Jackson

G Behr – resigned 14 June 2018

P Mullins – appointed 9 March 2018

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

#### **SECRETARY**

The Secretary of the Company during the year and up to the date of signing the annual report and accounts was Rachel Heslehurst.

#### **DIRECTORS INDEMNITY**

Liberty Living Holdings Inc. provides a deed of indemnity to the Directors of the Company to the extent permitted by UK law whereby Liberty Living Holdings 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 2018 and up to the date of approval of the annual report and financial statements. This indemnity has also been made for the benefit of the directors of its associated companies during the year which remain in force at the date of this report.

## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 August 2018**

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#### **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 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. 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 AUDITOR**

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 auditor is 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 auditor is aware of that information.

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

Deloitte LLP, have expressed their willingness to continue in office as auditor.

#### **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 of accounting in preparing the annual financial statements. See accounting policies for further information.

**LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 August 2018**

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**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company has no significant risks relating to its financial instruments.

**EVENTS AFTER THE BALANCE SHEET DATE**

Details of significant events since the year end are included in note 9 of the financial statements.

Approved by the Board of Directors on 12 December 2018 and signed on its behalf by:



Paul Mullins  
Director

## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

**For the year ended 31 August 2018**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Liberty Living Investments Nominee 2 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED (CONTINUED)**

**For the year ended 31 August 2018**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED (CONTINUED) For the year ended 31 August 2018**

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#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

##### **Use of our report**

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 auditor's 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.



Andy Siddons (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, UK

12 December 2018



# LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED

## BALANCE SHEET

As at 31 August 2018

Company Number 09375849

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors due within one year	5	1	1
<b>Net current assets</b>		1	1
<b>Total assets less current liabilities</b>		1	1
<b>Net assets</b>		1	1
<b>Capital and reserves</b>			
Called up share capital	6	1	1
Profit and loss account		-	-
<b>Equity Shareholder's funds</b>		1	1

There was no profit or loss for the current or prior period and accordingly no profit or loss account has been presented for both periods.

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

The financial statements were approved by the board of directors and authorised for issue on 12 December 2018. They were signed on its behalf by:



Paul Mullins  
Director

**LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 August 2018**

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	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 September 2016	1	-	1
Profit for the year	-	-	-
Total comprehensive income	-	-	-
At 31 August 2017	1	-	1
Profit for the year	-	-	-
Total comprehensive income	-	-	-
<b>At 31 August 2018</b>	<b>1</b>	<b>-</b>	<b>1</b>

## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 August 2018**

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#### **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 (£). They have all been applied consistently throughout the year and to the preceding year. The particular accounting policies adopted are described below.

##### **General information and basis of accounting**

Liberty Living Investments Nominee 2 Limited is a private company limited by shares under the Companies Act 2006 and registered in England and Wales. The address of the registered office is Fifth floor, Peninsular House, 30-36 Monument Street, London, EC3R 8NB. 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 going concern basis, historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company is included in the consolidated financial statements of Liberty Living (HE) Holdings Limited, which are available on Companies House. 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.

##### **Taxation**

As a REIT, UK property rental profits and gains on disposal of UK investment properties are exempt from UK tax with the exception of certain non-core income streams. The Company pays UK corporation tax on the profits from its non-core income streams.

The tax charge for the year is recognised in the profit and loss account according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax. Current tax, being UK corporation tax on the residual business, 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.

A deferred tax asset is regarded as recoverable and therefore 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.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 August 2018**

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#### **Financial instruments**

The Company's financial instruments comprise debtors. 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.

#### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

#### **Going Concern**

In considering the appropriateness of the going concern basis of accounting 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. No Going Concern issues have been identified.

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.

## **2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

No material items of judgement and uncertainty have been identified relating to these financial statements.

## LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

#### 3. STAFF COSTS

The Company has no employees in the current or prior year.

##### Directors

The Directors were not remunerated by the Company in either year as they are employed and remunerated for their service to the wider Liberty Living Group plc Group. Certain Directors are employed within the Liberty Living Group plc 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 Liberty Living Group plc Group.

#### 4. AUDITOR'S REMUNERATION

Auditor's remuneration of £3,000 (2017 - £7,000) in respect of the 2018 audit of the Company's financial statements has been borne by related group company.

#### 5. DEBTORS DUE WITHIN ONE YEAR

	2018 £	2017 £
Other debtors	1	1
	<u>1</u>	<u>1</u>

#### 6. SHARE CAPITAL

##### Issued

	£	Number of shares
Ordinary £1 shares at 31 August 2017 and 2018	<u>1</u>	<u>1</u>

The Company has one class of ordinary share which carry no right to fixed income.

## **LIBERTY LIVING INVESTMENTS NOMINEE 2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 August 2018**

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#### **7. CONTROLLING PARTIES**

The Company's immediate parent company is Liberty Living Investments GP2 Limited, a company incorporated and registered in England and Wales. The ultimate controlling party is the Canada Pension Plan Investment Board. The smallest group to consolidate these accounts is the group headed by Liberty Living (HE) Holdings Limited, a company incorporated in England and Wales. The largest group to consolidate these accounts is the group headed by Liberty Living Group plc, a company incorporated in Jersey. Copies of the smallest and largest consolidated accounts can be obtained from the registered address of the Company.

The registered office address of the above companies is set out below:

Liberty Living Investments GP2 Limited	Fifth Floor Peninsular House, 30-36 Monument Street, London, United Kingdom, EC3R 8NB
Canada Pension Plan Investment Board	One Queen Street East, Suite 2500, Toronto, ON M5C 2W5, Canada
Liberty Living (HE) Holdings Limited	Fifth Floor Peninsular House, 30-36 Monument Street, London, United Kingdom, EC3R 8NB
Liberty Living Group plc	47 Esplanade, St Helier, Jersey JE1 0BD

#### **8. OTHER FINANCIAL COMMITMENTS**

On 13 November 2017 a related group undertaking, Liberty Living Finance plc, entered into a £400m Facilities agreement with HSBC Bank plc, the Royal Bank of Canada and the Royal Bank of Scotland plc with a five year term. On 28 November 2017, the same undertaking issued two £300m bond tranches with maturities of seven and 12 years respectively. The Company, along with other Group related undertakings, has irrevocably and unconditionally, jointly and severally, guaranteed to meet the obligations of Liberty Living Finance plc with respect to the amounts borrowed in the event Liberty Living Finance plc fails to meet its obligations when they fall due.

#### **9. SUBSEQUENT EVENTS**

There were no material events subsequent to the Balance Sheet date.