

**A.L.I.H. (PROPERTIES) LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER  
2013**

**Registered in England, No. 1343356**

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## **Financial statements for the year ended 31 December 2013**

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**Financial Statements for the year ended 31 December 2013****Directors and Officers**

<b>Directors</b>	H L Richards K P J Moriarty C M Hodson J L Stone
<b>Secretary</b>	Jordan Company Secretaries Limited
<b>Registered office</b>	4th Floor 10 Lower Grosvenor Place London SW1W 0EN
<b>Registered number</b>	Registered in England, No. 1343356
<b>Bankers</b>	National Westminster Bank PLC 208 Piccadilly, London, W1A 2DG

## Directors' Report for the year ended 31 December 2013

The Directors present their Report and the Annual Financial Statements for the year ended 31 December 2013.

### Principal activity

The principal activity of A.L.I.H. (Properties) Limited ('the Company') is to invest in land appropriate for development.

A.L.I.H. (Properties) Limited is a UK based Limited company.

Registered Office      4th Floor  
10 Lower Grosvenor Place  
London  
SW1W 0EN

Registered number      Registered in England, No. 1343356

### Parent Company

The Company is a wholly owned subsidiary of Lands Improvement Holdings Limited. The ultimate parent company is Blackrock Property Europe Fund III L.P. (formerly MGPA Europe Fund III, L.P.) which is also the parent undertaking of the largest group of undertakings for which group financial statements are prepared and of which the Company is a member.

### Results for the year

The profit for the year, after taxation amounted to £375 (2012: £9,553 loss). During the year no dividends were paid or proposed (2012: nil).

### Principal risks, uncertainties and key performance indicators (KPI's)

From the perspective of the Company, the principal risks and uncertainties of the Company are integral to the principal risks of the Group and are not managed separately. Accordingly (with the exception of Financial Risks - note 4) these are discussed in the BR Empire S.à r.l. (formerly MGP Empire S.à r.l.) group's annual report, that does not form a part of this report.

The Directors of the Company believe that analysis using key performance indicators is not necessary for understanding of the performance or position of A.L.I.H. (Properties) Limited due to its small scale projects. The performance and position of the BR Empire S.à r.l. group is discussed in the BR Empire S.à r.l. annual report, that does not form part of this report (note 16).

### Directors

During 2013 the Directors of the Company were as follows


H L Richards  
K P J Moriarty  
C M Hodson  
J L Stone

Each of the Directors listed held office throughout the financial year and as at 31 December 2013

The above report has been prepared in accordance with special provisions for small companies in part 15 of the Companies Act 2006.

By order of the Board

Director

  
CHRISTOPHER HODSON

Date

15 July 2014

## **Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements**

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law 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 the Profit or Loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS's as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that 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 Financial Position as at 31 December 2013**

		31 December 2013 £	31 December 2012 £
	Note		
<b>Assets</b>			
<b>Non current assets</b>		-	-
<b>Current assets</b>			
Trade and other receivables		327	-
Amounts owed by group companies	3	<u>1</u>	<u>-</u>
<b>Total assets</b>		<u><b>328</b></u>	<u><b>-</b></u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Issued share capital	5	100	100
Retained earnings		<u>(69,056)</u>	<u>(69,431)</u>
<b>Total deficit</b>		<b>(68,956)</b>	<b>(69,331)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accruals and deferred income	6	-	5,640
Bank overdraft		69,284	54,811
Amounts owed to group companies	3	-	-
Amounts owed to parent company	3	<u>-</u>	<u>8,880</u>
<b>Total liabilities</b>		<u><b>69,284</b></u>	<u><b>69,331</b></u>
<b>Total deficit and liabilities</b>		<u><b>328</b></u>	<u><b>-</b></u>

The notes on pages 9 to 15 are an integral part of these financial statements.

For the year ending 31 December 2013 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The Members have not required the company to obtain an audit of its accounts for the year ending 31 December 2013 in accordance with section 476 of the Companies Act 2006.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved for issue by the Board of Directors on 15 July 2014 and signed on its behalf

Christopher Hodson

A. L. I. H. (Properties) Limited  
Registered number. 1343356

**Statement of Comprehensive Income for the year ended 31 December 2013**

Year ended 31 December

2013	2012
£	£

Other income		<b>375</b>	-
Administrative expenses	7	-	(9,446)
<b>Operating profit/(loss)</b>		<b>375</b>	<b>(9,446)</b>
Finance expense	9	-	(107)
<b>Profit/(loss) before income tax</b>		<b>375</b>	<b>(9,553)</b>
Tax credit	10	-	-
<b>Profit / (loss) for the year from continuing operations attributable to owners</b>		<b>375</b>	<b>(9,553)</b>

There is no difference between the profit for the year (2012: loss) and the total comprehensive income (2012: loss) for the year.

**Statement of Changes in Equity for the year ended 31 December 2013**

	Share Capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2012	100	(59,878)	(59,778)
Total comprehensive loss for the year	-	(9,553)	(9,553)
Balance at 31 December 2012	<u>100</u>	<u>(69,431)</u>	<u>(69,331)</u>
Balance at 1 January 2013	100	(69,431)	(69,331)
Total comprehensive income for the year	-	375	375
Balance at 31 December 2013	<u>100</u>	<u>(69,056)</u>	<u>(68,956)</u>



**Statement of Cash Flows for the year ended 31 December 2013**

		<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Cash used in operations	11	<b>(14,474)</b>	(20,605)
Interest paid		-	(107)
<b>Net cash used in operating activities</b>		<b>(14,474)</b>	(20,712)
<b>Cash flows from financing activities</b>			
Repayment of amounts due to group companies		-	(4,110)
<b>Net cash generated from financing activities</b>		-	(4,110)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(14,474)</b>	(24,822)
Bank overdraft at the beginning of the year		<b>(54,811)</b>	(29,989)
Bank overdraft at the end of the year		<b>(69,285)</b>	(54,811)

## Notes to the Financial Statements

### 1 General Information

A.L.I.H. (Properties) Limited is a company domiciled in the United Kingdom. The Company's registered address is 4th Floor, 10 Lower Grosvenor Place, SW1W 0EN London, United Kingdom. The principal activity of A.L.I.H. (Properties) Limited is to invest in land appropriate for development

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. There policies have been consistently applied to all the years presented unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements of A.L.I.H. (Properties) Limited have been prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS's as adopted by the EU. The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and other investment at fair value through the Statement of Comprehensive Income.

The preparation of financial statements in conformity with IFRS' as adopted by the EU requires management to make use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will by definition, seldom equal the actual results.

The areas involving a higher degree of judgement or complexity, are disclosed in "Critical accounting estimates or assumptions".

All references made to "net assets" throughout these Financial Statements refer to the net assets attributable to the share holders interests unless otherwise stated.

#### Presentation Currency

The Company's financial statements are presented in GBP (Pound Sterling) which is the Company's functional and presentation currency.

#### Going Concern

The Financial Statements have been prepared on a going concern basis, notwithstanding the Company's net liabilities, which the Directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on the funds provided to it by Lands Improvement Holdings Limited, the Company's parent undertaking. Lands Improvement Holdings Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayments of the amounts currently made available.

This should enable the Company to continue in operation for the foreseeable future by meeting its liabilities as they fall due for payment. As with any Company placing reliance on its parent undertaking for financial support, the Directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

Based on this undertaking the Directors believe that it remains appropriate to prepare the Financial Statements on a going concern basis.

## Notes to the Financial Statements (continued)

### 2 Summary of significant accounting policies (continued)

#### 2.1 Basis of preparation (continued)

##### (a) Standards, amendments and interpretations effective in the year

The following standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2013, have been adopted by the European Union (the EU), have been adopted by the Company and are of relevance to the Company:

- Amendment to IAS 12, 'Income taxes' on deferred tax (effective 1 January 2012). Previously, IAS 12, 'Income taxes', required an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. Management have had to reconsider the recoverability of an entity's deferred tax assets because the changes in recognition of deferred tax liabilities on investment properties and to consider the impact of the amendment on previous business combinations.
- Amendment to IAS 1, 'Presentation of financial statements' on OCI (effective 1 July 2012). This amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income. The IASB originally proposed that all entities should present profit or loss and OCI together in a single statement of comprehensive income. The proposal has been withdrawn and IAS 1 will still permit profit or loss and OCI to be presented in either a single statement or in two consecutive statements. The Company has a single Statement of Comprehensive Income, which will continue to be allowed under the new amendment. However, the components of other comprehensive income must be presented in two groups.
- Annual improvements 2011 (effective 1 January 2013). The annual improvements process is intended to make non urgent, but necessary amendments to IFRS's. The proposals from 2011 included amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.

##### (b) Standards, amendments and interpretations effective in the year, but not relevant

The following amendment is effective for accounting periods beginning on or after 1 January 2013, has been endorsed by the EU, but is not relevant to the Company's current operations:

- The introduction of IFRS 13 Fair Value Measurement (effective 1 January 2013). This new standard aims to enhance disclosure by explaining how to measure fair value. Fair value is measured using the same assumptions as market participants would. Fair value is a market-based, not entity-specific measurement. For non-financial assets only, fair value is determined based on the highest and best use of the asset as determined by a market participant.
- Amendments to IFRS 7 on financial instruments asset and liability offsetting (effective 1 January 2013). This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The amended disclosures will be more extensive than are required under IFRS or US GAAP including quantitative information about recognised financial instruments that are offset in the statement of financial position.
- IAS 19 Employee Benefits (effective 1 January 2013). This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to disclosures for all employee benefits.
- Amendment to IFRS 1 on hyperinflation and fixed dates (effective 1 July 2011) (endorsed 1 January 2013) This exemption allows an entity to elect to measure certain assets and liabilities at fair value; and to use that fair value as the deemed cost in the opening IFRS statement of financial position. The amendment is expected to have a limited impact as it is only available to entities whose functional currency was subject to severe hyperinflation, and the fund does not operate in such countries.
- Amendment to IFRS 1, 'First time adoption' on government grants (effective 1 January 2013). The new exception requires first-time adopters to apply the requirements in IFRS 9, 'Financial instruments', and IAS 20, 'Accounting for government grants and disclosure of government assistance', prospectively to government loans that exist at the date of transition to IFRSs.
- IFRIC 20 'Stripping costs in the production phase of a surface mine' (effective 1 January 2013). The fund does not engage in mining activities and therefore no impact is expected.

## Notes to the Financial Statements (continued)

### 2 Summary of significant accounting policies (continued)

#### 2.1 Basis of preparation (continued)

**(c) Interpretations, standards and amendments that are EU endorsed and not yet effective, have not been early adopted by the Company but are expected to have an impact when they become effective**

- IFRS 10 Consolidated Financial Statements and IAS 27 (revised) Separate Financial Statements (effective 1 January 2014). This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.
- IFRS 11 Joint Arrangements (effective 1 January 2013, endorsed 1 January 2014). This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 Disclosures of Interests in Other Entities (effective 1 January 2014). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IAS 28 Investments in Associates and Joint Ventures (effective 1 January 2014). This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
- Amendments to IAS 32 on Financial instruments asset and liability offsetting (effective 1 January 2014). This includes changes to the criterion that an entity 'currently has a legally enforceable right to set off the recognised amounts' and the criterion that an entity 'intends either to settle on a net basis or to realise the asset and settle the liability separately'.
- Amendment to IAS 36, Impairment of assets' on recoverable amount disclosures (effective 1 January 2014). The IASB has made small changes to the disclosures required by IAS 36, Impairment of assets when recoverable amount is determined based on fair value less costs of disposal.

**(d) Interpretations, standards and amendments that are not yet effective, not yet EU endorsed and have not been early adopted by the Company**

The following amendments to existing standards have been published but not yet endorsed by the EU and are not mandatory for accounting periods beginning on or after 1 January 2013, or later periods and have not been early adopted by the Company:

- Amendment to IFRS 9, Financial Instruments Classification and Measurement (effective 1 January 2015). This amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39, 'Financial instruments: Recognition and measurement' (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project.
- IFRIC, Levies (effective 1 January 2014). IFRIC 21 is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

#### 2.1.1 Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the interest method less provision for impairment.

#### 2.1.2 Cash and cash equivalents

Cash and cash equivalents comprise current bank account balances. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes in the statement of cash flows.

#### 2.1.3 Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

#### 2.1.4 Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method.

## Notes to the Financial Statements (continued)

### 2 Summary of significant accounting policies (continued)

#### 2.1.5 Revenue recognition

##### (i) Rental revenue from operating leases

Rental income from property let under operating leases is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term. Where the Company provides incentives to its customers, the cost of the incentives is recognised over the long-term, on a straight line basis, as a reduction to rental income.

##### (ii) Finance income

Interest income is recorded on an accruals basis using the effective interest rate method.

##### (iii) Disposal of investment properties

Profits or losses arising on sale of investment properties are included in the Statement of Comprehensive Income where the exchange of contracts has taken place under which any minor outstanding conditions not affecting the transfer of risks and rewards are entirely within the control of the Company. Profits or losses arising from the sale of trading or investment properties are calculated by reference to their carrying value and are included in the operating profit.

#### 2.1.6 Current and deferred income tax

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or subsequently enacted at the Financial Position date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. Its establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 3 Related party transactions

The Company is a wholly owned subsidiary of Lands Improvement Holdings Limited (the 'Group') which is the parent undertaking of the smallest group for which group accounts are drawn up. The Group is wholly owned by BR Empire S.à r.l. The group's ultimate controlling entity is Blackrock Europe Property Fund III, L.P.

	2013	2012
	£	£
<b>Transactions with the parent company</b>		
Amounts owed to:		
Empire LIH Limited	-	8,880
	<u>          </u>	<u>          </u>
<b>Transactions with the other companies</b>		
Amounts owed by:		
A.L.I.H (Farms) Limited	1	-
	<u>          </u>	<u>          </u>

During the year no dividends were declared and paid to Lands Improvement Holdings Limited (2012: nil). A.L.I.H. (Properties) Limited owed £nil (2012: £8,880) to Empire LIH Limited.

## Notes to the Financial Statements (continued)

### 4 Financial Risk Management

#### Financial risk factors

The Company's activities expose it to a variety of risks including credit risk, liquidity risk and real estate market risk. The Directors, who have overall responsibility for the establishment and oversight of the Company's risk management have put in place a risk management program that assesses such risk and seeks to minimise the potential effects on the Company's performance.

For the purposes of this note, the Directors have taken into account current facts and circumstances and what they consider to be standard market practice and industry accepted levels of risk and exposure, given the nature of the Company's business.

Actual outcomes and results may differ significantly in the future, which may result in a number of the risks outlined in this note having a materially adverse impact on the Company's performance. However, the existence of these risks and exposures may also have a positive impact on the future performance of the Company. The Directors do not guarantee the ultimate performance of the Company.

#### Financial risk factors

Categories of financial instruments	2013 Carrying value £	2013 Fair Value £	2012 Carrying value £	2012 Fair Value £
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Trade and other payables	-	-	5,640	5,640
Bank overdraft	69,284	69,284	54,811	54,811
	69,284	69,284	60,451	60,451

The Company has no external debt, therefore no interest risk analysis is considered necessary.

#### (i) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below show the contractual undiscounted cash flows payable under financial liabilities

31 December 2013	Due within one year £	1-2 years £	2-5 years £	Over 5 years £	TOTAL £
Trade and other payables	-	-	-	-	-
Bank overdraft	69,284	-	-	-	69,284
Amounts owed to Parent companies	-	-	-	-	-
	69,284	-	-	-	69,284

31 December 2012	Due within one year £	1-2 years £	2-5 years £	Over 5 years £	TOTAL £
Trade and other payables	5,640	-	-	-	5,640
Bank overdraft	54,811	-	-	-	54,811
Amounts owed to Parent companies	8,880	-	-	-	8,880
	69,331	-	-	-	69,331

The Company monitors this risk and the liquidity position of the Company on a monthly basis through regular meetings to discuss and consider the potential timing of the maturity of its assets and liabilities and projected operating cash flows. The Company is dependent for its working capital on the funds provided to it by Lands Improvement Holdings Limited, the Company's parent undertaking. Lands Improvement Holdings Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayments of the amounts currently made available.

**Notes to the Financial Statements (continued)**

	2013	2012
	£	£
<b>5 Issued share capital</b>		
<b>Allotted and fully paid</b>		
100 (2012: 100) Ordinary Shares of £1.00 each	<u>100</u>	<u>100</u>
	2013	2012
	£	£
<b>6 Accruals and deferred income</b>		
Accruals and deferred income	<u>-</u>	<u>5,640</u>
	-	5,640
	2013	2012
	£	£
<b>7 Administrative expenses</b>		
Administrative expenses include:	£	£
Auditors' remuneration	-	6,150
Tax fees	-	2,850
Other administrative expenses	<u>-</u>	<u>446</u>
	-	9,446

From 1 January 2013 all administrative expenses are paid by Empire LIH Limited which makes no recharge to the Company. The total of audit fee for the group is £46 thousand and has been disclosed in Empire LIH Limited financial statements for 2013

**8 Directors' remuneration**

The Company did not employ any staff during either year.

All Directors' remuneration is paid by Empire LIH Limited which makes no recharge to the Company. The Directors are also Directors of a number of fellow Empire LIH Limited subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, the Company's financial statements include no remuneration in respect of Directors. The total aggregate Directors remuneration is disclosed in the schedule below:

	Note	2013	2012
		£	£
Aggregate Director's remuneration		<u>844,149</u>	<u>812,620</u>
The amount including pension, payments under a Long Term Incentive Plan and other benefits paid to the highest earning director		<u>354,960</u>	<u>249,586</u>
		2013	2012
		£	£
<b>9 Finance expense</b>			
Bank interest expense		<u>-</u>	<u>107</u>
		-	107

**Notes to the Financial Statements (continued)**

<b>10</b>	<b>Income tax expense</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Current tax	-	-
	Deferred tax	-	-
		<u>-</u>	<u>-</u>
	Reconciliation of effective tax rate	<b>2012</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Profit /(Loss) on ordinary activities before taxation	<b>375</b>	<b>(9,553)</b>
	Income tax on ordinary activities at UK tax rate (24% Jan-Mar 2013)	<b>23</b>	<b>(621)</b>
	Income tax on ordinary activities at UK tax rate (23% Apr-Dec 2013)	<b>65</b>	<b>(1,719)</b>
		<u><b>87</b></u>	<u><b>(2,340)</b></u>
	Effects of:		
	Expenses not deductible for tax purposes	-	2,314
	Group relief (claimed) / surrendered	<u><b>(87)</b></u>	<u>26</u>
	Current tax (credit)	<u>-</u>	<u>-</u>
	The standard rate of UK corporation tax in the year changed from 24% to 23% with effect from 1 April 2013 and will change to 21% from 1 April 2014 and 20% from 1 April 2015. UK deferred tax is therefore recognised at the reduced rate of 20.25%		
<b>11</b>	<b>Cash used in operations</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Loss before income tax	<b>375</b>	<b>(9,553)</b>
	<b>Net cash used in operating activities</b>	<u><b>375</b></u>	<u><b>(9,446)</b></u>
	Changes in working capital:		
	Decrease in trade and other receivables	<b>(328)</b>	-
	(Decrease)/increase in trade and other payables	<u><b>(14,521)</b></u>	<u><b>(11,159)</b></u>
		<u><u><b>(14,474)</b></u></u>	<u><u><b>(20,605)</b></u></u>

**12 Contingencies**

The Company gives cross guarantees in favour of National Westminster Bank plc. to secure all monies from time to time owing to the bank by individual companies in the Empire LIH Limited group. The Group's accounts with the bank are subject to an offset arrangement. The total balances within the offset arrangement at 31 December 2013 amounted to £197,402 (2012: overdraft of £2,117,749). The net cash position within the Group at 31 December 2013 amounted to £787,797 (2012: £705,489).

**13 Ultimate Parent undertaking and controlling party**

The immediate parent undertaking is Lands Improvement Holdings Limited.

The ultimate parent undertaking and controlling party is Blackrock Europe Property Fund III L.P., an English Limited Partnership.

Blackrock Europe Property Fund III L.P. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements are maintained at 28 Boulevard Royal, L-2449 Luxembourg.

BR Empire S.à r.l. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2013. The registered office of this company is located at 28, Boulevard Royal, L-2449 Luxembourg and consolidated financial statements are maintained at this address. Prior to 1 May 2013, the registered office of BR Empire S.à r.l. was established at 2-8, avenue Charles de Gaulle, L-1653 Luxembourg.