

LIBERTY QUAY 2 (NEWCASTLE) LIMITED
Company Number 07376627

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

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LIBERTY QUAY 2 (NEWCASTLE) LIMITED

CONTENTS

For the year ended 31 August 2018

Directors' Report	2
Independent Auditor's Report	5
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

Registered number: 07376627

DIRECTORS' REPORT

For the year ended 31 August 2018

The Directors of Liberty Quay 2 (Newcastle) 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 the letting and management of property. The Directors do not foresee a change of the Company's principal activity in the near future.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- continued availability of finance within the Liberty Living Group plc Group; and
- the demand and supply of student accommodation, government policy, the condition of the properties including health and safety, reputational risk, information security and the talent and capability of employees.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise intercompany balances. The Company is exposed to credit risk through cash held at bank with HSBC Bank plc. The Group's policy is to deposit with highly regarded institutions with credit ratings of at least "A-/A3" by S&P, Fitch or Moody's Investor Services. Other than intercompany balances and cash at bank the Company has does not have significant credit risk with one single counterparty. Liquidity risk is managed on a Group basis by the Liberty Living Group plc Group.

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 and restructured equity. Details of these events can be found in the financial statements in notes 8 and 10 respectively.

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.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2018

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.

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.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2018

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.

The Company meets its day to day working capital requirements using cash and intercompany borrowing facilities. The Directors, having considered the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As at the balance sheet date the Company is in a net current asset position. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events since the year end are included in note 12 of the financial statements.

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



Paul Mullins
Director

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY QUAY 2 (NEWCASTLE) LIMITED

For the year ended 31 August 2018

Opinion

In our opinion the financial statements of Liberty Quay 2 (Newcastle) 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

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 QUAY 2 (NEWCASTLE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY QUAY 2 (NEWCASTLE) LIMITED (CONTINUED)

For the year ended 31 August 2018

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. This description forms part of our auditor's report.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY QUAY 2 (NEWCASTLE) LIMITED (CONTINUED) For the year ended 31 August 2018

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

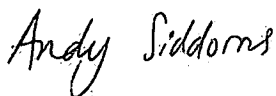
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 QUAY 2 (NEWCASTLE) LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 August 2018

	Note	2018 £000	2017 £000
Turnover		1,366	1,328
Cost of sales		(1,199)	(1,176)
Administrative expenses		(167)	(152)
Operating result and result before tax on ordinary activities	4	-	-
Tax on profit	5	-	-
Result for the financial year		-	-

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 QUAY 2 (NEWCASTLE) LIMITED

BALANCE SHEET

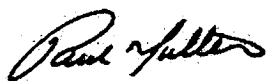
As at 31 August 2018

Company Number 07376627

	Note	2018 £000	2017 £000
Current assets			
Debtors due within one year	6	3,143	1,808
Cash at bank and in hand		20	-
		<u>3,163</u>	<u>1,808</u>
Creditors: amounts falling due within one year	7	<u>(1,766)</u>	<u>(1,907)</u>
Net current assets/ (liabilities)		<u>1,397</u>	<u>(99)</u>
Total assets less current liabilities		<u>1,397</u>	<u>(99)</u>
Net assets/ (liabilities)		<u>1,397</u>	<u>(99)</u>
Capital and reserves			
Called up share capital	8	-	-
Share premium account		-	-
Profit and loss account		<u>1,397</u>	<u>(99)</u>
Equity Shareholder's funds/(deficit)		<u>1,397</u>	<u>(99)</u>

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 QUAY 2 (NEWCASTLE) LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 August 2018

	Share capital £000	Share premium account	Profit and loss account £000	Total £000
At 1 September 2016	-	-	(99)	(99)
Result for the year	-	-	-	-
Total comprehensive income	-	-	-	-
At 31 August 2017	-	-	(99)	(99)
Result for the year	-	-	-	-
Total comprehensive income	-	-	-	-
Share issue	-	1,496	-	1,496
First capital reduction	-	(1,496)	1,496	-
Bonus issue of shares	-	1,397	(1,397)	-
Second capital reduction	-	(1,397)	1,397	-
At 31 August 2018	-	-	1,397	1,397

See note 8 for details of the transactions impacting the Company's share capital, share premium account and the profit and loss account during the year.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2018

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 accounting policies adopted are described below.

General information and basis of accounting

Liberty Quay 2 (Newcastle) 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.

Turnover and Cost of sales

Turnover, which relates to the provision of student accommodation, represents rental income which is accounted for on an accruals basis. Rental income received in advance is recognised as deferred income on the balance sheet and recognised as turnover over the rental contract term to which it relates. Turnover is stated net of VAT. Cost of sales are operating costs relating to the provision of turnover and other income associated with student accommodation and are also accounted for on an accruals basis.

Administrative expenses

Administrative expenses are recognised on an accruals basis.

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 and the statement of comprehensive income, 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.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

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.

Financial instruments

The Company's financial instruments comprise debtors, cash at bank and in hand 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.

Leases

Rentals payable under operating leases are charged to the profit and loss account on an accrual basis over the term of the lease on a straight line basis.

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.

Share premium account

The premium receivable on the issue of shares is credited to the share premium account.

Going Concern

In 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 the Directors' report for details on the Directors' going concern assessment.

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. There are no material items of estimation uncertainty.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

3. STAFF COSTS

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.

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

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £000	2017 £000
Contingent rent payable on operating leases relating to student rental operations	723	690

Auditor's remuneration of £8,000 (2017 - £8,000) in respect of the 2018 audit of the Company's financial statements has been borne by related group company.

5. TAX ON PROFIT

The tax charge comprises:

	2018 £000	2017 £000
Current tax		
Charge for the year	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Timing differences, origination and reversal	12	-
Deferred assets arising in prior periods	(16)	-
Adjustments in respect of prior periods	4	-
Total deferred tax	-	-
Total tax charge on profit	-	-

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

The Finance Act 2016, which was substantively enacted on 19 September 2016, provided for a further reduction in the main rate of UK corporation tax from 19% to 17% with effect from 1 April 2020. This change has been taken into account in calculating the current year tax charge, where applicable.

Tax and REIT conversion

The Liberty Living Group converted to REIT status with effect from 11 May 2018 and the primary tax consequence of conversion is that Company is exempt from tax on profits arising from its UK property business with the exception of certain non-core income streams.

The Group, as a whole, must comply with certain tests and conditions to ensure it continues to qualify for REIT status. These tests and conditions are expected to be met for the foreseeable future but the Group will continue to monitor them on a quarterly basis. There would be a material impact on the Company's tax charge and tax liability (and therefore financial results) if the Group is not able to meet the REIT tests and conditions.

Analysis of the tax charge

The tax assessed for the year is the same as (2017: the same as) the standard rate of corporation tax and the differences are explained below:

Factors affecting the tax charge:

	2018 £000	2017 £000
Profit before tax	-	-
Profit multiplied by the standard rate of corporation tax in the UK of 19.00% (2017:19.58%)	-	-
Effects of:		
Rate difference due to deferred tax	(1)	-
Non-deductible REIT Loss	13	-
Prior period adjustments	(12)	-
Total tax charge	-	-

LIBERTY QUAY 2 (NEWCASTLE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 August 2018****6. DEBTORS DUE WITHIN ONE YEAR**

	2018	2017
	£000	£000
Amounts owed from Group related undertakings	3,077	1,775
Tax and social security	-	3
Other debtors	66	25
Prepayments and accrued income	-	5
	<u>3,143</u>	<u>1,808</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£000	£000
Bank overdraft	-	25
Trade creditors	33	66
Tax and social security	5	5
Other creditors	151	2
Accruals	98	207
Deferred income	66	-
Amounts owed to Group related undertakings	<u>1,413</u>	<u>1,602</u>
	<u>1,766</u>	<u>1,907</u>

On 12 January 2018 the Company capitalised into equity an amount due to the immediate parent of £1,496,000.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

8. SHARE CAPITAL

Allotted, called up and fully paid

	£	Number of shares
Ordinary £1 shares at 31 August 2016 and 2017	1	1
Issue of share capital (a)	1	1
Bonus issue (c)	1	1
As at 31 August 2018	3	3

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

Capital restructure

During the year the Company entered into the following steps impacting net assets and equity:

- On 12 January 2018 the Company's immediate parent subscribed for 1 ordinary share of £1.00 in the Company for a total amount of £1,496,000 and pursuant to the Deed of Set-off, the Company's immediate parent and the Company set-off the consideration paid for the allotment and issue of the £1.00 share in the Company referred to above against the amount of a loan due from the Company to the Company's immediate parent being in total £1,496,000. Therefore the amount of the Consideration has been discharged in its entirety and the loan amount has been reduced to nil.
- On 17 January 2018 the Company undertook a capital reduction of its share capital and share premium to the profit and loss reserve of £1,496,000.
- On 17 January 2018 the Company made a bonus issue to the immediate parent of the Company of one new ordinary share in the Company by capitalising an amount standing to the credit of the Company's profit and loss reserve equal to £1,397,000.
- On 22 January 2018 the Company undertook a second capital reduction of its share capital and share premium to the profit and loss reserve of £1,397,000.

LIBERTY QUAY 2 (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

9. CONTROLLING PARTIES

The Company's immediate parent company is Liberty Living (LQ2 Newcastle) 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 (LQ2 Newcastle) 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

10. 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.

11. OPERATING LEASES

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2018 £000	2017 £000
Within one year	1,108	1,291
	<u>1,108</u>	<u>1,291</u>

12. SUBSEQUENT EVENTS

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