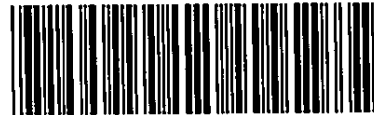


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**HORSHAM INVESTMENTS LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2012**

TUESDAY



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# **HORSHAM INVESTMENTS.LIMITED**

## **REPORT AND ACCOUNTS**

For the year ended 31 December 2012

Registered in England & Wales as an overseas company No FC025776

Registered office Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies

## **DIRECTORS**

R G M Conway  
A K Goldsmith  
L J Kenworthy  
P Pitale

# **HORSHAM INVESTMENTS LIMITED**

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## **HORSHAM INVESTMENTS LIMITED**

For the year ended 31 December 2012

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2012

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITY**

The Company's principal activity is to carry on the business of an investment holding company. There have been no changes in the nature of the Company's operations during the year, and no changes are expected in the foreseeable future. The Company has been inactive during the year, earning only minimal interest from cash at bank.

There are no significant future developments identified or planned for the Company.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Lloyds Banking Group plc and are not managed separately. Full disclosure of the Company's financial risk management objectives and policies are given in note 9 to the financial statements.

### **KEY PERFORMANCE INDICATORS ("KPIs")**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### **DIRECTORS**

The names of the directors of the Company, all of whom served throughout the year and up to the date of signing the financial statements are shown on page 1.

### **DIRECTORS' INDEMNITIES**

The directors have the benefit of a deed of indemnity which constitutes a "qualifying third party indemnity provision". These deeds are in force during the whole of the financial year (or from the date of appointment in respect of the directors who join the board during the financial year). The indemnities remain in force at the date of signing these financial statements. Deeds for existing directors are available for inspection at the registered office of Lloyds Banking Group plc.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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 year. 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 IFRSs 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 the going concern basis unless it is inappropriate to presume that the Company will continue in business.

## **HORSHAM INVESTMENTS LIMITED**

For the year ended 31 December 2012

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

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

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.

Each of the directors, whose names are listed in page 1 confirms that, to the best of their knowledge

- the financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and
- the directors' report contained above includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces

#### **INDEPENDENT AUDITORS AND AUDIT INFORMATION**

Each director in office at the date of this report confirms that, so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any 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 section 418 of the Companies Act 2006.

PricewaterhouseCoopers LLP was re-appointed as auditors.

On behalf of the Board



P Pitale  
DIRECTOR  
Date 27 June 2013

Registered in England & Wales as an overseas company No FC025776

## **HORSHAM INVESTMENTS LIMITED**

For the year ended 31 December 2012

## **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF HORSHAM INVESTMENTS LIMITED**

For the year ended 31 December 2012

We have audited the non-statutory financial statements of Horsham Investment Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in the preparation of these non-statutory financial statements is International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the non-statutory 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 non-statutory 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.

This report, including the opinions, has been prepared for and only for the directors for management purposes to assist them in discharging their stewardship obligations and fiduciary responsibilities under the Articles of Association in accordance with our engagement letter dated 1 February 2013 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

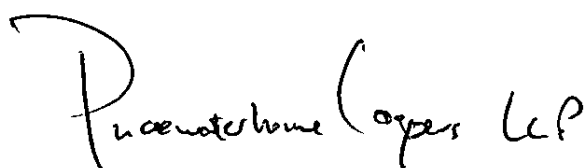
### **Scope of the audit of the non-statutory financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory financial statements sufficient to give reasonable assurance that the non-statutory 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 non-statutory financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on non-statutory financial statements**

In our opinion the non-statutory financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended, and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.



PricewaterhouseCoopers LLP  
Chartered Accountants  
London

27 June 2013

# **HORSHAM INVESTMENTS LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2012

		<b>2012</b>	<b>2011</b>
		<b>£'000</b>	<b>£'000</b>
Other expense	3	<u>(2)</u>	<u>-</u>
<b>Loss before taxation</b>		<b>(2)</b>	<b>-</b>
Taxation	4	<u>96</u>	<u>-</u>
<b>Profit for the year</b>		<b><u>94</u></b>	<b><u>-</u></b>

The accompanying notes on pages 10 to 16 form an integral part of the financial statements

# **HORSHAM INVESTMENTS LIMITED**

## **BALANCE SHEET**

As at 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	<u>111</u>	<u>18</u>
<b>Total current assets</b>		<u>111</u>	<u>18</u>
<b>Total assets</b>		<u>111</u>	<u>18</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current tax liabilities	6	<u>-</u>	<u>1</u>
<b>Total current liabilities</b>		<u>-</u>	<u>1</u>
<b>Total liabilities</b>		<u>-</u>	<u>1</u>
<b>Equity</b>			
Share capital	7	<u>10</u>	<u>10</u>
Retained earnings		<u>101</u>	<u>7</u>
<b>Total equity</b>		<u>111</u>	<u>17</u>
<b>Total liabilities and equity</b>		<u>111</u>	<u>18</u>

The directors approved the financial statements on pages 6 to 16 on the date of 27 June 2013



P Pitale  
DIRECTOR

The accompanying notes on pages 10 to 16 form an integral part of the financial statements



## **HORSHAM INVESTMENTS LIMITED**

### **STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2012

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 January 2011</b>	10	7	17
Profit for the year	-	-	-
<b>Balance at 31 December 2011</b>	10	7	17
Profit for the year	-	94	94
<b>Balance at 31 December 2012</b>	<u>10</u>	<u>101</u>	<u>111</u>

The accompanying notes on pages 10 to 16 form an integral part of the financial statements

# **HORSHAM INVESTMENTS LIMITED**

## **CASH FLOW STATEMENT**

For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(2)	-
Adjustment for			
Other expense	3	<u>2</u>	<u>-</u>
Operating profit before working capital changes		-	-
Tax received		<u>93</u>	<u>-</u>
<b>Net cash from operating activities</b>		<u>93</u>	<u>-</u>
 Increase in cash and cash equivalents		93	-
Cash and cash equivalents at beginning of the year		<u>18</u>	<u>18</u>
<b>Cash and cash equivalents at end of the year</b>	5, 8	<u><u>111</u></u>	<u><u>18</u></u>

The accompanying notes on pages 10 to 16 form an integral part of the financial statements

## **HORSHAM INVESTMENTS LIMITED**

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

For the year ended 31 December 2012

#### **1. ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION**

The financial statements have been prepared on a going concern basis under the historical cost convention, in compliance with the requirements of the Companies Act 2006 and in accordance with the applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union

The principal accounting policies applied in the preparation of these non-statutory financial statements are set out below. These policies have been applied consistently for each of the periods presented, unless otherwise stated.

The preparation of the financial statements necessarily requires the exercise of judgment both in the application of accounting policies which are set out in the sections below and in the selection of assumptions used in the calculation of estimates. These estimates and judgments are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. Actual results may differ from these estimates.

The following pronouncements were effective during the year but not relevant to the Company:

<u><b>Pronouncement</b></u>	<u><b>Nature of change</b></u>	<u><b>IASB effective date</b></u>
Amendment to IAS 1, 'Financial statement presentation', regarding other comprehensive income	The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.	1 July 2012
Amendment to IAS 12, 'Income taxes', on deferred tax	Currently IAS 12, 'Income taxes', requires 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. As a result of the amendments, SIC 21, 'Income taxes – recovery of revalued non depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.	1 January 2012 (not endorsed by the European Union at the time of going to print)

The following pronouncements will not be relevant to the Company and were not effective at 31 December 2012:

<u><b>Pronouncement</b></u>	<u><b>Nature of change</b></u>	<u><b>IASB effective date</b></u>
Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting	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.	1 January 2013

## **HORSHAM INVESTMENTS LIMITED**

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

For the year ended 31 December 2012

#### **1. ACCOUNTING POLICIES (CONTINUED)**

Amendment to IAS 32, 'Financial instruments Presentation', on asset and liability offsetting	These amendments are to the application guidance in IAS 32, 'Financial instruments Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet	1 January 2014
IFRS 9, 'Financial instruments'	IFRS 9 is the first standard issued as part of a wider project to replace IAS 39 IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets amortised cost and fair value The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply	1 January 2015
Amendment to IAS 19, 'Employee benefits'	These amendments eliminate the corridor approach and calculate finance costs on a net funding basis	1 January 2013
Amendment to IFRS 1, 'First time adoption', on government loans	This amendment addresses how a first time adopter would account for a government loan with a below market rate of interest when transitioning to IFRS It also adds an exception to the retrospective application of IFRS, which provides the same relief to first time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008	1 January 2013
Amendment to IFRSs 10 and 11 on transition guidance	These amendments provide additional transition relief to IFRSs 10 and 11, limiting the requirement to provide adjusted comparative information to only the preceding comparative period	1 January 2013
IFRS 12 Disclosure of Interests in other entities	IFRS 12 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 For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied	1 January 2013

## **HORSHAM INVESTMENTS LIMITED**

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

For the year ended 31 December 2012

#### **1. ACCOUNTING POLICIES (CONTINUED)**

IFRS 10 'Consolidated Financial Statements'	The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.	1 January 2013
IFRS 11, 'Joint arrangements'	IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venturer has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.	1 January 2013
IFRS 13, 'Fair Value Measurement'	IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.	1 January 2013
IAS 27 (revised 2011), 'Separate financial statements'	IAS 27 (revised 2011) includes the requirements relating to separate financial statements.	1 January 2013
IAS 28 (revised 2011), 'Associates and joint ventures'	IAS 28 (revised 2011) includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11.	1 January 2013

## HORSHAM INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

#### 1. ACCOUNTING POLICIES (CONTINUED)

IFRIC 20, 'Stripping costs in the production phase of a surface mine'	This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.	1 January 2013
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##### (a) Revenue recognition

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest-bearing financial instruments, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all amounts paid or received by the Company that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts. Fees and commissions, which are not an integral part of the effective interest rate, are generally recognised when the service has been provided.

##### (b) Income taxes, including deferred income taxes

Current income tax which is payable on taxable profits is recognised as an expense in the year in which the profits arise. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred tax is determined using tax rates that have been enacted or announced by the balance sheet date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

##### (c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts.

#### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes assumptions and estimates that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments 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.

However, none of these was deemed critical to the Company's results and financial position.

#### 3. OTHER EXPENSE

	2012 £'000	2011 £'000
Sundry expenses	<u>2</u>	<u>-</u>
	<u>2</u>	<u>-</u>

The statutory audit fees of £1,000 are borne by Lloyds TSB Bank plc. The number of persons employed by the Company during the year was nil (2011: nil). Directors receive no remuneration for their services to the Company (2011: nil).

# HORSHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

### 4. TAXATION

#### (a) Analysis of taxation credit for the year

	2012 £'000	2011 £'000
UK Corporation tax - current year	-	-
UK Corporation tax - prior year adjustment	<u>(96)</u>	<u>-</u>
<b>Total taxation credit for the year</b>	<u><b>(96)</b></u>	<u><b>-</b></u>

The tax credit on the company's loss for the year is based on a UK corporation tax rate of 24.5% (2011: 26.5%)

#### (b) Factors affecting the tax credit for the year

A reconciliation of the credit that would result from applying the standard UK corporation tax rate to loss before tax to the tax credit for the year is given below

	2012 £'000	2011 £'000
Loss before taxation	<u>(2)</u>	<u>-</u>
Tax credit thereon at UK corporation tax rate of 24.5% (2011: 26.5%)	-	-
Factors affecting charges		
Prior year adjustment	<u>(96)</u>	<u>-</u>
<b>Total taxation</b>	<u><b>(96)</b></u>	<u><b>-</b></u>
<b>Effective rate</b>	<u><b>(4,800)%</b></u>	<u><b>26.5%</b></u>

On 21 March 2012, the Government announced a reduction in the rate of corporation tax to 24% with effect from 1 April 2012. This reduction was enacted under the Provisional Collection of Taxes Act 1968 on 26 March 2012. In addition, the Finance Act 2012, which passed into law on 3 July 2012, included legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013.

On 5 December 2012, the Government announced a further reduction in the main rate of corporation tax to 21% from 1 April 2014. In addition, on 20 March 2013 the Government announced a further reduction in the main rate of corporation tax to 20% from 1 April 2015.

### 5. CASH AND CASH EQUIVALENTS

	2012 £'000	2011 £'000
Cash at bank (note 8)	<u>111</u>	<u>18</u>

### 6. CURRENT TAX LIABILITIES

	2012 £'000	2011 £'000
Corporate tax payable	<u>-</u>	<u>1</u>

# HORSHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

### 7. SHARE CAPITAL

	2012 £'000	2011 £'000
<b>Authorised</b>		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>
	<u>10</u>	<u>10</u>
	2012 Number of shares	2011 Number of shares
<b>Issued and fully paid</b>		
At beginning end of the year	<u>10,000</u>	<u>10,000</u>
	<u>10</u>	<u>10</u>

### 8. RELATED PARTY TRANSACTIONS

The Company's immediate parent company is Portland Funding Limited. The Company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc, which is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Lloyds TSB Bank plc is the parent undertaking of the smallest such group of undertakings. Copies of the group financial statements of both may be obtained from the Company Secretary's Office, Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN. The Company's related parties include its ultimate parent company, fellow subsidiaries and pension schemes of the Company's ultimate parent company and the Company's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Company's directors.

#### *Transactions with key management personnel*

There were no transactions between the Company or its subsidiaries with key management personnel during the current year. Key management personnel are employed by other companies in the Lloyds Banking Group and consider that their services to the Company are incidental to their other activities within the Group.

#### *Transactions with intermediate parent company*

	2012 £'000	2011 £'000
Lloyds TSB Bank plc - Cash and cash equivalents (note 5)	<u>111</u>	<u>18</u>
	<u>111</u>	<u>18</u>

### 9. FINANCIAL RISK MANAGEMENT

#### (a) Interest Rate Risk

The Company has no significant interest bearing assets and, consequently, no significant repricing mismatches. Accordingly, no table for repricing dates has been given.

#### (b) Credit Risk

The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligations is detailed below. The maximum exposure to loss is considered to be the balance sheet carrying amount as at the year end.

	2012 £'000	2011 £'000
Cash and cash equivalents	<u>111</u>	<u>18</u>
Total credit risk exposure	<u>111</u>	<u>18</u>

The current rating of the intermediate parent company Lloyds TSB Bank plc, is A2 (2011 A1) as per Moody's.



## **HORSHAM INVESTMENTS LIMITED**

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

For the year ended 31 December 2012

#### **9. FINANCIAL RISK MANAGEMENT (CONTINUED)**

##### **(c) Liquidity Risk**

All liabilities of the Company would be classified as on demand on an undiscounted future cash flows basis according to contractual maturity

##### **(d) Capital Risk Management**

The Company's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.