

Company Registration No. 03005262 (England and Wales)

LDC (PORTFOLIO ONE) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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LDC (PORTFOLIO ONE) LIMITED

COMPANY INFORMATION

Directors	R C Simpson R S Smith J J Lister C R Szpojnarowicz D Faulkner J L Watts
Secretary	C R Szpojnarowicz
Company number	03005262
Registered office	South Quay House Temple Back Bristol BS1 6FL
Auditor	Deloitte LLP 3 Rivergate Temple Quay Bristol United Kingdom BS1 6GD
Business address	South Quay House Temple Back Bristol BS1 6FL

LDC (PORTFOLIO ONE) LIMITED

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LDC (PORTFOLIO ONE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the Company continued to be that of property investment. The directors expect to continue to carry out these activities in the future.

The company registration number is 03005262.

Directors

The directors who held office during the year and subsequently, unless otherwise stated, were as follows:

N Richards	(Resigned 30 September 2016)
R C Simpson	
R S Smith	
J J Lister	
C R Szpojnarowicz	
M C Allan	(Resigned 20 May 2016)
D Faulkner	(Appointed 27 October 2016)
J L Watts	(Appointed 26 October 2016)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid (2015: £nil). The directors do not recommend payment of a final dividend.

Financial risk management

Credit risk

Debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

Each of the directors in office at the date of approval of this annual report confirm 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 steps that they ought to have taken as directors in order to make themselves aware of any 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 have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

LDC (PORTFOLIO ONE) LIMITED

DIRECTORS' REPORT (CONTINUED)

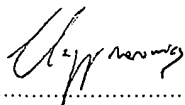
FOR THE YEAR ENDED 31 DECEMBER 2016

Going concern

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

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

By order of the board



C R Szpojnarowicz

Secretary

30 June 2017

LDC (PORTFOLIO ONE) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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;
- 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.

LDC (PORTFOLIO ONE) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF LDC (PORTFOLIO ONE) LIMITED

We have audited the financial statements of LDC (Portfolio One) Limited for the year ended 31 December 2016 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion 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 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 Director's Report.

LDC (PORTFOLIO ONE) LIMITED

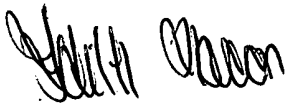
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF LDC (PORTFOLIO ONE) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



Judith Tacon (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

30 June 2017

Statutory Auditor

3 Rivergate
Temple Quay
Bristol
United Kingdom
BS1 6GD

LDC (PORTFOLIO ONE) LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Notes	£	£
Turnover	3	6,019,041	3,680,695
Cost of sales		-	-
Operating profit		6,019,041	3,680,695
Interest payable and similar charges	7	(2,784,421)	(1,761,831)
Reversal of impairment of investment property		-	69,255
Fair value gains on investment properties	9	6,834,069	7,061,736
Profit before taxation	4	10,068,689	9,049,855
Taxation	8	3,876,357	(2,686,935)
Profit for the financial year attributable to the equity shareholders of the company		13,945,046	6,362,920
Total comprehensive income for the year		13,945,046	6,362,920

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

LDC (PORTFOLIO ONE) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investment properties	9	118,030,000		110,570,000	
Current assets					
Debtors	10	10,019,906		-	
Creditors: amounts falling due within one year	11	(54,047,151)		(46,009,124)	
Net current liabilities		(44,027,245)		(46,009,124)	
Total assets less current liabilities		74,002,755		64,560,876	
Creditors: amounts falling due after more than one year	12	(51,413,342)		(52,360,322)	
Provisions for liabilities	15	-		(3,556,187)	
Net assets		22,589,413		8,644,367	
Capital and reserves					
Called up share capital	16	2		2	
Profit and loss reserves		22,589,411		8,644,365	
Total equity		22,589,413		8,644,367	

The financial statements were approved by the board of directors and authorised for issue on 30 June 2017 and are signed on its behalf by:


D Faulkner
Director

Company Registration No. 03005262

LDC (PORTFOLIO ONE) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015	2	2,281,445	2,281,447
Period ended 31 December 2015:			
Profit and total comprehensive income for the year	-	6,362,920	6,362,920
Balance at 31 December 2015	2	8,644,365	8,644,367
Period ended 31 December 2016:			
Profit and total comprehensive income for the year	-	13,945,046	13,945,046
Balance at 31 December 2016	2	22,589,411	22,589,413

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

LDC (Portfolio One) Limited is a private company limited by shares incorporated in England and Wales. The registered office is South Quay House, Temple Back, Bristol, BS1 6FL.

1.1 Accounting convention

The principal accounting policies are summarised below. They have been applied consistently throughout the year and to the preceding year.

The nature of the company's operations and its principal activities are set out in the Directors' Report on page 1.

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

The functional currency of LDC (Portfolio One) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

LDC (Portfolio One) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. LDC (Portfolio One) Limited is consolidated in the financial statements of its ultimate parent, The Unite Group plc, which may be obtained at South Quay House, Temple Back, Bristol, BS1 6FL. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, financial instruments, intra-group transactions and remuneration of key management personnel.

1.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £44,027,245 which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by The Unite Group plc. The Unite Group plc 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 repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any entity placing reliance on other group entities 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 understanding the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Turnover

Turnover from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the term of the lease. Lease incentives granted are spread over the term of the lease on a straight line basis unless another systematic basis is more representative.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Financial instruments

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.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

i. *Equity instruments*

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

ii. *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.6 Taxation

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

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

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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.7 Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.8 Reserves

The Company's reserves are as follows:

- Called up share capital reserve contains the nominal value of the shares issued
- Profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valuation of investment property

The valuation of investment property involves significant judgement and changes to the core assumptions, market conditions, rental income, levels of occupancy and property management costs could have a significant impact on the carrying value of these assets.

3 Turnover

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Investment property leased under operating leases	6,019,041	3,680,695

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	6,019,041	3,680,695

4 Profit on ordinary activities before tax

Profit on ordinary activities before tax is stated after charging/(crediting)

	2016 £	2015 £
Rental income received under operating leases	(6,019,041)	(3,680,695)
Fair value gains on investment property	(6,834,069)	(7,061,736)
Reversal of impairment of investment property	-	(69,255)

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	663	625

All auditor remuneration was borne by another group company.

There were no fees for services other than statutory audit of the Company paid to the Company's auditor, Deloitte LLP and its associates.

6 Employees

There were no employees during either year.

Directors' remuneration was borne by another group company in both years. The Directors did not perform any qualifying services for the company in the year.

7 Interest payable and similar charges

	2016	2015
	£	£
Interest on intra group loans	2,784,421	1,761,831

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Taxation

	2016 £	2015 £
Current tax on profit on ordinary activities		
UK Corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	906,104	1,252,667
Effect of decrease in tax rate on opening liability	(251,693)	(86,925)
Adjustment in respect of prior periods	(4,530,768)	-
Movement on revaluation of investment properties	-	1,521,193
Total deferred tax (see note 15)	(3,876,357)	2,686,935
Tax (credit)/expense for the year	(3,876,357)	2,686,935

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2017) was substantively enacted in September 2016. This will reduce the Company's future current tax charge accordingly. During the year beginning 1 January 2016, the net reversal of deferred tax liabilities in respect of investment properties increased the total tax charge for this year as shown above. This is due to the conversion to a REIT meaning future gains in respect of the investment property will be exempt from corporation tax. Further details regarding the reversal of net deferred tax liabilities in the period are provided in note 15.

The standard rate of tax applied to reported profit on ordinary activities is 20.00% (2015: 20.25%). There is no expiry date in timing differences, unused tax losses or tax credits. The differences between the total tax charge shown above and the amount calculated by applying the standard rate if UK corporation tax to the profit before tax is as follows:

	2016 £	2015 £
Profit before taxation	10,068,689	9,049,855
Expected tax charge based on a corporation tax rate of 20.00% (2015: 20.25%)	2,013,738	1,832,596
Adjustments in respect of prior years	(109,252)	731,401
Effect of change in corporation tax rate	(283,865)	(422,792)
Group relief not paid for	556,884	356,771
Effects of indexation	-	223,412
Other tax adjustments	(156,281)	(34,453)
Release of deferred tax balances due to REIT conversion	(4,530,767)	-
Property revaluations not subject to tax	(1,366,814)	-
Total tax (credit)/expense for the year	(3,876,357)	2,686,935

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Investment property

	2016 £
Fair value	
At 1 January	110,570,000
Additions	625,931
Revaluation	6,834,069
	<hr/>
At 31 December	118,030,000
	<hr/> <hr/>

Investment properties, which are all freehold/long leasehold, were revalued to fair value at 31 December 2016, based on a valuation undertaken by CBRE, Chartered Surveyors, an independent valuer with recent experience in the location and class of the investment property being valued. The method of determining fair value was the discounted cash flows method and significant assumptions applied were as follows:

- Net rental income (per week) of £124 - £179
- Estimated future rent increase of 5.7% - 7.9%
- Discount rate (yield) of 5% - 6%

There are no restrictions on the realisability of investment property. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

No contingent rents have been recognised in the current or prior year and the future minimum lease payments that the company will receive is £11,917,139 (2015: £6,655,841). Amount due within one year is £5,775,415 (2015: £5,594,170), in two to five years is £6,141,723 (2015: £1,061,671) and in over 5 years is £nil (2015: £nil).

The historical cost of the property at 31 December 2016 was £83,493,851 (31 December 2015: £82,867,920).

10 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts due from group undertakings	9,699,736	-
Deferred tax asset (note 15)	320,170	-
	<hr/>	<hr/>
	10,019,906	-
	<hr/> <hr/>	<hr/> <hr/>

Amounts due from group undertakings are interest free and repayable on demand.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Intra group loans	13	540,889	-
Amounts due to group undertakings		53,362,532	45,935,224
Accruals and deferred income		143,730	73,900
		<u>54,047,151</u>	<u>46,009,124</u>

Amounts due to group undertakings are interest free and repayable on demand.

12 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Intra group loans	13	<u>51,413,342</u>	<u>52,360,322</u>

13 Loans and overdrafts

	2016 £	2015 £
Intra group loans	<u>51,954,231</u>	<u>52,360,322</u>
Payable within one year	540,889	514,415
Payable between one and two years	568,726	540,889
Payable between two and five years	1,887,895	1,957,677
Payable after five years	<u>49,553,125</u>	<u>50,032,070</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>49,553,125</u>	<u>50,032,070</u>
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The intragroup loan, which totals £51,954,231 (31 December 2015: £53,045,051) is disclosed net of unamortised refinance costs of £576,404 (2015: £684,729). The loan, which is secured over the company's freehold investment properties, is capital and repayment with a fixed rate of 5.05%. The loan falls for repayment on 30 April 2022.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	15	-	3,556,187
		<u>-</u>	<u>3,556,187</u>

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Balances:				
Accelerated capital allowances	-	516,268	-	-
Tax losses	-	(1,642,407)	320,170	-
Investment property	-	4,682,326	-	-
	<u>-</u>	<u>3,556,187</u>	<u>320,170</u>	<u>-</u>

Following the conversion of The Unite Group plc to a Real Estate Investment Trust on 1 January 2017, the deferred tax on property related assets held by the company has unwound in full. A deferred tax asset continues to be recognised on the company's tax losses carried forward at the balance sheet date as they are expected to be able to be offset against future profits of other companies within the group.

16 Called up share capital

	2016 £	2015 £
Ordinary called up share capital Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

17 Contingent liabilities

The company had no contingent liabilities at 31 December 2016 (31 December 2015: £nil).

18 Capital commitments

The Company had no capital commitments at 31 December 2016 (2015: £nil).

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

19 Related party transactions

No guarantees have been given or received.

20 Controlling party

The company's immediate parent undertaking is LDC (Portfolio 100) Limited.

The company's ultimate parent undertaking is The Unite Group plc.

The largest and smallest group in which the results of the company are consolidated is that headed by The Unite Group plc. The consolidated accounts of this company and its parent are available to the public and can be obtained from its registered office South Quay House, Temple Back, Bristol, BS1 6FL.