

Company Registration No. 03005262 (England and Wales)

LDC (PORTFOLIO ONE) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

TUESDAY



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COMPANIES HOUSE

LDC (PORTFOLIO ONE) LIMITED

COMPANY INFORMATION

Directors	M C Allan N Richards R C Simpson R S Smith J J Lister C R Szpojnarowicz
Secretary	C R Szpojnarowicz
Company number	03005262
Registered office	The Core 40 St Thomas Street BRISTOL BS1 6JX
Auditor	KPMG Audit Plc 15 Canada Square LONDON E14 5GL
Business address	The Core, 40 St Thomas Street BRISTOL BS1 6JX

LDC (PORTFOLIO ONE) LIMITED

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LDC (PORTFOLIO ONE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities and review of the business

The principal activity of the company is property investment. The directors do not recommend the payment of a dividend (31 December 2013: £Nil).

The company registration number is 03005262.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 January 2014:

M C Allan
N Richards
R C Simpson
R S Smith
J J Lister
C R Szpojnarowicz

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, 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.

LDC (PORTFOLIO ONE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

By order of the board

C R Szpojnarowicz

.....
C R Szpojnarowicz
Secretary

.....
25 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDC (PORTFOLIO ONE) LIMITED

We have audited the financial statements of LDC (Portfolio One) Limited for the year ended 31 December 2014 set out on pages 5 to 15. 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).

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditors' 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 member as a body, 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 Directors' Responsibilities Statement set out on page 2 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its profit for the year then ended;
- have been prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS 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.

Kate Teal

Kate Teal (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc

Chartered Accountants
Statutory Auditor

29/6/15

KPMG Audit Plc
15 Canada Square
LONDON
E14 5GL

LDC (PORTFOLIO ONE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	1,972,502	1,920,573
Reversal of impairment/(impairment) of investment property		53,609	(239,402)
Provision against intercompany debt		(2,210)	-
Operating profit	4	2,023,901	1,681,171
Investment income	3	225,414	-
Interest payable and similar charges	5	(1,244,047)	(1,244,729)
Profit on ordinary activities before taxation		1,005,268	436,442
Tax on profit on ordinary activities	6	-	-
Profit for the year	15	1,005,268	436,442

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There is no difference between the profit for the year as stated above and its historical cost equivalent.

LDC (PORTFOLIO ONE) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Profit for the financial year		1,005,268	436,442
Unrealised surplus/(deficit) on revaluation of properties	7	1,096,564	(692,676)
Unrealised deficit on revaluation of investments		(225,000)	-
Total recognised gains and losses relating to the year		<u>1,876,832</u>	<u>(256,234)</u>

LDC (PORTFOLIO ONE) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	7	42,450,000		40,910,000	
Investments	8	-		225,000	
		<u>42,450,000</u>		<u>41,135,000</u>	
Creditors: amounts falling due within one year	9	(16,041,990)		(16,445,295)	
Net current liabilities		<u>(16,041,990)</u>		<u>(16,445,295)</u>	
Total assets less current liabilities		26,408,010		24,689,705	
Creditors: amounts falling due after more than one year	10	(23,257,310)		(23,414,837)	
Net assets		<u>3,150,700</u>		<u>1,274,868</u>	
Capital and reserves					
Called up share capital	12	2		2	
Revaluation reserve	15	1,260,633		165,069	
Investment revaluation reserve	15	-		225,000	
Profit and loss account	15	1,890,065		884,797	
Shareholder's funds	13	<u>3,150,700</u>		<u>1,274,868</u>	

Approved by the Board and authorised for issue on 25 June 2015



N Richards
Director

Company Registration No. 03005262

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards (UK GAAP) and under the historical cost convention as modified by the revaluation of investment property and fixed asset investments.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Going concern

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £16,041,990 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 company 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 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 recognised as an integral part of the total rental income and are spread over the shorter of the lease term or the date when it is expected rent will revert to the prevailing market rate.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.4 Tangible fixed assets and depreciation

In accordance with SSAP19 Accounting for Investment Properties:

- investment properties are revalued every six months at market value (determined in accordance with the Guidance Notes on the valuation of assets issued by the Royal Institution of Chartered Surveyors). Surpluses and deficits arising are transferred to the revaluation reserve except that any permanent impairment in the value of an investment property is taken to the profit and loss account for the year where it cannot be demonstrated that the recoverable amount of the asset is greater than the revalued amount; and

- no depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years to run.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Net gains or losses on disposal of investment properties are calculated by reference to book value at the date of disposal and any revaluation surpluses of earlier years are transferred from revaluation reserve to the profit and loss account as a reserve movement.

1.5 Interest bearing borrowings

Interest bearing borrowings are recognised initially at cost, less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss account over the term of the borrowings at a constant rate on the carrying amount.

1.6 Investment in subsidiary undertakings

The company values its investment in subsidiary undertakings on an underlying net asset basis, whereby the cost of the original investment is adjusted for the movement in the underlying net assets applicable to the investment since their acquisition with an adjustment to the company's revaluation reserve.

1.7 Deferred taxation

The charge for taxation is based on the profit for the year and takes account of taxation deferred because of timing differences between the treatment of certain items for taxation and treatment under the company's accounting policies.

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

In accordance with FRS19, deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date that may give rise to an obligation to pay more or less tax in the future except as otherwise provided by FRS19. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

1.8 Group accounts

The company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual and not about its group.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.9 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.

1.10 Investment income

Investment income comprises dividends received from subsidiaries. The dividends are only recognised when the subsidiary has appropriately authorised the dividend and its payment is no longer at the discretion of the subsidiary.

2 Turnover

Turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Investment income

2014
£

2013
£

Income from shares in group undertakings

225,414

-

4 Operating profit

2014
£

2013
£

Operating profit is stated after charging/(crediting):

Reversal of impairment/(impairment) of fixed asset property

(53,609)

239,402

Provision of intercompany debt

2,210

-

Rental income received under operating leases

(1,972,502)

(1,920,573)

Auditor's remuneration of £625 (2013: £605) was borne by another group company.

Fees paid to the company's auditor, KPMG Audit Plc and its associates for services other than statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the company's parent, The Unite Group plc are required to disclose non audit fees on a consolidated basis.

Directors' remuneration was borne by another group company in respect of both years.

5 Interest payable

2014
£

2013
£

Intragroup interest payable

1,244,047

1,244,729

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014 £	2013 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,005,268	436,442
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)	216,133	101,473
	Effects of:		
	Expenditure not deductible	(11,051)	55,661
	Capital allowances in excess of depreciation	(190,449)	(244,596)
	Tax losses carried forward	(180,512)	(138,193)
	Other tax adjustment	(101,591)	(63,744)
	Group relief surrendered	267,470	289,399
		(216,133)	(101,473)
	Current tax charge	-	-

Deferred tax balances arising in the company are set out in detail in note 11.

7	Tangible fixed assets	Investment properties £
	Cost or valuation	
	At 1 January 2014	40,910,000
	Additions	390,827
	Revaluation	1,095,564
	Reversal of impairment	53,609
	At 31 December 2014	42,450,000

The investment properties were valued as at 31 December 2014, on the basis of 'market value' as defined in the RICS Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors by Knight Frank and Jones Lang LaSalle Limited, Chartered Surveyors, as external valuers.

The historical cost of the properties at 31 December 2014 was £41,375,160 (31 December 2013: £40,984,333). The properties are freehold.

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Fixed asset investments

	Shares in subsidiary undertakings £
Valuation	
At 1 January 2014	225,000
Revaluation	(225,000)
At 31 December 2014	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Unite Accommodation Management 1 Ltd	England and Wales	Ordinary	100.00
LDC (Lime Street Management) Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
Unite Accommodation Management 1 Ltd	Property management	1	-
LDC (Lime Street Management) Limited	Property management	-	-

9 Creditors: amounts falling due within one year

	2014 £	2013 £
Amounts owed to subsidiary undertakings	16,029,797	16,439,177
Accruals and deferred income	12,193	6,118
	<u>16,041,990</u>	<u>16,445,295</u>

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Creditors: amounts falling due after more than one year	2014 £	2013 £
Intragroup loans	23,257,310	23,414,837
Loan maturity analysis		
In less than one year	-	-
In more than one year but not more than two years	-	-
In more than two years but not more than five years	-	-
In more than five years	23,606,728	23,811,905
	23,606,728	23,811,905
Less: unamortised loan costs	(349,418)	(397,068)
	23,257,310	23,414,837

The intragroup loan, which totals £23,606,728 (31 December 2013: £23,811,905) is disclosed net of unamortised refinance costs of £349,418 (31 December 2013: £397,068). The loan, which is secured over the company's freehold investment properties, is interest only with interest chargeable at a fixed rate of 5.05%. The loan falls due for repayment on 30 April 2022.

11 Provisions for liabilities and charges

The deferred tax balance at 31 December 2014 comprised as follows:

	Amount not provided £
Potential tax on investment revaluation surplus	252,127
Deferred tax asset in respect of losses not provided	2,402,144
Balance at 31 December 2014	2,654,271

The deferred tax asset is not recognised due to the uncertainty of future taxable profits against which the asset could be realised.

Deferred tax assets and liabilities on all timing differences have been calculated at 20%, being the rate of UK corporation tax that was substantively enacted at the balance sheet date, which is applicable from 1 April 2015. There are no other factors that may significantly affect future tax charges.

12 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

Reconciliation of movements in shareholder's funds	2014 £	2013 £
Profit for the financial year	1,005,268	436,442
Other recognised gains	870,564	(692,676)
Net addition to/(depletion in) shareholder's funds	1,875,832	(256,234)
Opening shareholder's funds	1,274,868	1,531,102
Closing shareholder's funds	3,150,700	1,274,868

14 Contingent liabilities

The company had no contingent liabilities at 31 December 2014 (31 December 2013: £nil).

15 Statement of movements on reserves

	Revaluation reserve £	Investment revaluation reserve £	Profit and loss account £
Balance at 1 January 2014	165,069	225,000	884,797
Profit for the year	-	-	1,005,268
Revaluation during the year	1,095,564	(225,000)	-
Balance at 31 December 2014	1,260,633	-	1,890,065

16 Capital commitments

The company had no capital commitments at 31 December 2014 (31 December 2013: £nil).

17 Control

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 are available to the public and can be obtained from The Core, 40 St Thomas Street, BRISTOL, BS1 6JX.

18 Employees

There were no employees during either year apart from the directors

LDC (PORTFOLIO ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

19 Related party relationships and transactions

As the company is a wholly owned subsidiary of The Unite Group plc, the company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirements to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent undertaking.