Company Registration No. 05083580 (England and Wales)

LDC (PROJECT 110) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

LDC (PROJECT 110) LIMITED

COMPANY INFORMATION

Directors	J J Lister	
	R S Smith	(Appointed 1 July 2012)
	M C Allan	
	N Richards	(Appointed 11 June 2012)
Secretary	C R Szpojnarowicz	
Company number	05083580	
Registered office	The Core 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 (PROJECT 110) LIMITED

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LDC (PROJECT 110) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

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

Principal activities
The principal activity of the company is letting of investment property The directors do not recommend the payment of a dividend (31 December 2011 £nil) The company registration number is 05083580

On 18 January 2012, LDC (Holdings) plc acquired the 'A' shares of the company from Parkmetro Ltd (See note 19)

Directors
The following directors have held office since 1 January 2012

J J Lister	
R S Smith	(Appointed 1 July 2012)
M C Allan	
N M L Hill	(Resigned 18 January 2012)
N Richards	(Appointed 11 June 2012)
B Porter	(Resigned 18 January 2012)

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

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,

- state whether applicable UK Accounting Standards 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

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

By order of the board

C R Szpojnarowicz
Secretary
24 June 2013

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LDC (PROJECT 110) LIMITED

We have audited the financial statements of LDC (Project 110) Limited for the year ended 31 December 2012 set out on pages 4 to 15 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

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 2012 and of its profit for the year then ended
- have been properly 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

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

William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc

24 June 2013

Chartered Accountants
Statutory Auditor

15 Canada Square
LONDON
E14 5GL

LDC (PROJECT 110) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	3,682,402	3,134,507
Administrative expenses		(3,369)	(25,841)
Other operating income		-	20,000
Operating profit	3	3,679,033	3,128,666
Other interest receivable and similar income	4	1,042	3,849
Interest payable and similar charges	5	(1,934,041)	(1,937,628)
Profit on ordinary activities before taxation		1,746,034	1,194,887
Tax on profit on ordinary activities	6	1,275,192	(224,583)
Profit for the year	14	3,021,226	970,304

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

There is no material difference between the result as disclosed in the profit and loss account and the result given by the unmodified historical cost basis

LDC (PROJECT 110) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Profit for the financial year		3,021,226	970,304
Unrealised surplus/(deficit) on revaluation of properties	7	2,833,594	(3,924,545)
Total recognised gains and losses relating to the year		5,854,820	(2,954,241)

LDC (PROJECT 110) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	7		49,260,000		46,160,000
Investments	8		1		1
			49,260,001		46,160,001
Current assets					
Debtors	9	100		3,787	
Cash at bank and in hand		3,388,147		1,925,623	
		3,388,247		1,929,410	
Creditors amounts falling due within one year	10	(2,721,176)		(40,038,816)	
Net current assets/(liabilities)			667,071		(38,109,406)
Total assets less current liabilities			49,927,072		8,050,595
Creditors amounts falling due after more than one year	11		(37,296,849)		-
Provisions for liabilities and charges	12		-		(1,275,192)
Net assets			12,630,223		6,775,403
Capital and reserves					
Called up share capital	13		100		100
Revaluation reserve	14		6,543,318		3,709,724
Profit and loss account	14		6,086,805		3,065,579
Shareholders' funds - equity interests	15		12,630,223		6,775,403

The financial statements were approved by the Board on 24 June 2013
and signed on it's behalf by

N Richards
Director

1 Accounting policies

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

1 1 Accounting convention

The financial statements are prepared in accordance with applicable accounting standards (UK GAAP) and under the historical cost convention modified to include the revaluation of investment properties

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1 2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

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 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

1 Accounting policies **(continued)**

1 4 Tangible fixed assets and depreciation

Investment properties are those held to earn rental income or for capital appreciation, or both

In accordance with SSAP19, 'Accounting for Investment Properties,' investment properties are stated at open market value and are independently valued half yearly 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, and,
- no depreciation or amortisation is provided in respect of freehold investment properties or leasehold 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 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 seperately 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 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1 6 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 7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group The company and its subsidiary undertaking comprise a small-sized group The company has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts

1 Accounting policies (continued)

1 8 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

2 Turnover

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

3 Operating profit

	2012 £	2011 £
Operating profit is stated after crediting		
Rental income received under operating lease rentals	(3,682,402)	(3,134,507)

Auditor's remuneration of £550 for the year was borne by another group company (2011 £3,000 audit fees settled by the 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 the year/period

4 Other interest receivable and similar income

	2012 £	2011 £
Bank interest	1,042	3,849

5 Interest payable and similar charges

	2012 £	2011 £
Bank loan interest	1,934,041	1,937,628

6 **Taxation**	**2012**	**2011**
	£	**£**
Current tax charge	-	-
Deferred tax		
Deferred tax (credit)/charge in current year (see note 12)	(1,275,192)	224,583
Total tax (credit)/charge	**(1,275,192)**	**224,583**
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,746,034	1,194,887
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 50% (2011 26 49%)	427,778	316,526
Effects of		
Non deductible expenses	-	2,649
Tax losses utilised	(250,270)	(210,510)
Capital allowances in excess of depreciation	(74,548)	(108,665)
Other tax adjustments	(102,960)	-
	(427,778)	(316,526)
Current tax charge	-	-

Factors affecting future tax charges

Deferred tax balances arising in the company are set out in detail in note 12

7 Tangible fixed assets

	Investment property £
Valuation	
At 1 January 2012	46,160,000
Additions	266,406
Revaluation	2,833,594
At 31 December 2012	49,260,000

The freehold investment property was valued as at 31 December 2012, on the basis of 'market value' as defined in the RICS Appraisal and Valuation Manual issued by The Royal Institution of Chartered Surveyors by Messrs Jones Land LeSalle Limited, Chartered Surveyors as external valuers

The total interest and bank costs included in the cost of the property at 31 December 2012 was £1,677,997 (31 December 2011 £1,677,997)

The historical cost of the property at 31 December 2012 was £42,716,682 (31 December 2011 £42,450,276)

8 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2012 & at 31 December 2012	1
Net book value	
At 31 December 2012	1
At 31 December 2011	1

The company owns 100% of the ordinary share capital of LDC (Project 111) Ltd, a company incorporated in England and Wales

The principal activity of LDC (Project 111) Ltd is the letting of investment property

At 31 December 2012, the net assets of LDC (Project 111) limited were £560,988 and it reported a profit for the year then ended of £1,768,159

9 Debtors

	2012 £	2011 £
Other debtors	100	3,787

All debtors are due within one year

10 Creditors amounts falling due within one year

	2012	2011
	£	£
Bank loans	-	33,982,206
Amounts due to joint venture partners	-	5,078,537
Other creditors	2,721,176	978,073
	2,721,176	40,038,816

11 Creditors amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	37,296,849	-

Loan maturity analysis		
In less than one year	-	39,060,743
In more than two years but not more than five years	37,296,849	-
	37,296,849	39,060,743
Included in current liabilities	-	(39,060,743)
	37,296,849	-

A new bank facility of £37,700,000 expiring 31 October 2016 was provided by HSBC Bank Plc on 18th January 2012 The bank loan is disclosed net of unamortised refinance costs of £403,151 Loan and swap interest is to paid on a quarterly basis at an all in rate of 5 0375%

The company manages its interest risk by making use of interest rate swaps covering £18,850,000 of the total loan balance at 31 December 2012 (31 December 2011 £nil) The swap matures on 31 October 2016 The fair value of the swap at 31 December 2012 is a liability of £2,618,212 (31 December 2011 £nil)

LDC (PROJECT 110) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2012	1,275,192
Profit and loss account	(1,275,192)
Balance at 31 December 2012	-

The potential tax arising on the revalued investment property at the year end is £nil (31 December 2011 £nil) This amount is not provided on the basis that there is no intention to sell the investment property

The elements of deferred taxation are as follow

	2012 £	2011 £
Fixed asset timing differences	2,216,260	2,332,908
Tax losses available	(738,152)	(1,057,716)
Group tax losses available	(1,478,108)	-
	-	1,275,192

Deferred tax assets and liabilities on all timing differences have been calculated at 23%, being the rate of UK corporation tax that was substantively enacted at the balance sheet date, which is applicable from 1 April 2013 In March 2013, the UK government has announced that the UK corporation tax rate will reduced to 21% on 1 April 2014 It is expected that the corporation tax rate will reduce to 20% over the following two years This has not been reflected in the figures above as it occurred after the balance sheet date There are no other factors that may significantly affect future tax charges

13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
25 Ordinary A shares of £1 each	25	25
75 Ordinary B shares of £1 each	75	75
	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

14 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2012	3,709,724	3,065,579
Profit for the year	-	3,021,226
Revaluation during the year	2,833,594	-
Balance at 31 December 2012	6,543,318	6,086,805

15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	3,021,226	970,304
Other recognised gains and losses	2,833,594	(3,924,545)
Net addition to/(depletion in) shareholders' funds	5,854,820	(2,954,241)
Opening shareholders' funds	6,775,403	9,729,644
Closing shareholders' funds	12,630,223	6,775,403

16 Contingent liabilities

The company had no contingent liabilities at 31 December 2012 (31 December 2011 £nil)

17 Capital commitments

The company had no capital commitments at 31 December 2012 (31 December 2011 £nil)

18 Employees

There were no employees during either year

19 Control

The company's ultimate holding company is The UNITE Group plc
Until 18 January 2012, the company was controlled jointly by The UNITE Group plc and Parkmetro Limited
On this date, LDC (Holdings) plc acquired the 'A' Ordinary shares of the company, representing the remaining 49% of the ordinary share capital, from Parkmetro Limited

20 Related party transactions

The company's immediate parent undertaking is LDC (Holdings) plc

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 6JZ