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Company Registration No 5083580 (England and Wales)

LDC (PROJECT 110) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

LDC (PROJECT 110) LIMITED

COMPANY INFORMATION

Directors	J J Lister M C Allan N M L Hill B Porter
Secretary	A D Reid
Company number	5083580
Registered office	The Core St Thomas Street BRISTOL BS1 6JX
Auditors	KPMG Audit Plc 8 Salisbury Square LONDON EC4Y 8BB
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 2009

The directors present their report and financial statements for the year ended 31 December 2009

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 2008 £nil) The company registration number is 05083580

Directors

The following directors have held office since 1 January 2009

N A Porter	(Resigned 15 May 2009)
J J Lister	
M C Allan	
N M L Hill	
B Porter	

Statement of disclosure to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are each 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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

LDC (PROJECT 110) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

A D Reid
Secretary
28 June 2010

INDEPENDENT AUDITORS' 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 2009 set out on pages 4 to 14 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
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 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 (APB'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 APB's web-site at www frc org uk/apb/scope/UKNP

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 2009 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

Stephen Bligh (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor 28 June 2010
Chartered Accountants
8 Salisbury Square
LONDON
EC4Y 8BB

LDC (PROJECT 110) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	**2**	2,823,023	2,951,448
Administrative expenses		(29,817)	(21,618)
Operating profit	**3**	2,793,206	2,929,830
Other interest receivable and similar income	**4**	15,616	61,523
Interest payable and similar charges	**5**	(1,969,413)	(2,433,746)
Profit on ordinary activities before taxation		839,409	557,607
Tax on profit on ordinary activities	**6**	(235,035)	(125,692)
Profit for the year	**14**	604,374	431,915

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 2009

	Notes	2009 £	2008 £
Profit for the financial year		604,374	431,915
Unrealised surplus/(deficit) on revaluation of properties	7	912,539	(5,231,033)
Total recognised gains and losses relating to the year		1,516,913	(4,799,118)

LDC (PROJECT 110) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	7		46,390,000		45,380,000
Investments	8		1		1
			46,390,001		45,380,001
Current assets					
Debtors	9	247,722		23,776	
Cash at bank and in hand		1,195,712		1,559,613	
		1,443,434		1,583,389	
Creditors amounts falling due within one year	10	(6,300,479)		(1,660,971)	
Net current liabilities			(4,857,045)		(77,582)
Total assets less current liabilities			41,532,956		45,302,419
Creditors amounts falling due after more than one year	11		(34,675,000)		(40,196,411)
Provisions for liabilities and charges	12		(817,295)		(582,260)
Net assets			6,040,661		4,523,748
Capital and reserves					
Called up share capital	13		100		100
Revaluation reserve	14		4,656,946		3,744,407
Profit and loss account	14		1,383,615		779,241
Shareholders' funds - equity interests	15		6,040,661		4,523,748

The financial statements were approved by the Board on 28 June 2010
and signed on it's behalf by

J J Lister
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 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 Accounting policies **(continued)**

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 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

	2009	2008
	£	£
Operating profit is stated after charging		
Auditors' remuneration	2,820	11,985
and after crediting		
Rental income received under operating lease rentals	(2,823,023)	(2,951,448)

4	**Other interest receivable and similar income**	**2009**	**2008**
		£	**£**
	Bank interest	15,616	61,523
		15,616	61,523

5	**Interest payable and similar charges**	**2009**	**2008**
		£	**£**
	Bank loan interest	1,969,413	2,433,746
		1,969,413	2,433,746

6	**Taxation**	**2009**	**2008**
		£	**£**
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge in current year	235,035	125,692
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	839,409	557,607
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2008 28 50%)	235,035	158,918
	Effects of		
	Unrelieved tax losses carried forward	-	80,252
	Tax losses utilised	(58,220)	-
	Capital allowances in excess of depreciation	(176,815)	(239,170)
		(235,035)	(158,918)
	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 2009	45,380,000
Additions	97,461
Revaluation	912,539
At 31 December 2009	46,390,000

The freehold investment property was valued as at 31 December 2009, 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 King Sturge, Chartered Surveyors as external valuers

The total interest and bank costs included in the cost of the property at 31 December 2009 was £1,677,997 (31 December 2008 £1,677,997)

The historical cost of the property at 31 December 2009 was £41,843,021 (31 December 2008 £41,745,560)

8 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2009 & at 31 December 2009	1
Net book value	
At 31 December 2009	1
At 31 December 2008	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 2009, the net liabilities of LDC (Project 111) Ltd were £952,933 and it reported a profit for the year then ended of £277,785

9 Debtors

	2009 £	2008 £
Other debtors	247,722	23,776

All debtors are due within one year

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

10 Creditors amounts falling due within one year	2009	2008
	£	£
Bank loans	501,875	501,875
Amounts due to joint venture partners	5,078,537	-
Other creditors	720,067	1,159,096
	6,300,479	1,660,971

The loans from joint venture partners are non interest bearing and repayable in full on demand

11 Creditors amounts falling due after more than one year	2009	2008
	£	£
Bank loans	34,675,000	35,117,874
Amounts owed to joint venture partners	-	5,078,537
	34,675,000	40,196,411

Loan maturity analysis		
In less than one year	5,580,412	501,875
In more than one year but not more than two years	501,875	5,580,412
In more than two years but not more than five years	34,173,125	34,615,999
	40,255,412	40,698,286

The bank loan, which is provided by Lehmans Brother Europe Limited, is secured by a fixed and floating charge over the company's assets The loan, which is repayable in full by 15 October 2012 attracts interest at a fixed rate of 5 6% The loan is disclosed net of unamortised refinance costs of £NIL (31 December 2008 £59,001)

LDC (PROJECT 110) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2009	582,260
Profit and loss account	235,035
Balance at 31 December 2009	817,295

The potential tax arising on the revalued investment property at the year end is £899,464 (31 December 2008 £906,467) This amount is not provided on the basis that there is no intention to sell the investment property

The deferred tax liability is made up as follows

	2009 £	2008 £
Accelerated capital allowances	2,355,547	2,178,732
Tax losses available	(1,538,252)	(1,596,472)
	817,295	582,260

13 Share capital

	2009 £	2008 £
Authorised		
500 Ordinary A shares of £1 each	500	500
500 Ordinary B shares of £1 each	500	500
	1,000	1,000
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

The rights attaching to each class of shares are as follows

'A' shares - 49% of the voting rights, dividends and capital on winding up
'B' shares - 51% of the voting rights, dividends and capital on winding up

LDC (PROJECT 110) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

14 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2009	3,744,407	779,241
Profit for the year	-	604,374
Revaluation during the year	912,539	-
Balance at 31 December 2009	4,656,946	1,383,615

15 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	604,374	431,915
Other recognised gains and losses	912,539	(5,231,033)
Net addition to/(depletion in) shareholders' funds	1,516,913	(4,799,118)
Opening shareholders' funds	4,523,748	9,322,866
Closing shareholders' funds	6,040,661	4,523,748

16 Contingent liabilities

The company had no contingent liabilities at 31 December 2009 (31 December 2008 £nil)

17 Capital commitments

The company had no capital commitments at 31 December 2009 (31 December 2008 £nil)

18 Employees

There were no employees except the directors, who received no remuneration during the year (31 December 2008 £nil)

19 Control

The company is controlled jointly by The UNITE Group plc and Parkmetro Limited

20 Related party transactions

The company had the following disclosable transactions with related parties under FRS8
Unite Accommodation Management 6 Ltd, (UAM6 Ltd) a 100% owned subsidiary of The UNITE Group plc, managed the completed investment property on behalf of LDC (Project 110) Ltd Net turnover rent of £2,823,023 (31 December 2008 £2,951,449) was payable from UAM6 Ltd to the company Net rentals of £242,463 were due from UAM6 Ltd at 31 December 2009 (31 December 2008 due to UAM6 Ltd £377,559)

Interest free loans from joint venture partners as at 31 December 2009 are as follows
The UNITE Group plc £2,590,054 (31 December 2008 £2,590,054)
Parkmetro Ltd £2,488,483 (31 December 2008 £2,488,483)