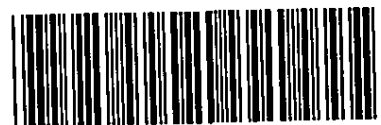


**Company Registration No. 05083580 (England and Wales)**

**LDC (PROJECT 110) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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COMPANIES HOUSE

# **LDC (PROJECT 110) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J J Lister M C Allan R S Smith N G Richards
<b>Secretary</b>	C R Szpojnarowicz
<b>Company number</b>	05083580
<b>Registered office</b>	The Core St Thomas Street BRISTOL BS1 6JX
<b>Auditor</b>	KPMG Audit Plc 15 Canada Square LONDON E14 5GL
<b>Business address</b>	The Core, 40 St Thomas Street BRISTOL BS1 6JX

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# **LDC (PROJECT 110) LIMITED**

## **CONTENTS**

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# **LDC (PROJECT 110) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2013***

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The directors present their report and financial statements for the year ended 31 December 2013

### **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 2012: £nil). The company registration number is 05083580.

### **Directors**

The following directors have held office since 1 January 2013:

J J Lister  
M C Allan  
R S Smith  
N G Richards

### **Financial Instruments**

The company holds or issues financial instruments for two main purposes:

- to finance development and subsequent long term retention of properties
- to manage interest rate risks arising from its operations and from sources of finance

The main risks arising from the company's financial instruments are interest rate risk and market price risk. The company does not trade in financial instruments.

### **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 (PROJECT 110) LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **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.

By order of the board



C. Szpojnarowicz

**Secretary**

25 June 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDC (PROJECT 110) LIMITED**

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We have audited the financial statements of LDC (Project 110) Limited for the year ended 31 December 2013 set out on pages 5 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). These 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 website at [www.frc.org.uk/auditscopeukprivate](http://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 2013 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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF LDC (PROJECT 110) LIMITED**

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**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
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report



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

25 June 2014

**Chartered Accountants**  
**Statutory Auditor**

KPMG Audit Plc  
15 Canada Square  
LONDON  
E14 5GL

# LDC (PROJECT 110) LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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	Notes	2013 £	2012 £
Turnover	2	3,354,705	3,682,402
Administrative expenses		(26)	(3,369)
<b>Operating profit</b>	<b>3</b>	<b>3,354,679</b>	<b>3,679,033</b>
Other interest receivable and similar income	4	1,040	1,042
Interest payable and similar charges	5	(1,793,945)	(1,934,041)
<b>Profit on ordinary activities before taxation</b>		<b>1,561,774</b>	<b>1,746,034</b>
Tax on profit on ordinary activities	6	-	1,275,192
<b>Profit for the year</b>	<b>14</b>	<b>1,561,774</b>	<b>3,021,226</b>

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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 2013**

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	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>Profit for the financial year</b>		1,561,774	3,021,226
Unrealised surplus on revaluation of properties	<b>7</b>	2,977,295	2,833,594
<b>Total recognised gains and losses relating to the year</b>		<u>4,539,069</u>	<u>5,854,820</u>

# LDC (PROJECT 110) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	7	52,770,000	-	49,260,000	
Investments	8		1		1
		52,770,001		49,260,001	
<b>Current assets</b>					
Debtors	9	3,351,079		100	
Cash at bank and in hand		1,082,585		3,388,147	
		4,433,664		3,388,247	
<b>Creditors amounts falling due within one year</b>	10	(2,475,728)		(2,721,176)	
<b>Net current assets</b>		1,957,936		667,071	
<b>Total assets less current liabilities</b>		54,727,937		49,927,072	
<b>Creditors: amounts falling due after more than one year</b>	11	(37,558,645)		(37,296,849)	
<b>Net assets</b>		17,169,292		12,630,223	
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Revaluation reserve	14	9,520,613		6,543,318	
Profit and loss account	14	7,648,579		6,086,805	
<b>Shareholders' funds</b>	15	17,169,292		12,630,223	

Approved by the Board and authorised for issue on 25 June 2014



N G Richards  
Director

Company Registration No 05083580

# **LDC (PROJECT 110) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

---

### **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 Basis of preparation**

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

# **LDC (PROJECT 110) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013**

---

### **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 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 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.

#### **1.8 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.

## LDC (PROJECT 110) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

#### 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

2013  
£

2012  
£

Operating profit is stated after crediting

Rental income received under operating lease rentals

(3,354,705)

(3,682,402)

Auditor's remuneration of £555 (2012 £550) 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

#### 4 Other interest receivable and similar income

2013  
£

2012  
£

Bank interest

1,040

1,042

#### 5 Interest payable and similar charges

2013  
£

2012  
£

Bank loan interest

1,793,945

1,934,041

# LDC (PROJECT 110) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

6	Taxation	2013 £	2012 £
	<b>Current tax charge</b>	-	-
	<b>Deferred tax</b>		
	Deferred tax (credit)/charge in current year (see note 12)	-	1,275,192
	<b>Total tax charge/(credit)</b>	-	(1,275,192)
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	1,561,774	1,746,034
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23 25% (2012 24 50%)	363,059	427,778
	Effects of		
	Tax losses utilised	(306,618)	(250,270)
	Capital allowances in excess of depreciation	(56,441)	(74,548)
	Other tax adjustments	-	(102,960)
		(363,059)	(427,778)
	<b>Current tax charge</b>	0	0

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

7	Tangible fixed assets	Investment property £
	<b>Valuation</b>	
	At 1 January 2013	49,260,000
	Additions	532,705
	Revaluation	2,977,295
	At 31 December 2013	52,770,000

The freehold investment property was valued as at 31 December 2013, 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 Lang LeSalle Limited, Chartered Surveyors as external valuers  
The total interest and bank costs included in the cost of the property at 31 December 2013 was £1,677,997 (31 December 2012 £1,677,997)

The historical cost of the property at 31 December 2013 was £43,249,387 (31 December 2012 £42,716,682)

# LDC (PROJECT 110) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 8 Fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2013 & at 31 December 2013	1
<b>Net book value</b>	
At 31 December 2013	1

#### 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 %
<b>Subsidiary undertakings</b>			
LDC (Project 111) 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 2013 £	Profit/(loss) for the year 2013 £
	<b>Principal activity</b>		
LDC (Project 111) Limited	Property	1,374,140	813,152

### 9 Debtors

	2013 £	2012 £
Amounts owed by group undertakings	3,350,979	-
Other debtors	100	100
	3,351,079	100

All debtors are due within one year

# LDC (PROJECT 110) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

<b>10</b>	<b>Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Amounts owed to group undertakings	1,167,717	1,114,717
	Other creditors	1,308,011	1,606,459
		<u>2,475,728</u>	<u>2,721,176</u>
 <b>11</b>	 <b>Creditors: amounts falling due after more than one year</b>	 <b>2013</b>	 <b>2012</b>
		<b>£</b>	<b>£</b>
	Bank loans	<u>37,558,645</u>	<u>37,296,849</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	<u>37,558,645</u>	<u>37,296,849</u>
	<b>Loan maturity analysis</b>		
	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	37,700,000	37,700,000
	In more than five years	-	-
		<u>37,700,000</u>	<u>37,700,000</u>
	Less Unamortised loan costs	<u>(141,355)</u>	<u>(403,151)</u>
		<u>37,558,645</u>	<u>37,296,849</u>

The bank loan, which totals £37,700,000 (31 December 2012 £37,700,000) is secured over investment property and is repayable in full on 31 October 2016. The bank loan is disclosed net of unamortised refinance costs of £141,355 (31 December 2012 £403,151). The loan attracts interest monthly at a rate of 5.038% fixed by use of interest rate SWAPs.

The company manages its interest risk by making use of interest rate swaps covering £37,700,000 of the total loan balance at 31 December 2013 (31 December 2012 £18,850,000). The swap matures on 31 October 2016. The fair value of the swap at 31 December 2013 is a liability of £1,386,680 (31 December 2012 £2,618,212).

Subsequent to the balance sheet date, on 31 January 2014, the HSBC bank loan was repaid and a new 10 year bank facility of £26,144,000 was drawdown and secured on the property.



# LDC (PROJECT 110) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 12 Provisions for liabilities and charges

The deferred tax liability is made up as follows

	2013 £
	-
Accelerated capital allowances	1,975,741
Tax losses available	(941,531)
Group losses available for offset	(1,034,210)
	-

No other provisions were made in the year

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

### 13 Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
25 Ordinary A shares of £1 each	25	25
75 Ordinary B shares of £1 each	75	75
	<u>100</u>	<u>100</u>

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

### 14 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2013	6,543,318	6,086,805
Profit for the year	-	1,561,774
Revaluation during the year	2,977,295	-
Balance at 31 December 2013	<u>9,520,613</u>	<u>7,648,579</u>

## LDC (PROJECT 110) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

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<b>15 Reconciliation of movements in shareholders' funds</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,561,774	3,021,226
Other recognised gains and losses	2,977,295	2,833,594
	<hr/>	<hr/>
Net addition to shareholders' funds	4,539,069	5,854,820
Opening shareholders' funds	12,630,223	6,775,403
	<hr/>	<hr/>
Closing shareholders' funds	17,169,292	12,630,223
	<hr/>	<hr/>

#### **16 Contingent liabilities**

The Company had no contingent liabilities at 31 December 2013 (31 December 2012 £nil)

#### **17 Capital commitments**

The Company had no capital commitments at 31 December 2013 (31 December 2012 £nil)

#### **18 Employees**

There were no employees during either year

#### **19 Control**

The company's immediate and 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.

#### **20 Related party 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.