Company registration number 05791650 (England and Wales)

LDC (PROJECT 111) LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

LDC (PROJECT 111) LIMITED

COMPANY INFORMATION

Directors	J J Lister C R Szpojnarowicz M Burt
Secretary	C R Szpojnarowicz
Company number	05791650
Registered office	South Quay Temple Back Bristol United Kingdom BS1 6FL
Business address	South Quay Temple Back Bristol United Kingdom BS1 6FL

LDC (PROJECT 111) LIMITED

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LDC (PROJECT 111) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and unaudited financial statements for the year ended 31 December 2022.

The Directors Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The Directors have also elected to take advantage of the exemption from preparing a Strategic Report in accordance with section 414B.

Principal activities and future developments
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.

Directors
The Directors who held office during the year and up to the date of this report, unless otherwise stated, were as follows:

J J Lister	
D Faulkner	(Resigned 20 September 2022)
C R Szpojnarowicz	
N W Hayes	(Appointed 20 September 2022 and resigned 20 December 2022)
M Burt	(Appointed 20 September 2022)

Results and dividends

Financial risk management

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

LDC (PROJECT 111) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The Company is part of The Unite Group plc ('Unite') from which it receives working capital funding. Unite 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. In determining the Company's Going Concern assessment the Directors have, therefore, considered the wider Unite Group's future performance.

The Directors have considered a range of scenarios for future performance through the 2022/23 and 2023/24 academic years. The impact of our ESG asset transition plans are included within the cash flows which have been modelled. The assessment includes a base case assuming cash collection and performance for the 2022/23 academic year remains in line with current expectations and sales performance for the 2023/24 academic year consistent with published guidance; and a reasonable worst case scenario where income for the 2023/24 academic year is impacted by reduced sales, equivalent to occupancy of around 90%. Under each of these scenarios, the Directors are satisfied that the Group has sufficient liquidity and will maintain covenant compliance over the next 12 months.

To further support the Directors going concern assessment, a "Reverse Stress Test" was performed to determine the level of performance at which adopting the going concern basis of preparation may not be appropriate. This involved assessing the minimum amount of income required to ensure financial covenants would not be breached. Within the tightest covenant, occupancy could fall to approximately 70% before there would be a breach. The Group has capacity for property valuations to fall by 35% before there would be a breach of the tightest LTV and gearing covenants. Were income or asset values to fall beyond these levels, the Group has certain cure rights, such that an immediate default could be avoided. The Directors are satisfied that the possibility of such an outcome is sufficiently remote that adopting the going concern basis of preparation is appropriate.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements.

On behalf of the board

J J Lister
Director
12 September 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Irish 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2006.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards , identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014. 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 (PROJECT 111) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

There were no movements in the statement of comprehensive income in the current or prior period.

LDC (PROJECT 111) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Amounts due from group undertakings	4		18,520,906		18,520,906
Current assets					
Debtors	5	1		1	
Creditors: amounts falling due within one year	6	(18,581,622)		(18,581,622)	
Net current liabilities			(18,581,621)		(18,581,621)
Total assets less current liabilities			(60,715)		(60,715)
Capital and reserves					
Called up share capital	7		1		1
Profit and loss account			(60,716)		(60,716)
Total equity			(60,715)		(60,715)

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements were approved by the board of directors and authorised for issue on 12 September 2023 and are signed on its behalf by:

J J Lister
Director

Company Registration No. 05791650

LDC (PROJECT 111) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total
	£	£	£
Balance at 1 January 2021	1	(60,716)	(60,715)
Year ended 31 December 2021:			
Loss and total comprehensive loss for the financial year	-	-	-
Balance at 31 December 2021	1	(60,716)	(60,715)
Year ended 31 December 2022:			
Result and total comprehensive result for the financial year	-	-	-
Balance at 31 December 2022	1	(60,716)	(60,715)

LDC (PROJECT 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

LDC (Project 111) Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is South Quay, Temple Back, Bristol, United Kingdom, 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 (Project 111) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

LDC (Project 111) 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 (Project 111) Limited is consolidated in the financial statements of its ultimate parent, The Unite Group plc, which may be obtained at South Quay, Temple Back, Bristol, United Kingdom, 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 £18,581,621 (2021: £18,581,621), 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 ('Unite'). Unite 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. As with any entity placing reliance on other group entities for financial support, the Company 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 therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence; thus they continue to adopt the going concern basis in preparing the financial statements.

Further details can be found in page 2 of the Directors' Report.

LDC (PROJECT 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.3 Financial instruments or financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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 (PROJECT 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.3 Financial instruments or financial assets and liabilities (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.

1.4 Taxation

As a member of a UK REIT, the company is exempt from UK corporation tax on the profits from its property rental business. No current tax or deferred tax arises.

1.5 Reserves

The Company's reserves are as follows:

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

1.6 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.

2 Critical 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates and judgements which have significant risk of causing material adjustment to the carrying amount of assets and liabilities.

LDC (PROJECT 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Employees

There were no employees during either year.

Directors' remuneration was borne by another group company in both years. Directors have not performed any qualifying services for this entity during both years.

4 Amounts due from group undertakings

	2022	2021
	£	£
Amounts due from group undertakings	18,520,906	18,520,906

Amounts due from group undertakings are interest free and repayable on demand, but are intended for use on a continuing basis.

5 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Other debtors	1	1

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

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts due to group undertakings	18,581,622	18,581,622

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

7 Called up share capital

	2022	2021
	£	£
Ordinary called up share capital		
Authorised, issued and fully paid		
1 Ordinary share of £1 each	1	1

Shares carry rights to vote and rights to income distributions.

8 Contingent liabilities

The Company had no contingent liabilities at 31 December 2022 (2021: £nil).

9 Capital commitments

The Company had no capital commitments at 31 December 2022 (2021: £nil).

LDC (PROJECT 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Related party transactions

No guarantees have been given or received.

11 Ultimate controlling party

The company's immediate parent undertaking is LDC (Project 110) 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 South Quay, Temple Back, Bristol, BS1 6FL.