

Company Registration No. 06333899 (England and Wales)

**LDC (HOLLOWAY ROAD 3) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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# **LDC (HOLLOWAY ROAD 3) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	C R Szpojnarowicz N Richards
<b>Secretary</b>	C R Szpojnarowicz
<b>Company number</b>	06333899
<b>Registered office</b>	The Core 40 St Thomas Street BRISTOL BS1 6JX
<b>Auditor</b>	Deloitte LLP 3 Rivergate Temple Quay Bristol United Kingdom BS1 6GD
<b>Business address</b>	The Core 40 St Thomas Street BRISTOL BS1 6JX

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# **LDC (HOLLOWAY ROAD 3) LIMITED**

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# **LDC (HOLLOWAY ROAD 3) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their annual report and audited financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the company is property investment. The property held by the company was sold in the prior year and the company is seeking other opportunities for investment.

The company's registration number is 06333899.

### **Directors**

The directors who held office during the year and subsequently were as follows:

C R Szpojnarowicz  
N Richards

### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid (2014: £900,000). The directors recommend payment of a final dividend amounting to £42,707.

### **Financial risk management**

#### ***Treasury operations and financial instruments***

The company has access to the group treasury function which is responsible for managing the liquidity and interest rate risks associated with the group's activities.

The company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities arising directly from its operations.

#### ***Interest rate risk***

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

### **Auditor**

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed auditor to the Company during the year and in accordance with section 487 of the Companies Act 2006, have been deemed reappointed.

# **LDC (HOLLOWAY ROAD 3) LIMITED**

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

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

### **Approval of reduced disclosures**

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the company by LDC (Holdings) plc, as the immediate parent of the entity.

By order of the board

Christopher Szpojnarowicz

C R Szpojnarowicz

**Secretary**

22 September 2016

# **LDC (HOLLOWAY ROAD 3) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors are responsible for preparing the Annual 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

# **LDC (HOLLOWAY ROAD 3) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF LDC (HOLLOWAY ROAD 3) LIMITED**

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We have audited the financial statements of LDC (Holloway Road 3) Limited for the year ended 31 December 2015 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members 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, 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, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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.

## **LDC (HOLLOWAY ROAD 3) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF LDC (HOLLOWAY ROAD 3) 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; or
- the directors were not entitled to take advantage of the small companies' exemption in not preparing a strategic report.

*Delyth Jones*

**Delyth Jones (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP**

*28/9/16*

**Chartered Accountants  
Statutory Auditor**

3 Rivergate  
Temple Quay  
Bristol  
United Kingdom  
BS1 6GD



# LDC (HOLLOWAY ROAD 3) LIMITED

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

		2015 £	2014 £
Turnover	Notes 3	-	610,554
Administrative expenses		(1,404)	-
Impairment of investment property		-	(231,835)
Loss on disposal of investment property		-	(395,672)
<b>Operating loss</b>		<b>(1,404)</b>	<b>(16,953)</b>
Interest payable and similar charges	7	(128,742)	(338,179)
Revaluation loss on investment property		-	(771,636)
Fair value gains and losses on ineffective cash flow hedge	11	127,032	162,794
<b>Loss before taxation</b>	<b>4</b>	<b>(3,114)</b>	<b>(963,974)</b>
Taxation	8	(25,406)	13,289
<b>Loss for the financial year attributable to the equity shareholders of the company</b>		<b>(28,520)</b>	<b>(950,685)</b>
<b>Total comprehensive loss for the year</b>		<b>(28,520)</b>	<b>(950,685)</b>

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

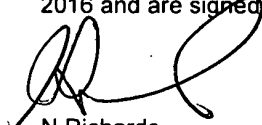
# LDC (HOLLOWAY ROAD 3) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Current assets</b>					
Debtors: falling due within one year	10	-		35,711	
Debtors: falling due after one year	10	-		25,406	
<b>Creditors: amounts falling due within one year</b>	11	(112,843)		(145,440)	
<b>Net current liabilities</b>			(112,843)		(84,323)
<b>Capital and reserves</b>					
Called up share capital	13		1		1
Profit and loss reserves			(112,844)		(84,324)
<b>Total equity</b>			(112,843)		(84,323)

The financial statements were approved by the board of directors and authorised for issue on 22 September 2016 and are signed on its behalf by:



N Richards  
Director

Company Registration No. 06333899

# LDC (HOLLOWAY ROAD 3) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Called up share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2014 as previously stated</b>		1	771,636	1,272,434	2,044,071
Effect of transition to FRS 102	18	-	(771,636)	493,927	(277,709)
<b>At 1 January 2014 as restated</b>		1	-	1,766,361	1,766,362
<b>Year ended 31 December 2014:</b>					
Loss and total comprehensive income for the financial year		-	-	(950,685)	(950,685)
Dividends paid on equity shares	9	-	-	(900,000)	(900,000)
<b>Balance at 31 December 2014</b>		1	-	(84,324)	(84,323)
<b>Year ended 31 December 2015:</b>					
Loss and total comprehensive income for the financial year		-	-	(28,520)	(28,520)
<b>Balance at 31 December 2015</b>		1	-	(112,844)	(112,843)

# **LDC (HOLLOWAY ROAD 3) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **Company information**

LDC (Holloway Road 3) Limited is a limited company domiciled and incorporated in England and Wales. The registered office is The Core, 40 St Thomas Street, BRISTOL, BS1 6JX.

#### **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 prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 18.

The functional currency of LDC (Holloway Road 3) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

LDC (Holloway Road 3) 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 (Holloway Road 3) Limited is consolidated in the financial statements of its ultimate parent, The Unite Group plc, which may be obtained at The Core, 40 St Thomas Street, BRISTOL, BS1 6JX. 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 £112,845 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 entity 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 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 spread over the term of the lease on a straight line basis unless another systematic basis is more representative.

# LDC (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 1 Accounting policies

(Continued)

##### 1.4 Financial instruments

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

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 (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### Financial instruments (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.

#### ii. 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.

#### iii. Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

#### iv. 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.

#### v. Hedge accounting

The Company designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the Company determines and documents causes for hedge ineffectiveness.

#### vi. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

# **LDC (HOLLOWAY ROAD 3) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **2 Critical accounting 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 assumptions which have significant risk of causing material adjustment to the carrying amount of assets and liabilities.

# LDC (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 Turnover

An analysis of the company's turnover is as follows:

	2015 £	2014 £
<b>Turnover</b>		
Income from intra group lease arrangements	-	610,554

#### Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	-	610,554

### 4 Loss before taxation

Loss before taxation for the year is stated after charging/ (crediting):

	2015 £	2014 £
Rental income received under operating leases	-	(610,554)
Revaluation (gain)/loss on investment property	-	771,636
Impairment of investment property	-	231,835
Loss on disposal of investment property	-	395,672
Fair value gains and losses on ineffective cash flow hedge	(127,032)	(162,794)

### 5 Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the company's financial statements	570	570

All auditor remuneration was borne by another group company.

There were no fees for services other than statutory audit of the Company paid to the Company's auditor, Deloitte LLP and its associates.

### 6 Employees

There were no employees during either year.

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

### 7 Interest payable and similar charges

	2015 £	2014 £
Interest on swaps	128,742	338,179



# LDC (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 8 Taxation

	2015 £	2014 £
<b>Current tax</b>		
UK Corporation tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	25,406	(16,589)
Other adjustments	-	3,300
Total deferred tax	25,406	(13,289)
Total tax charge/(credit)	25,406	(13,289)

A reduction in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015. A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. As these recent changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements, and the closing deferred tax liability has been calculated based on the rate at which it is expected to reverse.

The overall effect of the recent changes, if they had been applied to the deferred taxation balance at the balance sheet date, are not material to the financial statements.

The standard rate of tax applied to reported profit on ordinary activities is 20.25% (2014: 21.5%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2015. The blended tax rate has been calculated using 21% for the first three months of the year and 20% for the nine months thereafter.

There is no expiry date in timing differences, unused tax losses or tax credits.

The charge/(credit) for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £	2014 £
Loss before taxation	(3,114)	(963,974)
Expected tax credit based on a blended effective corporation tax rate of 20.25% (2014: 21.5%)	(631)	(207,254)
Tax effect of expenses that are not deductible in determining taxable profit	284	-
Adjustments in respect of prior years	2,859	(316,884)
Rate difference on deferred tax	(3,176)	997
Group relief	26,070	620,347
Capital gains	-	(395,915)
Effects of indexation	-	219,294
Other tax adjustments	-	66,126
Tax charge/(credit) for the year	25,406	(13,289)

# LDC (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Dividends

	2015 £	2014 £
Interim paid	-	900,000
	<u>-</u>	<u>900,000</u>

During the year a dividend per share was paid of £nil per share (2014: £900,000 per share).

### 10 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year:</b>		
Amounts due from group undertakings	<u>-</u>	<u>35,711</u>
<b>Amounts falling due after one year:</b>		
Deferred tax asset	<u>-</u>	<u>25,406</u>
<b>Total debtors</b>	<u>-</u>	<u>61,117</u>

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

### 11 Creditors: amounts falling due within one year

	2015 £	2014 £
Interest rate swaps	-	127,032
Amounts due to group undertakings	112,843	-
Accruals and deferred income	-	18,408
	<u>112,843</u>	<u>145,440</u>

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

# LDC (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Assets 2015 £</b>	<b>Assets 2014 £</b>
<b>Balances:</b>		
Other timing differences	-	25,406
<b>Movements in the year:</b>		<b>2015 £</b>
Liability/(Asset) at 1 January 2015		(25,406)
Charge to profit or loss		25,406
Liability at 31 December 2015		-

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the company.

#### 13 Called up share capital

	<b>2015 £</b>	<b>2014 £</b>
<b>Ordinary called up share capital Issued and fully paid</b>		
1 Ordinary share of £1 each	1	1

#### 14 Contingent liabilities

The Company had no contingent liabilities at 31 December 2015 (2014: £nil).

#### 15 Capital commitments

The Company had no capital commitments at 31 December 2015 (2014: £nil).

#### 16 Related party transactions

No guarantees have been given or received.

#### 17 Controlling party

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

# LDC (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 18 Reconciliations on adoption of FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. Details can be seen in the notes to the reconciliations on adoption of FRS 102.

#### Reconciliation of equity

Notes	At 1 January 2014			At 31 December 2014		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>						
Investment properties	20,900,000	-	20,900,000	-	-	-
<b>Current assets</b>						
Deferred tax asset	-	12,117	12,117	-	25,406	25,406
Debtors	-	-	-	35,711	-	35,711
	-	12,117	12,117	35,711	25,406	61,117
<b>Creditors due within one year</b>						
Derivatives	-	(289,826)	(289,826)	-	(127,032)	(127,032)
Other creditors	(9,455,929)	-	(9,455,929)	(18,408)	-	(18,408)
	(9,455,929)	(289,826)	(9,745,755)	(18,408)	(127,032)	(145,440)
Net current liabilities	(9,455,929)	(277,709)	(9,733,638)	17,303	(101,626)	(84,323)
Total assets less current liabilities	11,444,071	(277,709)	11,166,362	17,303	(101,626)	(84,323)
<b>Creditors due after one year</b>						
Loans and overdrafts	(9,400,000)	-	(9,400,000)	-	-	-
Net assets/(liabilities)	2,044,071	(277,709)	1,766,362	17,303	(101,626)	(84,323)
<b>Capital and reserves</b>						
Share capital	1	-	1	1	-	1
Revaluation reserve	771,636	(771,636)	-	-	-	-
Profit and loss	1,272,434	493,927	1,766,361	17,302	(101,626)	(84,324)
Total equity	2,044,071	(277,709)	1,766,362	17,303	(101,626)	(84,323)

# LDC (HOLLOWAY ROAD 3) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 18 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of profit or loss for the year

	Notes	Year ended 31 December 2014		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		610,554	-	610,554
Gross profit		610,554	-	610,554
Impairment of investment property		(231,835)	-	(231,835)
Loss on disposal of investment property		(395,672)	-	(395,672)
Operating loss		(16,953)	-	(16,953)
Interest payable and similar charges		(338,179)	-	(338,179)
Revaluation gain/ (loss) on investment property	b	-	(771,636)	(771,636)
Fair value gain/ (loss) on ineffective cash flow hedge	a	-	162,794	162,794
Loss before taxation		(355,132)	(608,842)	(963,974)
Taxation	c	-	13,289	13,289
Loss for the financial year		(355,132)	(595,553)	(950,685)

#### Notes to reconciliations on adoption of FRS 102

##### (a) Fair value of swaps

Interest rate swaps are recorded on the balance sheet at fair value and accounted for at fair value through the hedging reserve if effective and profit and loss if ineffective. Under previous UK GAAP these were not re-valued to fair value or shown on the group balance sheet at the year end. Net interest payable is accrued.

##### (b) Revaluation of investment property

Under FRS 102, changes in the fair value of investment properties are recorded in the profit and loss account. Under previous UK GAAP these changes were recorded in the Statement of Total Recognised Gains and Losses.

##### (c) Recognition of deferred tax

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Consequently deferred tax has been recognised on all fair value remeasurement of investment property and interest rate swaps.