

Company Registration No. 06444132 (England and Wales)

LDC (VERNON SQUARE) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007



LDC (VERNON SQUARE) LIMITED

COMPANY INFORMATION

Directors	M P Bennett J Granger N Richards	(Appointed 4 December 2007) (Appointed 4 December 2007) (Appointed 4 December 2007)
Secretary	A D Reid	
Company number	06444132	
Registered office	The Core 40 St Thomas Street BRISTOL BS1 6JX	
Auditors	KPMG Audit Plc PO Box 695 8 Salisbury Square LONDON EC4Y 8BB	
Business address	The Core 40 St Thomas Street BRISTOL BS1 6JX	

LDC (VERNON SQUARE) LIMITED

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LDC (VERNON SQUARE) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the period ended 31 December 2007

Principal activities

The company was incorporated on 4 December 2007. The principal activity of the company is property development. The directors do not recommend the payment of a dividend.

Directors

The following directors have held office since 4 December 2007

M P Bennett	(Appointed 4 December 2007)
J Granger	(Appointed 4 December 2007)
N Richards	(Appointed 4 December 2007)

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

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, KPMG Audit Plc, will be deemed to be reappointed for each succeeding financial year.

LDC (VERNON SQUARE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

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)

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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



A D Reid
Secretary

13 October 2008

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LDC (VERNON SQUARE) LIMITED

We have audited the financial statements of LDC (Vernon Square) Limited for the period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF LDC (VERNON SQUARE) LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

W. A. L. + Pk

KPMG Audit Plc

Chartered Accountants

Registered Auditor

29 October 2008

PO Box 695
8 Salisbury Square
LONDON
EC4Y 8BB

LDC (VERNON SQUARE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2007

		1 month Period ended 31 December 2007 £
	Notes	
Turnover		-
Cost of sales		-
		<hr/>
Result on ordinary activities before taxation	2	-
Tax on result on ordinary activities	3	-
		<hr/>
Result for the period		<hr/> <hr/>

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

There are no recognised gains and losses other than those passing through the profit and loss account

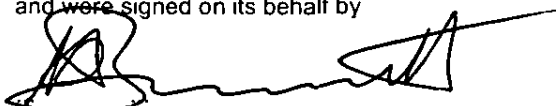
LDC (VERNON SQUARE) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£
Current assets			
Stocks	4	12,187,289	
Creditors amounts falling due within one year	5	<u>(12,187,288)</u>	
Total assets less current liabilities			<u>1</u>
Capital and reserves			
Called up share capital	6		<u>1</u>
Shareholders' funds	7		<u>1</u>

The financial statements were approved by the Board on 13/10/08
and were signed on its behalf by



M P Bennett
Director

LDC (VERNON SQUARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2007

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Stock and work in progress

Properties under development are properties purchased with the intention of resale on completion. These properties are shown at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses

1.3 Deferred taxation

The charge for taxation is based on the result 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

2 Operating result

Auditors remuneration of £620 was borne by another group company

Fees paid to the company's auditors, 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

3 Taxation

No corporation tax payable in the period to 31st December 2007

4 Stocks

2007
£

Property under development	12,187,289
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Property under development does not include any bank interest or charges

LDC (VERNON SQUARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

5	Creditors amounts falling due within one year	2007
		£
	Amounts owed to group undertakings	654,088
	Other creditors	11,533,200
		<u>12,187,288</u>

6	Share capital	2007
		£
	Authorised	
	1,000 Ordinary shares of £1 each	1,000
		<u>1,000</u>
	Allotted, called up and fully paid	
	1 Ordinary shares of £1 each	1
		<u>1</u>

The share in issue is the subscriber share

7	Reconciliation of movements in shareholders' funds	2007
		£
	Result for the financial period	-
	Proceeds from issue of shares	1
	Opening shareholders' funds	-
		<u>1</u>
	Closing shareholders' funds	<u>1</u>

8 Contingent liabilities

The company had no contingent liabilities at 31 December 2007

9 Capital commitments

The company had no capital commitments at 31 December 2007

10 Employees

There were no employees other than the directors during the period ended 31 December 2007

LDC (VERNON SQUARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

11 Control

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

The company's ultimate parent undertaking is The UNITE Group plc. The largest and smallest group in which the results of the company are consolidated is that headed by The UNITE Group plc. The consolidated accounts of this company are available to the public and can be obtained from The Core, 40 St Thomas Street, BRISTOL, BS1 6JX.

12 Related party transactions

As more than 90% of the company's voting rights are controlled within the group headed by 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.