Company Registration No. 06444132 (England and Wales)

LDC (VERNON SQUARE) LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

LDC (VERNON SQUARE) LIMITED

COMPANY INFORMATION

Directors	J J Lister C R Szpojnarowicz D Faulkner
Secretary	C R Szpojnarowicz
Company number	06444132
Registered office	South Quay House Temple Back Bristol BS1 6FL
Business address	South Quay House Temple Back *Bristol* BS1 6FL

LDC (VERNON SQUARE) LIMITED

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LDC (VERNON SQUARE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and unaudited financial statements for the year ended 31 December 2016.

Principal activities
The principal activity of the company is property investment. The company disposed of its investment property in the year ended 31 December 2015 and is currently looking for new opportunities. The directors expect these activities to continue in the future.

The company's registration number is 06444132.

Directors
The directors who held office during the year and subsequently, unless otherwise stated, were as follows:

N Richards	(Resigned 30 September 2016)
J J Lister	
C R Szpojnarowicz	
M C Allan	*(Resigned 20 May 2016)*
D Faulkner	(Appointed 27 October 2016)

Results and dividends
The results for the year are set out on page 3.

No ordinary dividends were paid (2015: £nil). The directors do not recommend payment of a final dividend.

Financial risk management

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

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.

Small companies exemption
In preparing this report, the directors have taken advantage of the small companies exemptions.

By order of the board

....

C R Szpojnarowicz
Secretary
28/09/17

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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 (United Kingdom Accounting Standards and applicable law), 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; 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 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 (VERNON SQUARE) LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	-	1,025,595
Loss on disposal of investment property		-	(50,893)
Operating result/profit	4	-	974,702
Revaluation of investment property		-	1,552,246
Result/profit before taxation		-	2,526,948
Taxation	7	-	366,975
Result/profit for the financial year **attributable to the equity shareholders of the company**		-	2,893,923
Total comprehensive result/income for the financial year		-	2,893,923

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

LDC (VERNON SQUARE) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Current assets					
Debtors	9	1		1	
Creditors: amounts falling due within one year		-		-	
Net current assets			1		1
Total assets less current liabilities			1		1
Capital and reserves					
Called up share capital	10		1		1
Profit and loss reserves			-		-
Total equity			1		1

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- 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 directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

.... 28/09/17

D Faulkner
Director

Company Registration No. 06444132

LDC (VERNON SQUARE) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Called up share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1	240,683	240,684
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	2,893,923	2,893,923
Dividends paid on equity shares	8	-	(3,134,606)	(3,134,606)
Balance at 31 December 2015		1	-	1
Year ended 31 December 2016:				
Result and total comprehensive result for the year		-	-	-
Balance at 31 December 2016		1	-	1

1 Accounting policies

Company information

LDC (Vernon Square) Limited is a private company limited by shares incorporated in England and Wales. The registered office is South Quay House, Temple Back, Bristol, 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 (Vernon Square) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

LDC (Vernon Square) 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 (Vernon Square) Limited is consolidated in the financial statements of its ultimate parent, The Unite Group plc, which may be obtained at South Quay House, Temple Back, Bristol, 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 director's report describes the details of the Company's financial risk management activities and its management of credit risk.

The Company meets its day to day working capital requirements via the inter-group account with its parent undertaking.

The directors have at the time of approving the financial statements, 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 of accounting in preparing the financial statements.

1 Accounting policies **(Continued)**

1.3 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.

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.

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.

1 Accounting policies **(Continued)**

1.4 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.

1.5 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.

1.6 Turnover

Turnover from property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income and are spread over the shorter of the lease term or the date when it is expected rent will revert to the prevailing market rate.

1 Accounting policies **(Continued)**

1.7 Reserves

The Company's reserves are as follows:

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

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 judgements 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.

3 Turnover and other revenue

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

	2016	2015
	£	£
Turnover		
Investment property leased under operating leases	-	1,025,595

Turnover analysed by geographical market

	2016	2015
	£	£
United Kingdom	-	1,025,595

4 Result before taxation

	2016	2015
	£	£
Result/profit before taxation for the year is stated after charging/(crediting):		
Rental income received under operating leases	-	(1,025,595)
Loss on disposal of investment property	-	50,892
Revaluation of investment property	-	1,552,246

5 Auditor's remuneration

	2016	2015
Fees payable to the company's auditor and its associates:	£	£
For audit services		
Audit of the company's financial statements	-	570

All auditor remuneration was borne by another group company.

In 2015, there were no fees for services other than statutory audit of the Company paid to the Company's auditor, Deloitte LLP and its associates. The Company is exempt from audit for the year ended 31 December 2016.

6 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 company in the year.

7 Taxation

	2016	2015
	£	£
Current tax		
UK Corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	(83,441)
Changes in tax rates	-	(36,698)
Other adjustments	-	(246,836)
Total deferred tax	-	(366,975)
Total tax credit	-	(366,975)

The standard rate of tax applied to reported profit on ordinary activities is 20.00% (2015: 20.00%).

The tax rate has been calculated using the marginal rate relief available to small companies and groups of small companies.

There is no expiry date in timing differences, unused tax losses or tax credits. A reduction in the corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted in September 2016. This will reduce the Company's future current tax charge accordingly.

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

	2016	2015
	£	£
Result/profit before taxation	-	2,526,948
Expected tax charge based on a standard corporation tax rate of 20.00% (2015: 20.25%)	-	511,707
Tax effect of expenses that are not deductible in determining taxable profit	-	10,306
Adjustments in respect of prior years	-	9,271
Rate difference on deferred tax	-	9,175
Group relief not paid for	-	(186,787)
Effects of indexation	-	(699,751)
Other tax adjustments	-	(20,896)
Total tax credit for the year	-	(366,975)

8 Dividends

	2016 £	2015 £
Dividends paid	-	3,134,606

There were no dividends paid during the year ended 31 December 2016 (2015: £3,134,606 per share).

9 Debtors

Amounts falling due within one year:	2016 £	2015 £
Amounts due from group undertakings	1	1

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

10 Called up share capital

	2016 £	2015 £
Ordinary called up share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1

11 Contingent liabilities

The Company had no contingent liabilities at 31 December 2016 (2015: £nil).

12 Capital commitments

The Company had no capital commitments at 31 December 2016 (2015: £nil).

13 Related party transactions

No guarantees have been given or received.

14 *Controlling party*

The company's immediate parent undertaking is LDC (Holdings) Limited, formerly 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 and the company's parent company are available to the public and can be obtained from the registered office South Quay House, Temple Back, Bristol, BS1 6FL.