

Company Registration No. 8803996 (England and Wales)

LDC (PORTFOLIO 20) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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LDC (PORTFOLIO 20) LIMITED

COMPANY INFORMATION

Directors	C Szpojnarowicz NG Richards J Lister
Secretary	C Szpojnarowicz
Company number	8803996
Registered office	The Core 40 St Thomas Street BRISTOL BS1 6JX
Auditor	Deloitte LLP 3 Rivergate Temple Quay Bristol United Kingdom BS1 6GD
Business address	The Core 40 St Thomas Street BRISTOL BS1 6JX

LDC (PORTFOLIO 20) LIMITED

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LDC (PORTFOLIO 20) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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 continued to be that of a funding vehicle for subsidiary investments held.

The company registration number is 8803996.

Directors

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

C Szpojnarowicz
NG Richards
J Lister

Results and dividends

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

Ordinary dividends were paid amounting to £12,597,369 (2014: £nil). The directors do not recommend payment of a final dividend.

Financial risk management

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

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.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

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

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.

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 (PORTFOLIO 20) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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 Szpojnarowicz
Secretary

.....
30 - 06 - 2016

LDC (PORTFOLIO 20) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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. 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 (PORTFOLIO 20) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF LDC (PORTFOLIO 20) LIMITED

We have audited the financial statements of LDC (Portfolio 20) 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 22. 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 profit 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 (PORTFOLIO 20) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF LDC (PORTFOLIO 20) LIMITED

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**

30/6/16

**Chartered Accountants
Statutory Auditor**

3 Rivergate
Temple Quay
Bristol
United Kingdom
BS1 6GD

LDC (PORTFOLIO 20) LIMITED

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

		Year ended 31 December 2015 £	Period ended 31 December 2014 £
	Notes		
Income from shares in group undertakings		12,597,369	-
Interest receivable and similar income	6	6,156,102	5,635,799
Interest payable and similar charges	7	(6,156,102)	(5,635,799)
Gains on revaluation of investments	10	10,571,836	8,179,585
Profit before taxation	3	23,169,205	8,179,585
Taxation	8	(1,988,887)	(1,635,917)
Profit for the financial year attributable to the equity shareholders of the company		21,180,318	6,543,668
Total comprehensive income for the year		21,180,318	6,543,668

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

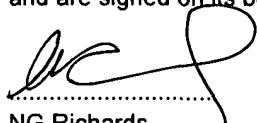
LDC (PORTFOLIO 20) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	10	41,807,421		31,235,585	
Current assets					
Debtors falling due after one year	11	123,472,739	122,986,037		
Debtors falling due within one year	11	43,857,631	40,288,798		
		167,330,370	163,274,835		
Creditors: amounts falling due within one year	13	(66,913,630)	(63,344,797)		
Net current assets		100,416,740		99,930,038	
Total assets less current liabilities		142,224,161		131,165,623	
Creditors: amounts falling due after more than one year	14	(123,472,739)	(122,986,037)		
Provisions for liabilities	16	(3,624,804)	(1,635,917)		
Net assets		15,126,618		6,543,669	
Capital and reserves					
Called up share capital	17	1	1		
Profit and loss reserves		15,126,617	6,543,668		
Total equity		15,126,618	6,543,669		

The financial statements were approved by the board of directors and authorised for issue on 30/06/2016 and are signed on its behalf by:



NG Richards
Director

Company Registration No. 8803996

LDC (PORTFOLIO 20) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Called up share capital £	Profit and loss reserves £	Total £
Balance at 5 December 2013 as previously stated		-	-	-
Effect of transition to FRS 102	22	-	-	-
Balance at 5 December 2013		-	-	-
Period ended 31 December 2014:				
Profit and total comprehensive income for the financial period		-	6,543,668	6,543,668
Issue of share capital	17	1	-	1
Balance at 31 December 2014		1	6,543,668	6,543,669
Year ended 31 December 2015:				
Profit and total comprehensive income for the financial year		-	21,180,318	21,180,318
Dividends paid on equity shares	9	-	(12,597,369)	(12,597,369)
Balance at 31 December 2015		1	15,126,617	15,126,618

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

LDC (Portfolio 20) 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 of 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 22.

The functional currency of LDC (Portfolio 20) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

LDC (Portfolio 20) 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 (Portfolio 20) Limited is consolidated in the financial statements of its ultimate parent, 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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The directors' report describes the details of the Company's financial risk management activities and its exposure to interest risk, credit risk and liquidity 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.

1.3 Fixed asset investments

Interests in subsidiaries are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in the profit and loss account.

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Financial assets

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 (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(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.

1.5 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.

1.6 Investment income

Investment income is interest received under formal inter group loans and is recognised in the profit and loss account on an accruals basis.

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Valuation of subsidiaries

The valuation of subsidiary undertakings involves significant judgement as the valuation requires an assessment of the fair value of all the underlying assets and liabilities of the subsidiary. Any changes to the assumptions made could have a significant impact on the carrying value of these assets.

3 Profit before taxation

	2015 £	2014 £
Profit before taxation for the year is stated after charging/(crediting):		
Interest income from intra group loans	(6,156,102)	(5,635,799)
Dividends received	(12,597,369)	-
Gains on revaluation of investments	(10,571,836)	(8,179,585)

4 Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	625	625

All auditor remuneration was borne by another group company in both periods.

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

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

5 Employees

There were no employees during either period.

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

6 Investment income	2015 £	2014 £
Interest income		
Interest received on intra group loans	6,156,102	5,635,799
Income from fixed asset investments		
Income from shares in group undertakings	12,597,369	-
Total income	<u>18,753,471</u>	<u>5,635,799</u>

7 Interest payable and similar charges	2015 £	2014 £
Interest on bank loans	<u>6,156,102</u>	<u>5,635,799</u>

8 Taxation	2015 £	2014 £
Current tax on profit on ordinary activities		
UK Corporation tax	-	-
Deferred tax		
Movement on revaluation of investment in subsidiaries	- 2,152,479	1,635,917
Effect of decrease in tax rate on opening liability	(163,592)	-
Total deferred tax (see note 15)	<u>1,988,887</u>	<u>1,635,917</u>
Total tax on profit on ordinary activities	<u>1,988,887</u>	<u>1,635,917</u>

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Taxation

(Continued)

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 for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	23,169,205	8,179,585
Expected tax charge based on a blended effective corporation tax rate of 20.25% (2014: 21.5%)	4,691,764	1,758,611
Tax effect of income not taxable in determining taxable profit	(2,550,967)	-
Deferred tax recognised at different rate	(151,910)	(122,694)
Tax charge for the period	1,988,887	1,635,917

9 Dividends

	2015 £	2014 £
Interim paid	12,597,369	-
	12,597,369	-

Interim dividend for the year ended 31 December 2015 of £12,597,369 (2014: £nil)

10 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	21	41,807,421	31,235,585

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Fixed asset investments

(Continued)

Movements in fixed asset investments

	2015 £	2014 £
Cost or valuation		
At 1 January	31,235,585	-
Additions	-	23,056,000
Valuation changes	10,571,836	8,179,585
At 31 December	41,807,421	31,235,585

11 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Amounts due from subsidiary undertakings	43,857,631	40,288,798

Amounts due from subsidiary undertakings are interest free and repayable on demand

Amounts falling due after one year:

Intra group loan	123,472,739	122,986,037
Total debtors	167,330,370	163,274,835

An intra-group loan of £123,472,739 (2014: £122,986,037) falls due for repayment on 31 January 2024. The loan is interest only, with a rate of 4.56%, which is receivable quarterly.

12 Loans and overdrafts

	2015 £	2014 £
Bank loans	123,472,739	122,986,037
Payable after one year	123,472,739	122,986,037
Amounts included above which fall due after five years:		
Payable other than by instalments	123,472,739	122,986,037

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Loans and overdrafts

(Continued)

The bank loan which totals £124,000,000 (2014: £124,000,000) is disclosed in the accounts net of unamortised refinancing costs of £527,261 (£2014: £1,013,963). The loan is secured over the property in LDC (MTF Portfolio) Limited, LDC (Project 110) Limited and LDC (Project 111) Limited, group companies. The loan is interest only with interest chargeable at a fixed rate of 4.56% and falls due for repayment on 31 January 2024.

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts due to subsidiary undertakings	65,779,000	62,205,357
Accruals and deferred income	1,134,630	1,139,440
	<u>66,913,630</u>	<u>63,344,797</u>

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

14 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	12	<u>123,472,739</u>	<u>122,986,037</u>

15 Deferred taxation

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

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Revaluation of investments	<u>3,624,804</u>	<u>1,635,917</u>
Movements in the year:		£
Liability at 1 January 2015		1,635,917
Charge to profit or loss		1,739,339
Liability at 31 December 2015		<u>3,375,256</u>

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

15 Deferred taxation

(Continued)

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.

While the company has no intention to dispose of its investments, the planned conversion of The Unite Group plc to a Real Estate Investment Trust at 31 December 2016 will give rise to an unwind of property related deferred tax in full at this date. Should the conversion not complete, no significant unwind of the deferred tax balances is forecast'

16 Provisions for liabilities

	Notes	2015 £	2014 £
Deferred tax liabilities	15	3,624,804	1,635,917
		<u>3,624,804</u>	<u>1,635,917</u>

17 Called up share capital

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

18 Contingent liabilities

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

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

20 Capital commitments

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

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

21 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
LDC (MTF Portfolio) Ltd	United Kingdom	100.00%	100.00%	Property investment
LDC (Project 110) Ltd	United Kingdom	100.00%	100.00%	Property investment
LDC (Project 111) Ltd	United Kingdom	100.00%	100.00%	Property investment

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

22 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 period 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 5 December 2013			At 31 December 2014		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£	£	£	£
Fixed assets						
Investments	-	-	-	31,235,585	-	31,235,585
Current assets						
Debtors due after one year	-	-	-	122,986,037	-	122,986,037
Debtors due within one year	-	-	-	40,288,798	-	40,288,798
	-	-	-	163,274,835	-	163,274,835
Creditors due within one year						
Other creditors	-	-	-	63,344,797	-	63,344,797
Net current assets	-	-	-	99,930,038	-	99,930,038
Total assets less current liabilities	-	-	-	131,165,623	-	131,165,623
Creditors due after one year						
Loans and overdrafts	-	-	-	122,986,037	-	122,986,037
Provisions for liabilities						
Deferred tax b	-	-	-	-	1,635,917	1,635,917
Net assets	-	-	-	8,179,586	(1,635,917)	6,543,669

LDC (PORTFOLIO 20) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

22 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 5 December 2013			At 31 December 2014		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£	£	£	£
Capital and reserves						
Called up share capital	-	-	-	1	-	1
Investment revaluation reserve	a	-	-	8,179,585	(8,179,585)	-
Profit and loss	a, b	-	-	-	6,543,668	6,543,668
Total equity		-	-	8,179,586	(1,635,917)	6,543,669

Reconciliation of profit or loss for the period

Notes	Period ended 31 December 2014		
	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£
Interest receivable and similar income	5,635,799	-	5,635,799
Interest payable and similar charges	(5,635,799)	-	(5,635,799)
Revaluation gain on investments	a	8,179,585	8,179,585
Profit before taxation	-	8,179,585	8,179,585
Taxation	b	(1,635,917)	(1,635,917)
for the financial period	-	6,543,668	6,543,668

Notes to reconciliations on adoption of FRS 102

(a) Revaluation of investments

Under FRS 102, changes in the fair value of investments 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.

(b) 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 investments.