

Company Registration No. 10436455 (England and Wales)

LDC (NEW WAKEFIELD STREET) LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



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LDC (NEW WAKEFIELD STREET) LIMITED

COMPANY INFORMATION

Directors	D Faulkner N Hayes C R Szpojnarowicz
Company number	10436455
Registered office	South Quay House Temple Back Bristol BS1 6FL
Business address	South Quay House Temple Back Bristol BS1 6FL

LDC (NEW WAKEFIELD STREET) LIMITED

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LDC (NEW WAKEFIELD STREET) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and unaudited financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the Company is property investment. The directors expect to continue to carry out these activities in the future.

The company registration number is 10436455.

Directors

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

D Faulkner

N Hayes

C R Szpojnarowicz

R Simpson

J L Watts

(Resigned 18 May 2018)

(Resigned 11 April 2018)

Results and dividends

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

No ordinary dividends were paid during the year. 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

This directors report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

On behalf of the board

D Faulkner

Director

11th July 2018

LDC (NEW WAKEFIELD STREET) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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). 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 (NEW WAKEFIELD STREET) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £
Fair value gains and losses on investment properties	6	10,857,719
Profit before taxation		10,857,719
Taxation	5	-
Profit for the financial year		10,857,719

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

LDC (NEW WAKEFIELD STREET) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£
Fixed assets			
Investment properties	6		21,300,000
Current assets			-
Creditors: amounts falling due within one year	7	(10,442,280)	
Net current liabilities			(10,442,280)
Total assets less current liabilities			10,857,720
Capital and reserves			
Called up share capital	8		1
Profit and loss reserves			10,857,719
Total equity			10,857,720

For the year ended 31 December 2017 the company was entitled to exemption under section 479a of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements were approved by the board of directors and authorised for issue on 11 May 2018 and are signed on its behalf by:


D Faulkner
Director

Company Registration No. 10436455

LDC (NEW WAKEFIELD STREET) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

		Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 January 2017		-	-	-
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	10,857,719	10,857,719
Issue of share capital	8	1	-	-
Balance at 31 December 2017		<u>1</u>	<u>10,857,719</u>	<u>10,857,720</u>

LDC (NEW WAKEFIELD STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

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

LDC (New Wakefield Street) 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 (New Wakefield Street) 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 financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £10,442,280 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 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

LDC (NEW WAKEFIELD STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.4 Basic financial liabilities

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 (NEW WAKEFIELD STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Other financial liabilities

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.

1.5 Reserves

The Company's reserves are as follows:

- Called up share capital reserve contains the nominal value of the shares issued
- Capital contribution reserve represents amounts forgiven by other Group companies for their rights to receive payment for balances owed
- 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 assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

3 Operating profit

	2017
Operating profit for the year is stated after crediting:	£
Fair value gains on investment properties	(10,857,719)

4 Employees

There were no employees during the year.

Directors remuneration was borne by another group in the year. The Directors did not perform any qualifying work during the year.

LDC (NEW WAKEFIELD STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Taxation

The taxation charge that would arise at the standard rate of UK corporation tax is reconciled to the actual tax charge below. The main rate of corporation tax reduced from 20% to 19% with effect from 1 April 2017. Accordingly, the reconciliation above has been calculated at a rate of 19.25% (2016: 20%).

As a member of a UK REIT, the company is exempt from UK corporation tax on the profits from its property rental business. Accordingly, the element of the company's profit before tax relating to its property rental business has been separately identified in the reconciliation below.

Although the company does not pay UK corporation tax on the profits from its property rental business, the Group is required to distribute 90% of the profits from its property rental business after accounting for tax adjustments as a Property Income Distribution ("PID"). PIDs are charged to tax in the same way as property income in the hands of the recipient.

The UK corporation tax rate will reduce from 19% to 17% with effect from 1 April 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2017 has been calculated based on the rate at which it is expected to reverse.

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

As a member of a UK REIT, disposals of investment property are exempt from tax and as a result no deferred tax liability has been recognised in relation to these assets.

	2017
	£
Profit before taxation	10,857,719
	<hr/>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25%	2,090,111
Property revaluations not subject to tax	(2,090,111)
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Taxation charge for the year	-
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LDC (NEW WAKEFIELD STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6 Investment property

	Investment properties under development 2017 £
Fair value	
At 1 January 2017	-
Additions	10,442,281
Net gains or losses through fair value adjustments	10,857,719
At 31 December 2017	<u>21,300,000</u>

The total above includes two properties under construction. The method of determining fair value was the discounted cash flows method and significant assumptions applied were as follows:

- Net rental income (per week) of £180
- Estimated future rent increase of 3%
- Discount rate (yield) of 5.25%

There are no restrictions on the realisability of investment property. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The historical cost of the investment property under development is £10,442,281

7 Creditors: amounts falling due within one year

	2017 £
Amounts due to group undertakings	<u>10,442,280</u>

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

8 Share capital

	2017 £
Ordinary share capital issued and fully paid	
1 Ordinary shares of £1	<u>1</u>

9 Contingent liabilities

The Company had no contingent liabilities at 31 December 2017.

10 Capital commitments

The Company had no capital commitments at 31 December 2017.

LDC (NEW WAKEFIELD STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Related party transactions

No guarantees have been given and received.

12 Controlling party

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

The company's ultimate parent undertaking is The Unite Group plc.

The largest and smallest group in which the results of the company are consolidated is that headed by The Unite Group plc. The consolidated accounts of this company 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.