

Company Registration No. 05140255 (England and Wales)

LDC (MAGNET COURT LEASEHOLD) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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LDC (MAGNET COURT LEASEHOLD) LIMITED

COMPANY INFORMATION

Directors	M C Allan M P Bennett
Secretary	A D Reid
Company number	05140255
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 (MAGNET COURT LEASEHOLD) LIMITED

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LDC (MAGNET COURT LEASEHOLD) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company during the year was the management of investment property. The directors do not recommend the payment of a dividend (2007: £nil).

Directors

The following directors have held office since 1 January 2008:

M C Allan

M P Bennett

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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

LDC (MAGNET COURT LEASEHOLD) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

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

.....
20 October 2009

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LDC (MAGNET COURT LEASEHOLD) LIMITED

We have audited the financial statements of LDC (Magnet Court Leasehold) Limited for the year ended 31 December 2008 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 (MAGNET COURT LEASEHOLD) 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 2008 and of its loss for the year 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.

KPMG Audit Plc

KPMG Audit Plc

27 October 2009
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Chartered Accountants

Registered Auditor

PO Box 695
8 Salisbury Square
LONDON
EC4Y 8BB

LDC (MAGNET COURT LEASEHOLD) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Turnover	2	281,376	349,023
Cost of sales		(434,428)	(368,942)
Gross loss		(153,052)	(19,919)
Administrative expenses		-	(15,014)
Loss on ordinary activities before taxation	3	(153,052)	(34,933)
Tax on loss on ordinary activities	4	-	-
Loss for the year	9	(153,052)	(34,933)

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

LDC (MAGNET COURT LEASEHOLD) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008		2007	
		£	£	£	£
Current assets					
Debtors	5	53,793		62,269	
Creditors: amounts falling due within one year	6	<u>(452,020)</u>		<u>(307,444)</u>	
Net liabilities			<u>(398,227)</u>		<u>(245,175)</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		<u>(398,228)</u>		<u>(245,176)</u>
Shareholders' deficit	10		<u>(398,227)</u>		<u>(245,175)</u>

Approved by the Board and authorised for issue on

20 October 2009



M P Bennett
Director

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 Basis of preparation

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 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £398,227 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 company 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 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4 Deferred taxation

The charge for taxation is based on the loss 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.

1.5 Turnover

Turnover from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the term of the lease. Lease incentives granted are 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.

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

2 Turnover

The turnover is generated in the UK and from the company's principal activity.

3 Operating loss	2008 £	2007 £
Operating loss is stated after charging:		
Operating lease rentals - land and buildings	434,428	368,942

Auditors' remuneration of £650 (2007: £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 in respect of both years.

4 Taxation	2008 £	2007 £
Current tax charge	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(153,052)	(34,933)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007: 30.00%)	(43,620)	(10,480)
Effects of:		
Tax losses carried forward	60,245	-
Group relief surrendered	-	29,240
Other tax adjustments	(16,625)	(18,760)
	43,620	10,480
Current tax charge	-	-

Deferred tax balances arising in the company are set out in note 7.

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

5 Debtors	2008	2007
	£	£

Other debtors	53,793	62,269
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All debtors are due within one year.

6 Creditors: amounts falling due within one year	2008	2007
	£	£

Amounts owed to group undertakings	452,020	307,444
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7 Provisions for liabilities and charges

The deferred tax balance at 31 December 2008 comprised as follows:

	Amount not provided
	£
Deferred tax asset on losses not provided	59,188
Balance at 31 December 2008	59,188

There were no provisions brought forward at the beginning of the year. No other provisions were made during the year.

8 Share capital	2008	2007
	£	£

Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
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Allotted, called up and fully paid 1 Ordinary share of £1	1	1
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LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2008	(245,176)
Retained loss for the year	<u>(153,052)</u>
Balance at 31 December 2008	<u><u>(398,228)</u></u>

10 Reconciliation of movements in shareholder's funds

	2008 £	2007 £
Loss for the financial year	(153,052)	(34,933)
Opening shareholder's funds	<u>(245,175)</u>	<u>(210,242)</u>
Closing shareholder's funds	<u><u>(398,227)</u></u>	<u><u>(245,175)</u></u>

11 Contingent liabilities

The company had no contingent liabilities at 31 December 2008 (31 December 2007: £nil).

12 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings	
	2008 £	2007 £
Operating leases which expire: In over five years	<u>409,213</u>	<u>409,213</u>

13 Capital commitments

The company had no capital commitments at 31 December 2008 (31 December 2007: £nil).

14 Employees

There were no employees other than directors during the year.

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

15 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.

16 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.