

Company Registration No. 06641265 (England and Wales)

LDC (MARGARET RULE FREEHOLD) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011



LDC (MARGARET RULE FREEHOLD) LIMITED

COMPANY INFORMATION

Directors	N Richards M C Allan R S Smith A D Reid	(Appointed 21 February 2012) (Appointed 17 July 2012) (Appointed 17 July 2012) (Appointed 17 July 2012)
Secretary	A D Reid	
Company number	06641265	
Registered office	The Core 40 St Thomas Street BRISTOL BS1 6JX	
Auditor	KPMG Audit Plc 15 Canada Square LONDON E14 5GL	
Business address	The Core 40 St Thomas Street BRISTOL BS1 6JX	

LDC (MARGARET RULE FREEHOLD) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the financial statements	7 - 12

LDC (MARGARET RULE FREEHOLD) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011. The company registration number is 06641265.

Principal activities

The principal activity of the company is property investment. The directors do not recommend the payment of a dividend for the year (2010: £nil).

The company registration number is 06641265.

Directors

The following directors have held office since 1 January 2011:

M P Bennett	(Resigned 21 February 2012)
N Richards	(Appointed 21 February 2012)
M C Allan	(Appointed 17 July 2012)
R S Smith	(Appointed 17 July 2012)
A D Reid	(Appointed 17 July 2012)

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, KPMG Audit Plc, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

LDC (MARGARET RULE FREEHOLD) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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)

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 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board



A D Reid
Secretary

21 September 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LDC (MARGARET RULE FREEHOLD) LIMITED

We have audited the financial statements of LDC (Margaret Rule Freehold) Limited for the year ended 31 December 2011 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, 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 as a body, 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 set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its profit for the year then ended
- have been properly prepared in accordance with UK 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.

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

Stephen Bligh (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

21 September 2012

15 Canada Square
LONDON
E14 5GL

LDC (MARGARET RULE FREEHOLD) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	683,947	728,946
Cost of sales		-	-
Gross profit		<u>683,947</u>	<u>728,946</u>
Reversal of impairment of fixed asset property		<u>51,236</u>	<u>275,832</u>
Profit on ordinary activities before taxation	3	735,183	1,004,778
Tax on profit on ordinary activities	4	-	-
Profit for the year	9	<u><u>735,183</u></u>	<u><u>1,004,778</u></u>

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

There is no difference between the result as disclosed in the profit and loss account and the result given by the unmodified cost basis

LDC (MARGARET RULE FREEHOLD) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Profit for the financial year		735,183	1,004,778
Unrealised surplus on revaluation of properties		<u>915,614</u>	<u>-</u>
Total recognised gains and losses relating to the year		<u><u>1,650,797</u></u>	<u><u>1,004,778</u></u>

LDC (MARGARET RULE FREEHOLD) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	5	10,560,000		9,460,000	
Current assets					
Debtors	6	-		1	
Creditors amounts falling due within one year	7	<u>(7,849,565)</u>		<u>(8,400,363)</u>	
Net current liabilities		<u>(7,849,565)</u>		<u>(8,400,362)</u>	
Net assets		<u>2,710,435</u>		<u>1,059,638</u>	
Capital and reserves					
Called up share capital	8		1		1
Revaluation reserve	9		915,614		-
Profit and loss account	9		<u>1,794,820</u>		<u>1,059,637</u>
Shareholders' funds - equity interests	10		<u>2,710,435</u>		<u>1,059,638</u>

Approved by the Board and authorised for issue on 21 September 2012



N Richards

Director

LDC (MARGARET RULE FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

1.1 Accounting convention

The financial statements are prepared in accordance with applicable accounting standards (UK GAAP) and under the historical cost convention

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

1.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £7,849,565 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 Turnover

Turnover from investment property leased out under an intra group management lease 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 (MARGARET RULE FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(continued)

1.4 Tangible fixed assets and depreciation

In accordance with SSAP19 Accounting for Investment Properties

- investment properties are revalued every six months at market value (determined in accordance with the Guidance Notes on the valuation of assets issued by the Royal Institution of Chartered Surveyors) Surpluses and deficits arising are transferred to the revaluation reserve except that any permanent impairment in the value of an investment property is taken to the profit and loss account for the year where it cannot be demonstrated that the recoverable amount of the asset is greater than the revalued amount, and

- no depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years to run

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Net gains or losses on disposal of investment properties are calculated by reference to book value at the date of disposal and any revaluation surpluses of earlier years are transferred from revaluation reserve to the profit and loss account as a reserve movement.

1.5 Deferred taxation

The charge for taxation is based on the result for the year and takes account of taxation deferred because of timing differences between the treatment of certain items for taxation and treatment under the company's accounting policies.

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

In accordance with FRS19, deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date that may give rise to an obligation to pay more or less tax in the future except as otherwise provided by FRS19. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

2 Turnover

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

LDC (MARGARET RULE FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

5 Tangible fixed assets

	Investment properties £
Valuation	
At 1 January 2011	9,460,000
Additions	133,150
Revaluation	915,614
Reversal of previous impairment	51,236
	<u> </u>
At 31 December 2011	<u>10,560,000</u>

The investment property was valued as at 31 December 2011, on the basis of 'open market value' as defined in the RICS Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors by Messrs Jones Lang LaSalle, Chartered Surveyors, as external valuers

The historic cost of the property at 31 December 2011 was £9,644,386 (31 December 2010 £9,511,236)

6 Debtors

	2011 £	2010 £
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Amounts owed by group undertakings	<u>-</u>	<u>1</u>
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All debtors are due within one year

7 Creditors: amounts falling due within one year

	2011 £	2010 £
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Amounts owed to group undertakings	<u>7,849,565</u>	<u>8,400,363</u>
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8 Share capital

	2011 £	2010 £
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Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

LDC (MARGARET RULE FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

9 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2011	-	1,059,637
Profit for the year	-	735,183
Revaluation during the year	915,614	-
Balance at 31 December 2011	<u>915,614</u>	<u>1,794,820</u>

10 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	735,183	1,004,778
Other recognised gains and losses	915,614	-
Net addition to shareholders' funds	<u>1,650,797</u>	<u>1,004,778</u>
Opening shareholders' funds	<u>1,059,638</u>	<u>54,860</u>
Closing shareholders' funds	<u>2,710,435</u>	<u>1,059,638</u>

11 Contingent liabilities

The company had no contingent liabilities at 31 December 2011 (31 December 2010 £nil)

12 Capital commitments

The company had no capital commitments at 31 December 2011 (31 December 2010 £nil)

13 Employees

There were no employees during either year

LDC (MARGARET RULE FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

14 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.

15 Related party transactions

As the company is a wholly owned subsidiary of 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.