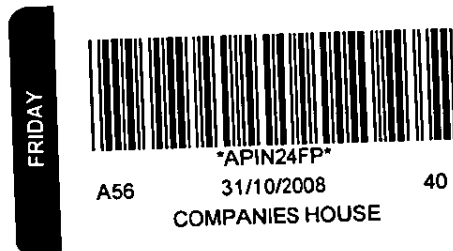


Company Registration No 05140255 (England and Wales)

LDC (MAGNET COURT LEASEHOLD) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007



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 2007

The directors present their report and financial statements for the year ended 31 December 2007

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 (2006 £nil)

Directors

The following directors have held office since 1 January 2007

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

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, KPMG Audit Plc, will be deemed to be reappointed for each succeeding financial year

LDC (MAGNET COURT LEASEHOLD) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

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

24 OCTOBER 2008

LDC (MAGNET COURT LEASEHOLD) LIMITED

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 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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.

LDC (MAGNET COURT LEASEHOLD) LIMITED

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 2007 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

Chartered Accountants

Registered Auditor

29 October 2008

PO Box 695
8 Salisbury Square
LONDON
EC4Y 8BB

LDC (MAGNET COURT LEASEHOLD) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	349,023	279,441
Cost of sales		<u>(368,942)</u>	<u>(391,946)</u>
Gross loss		(19,919)	(112,505)
Administrative expenses		<u>(15,014)</u>	<u>(33,747)</u>
Loss on ordinary activities before taxation	3	(34,933)	(146,252)
Tax on loss on ordinary activities	4	-	-
Loss for the year	8	<u><u>(34,933)</u></u>	<u><u>(146,252)</u></u>

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

LDC (MAGNET COURT LEASEHOLD) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007

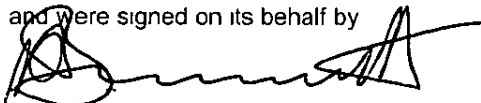
	Note	2007 £	2006 £
Loss for the financial year		(34,933)	(146,252)
Unrealised deficit on revaluation of properties		-	(60,322)
Total recognised gains and losses relating to the year		<u>(34,933)</u>	<u>(206,574)</u>

LDC (MAGNET COURT LEASEHOLD) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Current assets					
Debtors	5	62,269		30,474	
Creditors amounts falling due within one year	6	<u>(307,444)</u>		<u>(240,716)</u>	
Net current liabilities			<u>(245,175)</u>		<u>(210,242)</u>
Net liabilities			<u>(245,175)</u>		<u>(210,242)</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss account	8		<u>(245,176)</u>		<u>(210,243)</u>
Shareholder's deficit	9		<u>(245,175)</u>		<u>(210,242)</u>

The financial statements were approved by the Board on *24 OCTOBER 2008*
and were signed on its behalf by



M P Bennett
Director

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £245,175 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 company's ultimate parent undertaking. 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 undertaking 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.

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.

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies (continued)

1.2 Leasing

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

1.3 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

1.4 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

2 Turnover

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

3 Operating loss	2007	2006
	£	£
Operating loss is stated after charging		
Operating lease rentals - land and buildings	368,942	391,946

Auditors remuneration of £620 (2006 £575) 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

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

4	Taxation	2007	2006
		£	£
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(34,933)</u>	<u>(146,252)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006: 30.00%)	<u>(10,480)</u>	<u>(43,876)</u>
	Effects of		
	Group relief surrendered	29,240	62,231
	Other tax adjustments	<u>(18,760)</u>	<u>(18,355)</u>
		<u>10,480</u>	<u>43,876</u>
	Current tax charge	<u>-</u>	<u>-</u>
	No other provisions were made during the year		
5	Debtors	2007	2006
		£	£
	Other debtors	<u>62,269</u>	<u>30,474</u>
	All debtors are due within one year		
6	Creditors - amounts falling due within one year	2007	2006
		£	£
	Amounts owed to group undertakings	<u>307,444</u>	<u>240,716</u>
7	Share capital	2007	2006
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1 Ordinary share of £1	<u>1</u>	<u>1</u>

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2007	(210,243)
Retained loss for the year	(34,933)
Balance at 31 December 2007	<u>(245,176)</u>

9 Reconciliation of movements in shareholder's funds

	2007 £	2006 £
Loss for the financial year	(34,933)	(146,252)
Other recognised gains and losses	-	(60,322)
Net depletion in shareholder's funds	(34,933)	(206,574)
Opening shareholder's funds	(210,242)	(3,668)
Closing shareholder's funds	<u>(245,175)</u>	<u>(210,242)</u>

10 Contingent liabilities

The company had no contingent liabilities at 31 December 2007 (31 December 2006 £nil)

11 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Land and buildings	
	2007 £	2006 £
Operating leases which expire in over five years	<u>409,213</u>	<u>396,128</u>

12 Capital commitments

The company had no capital commitments at 31 December 2007 (31 December 2006 £nil)

13 Employees

There were no employees in either year, except the directors who received no remuneration

LDC (MAGNET COURT LEASEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

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 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.