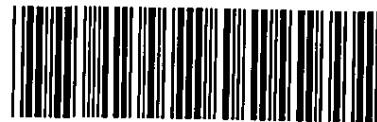


LIBERTY LIVING (SEVERN POINT) LIMITED

**Report and Financial Statements
For the year ended 31 August 2009**

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LIBERTY LIVING (SEVERN POINT) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2009

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LIBERTY LIVING (SEVERN POINT) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2009

DIRECTORY

Directors:

R Boyland
R Chadwick
J Rose

Registered Number:

4313995 (England and Wales)

Registered Office:

32nd Floor
30 St Mary Axe
London EC3A 8BF
United Kingdom

Company Secretary:

Brandeaux Administrators Limited
Brandeaux House
13 Upper Mount Street
Dublin 2
Ireland

Auditors:

Deloitte & Touche
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Property Valuer:

Lambert Smith Hampton
79 Mosley Street
Manchester M2 3LQ
United Kingdom

Solicitors:

Olswang
90 High Holborn
London WC1V 6XX
United Kingdom

Property Asset Manager:

Liberty Living plc
32nd Floor
30 St Mary Axe
London EC3A 8BF
United Kingdom

LIBERTY LIVING (SEVERN POINT) LIMITED

Registered Number: 4313995 (England and Wales)

DIRECTORS' REPORT

The Directors of Liberty Living (Severn Point) Limited (the "Company") present their annual Report and the audited Financial Statements for the year ended 31 August 2009.

The Directors consider the following to be the principal risks and uncertainties which may affect the company performance:

- Continued availability of finance within the Group
- The supply of, and demand for Student Accommodation, and any associated reputation and compliance risks involved in the operation of the properties

PRINCIPAL ACTIVITY

The principal activity of the Company is the letting and management of property.

RESULTS AND DIVIDENDS

The Company made a profit for the year of £23,439 (2008: profit of £19,771), which has been transferred to reserves.

The Directors do not recommend the payment of a dividend (2008: £nil).

DIRECTORS

The Directors set out below held office from 1 September 2008 to the date of this report unless otherwise stated:

R Boyland
R Chadwick
J Holmes (resigned 30 September 2008)
J Rose

At no time during the year or to date did any Director have any beneficial interest in the shares of the Company.

SECRETARY

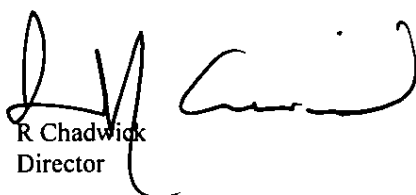
The Secretary of the Company during the year and to date is:

Brandeaux Administrators Limited

AUDITORS

Deloitte & Touche have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors.

Approved by the Board of Directors on 23 November 2009 and signed on its behalf by:


R Chadwick
Director

LIBERTY LIVING (SEVERN POINT) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with relevant legislation. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBERTY LIVING (SEVERN POINT) LIMITED

We have audited the financial statements of Liberty Living (Severn Point) Limited (the "Company") for the year ended 31 August 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 12. 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).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we neither accept nor 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 auditors

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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give a 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.

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 August 2009 and of its result of the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for the for which the financial statements are prepared is consistent with the financial statements.

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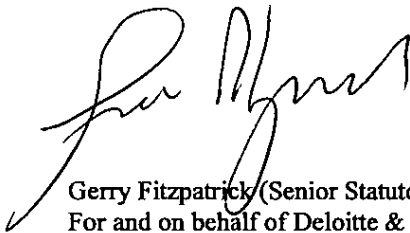
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LIBERTY LIVING (SEVERN POINT) LIMITED (CONTINUED)**

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; 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



Gerry Fitzpatrick (Senior Statutory Auditor)
For and on behalf of Deloitte & Touché

Chartered Accountants and Registered Auditors

Dublin

23/11/09

LIBERTY LIVING (SEVERN POINT) LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 August 2009

	Note	2009 £	2008 £
Turnover	1	1,007,708	914,197
Operating costs		(988,384)	(907,566)
Gross profit		<u>19,324</u>	<u>6,631</u>
Administrative expenses		(5,500)	(5,500)
Operating profit	3	<u>13,824</u>	<u>1,131</u>
Interest receivable and similar income		9,615	18,640
Profit on ordinary activities before tax		<u>23,439</u>	<u>19,771</u>
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after tax		<u>23,439</u>	<u>19,771</u>
transferred to reserves	8	<u>23,439</u>	<u>19,771</u>

All gains and losses arise from continuing activities.

LIBERTY LIVING (SEVERN POINT) LIMITED

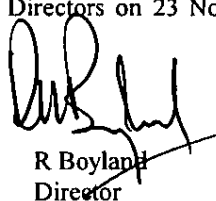
BALANCE SHEET

As at 31 August 2009

	Note	2009 £	2008 £
Current assets			
Debtors, prepayments and accrued income	5	7,679,022	6,610,422
Creditors: amounts falling due within one year	6	(7,582,059)	(6,536,898)
Net current assets		<u>96,963</u>	<u>73,524</u>
Net assets		<u><u>96,963</u></u>	<u><u>73,524</u></u>
Share capital and reserves			
Share capital	7	2	2
Reserves	8	96,961	73,522
Equity Shareholder's funds	9	<u><u>96,963</u></u>	<u><u>73,524</u></u>

The Financial Statements were approved by the Board of Directors on 23 November 2009 and signed on its behalf by:


R Chadwick
Director


R Boyland
Director

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2009

1. ACCOUNTING POLICIES

The Financial Statements are prepared in accordance with accounting standards applicable in the United Kingdom and are denominated in pounds sterling (£). The particular accounting policies adopted are described below.

Turnover

Turnover comprises rental income which is accounted for on an accruals basis.

Deferred Tax

The payment of tax is deferred or accelerated because of timing differences in the treatment of certain items for tax and accounting purposes. Full provision for deferred tax is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

In accordance with FRS19 deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Cash flow statement

The company is exempt from publishing a cash flow statement because it is ultimately a wholly owned subsidiary undertaking of Liberty Living UK Limited which publishes a consolidated cash flow statement.

Leases

Rentals payable under operating leases are charged to the profit and loss account on an accrual basis over the term of the lease. The initial advance payment made in relation to the operating lease is treated as part of the rentals payable and accordingly these costs are also charged to the profit and loss account on a straight line basis over the lease term and are classified within prepayments.

2. STAFF COSTS

	2009	2008
	£	£
Salaries and wages	83,924	67,823
Social security costs	6,993	5,194
Total salary and wage costs	<u>90,917</u>	<u>73,017</u>
Average number of staff	<u>4</u>	<u>4</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2009	2008
	£	£
Auditors' remuneration	3,000	3,000
Directors' remuneration	-	-
Rent payable	<u>212,577</u>	<u>254,066</u>

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2009

4. TAX

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2009 or for the year ended 31 August 2008.

Factors affecting the tax charge:

	2009 £	2008 £
Profit on ordinary activities before tax	23,439	19,771
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28% and 30%)	6,563	5,773
Effects of:		
Expenditure not tax deductible	-	-
Group relief	(6,563)	(5,773)
Timing differences reflected in deferred tax	-	-
Current tax charge / (credit)	-	-

5. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

Amounts falling due within one year	2009 £	2008 £
Due from Group related parties	2,168,995	-
Due from non Group related parties	147,471	1,085,569
Other debtors, prepayments and accrued income	141,480	180,929
	2,457,946	1,266,498
Amounts falling due after one year	2009 £	2008 £
Other debtors, prepayments and accrued income	5,221,076	5,343,924
Aggregate amount	7,679,022	6,610,422

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2009

6. CREDITORS: amounts falling due within one year

	2009	2008
	£	£
Due to Group related parties	7,327,605	6,348,161
Due to non Group related parties	22,807	22,307
Other creditors and accrued expenses	231,647	166,430
	<u>7,582,059</u>	<u>6,536,898</u>

7. SHARE CAPITAL

Authorised

	2009	2009	2008	2008
	£	Number of shares	£	Number of shares
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Issued

	2009	2009	2008	2008
	£	Number of shares	£	Number of shares
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

8. STATEMENT OF MOVEMENTS ON RESERVES

	Revenue reserve
	£
At 1 September 2008	73,522
Transfer from Profit and Loss Account	23,439
	<u>96,961</u>
At 31 August 2009	<u>96,961</u>

9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2009	2008
	£	£
Profit for the year	23,439	19,771
Net increase in equity Shareholder's funds	<u>23,439</u>	<u>19,771</u>
Opening equity Shareholder's funds	73,524	53,753
Closing equity Shareholder's funds	<u>96,963</u>	<u>73,524</u>

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2009

10. CONTROLLING PARTIES

The Company's intermediate parent is Liberty Living Properties Limited ("LLPL"), a company incorporated in, and registered as a BVI Business Company in, the British Virgin Islands. The Group comprises LLPL and its Subsidiaries and is at the balance sheet date ultimately owned by Brandeaux Student Accommodation Fund (Sterling) Limited, a company incorporated in the British Virgin Islands.

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available under FRS 8 Related Party Disclosures from disclosure of transactions between Group companies. Balances with Group entities are disclosed in debtors and creditors as Group related parties.

R Boyland, a director of the companies in note 10 above, has an interest in fees paid to the Company's Property Asset Manager, Liberty Living plc ("LLPLC"), which charged the Company rent collection fees of £90,531 (2008: £85,934). The Company owed LLPLC fees of £22,807 (2008: £22,307) at the year end.

Included within amounts due from non Group related parties are amounts totalling £147,471 (2008: £1,085,569) representing monies owed from LLPLC to the Company.

12. OTHER FINANCIAL COMMITMENTS

The Company is party to a guarantee for a bank loan facility of £200,000,000 made to the Group. The Company's assets including investment property are used as security for this facility. As at 31 August 2009 the facility was fully drawn by the Group.