

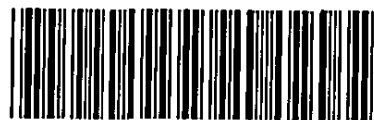
Registered Number 06472739

DR (Student) Limited

Report and Financial Statements

30 September 2008

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COMPANIES HOUSE

DR (Student) Limited

Directors

Corporate Appointments Limited (Appointed 15 January 2008; Resigned 15 January 2008)

M Watkin Jones (Appointed 15 January 2008)

G Watkin Jones (Appointed 15 January 2008)

Secretary

Secretarial Appointments Limited (Appointed 15 January 2008; Resigned 15 January 2008)

P M Byrom (Appointed 15 January 2008)

Auditors

Ernst & Young LLP

20 Chapel Street

Liverpool

L3 9AG

Registered office

Units 21-22

Llandygai Industrial Estate

Bangor

Gwynedd

LL57 4YH

Directors' report

The directors present their report and financial statements for the period from incorporation to 30 September 2008.

Principal activities and review of the business

The principal activity of the company is that of property developer.

The company was incorporated on 15 January 2008.

During the period the company acquired a land site in Derby on which it proposes to carry out a student accommodation development.

Results and dividends

The company did not trade during the period and made neither a profit nor loss.

Principal risks and uncertainties

The principal risks and uncertainties of the company relate to the development potential of the land held.

The directors have considered the carrying value of the company's development land, which is stated at the lower of cost and net realisable value, and are satisfied that no write down is required.

Directors

The directors during the period were as follows:

Corporate Appointments Limited (Appointed 15 January 2008; Resigned 15 January 2008)

M Watkin Jones (Appointed 15 January 2008)

G Watkin Jones (Appointed 15 January 2008)

Director's statement as to disclosure of information to auditors

In accordance with Section 234ZA of the Companies Act 1985, each of the directors listed on page 1 who were in office at the end of the period confirm that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

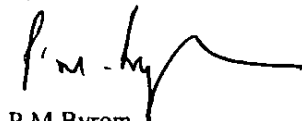
Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such a qualifying third party indemnity provision remains in force at the date of approving the directors' report.

Auditors

Ernst & Young LLP were appointed during the period as the first auditors of the company and a resolution for their re-appointment will be put to the members at the Annual General Meeting.

By order of the board



P M Byrom

Secretary

18 December 2008

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the company for that period. 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;
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 DR (Student) Limited

We have audited the company's financial statements for the period ended 30 September 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 9. These financial statements have been prepared on the basis of 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 auditors' 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 auditors

The directors' responsibilities for the preparation of the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

In addition 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.

We also 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 judgments 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

to the members of DR (Student) Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its result for the period 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.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Liverpool

18 December 2008

Profit and loss account

for the period ended 30 September 2008

	<i>Period ended 30 September 2008 £</i>
Turnover	-
Cost of sales	-
Gross profit	-
Administrative expenses	-
Operating profit	-
Profit on ordinary activities before taxation	-
Tax on profit on ordinary activities	-
Profit retained for the financial period	-

Statement of total recognised gains and losses

for the period ended 30 September 2008

There are no recognised gains or losses attributable to the shareholders for the period ended 30 September 2008.

Balance sheet

at 30 September 2008

	Notes	2008 £
Current assets		
Development land	3	1,692,052
Debtors	4	<u>1</u>
		1,692,053
Creditors: amounts falling due within one year	5	<u>(1,692,052)</u>
Net current assets		<u>1</u>
Total assets less total liabilities		<u>1</u>
Share capital & reserves		
Called up share capital	6	1
Profit and loss account	7	-
Equity shareholders' funds	7	<u>1</u>

The financial statements were approved for issue by the Board of Directors on 18 December 2008



G Watkin Jones
Director
18 December 2008

Notes to the financial statements

at 30 September 2008

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied as a principal and for services provided, excluding VAT and trade discounts. Turnover is wholly attributable to the company's continuing activity in the United Kingdom.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Development land

Land purchased for development is stated at the lower of cost and net realisable value. Cost comprises all costs directly attributable to the acquisition and holding of the land purchased for development, including the purchase cost of the land, legal costs, attributable finance costs and the cost of bringing the land to its present condition at the balance sheet date. Rental income arising on land purchased and held for development is capitalised into its carrying value. Net realisable value is based on the estimated selling price of the completed development less further costs expected to be incurred to completion and disposal.

Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost comprises all costs directly attributable to the purchasing and development of the property, including the acquisition of land and buildings, legal costs, attributable overheads, attributable finance costs and the cost of bringing developments to their present condition at the balance sheet date. Rental income arising during the development of the property is capitalised into its carrying value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 30 September 2008

2. Directors emoluments and auditors remuneration

There have not been any directors' emoluments paid during the period. There were no employees of the company apart from the directors.

Auditors remuneration has been borne by another group company.

3. Development land

	2008
	£
Development land	<u>1,692,052</u>

Development land includes attributable finance costs amounting to £14,250.

4. Debtors

	2008
	£
Called up share capital not paid	<u>1</u>

5. Creditors

	2008
	£
Amount owed to immediate parent company	<u>1,692,052</u>

6. Share capital

	<i>Authorised</i>
	2008
	£
Ordinary shares of £1 each	<u>100</u>

Allotted, called up and not fully paid

	<i>2008</i>	
	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

On 15 January 2008, 1 ordinary share with a nominal value of £1 was issued at par.

7. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£
Share issued on incorporation	<u>1</u>	<u>-</u>	<u>1</u>
At 30 September 2008	<u>1</u>	<u>-</u>	<u>1</u>

Notes to the financial statements

at 30 September 2008

8. Contingent liabilities

The company has granted a debenture containing a fixed and floating charge and has entered into a corporate guarantee of the group's bank borrowings from Bank of Scotland Plc, which at the balance sheet date amounted to £90,583,661. No material liability is expected to arise as a result of this arrangement.

9. Ultimate parent company and related parties

The ultimate parent company is Watkin Jones Group Limited. Copies of its group accounts, which include the company, are available from its registered office: Units 21-22, Llandygai Industrial Estate, Bangor, Gwynedd, LL57 4YH.

The company's immediate parent company is Watkin Jones & Son Limited.

Advantage has been taken of the exemption provided by FRS 8 'Related Party Transactions' and transactions with other group undertakings have not been disclosed in the accounts.