

Company Registration No. 06623603 (England and Wales)

LDC (EURO LOAN) LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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LDC (EURO LOAN) LTD

COMPANY INFORMATION

Directors	J J Lister C R Szpojnarowicz D Faulkner
Secretary	C R Szpojnarowicz
Company number	06623603
Registered office	South Quay Temple Back Bristol United Kingdom BS1 6FL
Business address	South Quay Temple Back Bristol United Kingdom BS1 6FL

LDC (EURO LOAN) LTD

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LDC (EURO LOAN) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and unaudited financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the Company continued to be that of the provision of intra-group funding. The directors are currently looking for further opportunities within the group and therefore expect to continue to carry out these activities in the future.

The company registration number is 06623603.

Directors

The directors who held office during the year and subsequently, unless otherwise stated, were as follows:

J J Lister

C R Szpojnarowicz

D Faulkner

J L Watts

(Resigned 11 April 2018)

Results and dividends

The results for the year are set out on page 3.

No ordinary dividends were paid (2017: £nil). The directors do not recommend payment of a final dividend.

Financial risk management

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings.

Credit risk

Debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

On behalf of the board



D Faulkner

Director

23 September 2019

LDC (EURO LOAN) LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements and accounting 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 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 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.

LDC (EURO LOAN) LTD

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Administrative expenses		(749)	-
Operating profit		(749)	-
Other income	4	39,551	-
Interest receivable and similar income	4	-	657,283
Interest payable and similar expenses	5	(8,717)	(657,283)
Profit before taxation		30,085	-
Taxation	6	-	-
Profit for the financial year attributable to the equity shareholders of the company		30,085	-
Total comprehensive profit/result for the year		30,085	-

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

LDC (EURO LOAN) LTD

BALANCE SHEET

AS AT 31 DECEMBER 2018

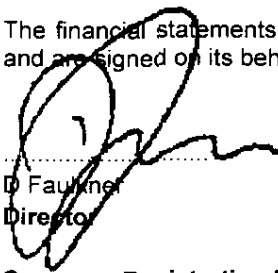
	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	7	1		-	
Creditors: amounts falling due within one year	8	-		(30,084)	
Net current assets/(liabilities)			1		(30,084)
Capital and reserves					
Called up share capital	9		1		1
Profit and loss reserves			-		(30,085)
Total equity			1		(30,084)

For the year ended 31 December 2018 the company was entitled to exemption under section 479a of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the board of directors and authorised for issue on 23rd September 2019 and are signed on its behalf by:



D. Faulkner
Director

Company Registration No. 06623603

LDC (EURO LOAN) LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017	1	(30,085)	(30,084)
Year ended 31 December 2017:			
Result and total comprehensive result for the financial year	-	-	-
Balance at 31 December 2017	1	(30,085)	(30,084)
Year ended 31 December 2018:			
Profit and total comprehensive income for the financial year	-	30,085	30,085
Balance at 31 December 2018	1	-	1

LDC (EURO LOAN) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

LDC (Euro Loan) Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is South Quay, Temple Back, Bristol, United Kingdom, BS1 6FL.

1.1 Accounting convention

The principal accounting policies are summarised below. They have been applied consistently throughout the year and to the preceding year.

The nature of the company's operations and its principal activities are set out in the Directors' Report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of LDC (Euro Loan) Ltd is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

LDC (Euro Loan) Ltd meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. LDC (Euro Loan) Ltd is consolidated in the financial statements of its ultimate parent, The Unite Group plc, which may be obtained at South Quay, Temple Back, Bristol, United Kingdom, BS1 6FL. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, financial instruments, intra-group transactions and remuneration of key management personnel.

1.2 Going concern

The director's report describes the details of the Company's financial risk management activities and its management of credit risk and liquidity risk.

The Company meets its day to day working capital requirements via the inter-group account with its parent undertaking.

The directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

LDC (EURO LOAN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Financial assets

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

LDC (EURO LOAN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

ii. Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

1.4 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.5 Interest receivable and similar income

Investment income is interest received under formal inter group loans and is recognised in the profit and loss account on an accruals basis.

LDC (EURO LOAN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Reserves

The Company's reserves are as follows:

- Called up share capital reserve contains the nominal value of the shares issued
- Profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates and judgements which have significant risk of causing material adjustment to the carrying amount of assets and liabilities.

3 Employees

There were no employees during either year.

Directors' remuneration was borne by another group company in both years. Directors have not performed any qualifying services for this entity during the year.

4 Interest receivable and similar income

2018
£

2017
£

Interest receivable on loans to group undertakings

-

657,283

5 Interest payable and similar expenses

2018
£

2017
£

Amortisation of finance fees

-

7,293

Interest on bank loans

8,717

649,990

Total interest expense

8,717

657,283

LDC (EURO LOAN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Taxation

	2018 £	2017 £
Current tax		
Total current tax	-	-
Total tax	-	-

The taxation charge that would arise at the standard rate of UK corporation tax is reconciled to the actual tax charge below. The reconciliation above has been calculated at the main rate of corporation tax of 19% (2017: 19.25%).

The UK corporation tax rate will reduce from 19% to 17% with effect from 1 April 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2018 has been calculated based on the rate at which it is expected to reverse.

There is no expiry date in respect of timing differences, unused tax losses or tax credits.

	2018 £	2017 £
Profit before taxation	30,085	-
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	5,716	-
Tax effect of expenses that are not deductible in determining taxable profit	(7,515)	-
Property rental business profits exempt from tax in the REIT Group	1,656	-
Availability of group relief	143	-
Total tax expense for the year	-	-

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	1	-

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts due to group undertakings	-	22,791
Other creditors	-	7,293
	-	30,084

Amounts due to group undertakings are interest free and repayable on demand.

LDC (EURO LOAN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Called up share capital

	2018 £	2017 £
Ordinary called up share capital		
Issued and fully paid		
1 ordinary shares of £1	1	1
	<u>1</u>	<u>1</u>

10 Capital commitments

The Company had no capital commitments at 31 December 2018 (2017: £nil).

11 Contingent liabilities

The Company had no contingent liabilities at 31 December 2018 (2017: £nil).

12 Related party transactions

No guarantees have been given or received.

13 Controlling party

The company's immediate parent undertaking is LDC (Holdings) Limited.

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 and the company's parent company are available to the public and can be obtained from the registered office South Quay House, Temple Back, Bristol, BS1 6FL.