

03633307

LIBERTY LIVING (AP) LIMITED

**Annual Report and Audited Financial Statements
For the year ended 31 August 2011**



LIBERTY LIVING (AP) LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
For the year ended 31 August 2011

CONTENTS	Page
Directory	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditors' Report	4-5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9-13

LIBERTY LIVING (AP) LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS For the year ended 31 August 2011

DIRECTORY

Directors.

R Boyland

J Rose

R McNally

Registered Number:

3633307 (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

Independent Auditor:

Deloitte & Touche

Chartered Accountants and Registered Auditors

Deloitte & Touche House

Earlsfort Terrace

Dublin 2

Ireland

Property Valuer:

Lambert Smith Hampton Group Limited

6th Floor

3 Hardman Street

Spinningfields

Manchester M3 3HF

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 (AP) LIMITED

Registered Number: 3633307 (England and Wales)

DIRECTORS' REPORT

The Directors of Liberty Living (AP) Limited (the "Company") present their Annual Report and the audited Financial Statements for the year ended 31 August 2011

PRINCIPAL ACTIVITY

The principal activity of the Company and the Group (being the Company's intermediate parent and its subsidiaries) is to invest in student accommodation throughout the United Kingdom

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

RESULTS AND DIVIDENDS

The Company made a profit for the year of £1,069,120 (2010 profit of £1,647,611), which has been transferred to reserves

The Directors do not recommend the payment of a dividend (2010 £nil)

DIRECTORS

The Directors set out below held office from 1 September 2010 to the date of this report unless otherwise stated

R Boyland
J Rose
R McNally

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

INDEPENDENT AUDITOR

The independent auditors, Deloitte & Touche, Chartered Accountants and Registered Auditors, have signified their willingness to remain in office

Approved by the Board of Directors on 29 December 2011 and signed on its behalf by


R McNally
Director

LIBERTY LIVING (AP) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). 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 year. In preparing these 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,
- follow applicable United Kingdom accounting standards, 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

We have audited the financial statements of Liberty Living (AP) Limited (the "Company") for the year ended 31 August 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. 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 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 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

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 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBERTY LIVING (AP) LIMITED (CONTINUED)

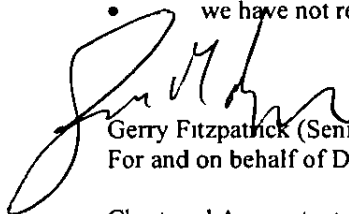
Opinion on other matter prescribed by the Companies Act 2006

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



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

Chartered Accountants and Registered Auditors

Dublin, Ireland

Date 29/12/2011

LIBERTY LIVING (AP) LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 August 2011

	Note	2011 £	2010 £
Turnover	1	2,168,029	1,994,253
Operating costs		-	(14,208)
Gross profit		<u>2,168,029</u>	<u>1,980,045</u>
Other income		74,228	74,228
Administrative expenses		(5,064)	(4,822)
Operating profit	2	<u>2,237,193</u>	<u>2,049,451</u>
Interest receivable and similar income		3,694,898	2,497,931
Interest payable and similar charges	3	(4,487,116)	(2,899,771)
Profit on ordinary activities before tax		<u>1,444,975</u>	<u>1,647,611</u>
Tax on profit on ordinary activities	4	(375,855)	-
Profit on ordinary activities after tax		<u>1,069,120</u>	<u>1,647,611</u>
transferred to reserves	11	<u>1,069,120</u>	<u>1,647,611</u>

All gains and losses arise from continuing activities

The accompanying notes form an integral part of these financial statements

LIBERTY LIVING (AP) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 August 2011

	Note	2011 £	2010 £
Profit for the year	12	1,069,120	1,647,611
Revaluation of investment property	12	3,200,000	5,100,000
Total recognised gains relating to the year		4,269,120	6,747,611

The accompanying notes form an integral part of these financial statements

LIBERTY LIVING (AP) LIMITED

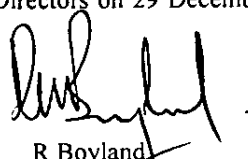
BALANCE SHEET As at 31 August 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	5	53,100,000	49,900,000
Investment in subsidiaries	6	3,025	3,025
		<u>53,103,025</u>	<u>49,903,025</u>
Current assets			
Cash at bank		-	1,589,415
Debtors, prepayments and accrued income	7	125,992,902	118,405,388
		<u>125,992,902</u>	<u>119,994,803</u>
Creditors: amounts falling due within one year	8	(10,586,776)	(11,966,964)
Net current assets		<u>115,406,126</u>	<u>108,027,839</u>
Total assets less current liabilities		<u>168,509,151</u>	<u>157,930,864</u>
Creditors: amounts falling due after one year	9	(125,231,930)	(118,922,763)
Net assets		<u><u>43,277,221</u></u>	<u><u>39,008,101</u></u>
Share capital and reserves			
Share capital	10	100,000	100,000
Reserves	11	43,177,221	38,908,101
Equity Shareholders' funds	12	<u><u>43,277,221</u></u>	<u><u>39,008,101</u></u>

The accompanying notes form an integral part of these financial statements

The Financial Statements were approved by the Board of Directors on 29 December 2011 and signed on its behalf by


R McNally
Director


R Boyland
Director

LIBERTY LIVING (AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2011

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.

Accounting convention

The Financial Statements are prepared in accordance with the historical cost convention modified by the revaluation of investment properties. The Financial Statements are prepared in accordance with applicable accounting standards, including SSAP19, which unlike the detailed rules of the Companies Act 1985 does not require depreciation of freehold and long leasehold investment properties.

Exemption from preparing consolidated financial statements

The financial statements contain information about Liberty Living (AP) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228A of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Liberty Living UK Limited, a company registered in England and Wales.

Turnover

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

Investment property

Property is independently valued at the year end at market value. Gains and losses arising on revaluation of property are taken directly to a revaluation reserve unless a loss exceeds the revaluation reserve, in which case the excess would be debited to the Profit and Loss Account. Any realised gain or loss on the disposal of property is dealt with in the Profit and Loss Account as calculated by reference to its revalued amount at the preceding Balance Sheet date. Any revaluation gains and losses of earlier years are transferred from the revaluation reserve to the revenue reserve as a reserve movement.

Property acquisition costs

Acquisition costs are treated as part of the cost of property and have therefore been taken into account when calculating any gain or loss arising on the revaluation of property. Acquisition costs are thus written off within the property revaluation reserve in the Financial Statements in accordance with FRS12 "Provisions, Contingent Liabilities and Contingent Assets".

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 FRS 19. 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 FRS 19 deferred tax is not provided on revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date.

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.

LIBERTY LIVING (AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 August 2011**

2. OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Auditors' remuneration	2,684	2,822
Directors' remuneration	-	-
	<u> </u>	<u> </u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes

	2011	2010
	£	£
Interest payable on Group related party loans	4,487,116	2,899,771
	<u> </u>	<u> </u>

4. TAX

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year and the tax affecting the charge are as follows

Factors affecting the tax charge:

	2011	2010
	£	£
Profit on ordinary activities before tax	1,444,975	1,647,611
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 28%)	375,694	461,331
Effects of		
Expenditure not tax deductible	-	-
Group relief	161	(461,331)
Timing differences reflected in deferred tax	-	-
	<u> </u>	<u> </u>
Current tax charge	375,855	-
	<u> </u>	<u> </u>

LIBERTY LIVING (AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2011

5. FIXED ASSETS

	Investment property at cost £	Property revaluation £	Total £
At 1 September 2010	18,493,616	31,406,384	49,900,000
Revaluation in year	-	3,200,000	3,200,000
At 31 August 2011	<u>18,493,616</u>	<u>34,606,384</u>	<u>53,100,000</u>

The Company's investment property was valued at 24 August 2011 by Lambert Smith Hampton, an independent firm of external professional property valuers, who are regulated by the Royal Institute of Chartered Surveyors

6 INVESTMENT IN SUBSIDIARIES

	2011 £	2010 £
At 1 September 2010	3,025	3,025
At 31 August 2011	<u>3,025</u>	<u>3,025</u>

Company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries	Interest	Nature of business
Liberty Living (Atlantic Point) Limited	100%	Property letting and management
Liberty Living (MP) Limited	100%	Property investment
Liberty Living (Mill Point) Limited	100%	Property letting and management
Liberty Living (CP) Limited	100%	Property investment
Liberty Living (Cambrian Point) Limited*	100%	Property letting and management
Liberty Living (QP1) Limited	100%	Property investment
Liberty Living (Quay Point) Limited	100%	Property letting and management
Liberty Living (QP) Limited*	100%	Property investment
Liberty Living (SP) Limited	100%	Property investment
Liberty Living (Severn Point) Limited	100%	Property letting and management
Liberty Living (PP) Limited	100%	Property investment
Liberty Living (Prospect Point) Limited*	100%	Property letting and management
Liberty Living (TP) Limited	100%	Property investment
Liberty Living (Trinity Point) Limited	100%	Property letting and management

All subsidiaries are directly held except as noted by *

7. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2011 £	2010 £
Due from Group related parties	125,992,902	118,405,388
	<u>125,992,902</u>	<u>118,405,388</u>

LIBERTY LIVING (AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2011

8. CREDITORS: amounts falling due within one year

	2011	2010
	£	£
Bank overdraft	129,489	-
Due to Group related parties	10,279,622	11,883,887
Other creditors and accrued expenses	177,665	83,077
	<u>10,586,776</u>	<u>11,966,964</u>

9. CREDITORS: amounts falling due after one year

	2011	2010
	£	£
Due to Group related parties	<u>125,231,930</u>	<u>118,922,763</u>

10. SHARE CAPITAL

Authorised

	2011	2011	2010	2010
	£	Number of shares	£	Number of shares
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Issued

	2011	2011	2010	2010
	£	Number of shares	£	Number of shares
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

11. STATEMENT OF MOVEMENTS ON RESERVES

	Share premium account	Property revaluation reserve	Revenue reserve	Total
	£	£	£	
At 1 September 2010	5,492,423	31,406,384	2,009,294	38,908,101
Transfer from Profit and Loss Account	-	-	1,069,120	1,069,120
Revaluation of investment property	-	3,200,000	-	3,200,000
At 31 August 2011	<u>5,492,423</u>	<u>34,606,384</u>	<u>3,078,414</u>	<u>43,177,221</u>

LIBERTY LIVING (AP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2011

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the year	1,069,120	1,647,611
Revaluation of investment property	3,200,000	5,100,000
Net increase in equity Shareholders' funds	<u>4,269,120</u>	<u>6,747,611</u>
Opening equity Shareholders' funds	39,008,101	32,260,490
Closing equity Shareholders' funds	<u><u>43,277,221</u></u>	<u><u>39,008,101</u></u>

13. 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.

14. RELATED PARTY DISCLOSURES

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.

15. OTHER FINANCIAL COMMITMENTS

As at 31 August 2011, the Company was party to a guarantee for a bank loan facility of £200 million made to the Group. The Company's assets including investment property were used as security for this facility. As at 31 August 2011 the facility was fully drawn by the Group.

16. SUBSEQUENT EVENTS

Subsequent to the year end, the Group repaid the bank loan facility (referred to in note 15) in full and entered into a new 5 year £200 million loan facility agreement with two banks with a maturity date of 2 November 2016. This new agreement provides for a £100 million term loan facility and a £100 million revolving credit facility. The assets of the Company are used as security for both of these facilities and the Company is also an obligor under the loan facility agreement. As at the date of approval of these financial statements, both loan facilities were fully drawn.