

REGISTERED NO: 3302904

**CONCOURSE SKELMERSDALE LIMITED**



31 DECEMBER 2005

ANNUAL REPORT AND FINANCIAL STATEMENTS

**Concourse Skelmersdale Limited**  
**Report and Financial Statements for the Year Ended 31 December 2005**

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**DIRECTORS**

D Jordison

N A Pearce

D Price

A D Strang

(resigned 30 November 2005)

(appointed 3 April 2006)

**SECRETARY AND REGISTERED OFFICE**

A Kaye

60 St Mary Axe

London

EC3A 8JQ

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their report and the audited financial statements for Concourse Skelmersdale Limited for the year ended 31 December 2005.

**Principal activities and business review**

The principal activity of the Company is to act as general partner to The Skelmersdale Limited Partnership based in the United Kingdom. The directors do not anticipate any change in the nature of activities in the foreseeable future.

The Company is a subsidiary of Zurich Financial Services, a company incorporated in Switzerland.

The profit and loss account for the year is set out on page 6. The level of business and the financial position at the end of the year are satisfactory. The directors do not recommend a dividend (2004: £Nil).

**Fixed assets**

The Company contributed 0.5% of the capital of The Skelmersdale Limited Partnership. Details of the Company's investments are disclosed in note 7 of the financial statements.

**Directors**

The names of the directors and secretary of the Company are listed on page 2. The directors all held office throughout the year unless otherwise shown.

**Directors' interests**

The Company is a wholly owned subsidiary of Zurich Financial Services, a company incorporated in Switzerland. As such, no director had any interests required to be disclosed under the Companies Act 1985.

None of the directors had a material interest in a contract of significance with the Company during the year to 31 December 2005.

**Statement of Directors' responsibilities**

The following statement sets out the responsibilities of the directors in relation to the financial statements of the Company. The report of the auditors, shown on page 5, sets out their responsibilities in relation to the financial statements.

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 as at the end of the financial period and of the profit or loss for the financial period. In preparing those financial statements, the directors are required to:

- select appropriate policies and apply them consistently, subject to any material departures being disclosed and explained;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless they consider that to be inappropriate.

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**Statement of Directors' responsibilities (Continued)**

The directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and to enable them to ensure that the financial statements comply with the United Kingdom Companies Act 1985.

They are also responsible for taking reasonable steps to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to the prevention and detection of fraud and other irregularities.

**Financial Risk Management**

The Company is a wholly owned subsidiary company of Zurich Financial Services and as such follows the financial risk management objectives and policies applicable to that company.

The Company's operations, through its investment in a limited partnership, expose it to two main financial risks – price risk and credit risk.

**Price risk**

The investment in a limited partnership is part of the long-term investment strategy of Zurich Financial Services, the Company's parent. Zurich Financial Services' Investment Committee monitors the property market. Any decisions to divest or invest directly or indirectly in property are undertaken by the Committee based on the performance of various markets. The stakeholder that is most at risk due to the decline in the property market is Zurich Financial Services.

**Credit risk**

The Company has implemented policies that require appropriate credit checks on potential tenants.

**Auditors**

The directors have taken advantage of the Elective Regime, under Section 386 of the Companies Act 1985, for the dispensation from the annual appointment of auditors. The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office.

By order of the Board:



A Kaye  
Company Secretary

Date: 3 July 2006

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**Independent auditors' report to the members of Concourse Skelmersdale Limited**

We have audited the financial statements of Concourse Skelmersdale Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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.

**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 at 31 December 2005 and of its profit for the year then ended and,

• have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

Date: 3 July 2006

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**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 £	2004 £
Administrative expenses		(10,000)	(10,000)
<b>Operating loss</b>		<u>(10,000)</u>	<u>(10,000)</u>
Income from fixed asset investment	3	12,650	12,140
Interest receivable		289	281
<b>Profit on ordinary activities before taxation</b>	4	<u>2,939</u>	<u>2,421</u>
<b>Tax on profit on ordinary activities</b>	6	(882)	(726)
<b>Profit for the financial year after taxation</b>		<u>2,057</u>	<u>1,695</u>

The movements on reserves are set out in note 12.

All results are derived from continuing operations.

There is no difference between the profit on ordinary activities and the retained profit above, and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of recognised gains and losses has been produced.

The notes on pages 8 to 11 form an integral part of these financial statements.

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2005**

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Investments	7	<u>2,500</u> 2,500	<u>2,500</u> 2,500
<b>Current assets</b>			
Debtors	8	31,526	18,876
Cash at bank and in hand		<u>7,132</u> 38,658	<u>6,843</u> 25,719
<b>Creditors:</b>			
Amounts falling due within one year	9	(26,180)	(15,298)
		<u>12,478</u>	<u>10,421</u>
<b>Total assets less current liabilities</b>		14,978	12,921
<b>Net assets</b>		<u>14,978</u>	<u>12,921</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,000	1,000
Profit and loss account	12	13,978	11,921
<b>Total equity shareholder's funds</b>	13	<u>14,978</u>	<u>12,921</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

The financial statements on pages 6 to 11 were approved by the Board of Directors on 3 July 2006 and were signed on its behalf by:



A D Strang  
 Director  
 3 July 2006



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**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting policies**

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom. The Company qualifies as exempt from the requirement to produce a cash flow statement under Financial Reporting Standard 1 (Revised). It is a subsidiary undertaking of Zurich Financial Services, which prepares a consolidated cash flow statement.

The following is a summary of the Company's principal accounting policies:

**a) Accounting convention**

The financial statements are prepared under the historical cost convention.

**b) Consolidated financial statements**

The Company is exempt under section 228 of the Companies Act 1985 from preparing group accounts. The above financial statements and attached notes are therefore in respect of the Company only. The accounts of the Company are included in the consolidated accounts of Zurich Financial Services (UKISA) Limited.

**c) Turnover**

Turnover is stated net of VAT and any discounts.

**d) Value Added Tax**

Irrecoverable VAT is included with the expense on which it has been suffered.

**e) Investments**

i. Profit on disposal of fixed asset investments is calculated as the difference between net sale proceeds and cost.

ii. Investment income is the amount receivable for the year.

iii. Investments are included in the balance sheet at original cost.

**2. Directors**

No Directors received any emoluments in respect of their services to the Company during the year (2004: £Nil).

**3. Income from fixed asset investment**

	2005 £	2004 £
Unlisted	12,650	12,140
	<hr/>	<hr/>

**4. Profit on ordinary activities before taxation**

Audit fees were borne by other group companies. No remuneration was paid to the Company's auditors in respect of non-audit services (2004: £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. Interest receivable**

	2005	2004
	£	£
Bank interest	289	281

**6. Taxation**

Taxation in the profit and loss account was as follows:

	2005	2004
	£	£
United Kingdom taxation:		
<b>Current tax charge for the year</b>		
- UK corporation tax at 30%(2004: 30%) for the year	882	726
<b>Tax on profit on ordinary activities</b>	882	726

**7. Fixed asset investment**

	2005	2004
	£	£
<b>Cost</b>		
At 1 January and 31 December	2,500	2,500

The Company contributed £2,500, being 0.5% of the capital of The Skelmersdale Limited Partnership, a property partnership registered in England & Wales.

**8. Debtors**

	2005	2004
	£	£
Amounts due from limited partnership	10,326	9,676
Amounts due from group company	21,200	9,200
	31,526	18,876

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. Creditors: amounts falling due within one year**

	2005 £	2004 £
Amounts due to parent and fellow subsidiary undertakings	5,298	4,572
Corporation tax	882	726
Accruals	20,000	10,000
	<hr/> 26,180	<hr/> 15,298

Amounts owed to group companies are interest free.

**10. Financial instruments**

**Market price risk**

Market price risk arises from uncertainty about the future market price of the property held. It represents the potential loss the Company might suffer through indirectly holding investment property in the face of market price movements. In formulating its investment strategy, the directors have regard to the market price risks associated with particular industry and geographical sectors.

**Liquidity risk**

The Company's assets comprise of an investment in a limited partnership that invests in freehold property, which may not be readily saleable.

**11. Called up share capital**

	2005 £	2004 £
<b>Authorised</b>		
1,000 (2004: 1,000) ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
1,000 (2004: 1,000) ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**12. Movements in reserves**

	Profit and loss account	Profit and loss account
	2005	2004
	£	£
At 1 January	11,921	10,226
Retained profit for the year	2,057	1,695
	<hr/>	<hr/>
At 31 December	13,978	11,921
	<hr/>	<hr/>

**13. Reconciliation of movement in shareholder's funds**

	2005	2004
	£	£
Movement on reserves	2,057	1,695
Opening shareholder's funds	12,921	11,226
	<hr/>	<hr/>
Closing shareholder's funds	14,978	12,921
	<hr/>	<hr/>

**14. Ultimate parent company**

The Company's ultimate parent company is Zurich Financial Services, which is incorporated in Switzerland. Copies of the consolidated financial statements of Zurich Financial Services can be obtained from Mythenquai 2, 8002 Zurich, Switzerland.

Zurich Financial Services (UKISA) Limited is the parent company of the smallest group of companies for which group accounts are drawn up. Copies of the consolidated financial statements of Zurich Financial Services (UKISA) Limited can be obtained from: The Secretary, Zurich Financial Services (UKISA) Limited, UK Life Centre, Station Road, Swindon SN1 1EL.

**15. Related party transactions**

Concourse Skelmersdale Limited is a general partner in a limited partnership arrangement of which 0.5% is held (note 7). Income of £12,650 (2004: £12,140) was receivable from the limited partnership of which £10,326 (2004: £9,676) remains outstanding at year end (note 8). There were no other transactions with the limited partnership.

In all other respects advantage has been taken of the exemption provided by FRS 8 from disclosing details of transactions with Zurich Financial Services and its subsidiaries.