

REGISTERED NO 3302904

CONCOURSE SKELMERSDALE LIMITED



31 DECEMBER 2006

ANNUAL REPORT AND FINANCIAL STATEMENTS

Concourse Skelmersdale Limited
Report and Financial Statements for the Year Ended 31 December 2006

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Concourse Skelmersdale Limited
Report and Financial Statements for the Year Ended 31 December 2006

DIRECTORS

D Jordison

D Price

A D Strang

(appointed 3 April 2006)

SECRETARY AND REGISTERED OFFICE

A Kaye

60 St Mary Axe

London

EC3A 8JQ

Concourse Skelmersdale Limited
Report and Financial Statements for the Year Ended 31 December 2006

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the audited financial statements for Concourse Skelmersdale Limited for the year ended 31 December 2006

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 profit and loss account for the year is set out on page 7. The directors consider that the level of business and the financial position at the end of the year are satisfactory. The directors expect the current level of profitability to be maintained for the foreseeable future. The directors do not recommend a dividend (2005 £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 2006.

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 pages 5 and 6, 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

In the case of each of the directors of the Company

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Financial Risk Management

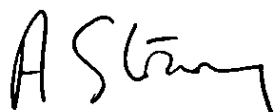
The Company is a wholly owned subsidiary company of Zurich Financial Services and as such follows the financial risk management objectives and policies applicable to that company

The Company's operations, through its investment in a limited partnership, expose it to a variety of financial risks that include the effects of changes in prices, credit risk and liquidity risk. The underlying partnership has in place a risk management programme that seeks to limit the adverse effects on financial performance by monitoring property market prices and maintaining a close control over debtors. The financial risks affecting the Company and the programme in place to mitigate these risks are set out in Note 10 to the financial statements

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 D Strang
Director

Date 18 May 2007

Concourse Skelmersdale Limited
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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 2006 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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). 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

Concourse Skelmersdale Limited
Report and Financial Statements for the Year Ended 31 December 2006

Independent auditors' report to the members of Concourse Skelmersdale 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 31 December 2006 and of its profit for the year 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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol

Date: 23 May 2007

Concourse Skelmersdale Limited
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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Administrative expenses		(10,000)	(10,000)
Operating loss		<u>(10,000)</u>	<u>(10,000)</u>
Income from fixed asset investment	3	12,064	12,650
Interest receivable		1,063	289
Profit on ordinary activities before taxation	4	<u>3,127</u>	<u>2,939</u>
Tax on profit on ordinary activities	6	(938)	(882)
Profit for the financial year after taxation		<u>2,189</u>	<u>2,057</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 9 to 13 form an integral part of these financial statements

Concourse Skelmersdale Limited
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BALANCE SHEET
AS AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
Fixed assets			
Investments	7	<u>2,500</u> 2,500	<u>2,500</u> 2,500
Current assets			
Debtors	8	22,390	31,526
Cash at bank and in hand		<u>28,588</u> 50,978	<u>7,132</u> 38,658
Creditors			
Amounts falling due within one year	9	(36,311)	(26,180)
		<u>14,667</u>	<u>12,478</u>
Total assets less current liabilities		17,167	14,978
Net assets		<u>17,167</u>	<u>14,978</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	16,167	13,978
Total equity shareholder's funds	13	<u>17,167</u>	<u>14,978</u>

The notes on pages 9 to 13 form an integral part of these financial statements

The financial statements on pages 7 to 13 were approved by the Board of Directors on 18 May 2007 and were signed on its behalf by



A D Strang
 Director
 18 May 2007

Concourse Skelmersdale Limited
Report and Financial Statements for the Year Ended 31 December 2006

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 (see Note 14).

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.
- iv No gains are accounted for in the financial statements of the Company until they are realised.

2. Directors

No Directors received any emoluments in respect of their services to the Company during the year (2005: £Nil).

3. Income from fixed asset investment

	2006 £	2005 £
Unlisted	12,064	12,650
	<hr/>	<hr/>

4. Profit on ordinary activities before taxation

The audit fees for the year ended 31 December 2006 were £2,000 (2005: £2,000). No remuneration was paid to the Company's auditors in respect of non-audit services (2005: £Nil). All administrative expenses including audit fees are borne by other group companies.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Interest receivable

	2006	2005
	£	£
Bank interest	1,063	289

6. Taxation

Taxation in the profit and loss account was as follows

	2006	2005
	£	£
United Kingdom taxation		
Current tax charge for the year		
- UK corporation tax at 30% (2005 30%) for the year	938	882
Tax on profit on ordinary activities	938	882

7. Fixed asset investment

	2006	2005
	£	£
Cost and net book value		
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

	2006	2005
	£	£
Amounts due from limited partnership	10,390	10,326
Amounts due from group company	12,000	21,200
	22,390	31,526

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Creditors: amounts falling due within one year

	2006 £	2005 £
Amounts due to parent and fellow subsidiary undertakings	989	5,298
Corporation tax	938	882
Other creditors	4,384	-
Accruals	30,000	20,000
	<hr/> 36,311	<hr/> 26,180

Amounts owed to group companies are interest free

10. Financial risk management

The Partnership's operations expose it to a variety of financial risks, that include the effects of changes in prices, credit risk and liquidity risk. The Partnership has in place a risk management programme that seeks to limit the adverse effects on financial performance by monitoring property market prices and maintaining a close control over debtors.

Price Risk

The Partnership's income is determined by

- i) the eventual selling price of the investment properties it holds. As a consequence it benefits from any uplift in the value of the properties it holds,
- ii) the rental income obtainable from the properties during the period they are held. Benefits are generally therefore obtained from any increase in the property rental market.

In formulating its investment strategy, the managers have regard to the market price risk associated with particular industry and geographical sectors.

Credit Risk

The Partnership's credit risk stems from the tenants' potential inability to pay rents owed. In order to mitigate this risk, the Partnership performs credit checks on potential customers before lease contracts are undertaken. Any overdue debts are chased on a regular basis.

Liquidity and Cashflow Risk

The Partnership's assets comprise mainly of its investment in property, which may not be readily saleable. The Partnership actively monitors its liquidity and cashflow position to ensure it has sufficient finance in order to fund its activities.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Called up share capital

	2006 £	2005 £
Authorised		
1,000 (2005 1,000) ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
1,000 (2005 1,000) ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

12. Movements in reserves

	Profit and loss account 2006 £	Profit and loss account 2005 £
At 1 January	13,978	11,921
Retained profit for the year	2,189	2,057
	<hr/>	<hr/>
At 31 December	16,167	13,978
	<hr/>	<hr/>

13. Reconciliation of movement in shareholder's funds

	2006 £	2005 £
Movement on reserves	2,189	2,057
Opening shareholder's funds	14,978	12,921
	<hr/>	<hr/>
Closing shareholder's funds	17,167	14,978
	<hr/>	<hr/>

14. Immediate controlling party

Zurich Financial Services (UKISA) Limited is regarded as the immediate controlling party

Concourse Skelmersdale Limited
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Ultimate controlling party

The Company's ultimate parent company is Zurich Financial Services, which is incorporated in Switzerland. Zurich Financial Services is the parent company of the smallest and largest group of companies for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Zurich Financial Services can be obtained from The Secretary, Zurich Financial Services, Mythenquai 2, 8002 Zurich, Switzerland.

16. 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 £12,064 (2005: £12,650) was receivable from the limited partnership of which £10,390 (2005: £10,326) remains outstanding at year end (note 8). There were no other transactions with the limited partnership.

The Company has taken advantage of exemption from Financial Reporting Standard 8 'Related Party Disclosures' (FRS 8) not to disclose transactions with Zurich Financial Services' group undertakings. Balances with Zurich Financial Services' group undertakings are shown in notes 8 and 9.

No contract of significance existed at any time during the year in which a director or key manager was materially interested or which requires disclosure as a related party transaction as defined under FRS 8.

17. Material transactions

The directors of the Company and its key management had no material transactions with any related parties of the Zurich Financial Services Group. The term 'director and key management' includes members of their families.