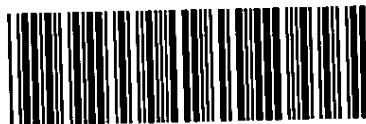


Gower Street Estates Limited

Financial statements

For the year ended 31 March 2007

FRIDAY



AP1QKV38

A19

30/11/2007

306

COMPANIES HOUSE

Company No. 3355588

Company information

Company registration number	03355588
Registered office	C B Richard Ellis Limited Castle Chambers Castle Street Liverpool L2 9SH
Directors	C Stananought G M Cook D Crone E J Renshaw S A Grindrod C P Chislett A Tibbles
Secretary	St Paul's Secretaries Limited
Solicitors	Hill Dickinson LLP Pearl Assurance House Derby Square Liverpool L2 9XL
Property manager	C B Richard Ellis Limited Castle Chambers 43 Castle Street Liverpool L2 9SH
Auditors	Grant Thornton UK LLP Registered Auditors Chartered Accountants 1st Floor Royal Liver Building Liverpool L3 1PS

Index

Report of the directors	3 -4
Report of the independent auditor	5 - 6
Principal accounting policies	7
Profit and loss account	8
Balance sheet	9
Statement of total recognised gains and losses	10
Note of historical cost profits and losses	10
Notes to the financial statements	11 - 14

Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 March 2007

Principal activities

The company is limited by guarantee The company is principally engaged as property owners and managers

Result for the year

There was a profit for the year after taxation amounting to £614,560 (2006 £79,852)

Directors

The membership of the Board during the year is set out below All directors served on the Board throughout the year except as stated

C Stananought
G M Cook
D Crone
J F Hendry (resigned 12 October 2006)
E J Renshaw
S A Grindrod
C P Chislett
A M Nixon (appointed 12 October 2006)
A Tibbles (appointed 18 October 2007)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Report of the directors

Statement of directors' responsibilities (continued)

In 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors are responsible for keeping proper accounting records that 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 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.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 388 of the Companies Act 1985.

ON BEHALF OF THE BOARD



S A Grindrod
Director
27 November 2007

Report of the independent auditor to the members of Gower Street Estates Limited

We have audited the financial statements of Gower Street Estates Limited for the year ended 31 March 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and notes 1 to 11. These financial statements have been prepared under 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 preparing the Directors' Report and the financial statements in accordance with 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).

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 whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

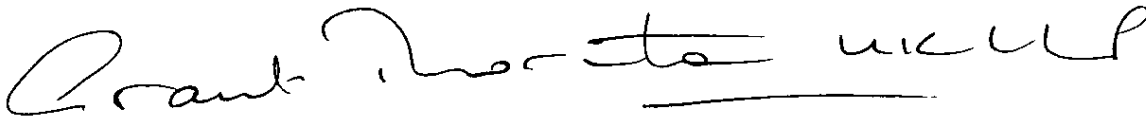
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditor to the members of Gower Street Estates Limited

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 March 2007 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 for the year ended 31 March 2007



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LIVERPOOL

27 November 2007

Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention, except that they have been modified to include the revaluation of fixed assets

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for services supplied as a principal excluding VAT

Service charges and car park income are accounted for in the year to which the income relates

Tangible fixed assets and depreciation

Tangible fixed assets are revalued annually and are included in the balance sheet at their open market values. The surplus or deficit on revaluation of such properties is transferred to the revaluation reserve. Depreciation is not provided.

This policy represents a departure from the Companies Act 1985, which requires depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation.

Minor items of capital expenditure are charged to the profit and loss account as incurred.

Profit and loss account

	Note	2007 £	2006 £
Turnover	1	1,482,934	1,320,568
Cost of sales		<u>840,565</u>	<u>820,928</u>
Gross profit		642,369	499,640
Administrative costs		<u>421,524</u>	<u>417,395</u>
Operating profit		220,845	82,245
Profit on disposal of fixed assets		539,415	-
Net interest	2	20,589	13,914
Profit on ordinary activities before taxation	1	<u>780,849</u>	<u>96,159</u>
Tax on profit on ordinary activities	4	(166,289)	(16,307)
Profit for the financial year retained	9	<u>614,560</u>	<u>79,852</u>


All of the activities of the company are classed as continuing

The accompanying accounting policies and notes form an integral part of these financial statements

Balance sheet

	Note	2007 £	2006 £
Tangible fixed assets	5	<u>2,100,000</u>	<u>2,225,000</u>
Current assets			
Debtors	6	1,961,381	770,770
Creditors: amounts falling due within one year	7	<u>(770,800)</u>	<u>(370,749)</u>
Net current assets		<u>1,190,581</u>	<u>400,021</u>
Total assets less current liabilities		3,290,581	2,625,021
Provisions for liabilities and charges	8	<u>(252,000)</u>	<u>(201,000)</u>
Net assets		<u>3,038,581</u>	<u>2,424,021</u>
Capital and reserves			
Profit and loss account	9	938,581	199,021
Revaluation reserve	9	<u>2,100,000</u>	<u>2,225,000</u>
Members' funds	9	<u>3,038,581</u>	<u>2,424,021</u>

The financial statements were approved by the Board of Directors on 27 November 2007 and signed on its behalf by



S A Grindrod

Director

The accompanying accounting policies and notes form an integral part of these financial statements

Other primary statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2007 £	2006 £
Profit for the financial year	614,560	79,852
Unrealised surplus on revaluation of fixed assets	-	1,025,000
Total recognised gains and losses for the year	614,560	1,104,852

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2007 £	2006 £
Profit on ordinary activities before taxation	780,849	96,159
Realisation of revaluation gains of previous years	125,000	-
Historical cost profit on ordinary activities before taxation	905,849	96,159
Historical cost profit after taxation	739,560	79,852

The accompanying accounting policies and notes form an integral part of these financial statements

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to one activity, which is carried on in a single geographical market

The profit on ordinary activities before taxation is stated after

	2007 £	2006 £
Auditors' remuneration	<u>8,000</u>	<u>7,250</u>

2 Net interest

	2007 £	2006 £
Bank interest receivable	<u>20,589</u>	<u>13,914</u>

3 Directors and employees

There were no employees during either year

The directors did not receive any remuneration during either year

Notes to the financial statements

4 Taxation

(a) Analysis of charge in the year

	2007 £	2006 £
Current taxation		
UK corporation tax payable @ 30% (2006 19%)	167,000	19,000
Over provision in respect of prior year	(711)	(2,693)
Total current tax	<u>166,289</u>	<u>16,307</u>

(b) Factors affecting the tax charge in the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30%

The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>780,849</u>	<u>96,159</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 19%)	234,255	18,270
Effects of		
Expenses not deductible for tax purposes	12,831	730
Profit on disposal of fixed assets not fully chargeable	(56,390)	-
Marginal rate of tax	(23,696)	-
Over provision in respect of prior year	(711)	(2,693)
Current tax charge for the year	<u>166,289</u>	<u>16,307</u>

5 Tangible fixed assets

	£
Valuation	
At 1 April 2006	2,225,000
Disposals	(125,000)
At 31 March 2007	<u>2,100,000</u>

The company has a freehold interest in the Albert Dock estate. This was transferred to the company at Nil cost. At 31 March 2006 the property was valued at £2,225,000.

At 31 March 2007, the property was revalued by C B Richard Ellis Limited, Chartered Surveyors, in the sum of £2,100,000. The basis of the valuation was open market value.

6 Debtors

	2007 £	2006 £
Prepayments and accrued income	20,621	34,828
Due from the property manager	1,940,760	714,648
VAT recoverable	-	21,294
	<u>1,961,381</u>	<u>770,770</u>

The balance due from the property manager comprises £1,041,067 held in client account and £899,693 held in designated deposit accounts.

7 Creditors: amounts falling due within one year

	2007 £	2006 £
Accruals and deferred income	455,183	351,749
Social security and other taxes	148,617	-
Corporation tax	167,000	19,000
	<u>770,800</u>	<u>370,749</u>

8 Provision for liabilities and charges

	Other provisions 2007 £
At 1 April 2006	201,000
Provided during the year	51,000
At 31 March 2007	<u>252,000</u>

Other provisions relate to the anticipated costs of long-term dock wall maintenance

9 Members' funds

	Profit and loss account £	Revaluation reserve £	Total £
At 1 April 2006	199,021	2,225,000	2,424,021
Profit for the financial year	614,560	-	614,560
Transfer on realisation	125,000	(125,000)	-
At 31 March 2007	<u>938,581</u>	<u>2,100,000</u>	<u>3,038,581</u>

10 Capital commitments

The company had no capital commitments at 31 March 2007 or 31 March 2006

11 Contingent liabilities

There were no contingent liabilities at 31 March 2007 or 31 March 2006