

Gower Street Estates Limited

Financial statements

For the year ended 31 March 2005



Company No. 3355588

Company information

Company registration number	03355588
Registered office	Yeowart & Co 31 Farr Hall Drive Lower Heswall Wirral CH60 4SH
Directors	C Stananought G M Cook D Crone J F Hendry E J Renshaw S A Grindrod C P Chislett
Secretary	R A Yeowart
Solicitors	DLA Piper Rudnick Gray Cary UK LLP India Buildings Water Street Liverpool L2 0NH
Property managers	C B Richard Ellis 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

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Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 March 2005.

Principal activities

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

Business review

There was a profit for the year after taxation amounting to £71,769 (2004: loss £40,062).

Directors

The membership of the Board during the year is set out below. All directors served on the Board throughout the year, except as noted below:

C Stananought
G M Cook (Alt: A Jones)
D Crone
J F Hendry
M J Taylor (resigned 25 November 2004)
E J Renshaw
S A Grindrod (Alt: A Beard)
C P Chislett

Directors' responsibilities

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 year. In preparing those 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

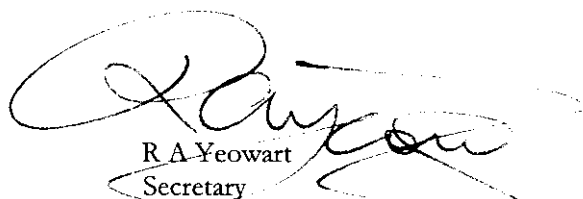
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the directors

Auditors

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

BY ORDER OF THE BOARD



R A Yeowart
Secretary
20 January 2006

Report of the independent auditors 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 2005 which comprise the principal accounting policies, profit and loss account, balance sheet, statement of recognised gains 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 report of the directors and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 transactions with the company is not disclosed.

We read other information contained in 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. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

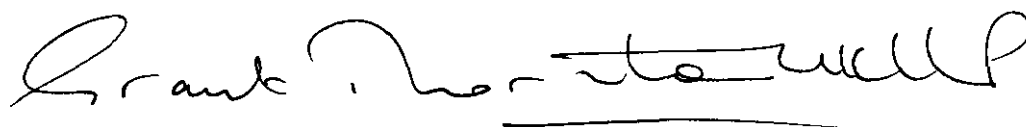
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Grant Thornton 

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LIVERPOOL
20 January 2006

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 goods supplied as a principal and for services provided, excluding VAT.

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	2005 £	2004 £
Turnover	1	1,249,282	1,055,927
Cost of sales		<u>(1,185,732)</u>	<u>(1,097,848)</u>
Operating profit/(loss)		63,550	(41,921)
Net interest	2	<u>28,195</u>	<u>1,859</u>
Profit/(loss) on ordinary activities before taxation	1	91,745	(40,062)
Tax on profit on ordinary activities	4	(19,976)	-
Profit/(loss) for the financial year retained	9	<u>71,769</u>	<u>(40,062)</u>

All of the activities of the company are classes as continuing.

Balance sheet

	Note	2005 £	2004 £
Tangible fixed assets	5	<u>1,200,000</u>	<u>1,200,000</u>
Current assets			
Debtors	6	607,301	675,452
Creditors: amounts falling due within one year	7	<u>(338,132)</u>	<u>(628,052)</u>
Net current assets		<u>269,169</u>	<u>47,400</u>
Total assets less current liabilities		1,469,169	1,247,400
Provisions for liabilities and charges	8	<u>(150,000)</u>	-
Net assets		<u>1,319,169</u>	<u>1,247,400</u>
Capital and reserves			
Profit and loss account	9	119,169	47,400
Revaluation reserve	9	<u>1,200,000</u>	<u>1,200,000</u>
		<u>1,319,169</u>	<u>1,247,400</u>

The financial statements were approved by the Board of Directors on 1 December 2005 and signed on its behalf on 20 January 2006 by:

G M Cook



Director

Statement of total recognised gains and losses

	2005 £	2004 £
Profit/(loss) for the financial year	71,769	(40,062)
Unrealised surplus on revaluation of fixed assets	-	1,200,000
Total recognised gains and losses for the year	71,769	1,159,938

Notes to the financial statements

1 Turnover and profit/(loss) on ordinary activities before taxation

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

The profit/(loss) on ordinary activities before taxation is stated after:

	2005	2004
	£	£
Auditors' remuneration	<u>5,500</u>	<u>5,000</u>

2 Net interest

	2005	2004
	£	£
Interest receivable	<u>28,195</u>	<u>1,859</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

	2005 £	2004 £
Current taxation		
UK corporation tax payable @ 19%	20,000	-
Over provision in respect of prior year	(24)	-
Total current tax	<u>19,976</u>	<u>-</u>

(b) Factors affecting the tax charge in the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19%.

The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>91,745</u>	<u>(40,062)</u>
Profit on ordinary activities multiplied by small companies rate of corporation tax in the UK of 19%	17,432	(7,612)
Effects of:		
Expenses not deductible for tax purposes	8,847	2,625
(Utilisation)/creation of tax losses	(6,279)	4,987
Over provision in respect of prior year	(24)	-
Current tax charge for the year	<u>19,976</u>	<u>-</u>

5 Tangible fixed assets

The company has a freehold interest in the Albert Dock estate. This was transferred to the company at Nil cost. At 31 March 2004 the property was revalued by Messrs Hitchcock Wright, Chartered Surveyors. The basis of the valuation was open market value. The surplus of £1,200,000 has been transferred to the revaluation reserve.

6 Debtors

	2005 £	2004 £
Prepayments and accrued income	351	24,046
Due from managing agents	581,377	651,406
VAT recoverable	25,573	-
	<u>607,301</u>	<u>675,452</u>

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Accruals and deferred income	318,132	558,291
Social security and other taxes	-	14,337
Corporation tax	20,000	-
Other creditors	-	55,424
	<u>338,132</u>	<u>628,052</u>

8 Provision for liabilities and charges

	Other provisions 2005 £
At 1 April 2004	-
Provided during the year	150,000
At 31 March 2005	<u>150,000</u>

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

9 Shareholders' funds

	Profit and loss account £	Revaluation reserve £	Total £
At 1 April 2004	47,400	1,200,000	1,247,400
Profit for the financial year	71,769	-	71,769
At 31 March 2005	<u>119,169</u>	<u>1,200,000</u>	<u>1,319,169</u>

10 Capital commitments

The company had no capital commitments at 31 March 2005 or 31 March 2004.

11 Contingent liabilities

There were no contingent liabilities at 31 March 2005 or 31 March 2004.

Management information

The following page does not form part of the statutory financial statements.

Detailed income and expenditure account

	Total 2005 £	Service charge £	Car park £	Company income/ costs £	Total 2004 £
Income					
Service charge - invoiced	553,589	553,589	-	-	557,847
Service charge - adjustment	34,636	34,636	-	-	(121,141)
Pay and display income	442,878	-	442,878	-	338,982
Sundry income	(11,480)	-	-	(11,480)	24,582
Insurance premiums recharged	229,659	-	-	229,659	255,657
Interest received	28,195	-	-	28,195	1,859
	1,277,477	588,225	442,878	246,374	1,057,786
Expenditure					
Control room	3,737	2,877	860	-	3,149
Cleaning control room	257	198	59	-	655
Security staff	214,028	143,399	70,629	-	200,542
CCTV equipment	19,925	7,970	11,955	-	13,837
Telephones	752	752	-	-	933
Electricity	20,946	12,777	8,169	-	18,779
Signage	629	157	472	-	1,747
General maintenance	207,738	160,797	46,941	-	125,894
Site staff	26,124	17,503	8,621	-	24,675
Dock wall maintenance	11,795	9,082	2,713	-	70,172
Dock wall maintenance provision	150,000	150,000	-	-	-
Health and safety	3,589	2,764	825	-	69
Street lighting	16,812	10,255	6,557	-	14,878
Lighting scheme	36,363	-	-	36,363	-
Service charge expenditure prior year	(47,795)	(47,795)	-	-	-
Pest control	5,511	3,858	1,653	-	3,613
Cleaning common parts	78,607	60,527	18,080	-	67,174
Landscape maintenance	16,184	8,092	8,092	-	21,481
Fire safety	763	763	-	-	610
Police	17,477	13,982	3,495	-	15,319
Kings Dock service charge	-	-	-	-	103,060
Audit and accountancy	42,075	-	-	42,075	19,665
Managing agents fees	51,723	18,243	8,620	24,860	43,989
Legal and professional fees	41,471	-	-	41,471	74,420
Insurance	228,578	-	-	228,578	255,657
Rates	-	-	-	-	170
Disallowed input tax	12,024	12,024	-	-	9,782
Pay and display costs	26,419	-	26,419	-	7,578
	1,185,732	588,225	224,160	373,347	1,097,848
Surplus/(deficit) for the year	91,745	-	218,718	(126,973)	(40,062)

Detailed income and expenditure account