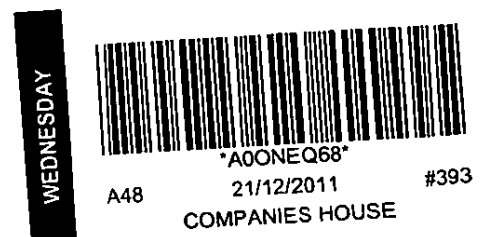




Financial statements Gower Street Estates Limited

For the year ended 31 March 2011

ALBERT DOCK
LIVERPOOL



Company No 3355588

Company information

Company registration number	03355588
Registered office	C/o C B Richard Ellis Limited Castle Chambers 43 Castle Street Liverpool L2 9SH
Directors	C Stananought G M Cook D Crone E J Renshaw S A Grindrod R M Mulhearn
Secretary	St Paul's Secretaries Limited
Bankers	Santander UK plc Bootle Merseyside GIR 0AA
Solicitors	Hill Dickinson LLP No 1 St Paul's Square Liverpool L3 9SJ
Property manager	C B Richard Ellis Limited Castle Chambers 43 Castle Street Liverpool L2 9SH
Auditors	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 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 2011

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 £112,849 (2010: £109,477).

Business review

Gower Street Estate has again seen many challenges and opportunities for all business sectors within the Albert Dock.

The Albert Dock has seen many successes over the last year, given the wider economic issues affecting us all. The Dock has continued to attract increasing visitors, including leisure operators, tourists, residents, cultural visitors and businesses.

Whilst the Liverpool Boat Show did not ultimately progress, the resulting activity was a firm demonstration of the Estate's appeal and ability to mobilise and work with third party agencies within the city. This was firmly demonstrated in the successful summer events including "Spring on the Waterfront" and the "River Festival", which alone attracted over 80,000 visitors to the estate.

Tourist numbers have been remarkably robust as a result of proactive partnerships with the city and regional tourism authorities. The continuing success of the adjoining Liverpool One has assisted with footfall into the Dock. Other key contributors to a successful year include the occupation of a floor of offices in Atlantic Pavilion, the Museum of Liverpool on Mann Island opened to national acclaim and the event made sure the River walkway re-opened to allow visitors to move easily across the waterfront, and the planned Exhibition Hall on Kings Waterfront to the south was given the go ahead. All of this adds significantly to maintaining Albert Dock's position as central to the offer on Liverpool waterfront and the world heritage site.

The year has seen significant investment in Estate projects including road resurfacing works and improvements to Hartley Bridge as well as a re-vamp of the Albert Dock brand presented through seasonal banners adding animation and interest. Such projects will continue to ensure that high standards of presentation are maintained.

The Board continues to work with the City, who together with GSE are key players in the Liverpool Waterfront Partnership. We continue to forge deeper relationships with the wider waterfront partners from Kings Dock to Pier Head and Princes Dock, as well as British Waterways, to provide a cohesive world class waterfront attraction.

The challenges of our business occupiers are understood and the Directors have managed peaks in expenditure effectively to minimize the impact on service charge contributors. Costs have been maintained and continue to be reviewed in line with building the company. To ensure the businesses on Albert Dock are successful, the Board has decided to seek and appoint a Business Development Manager in 2011/12. This will assist with marketing, animation and building revenues and in turn will support Directors' objectives to continue and improve the level of investment in the Albert Dock.

The work of continuing to reinforce the Dock as the City's iconic tourist attraction will continue to be the priority of the Board. To assist this priority, targeted investment and marketing continues.

Report of the directors

Business review (continued)

Directors have worked hard to ensure that the Albert Dock remains an iconic symbol of the best of Liverpool's heritage and future. This work will continue and develop alongside the progressive nature of the city of Liverpool.

Directors

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

C Stananought
G M Cook
D Crone
E J Renshaw
S A Grundrod
R M Mulhearn

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 year. 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.

In so far as each of the directors is 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.

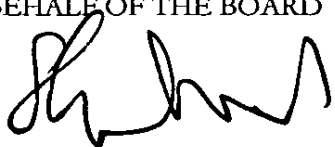
The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the directors

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 485 of the Companies Act 2006

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'S A Grindrod', written over the text 'ON BEHALF OF THE BOARD'.

S A Grindrod
Director
16 December 2011



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 2011 which comprise the principal accounting policies, 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. 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 auditor's 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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP

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 March 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

Grant Thornton UK LLP

C J Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
19 December 2011

Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and the Companies Act 2006 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

Freehold property

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 2006, 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.

Alterations to freehold property

Significant items of capital expenditure are included at cost. Depreciation is provided over the useful life of the assets, commencing with a full year's charge in the year of acquisition. The rate generally applicable is 10 years.

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

Grants receivable

Grants receivable of a capital nature are included as deferred income and released to the profit and loss account over the useful life of the relevant assets.

Grants of a revenue nature are credited to the profit and loss account in the same period as the relevant expenditure.

Profit and loss account

	Note	2011 £	2010 £
Turnover	1	1,846,519	1,735,009
Cost of sales		<u>(1,214,284)</u>	<u>(1,139,542)</u>
Gross profit		632,235	595,467
Administrative costs		<u>(502,761)</u>	<u>(483,160)</u>
Operating profit		129,474	112,307
Interest receivable	2	14,655	18,240
Profit on ordinary activities before taxation	1	<u>144,129</u>	<u>130,547</u>
Tax on profit on ordinary activities	5	(31,280)	(21,070)
Profit for the financial year retained	10	<u>112,849</u>	<u>109,477</u>

All of the activities of the company are classed as continuing

There were no recognised gains or losses other than the result for the financial year

Balance sheet

	Note	2011 £	2010 £
Tangible fixed assets	6	<u>3,925,573</u>	<u>3,990,564</u>
Current assets			
Debtors	7	200,580	170,421
Bank and cash balances		<u>1,966,736</u>	<u>1,841,224</u>
		<u>2,167,316</u>	<u>2,011,645</u>
Creditors: amounts falling due within one year	8	<u>(479,910)</u>	<u>(540,935)</u>
Net current assets		<u>1,669,406</u>	<u>1,470,710</u>
Total assets less current liabilities		<u>5,594,979</u>	<u>5,461,274</u>
Provisions for liabilities and charges	9	<u>(564,824)</u>	<u>(543,968)</u>
Net assets		<u>5,030,155</u>	<u>4,917,306</u>
Capital and reserves			
Profit and loss account	10	1,530,155	1,417,306
Revaluation reserve	10	<u>3,500,000</u>	<u>3,500,000</u>
Members' funds	10	<u>5,030,155</u>	<u>4,917,306</u>

The financial statements were approved by the Board of Directors on 16 December 2011, and signed on its behalf by:



S A Grindrod
 Director

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

	2011 £	2010 £
Depreciation of owned assets	64,991	64,991
Auditors' remuneration	<u>9,250</u>	<u>8,800</u>

2 Interest receivable

	2011 £	2010 £
Bank interest	<u>14,655</u>	<u>18,240</u>

3 Directors and employees

There were no employees during either year

The directors did not receive any remuneration during either year

4 Related party transactions

Each director of the company is a director of one of the entities to which this company renders, either directly or indirectly, service charges. These service charges recover all relevant costs incurred resulting in neither profit nor loss to this company.

Notes to the financial statements

5 Taxation

(a) Analysis of charge in the year

	2011 £	2010 £
Current taxation		
UK corporation tax payable @ 21% (2010 21%)	32,500	20,000
(Over)/under provision in respect of prior year	(1,220)	1,070
Total current tax	<u>31,280</u>	<u>21,070</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 21% (2010 21%)

The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>144,129</u>	<u>130,547</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2010 21%)	30,267	27,415
Effects of		
Expenses not deductible for tax purposes	-	3,860
Depreciation in excess of capital allowances	2,233	(11,275)
Under/(over) provision in respect of prior year	(1,220)	1,070
Current tax charge for the year	<u>31,280</u>	<u>21,070</u>

Notes to the financial statements

6 Tangible fixed assets

	Total £	Freehold interest £	Alterations to freehold property £
Cost or valuation			
At 1 April 2010 and 31 March 2011	<u>4,149,894</u>	<u>3,500,000</u>	<u>649,894</u>
Depreciation			
At 1 April 2010	159,330	-	159,330
Charge for the year	64,991	-	64,991
At 31 March 2011	<u>224,321</u>	<u>-</u>	<u>224,321</u>
Net book value			
At 31 March 2011	<u>3,925,573</u>	<u>3,500,000</u>	<u>425,573</u>
At 31 March 2010	<u>3,990,564</u>	<u>3,500,000</u>	<u>490,564</u>

The company has a freehold interest in the Albert Dock estate. This was transferred to the company at £Nil cost.

At 31 March 2009, the property was revalued by C B Richard Ellis Limited, Chartered Surveyors, in the sum of £3,500,000. The basis of the valuation was open market value. In the opinion of the directors this valuation remains valid.

7 Debtors

	2011 £	2010 £
Prepayments and accrued income	-	7,020
Other debtors	3,264	-
Due from the property manager	149,270	153,997
VAT recoverable	48,046	9,404
	<u>200,580</u>	<u>170,421</u>

The balance due from the property manager comprises £149,270 (2010 £153,997) held in client account.

Notes to the financial statements

8 Creditors: amounts falling due within one year

	2011 £	2010 £
Accruals and deferred income	461,860	520,935
Other creditors	3,550	-
Corporation tax	32,500	20,000
	<u>497,910</u>	<u>540,935</u>

9 Provision for liabilities and charges

	Total £	Other provisions £	Deferred grants £
At 1 April 2010	543,968	293,743	250,225
Released in the year	(33,250)	-	(33,250)
Provided during the year	54,106	54,106	-
At 31 March 2011	<u>564,824</u>	<u>347,849</u>	<u>216,975</u>

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

10 Members' funds

	Profit and loss account £	Revaluation reserve £	Total £
At 1 April 2010	1,417,306	3,500,000	4,917,306
Profit for the financial year	112,849	-	112,849
At 31 March 2011	<u>1,530,155</u>	<u>3,500,000</u>	<u>5,530,155</u>

11 Capital commitments

The company had capital commitments of £Nil at 31 March 2011 (31 March 2010 £Nil)

12 Contingent liabilities

The company has received capital grants which are released to the profit and loss account over the useful life of the relevant assets. In certain circumstances some of the grants received may be repayable to the provider.

Management information

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