

Financial statements

Gower Street Estates Limited

For the year ended 31 March 2013

ALBERT DOCK
LIVERPOOL

FRIDAY



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COMPANIES HOUSE

Company No 03355588

Company information

Company registration number	03355588
Registered office	No 1 St Pauls Square Liverpool Merseyside L3 9SJ
Directors	G M Cook S A Grindrod I Murphy H E Rehm D W Roscoe
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	Savills Belvedere 12 Booth Street Manchester M2 4AW
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 2013

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 £98,598 (2012 loss £73,512)

Business review

Gower Street Estate has again seen many challenges and opportunities for all business sectors within the Albert Dock magnified by the uncertain economic situation.

Despite this, the Dock has continued to attract increasing visitors, including leisure operators, tourists, residents, cultural visitors and businesses. This year was a year of note, as we marked 25 years since the successful redevelopment and reopening of the Dock. This was acknowledged in various ways, with a family celebration weekend and a VIP lunch at Tate Liverpool to mark their 25th anniversary with special guest Lord Heseltine.

The Albert Dock has supported and hosted many successes during the reporting year. We were privileged to assist in the 70th national commemoration of the Battle of the Atlantic, hosting visiting Navies from around the world with an estimated audience of 100,000 over the weekend. This was followed by the successful River Festival organised by Liverpool City Council.

This demonstrated the Estate's appeal to event organisers and visitors whilst proving our ability to work effectively with the key agencies within the City. The Directors have continued to support and invest in events and will continue to do so with a focus on animation outside of the key holidays and further support existing events. We need to understand better the benefit and impact of our investment and this is a key theme for next year.

Tourist numbers have been remarkably robust as a result of proactive partnerships with the regional tourism authorities. The development of partnerships and encouraging links to new initiatives has proved crucial in driving footfall. Liverpool One, Arena and Convention Centre Liverpool and The Museum of Liverpool on Mann Island are key City and Waterfront assets that benefit the Dock attractions and businesses through increased footfall and national marketing campaigns.

On the Dock, we are fortunate to play host to a number of key attractions which have continued to play a major role in attracting visitors to the Dock. The Maritime Museum programmed the highly acclaimed Titanic Exhibition, which has proved to be their most visited exhibition to date. Tate Liverpool had a successful year with the Turner Monet Twombly exhibition. We are grateful our cultural partners continue to invest in high profile events that drive footfall and support the brand values to be iconic, diverse and memorable.

Albert Dock's position is central to the Liverpool Waterfront Business Partnership. GSE is a founding partner and continues to provide leadership to help shape the strategy to promote the waterfront to the world premier league of destination waterfronts. Albert Dock will benefit from working closely with its waterfront neighbours to market and promote the area to Cruise Ship passengers and conference delegates as well as enhancing the visitor offer.

Report of the directors

Business review - continued

The Board continues to work with the City as well as the Canal and River Trust to provide a cohesive world class waterfront attraction. Proposals for further improvements in the public realm and water space are critical, to ensure repeat visits from tourists will continue. The challenges of our business occupiers are understood as one Pavilion remains empty and another not fully occupied. The Board have committed to maintaining a level of service charge consistent with inflation and to pro-actively manage peaks through a 10 year forward plan of maintenance schedules for the estate and dock walls.

The Directors recognised the role played by the Business Development Manager, to identify commercial options for the Company to generate income and to continue to invest in large capital items, events and marketing and support tenants and occupiers on the estate. As the role has become established, and it is clear the importance of the role in delivering the business plan objectives and stakeholder engagement, the Directors agreed to make the role permanent and change the job title to Director of Business Development and Marketing. In making this appointment, the board has clearly indicated its commitment to continually invest and develop in the estate for the greater good. This role has continued to bring together a more cohesive Dock both internally and externally by managing CBRE on site, liaising with the Tenants Association of the Albert Dock Company, and representing the Estate within the City. The Directors are committed to preserving the Albert Dock's position as a major asset for the City as an iconic tourist attraction whilst building the foundations for the future and economic viability of the estate.

It is with great sadness we report the death and sad loss of one of our Directors in September 2013. Dolly Crone represented the interests of the residents on the Gower Street Estates board of Directors. Dolly became a Director at the very beginning on the incorporation of GSE in 1998 and from the outset Dolly was fully committed to ensuring the success of the Albert Dock estate. Dolly played an important role as 'critical friend' to the board and her first-hand knowledge proved invaluable, whilst her tenacity and passion knew no limits when it came to fighting for causes she believed in. Dolly's home was in an apartment in the Colonnades and she often provided the board with a reality check when dealing with estate matters, providing focus for decisions linked to tangible results. There is no doubt Dolly's passion and commitment ensured the positive development of the estate over the last 15 years. It is testament to Dolly's legacy that we enjoy success and recognition for the presentation of the estate to a high standard and are viewed as a key stakeholder for the City and waterfront.

Directors

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

R M Mulhearn	Resigned 10 September 2012
G M Cook	
D Crone	Resigned 19 September 2013
S A Grindrod	
I Murphy	Appointed 31 January 2013
H E Rehm	Appointed 29 October 2013
D W Roscoe	Appointed 30 October 2013

Report of the directors

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

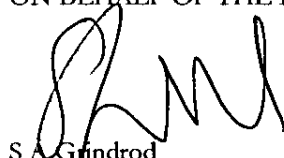
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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.

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



S A Grindrod
Director
18 December 2013



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 2013 which comprise the accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm

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 2013 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



Emma Stoddart
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
19 December 2013

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 certain 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, car park income, sundry income and insurance premiums are accounted for in the year to which the income relates

Tangible fixed assets and depreciation

Freehold property

Freehold property is revalued annually and is included in the balance sheet at its 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

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are calculated on an undiscounted basis

Profit and loss account

	Note	2013 £	2012 £
Turnover	1	1,674,551	1,776,116
Cost of sales		<u>(1,207,146)</u>	<u>(1,382,175)</u>
Gross profit		467,405	393,941
Administrative costs		<u>(402,381)</u>	<u>(506,576)</u>
Operating profit/(loss)		65,204	(112,635)
Interest receivable	2	42,824	38,999
Profit/(loss) on ordinary activities before taxation	1	<u>107,848</u>	<u>(73,636)</u>
Tax on profit/(loss) on ordinary activities	5	(9,250)	124
Profit/(loss) for the financial year	10	<u>98,598</u>	<u>(73,512)</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	2013 £	2012 £
Tangible fixed assets	6	<u>2,450,192</u>	<u>2,523,472</u>
Current assets			
Debtors	7	665,697	951,693
Bank and cash		<u>1,545,417</u>	<u>1,285,279</u>
		<u>2,211,114</u>	<u>2,236,972</u>
Creditors: amounts falling due within one year	8	<u>(394,602)</u>	<u>(616,488)</u>
Net current assets		<u>1,816,512</u>	<u>1,620,484</u>
Total assets less current liabilities		<u>4,266,704</u>	<u>4,143,956</u>
Provisions for liabilities and charges	9	<u>(631,463)</u>	<u>(607,313)</u>
Net assets		<u>3,635,241</u>	<u>3,536,643</u>
Capital and reserves			
Profit and loss account	10	1,555,241	1,456,643
Revaluation reserve	10	<u>2,080,000</u>	<u>2,080,000</u>
Members' funds	10	<u>3,635,241</u>	<u>3,536,643</u>

The financial statements were approved and authorised for issue by the Board of Directors on 18 December 2013, 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

	2013 £	2012 £
Profit/(loss) for the financial year	98,598	(73,512)
Unrealised deficit on revaluation of fixed assets	-	(1,420,000)
Total recognised gains and losses for the year	<u>98,598</u>	<u>(1,493,512)</u>

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 the principal activity of the business, which is carried on in a single geographical market

The loss on ordinary activities before taxation is stated after

	2013 £	2012 £
Depreciation of owned assets	73,280	64,991
Auditors' remuneration	<u>10,000</u>	<u>9,750</u>

2 Interest receivable

	2013 £	2012 £
Bank interest	<u>42,824</u>	<u>38,999</u>

3 Directors and employees

The company had one employee during the year (2012 one) Salaries paid for the year amounted to £50,176 (2012 £29,697)

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

	2013 £	2012 £
Current taxation		
UK corporation tax payable @ 20% (2012 21%)	9,250	-
Over provision in respect of prior year	-	(124)
Total current tax	<u>9,250</u>	<u>(124)</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 20% (2012 21%)

The differences are explained below

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	<u>107,848</u>	<u>(73,636)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 21%)	21,570	(15,464)
Effects of		
Depreciation in excess of capital allowances	7,652	(5,205)
Losses (utilised)/carried forward	(19,972)	20,669
Over provision in respect of prior year	-	(124)
Current tax charge for the year	<u>9,250</u>	<u>(124)</u>

Notes to the financial statements

6 Tangible fixed assets

	Total £	Freehold interest £	Alterations to freehold property £
Cost or valuation			
At 1 April 2012 and 31 March 2013	2,812,784	2,080,000	732,784
Depreciation			
At 1 April 2012	289,312	-	289,312
Charge for the year	73,280	-	73,280
At 31 March 2013	362,592	-	362,592
Net book value			
At 31 March 2013	2,450,192	2,080,000	370,192
At 31 March 2012	2,523,472	2,080,000	443,472

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

At 31 March 2012, the property was revalued by C B Richard Ellis Limited, Chartered Surveyors, in the sum of £2,080,000. The basis of the valuation was open market value. The directors consider that this valuation remains appropriate at 31 March 2013.

7 Debtors

	2013 £	2012 £
Other debtors and prepayments	193,480	17,872
Due from the property manager	466,856	887,127
VAT recoverable	5,361	46,694
	665,697	951,693

The balance due from the property manager comprises £466,856 (2012 £887,127) held in client bank accounts.

Notes to the financial statements

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Accruals and deferred income	383,608	608,591
Other creditors	1,744	7,897
Corporation tax	9,250	-
	<u>394,602</u>	<u>616,488</u>

9 Provision for liabilities and charges

	Total £	Other provisions £	Deferred grants £
At 1 April 2012	607,313	423,588	183,725
Released in the year	(33,250)	-	(33,250)
Provided during the year	57,400	57,400	-
At 31 March 2013	<u>631,463</u>	<u>480,988</u>	<u>150,475</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 2012	1,456,643	2,080,000	3,536,643
Profit for the financial year	98,598	-	98,598
At 31 March 2013	<u>1,555,241</u>	<u>2,080,000</u>	<u>3,635,241</u>

11 Capital commitments

The company had capital commitments of £Nil at 31 March 2013 (31 March 2012 £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.