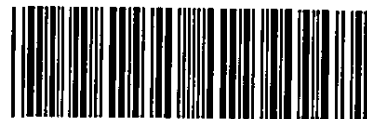




Financial statements Gower Street Estates Limited

For the year ended 31 March 2010

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COMPANIES HOUSE

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 Booth 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 2010

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 £109,477 (2009 £211,417)

Business review

Whilst Gower Street Estates ("GSE") has enjoyed another successful year this has not been without challenges to both investors and occupiers of the Estate on whose success all are mutually reliant.

Specific achievements during 2009/10 included capital investments to improve the visitor experience. This includes over £200,000 of Estate improvements including £100,000 matched funding provided by NWDA as part of the Phase II Waterfront Connections programme. Works undertaken included -

- Improved Wayfinding and Quayside signage
- Enhanced Estate lightway
- Replacement street furniture

GSE and its advisers continue to seek other funding opportunities and benefits from Heritage Tourism Funds and Cluster Challenge Funds.

The Albert Dock is not separated from the Liverpool economy which remains, at best, quiet. The Dock activities witnessed an increase in the level of void office accommodation as well as changes in Quayside occupiers who have been affected by the reduced spending power of tourists and local visitors. These different sectors are as important as all others to the balance of the thriving mixed used environment enjoyed by visitors as well as the commercial, cultural and residential occupiers. The directors continue to look at means of assisting all users and occupiers and work closely with Liverpool Vision and other stakeholders to ensure that there is City-wide support for initiatives.

GSE's involvement with the Waterfront Partnership, in which the Albert Dock holds a pivotal position, continues to work towards growing the National and International recognition of the unique and special features intrinsic along the Waterfront, as a Tourist destination in its own right.

Being a major focal point of the City's landscape, the directors are working through the Waterfront Partnership Group with the City and British Waterways to promote a longer term strategy for major attractions. This includes a planned 2011 "Liverpool Boat Show", already attracting National interest.

Recognising the challenges of occupiers, the service charge costs have been maintained as budgeted. However, visitor numbers and traffic generation, in part via neighbouring sites' activities, continue to take their toll on the infrastructure. As a result the directors have authorised an increased maintenance budget in 2010/11. This allows resurfacing of the Estate roads and incorporates a marketing budget funded by the Company with the appointment of a PR Consultant.

Report of the directors

Business review (continued)

The directors recognise their role as custodians and protectors of the Docks heritage. The Albert Dock Partnership has been formed to work towards creating a Heritage Protection agreement, with support from leaseholders and applied funds from English Heritage.

Branding initiatives introduced in 2008 with the successful wayfinding project will be enhanced and further publicity and branding work is being pursued.

The objective of the directors and advisers continues to be to ensure that the Albert Dock remains an iconic symbol of the best of Liverpool and a significant attraction in the national context.

To this end GSE continues to have strong support of active directors and advice from its advisers, including solicitors, accountants and property consultants.

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 Grindrod
A J Tibbles (resigned 27 April 2010)
R M Mulhearn (appointed 28 January 2010)

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.

Report of the directors

Statement of directors' responsibilities (continued)

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
28 October 2010



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 2010 which comprise the principal 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 pages 4 and 5, 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 2010 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

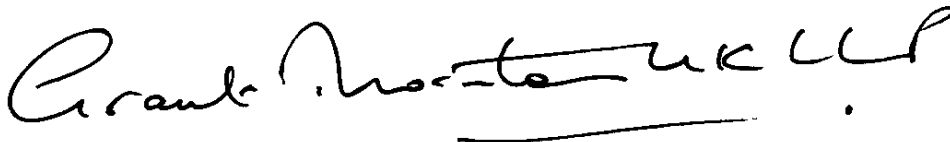
In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

A handwritten signature in black ink, appearing to read 'Michael Cox', with a horizontal line underneath it.

Michael Cox
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
28 October 2010

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	2010 £	2009 £
Turnover	1	1,735,009	1,717,327
Cost of sales		<u>(1,139,542)</u>	<u>(1,108,382)</u>
Gross profit		595,467	608,945
Administrative costs		<u>(483,160)</u>	<u>(422,713)</u>
Operating profit		112,307	186,232
Interest receivable	2	18,240	58,132
Profit on ordinary activities before taxation	1	<u>130,547</u>	<u>244,364</u>
Tax on profit on ordinary activities	5	(21,070)	(32,947)
Profit for the financial year retained	10	<u>109,477</u>	<u>211,417</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	2010 £	2009 £
Tangible fixed assets	6	<u>3,990,564</u>	<u>3,902,381</u>
Current assets			
Debtors	7	170,421	155,906
Bank and cash balances		<u>1,841,224</u>	<u>1,792,645</u>
		<u>2,011,645</u>	<u>1,948,551</u>
Creditors amounts falling due within one year	8	<u>(540,935)</u>	<u>(480,633)</u>
Net current assets		<u>1,470,710</u>	<u>1,467,918</u>
Total assets less current liabilities		<u>5,461,274</u>	<u>5,370,299</u>
Provisions for liabilities and charges	9	<u>(543,968)</u>	<u>(562,470)</u>
Net assets		<u>4,917,306</u>	<u>4,807,829</u>
Capital and reserves			
Profit and loss account	10	1,417,306	1,307,829
Revaluation reserve	10	<u>3,500,000</u>	<u>3,500,000</u>
Members' funds	10	<u>4,917,306</u>	<u>4,807,829</u>

The financial statements were approved by the Board of Directors on 28 October 2010, and signed on its behalf by



S A Grindrod
 Director

Other primary statements

Statement of total recognised gains and losses

	2010 £	2009 £
Profit for the financial year	109,477	211,417
Unrealised surplus on revaluation of fixed assets	-	1,400,000
Total recognised gains and losses for the year	<u>109,477</u>	<u>1,611,417</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 one activity, which is carried on in a single geographical market

The profit on ordinary activities before taxation is stated after

	2010 £	2009 £
Depreciation of owned assets	64,991	49,669
Auditors' remuneration	<u>8,800</u>	<u>8,500</u>

2 Interest receivable

	2010 £	2009 £
Bank interest	<u>18,240</u>	<u>58,132</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

	2010 £	2009 £
Current taxation		
UK corporation tax payable @ 21% (2009 21%)	20,000	46,000
Under provision in respect of prior year	1,070	(13,053)
Total current tax	<u>21,070</u>	<u>32,947</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 21% (2009 21%)

The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>130,547</u>	<u>244,364</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2009 21%)	27,415	51,316
Effects of		
Expenses not deductible for tax purposes	3,860	1,315
Capital allowances in excess of depreciation	(11,275)	(6,631)
Under/(over) provision in respect of prior year	1,070	(13,053)
Current tax charge for the year	<u>21,070</u>	<u>32,947</u>

Notes to the financial statements

6 Tangible fixed assets

	Total £	Freehold interest £	Alterations to freehold property £
Cost or valuation			
At 1 April 2009	3,996,720	3,500,000	496,720
Additions	153,174	-	153,174
At 31 March 2010	<u>4,149,894</u>	<u>3,500,000</u>	<u>649,894</u>
Depreciation			
At 1 April 2009	94,339	-	94,339
Charge for the year	64,991	-	64,991
At 31 March 2010	<u>159,330</u>	<u>-</u>	<u>159,330</u>
Net book value			
At 31 March 2010	<u>3,990,564</u>	<u>3,500,000</u>	<u>490,564</u>
At 31 March 2009	<u>3,902,381</u>	<u>3,500,000</u>	<u>402,381</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

	2010 £	2009 £
Prepayments and accrued income	7,020	28,543
Due from the property manager	153,997	113,605
VAT recoverable	9,404	13,758
	<u>170,421</u>	<u>155,906</u>

The balance due from the property manager comprises £153,997 (2009 £113,605) held in client account.

Notes to the financial statements

8 Creditors: amounts falling due within one year

	2010 £	2009 £
Accruals and deferred income	520,935	434,633
Corporation tax	20,000	46,000
	<u>540,935</u>	<u>480,633</u>

9 Provision for liabilities and charges

	Total £	Other provisions £	Deferred grants £
At 1 April 2009	562,470	354,000	208,470
Received in the year	75,005	-	75,005
Released in the year	(33,250)	-	(33,250)
Expenditure incurred	(112,787)	(112,787)	-
Provided during the year	52,530	52,530	-
At 31 March 2010	<u>543,968</u>	<u>293,743</u>	<u>250,225</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 2009	1,307,829	3,500,000	4,807,829
Profit for the financial year	109,477	-	109,477
At 31 March 2010	<u>1,417,306</u>	<u>3,500,000</u>	<u>4,917,306</u>

11 Capital commitments

The company had capital commitments of £Nil at 31 March 2010 (31 March 2009 £150,000)

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.