

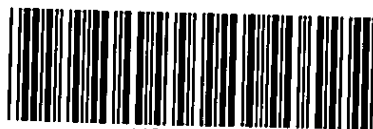
GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
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GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
COMPANY INFORMATION

Directors See page 2

Company secretary Bevan Brittan Company Secretarial Services Limited

Registered office 15 Ladybellegate Street
Gloucester
GL1 2HN

Auditors Hazlewoods LLP
Windsor House
Barnett way
Barnwood
Gloucester
GL4 3RT

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements for the year ended 31 March 2011

Principal activity

The principal activity of the company is the management of the regeneration of the city of Gloucester

The GHURC faced an extremely challenging economic and financial climate in 2010/11 with many of its public sector partners facing severe budget cuts following the new Coalition Government's comprehensive spending review in the autumn. Although investment confidence remained low a significant number of "committed" projects achieved key milestones and the momentum of regeneration in Gloucester was generally maintained. By the end of March 2011 private investment during the year topped £18 million, bringing the overall total just short of £400 million since the URC was established. In addition nearly £12 million was invested by the URC's public sector partners, chiefly at Blackfriars and on the Economic Linkages between the Quays and the City Centre. Total investment on regeneration during the lifetime of the URC is now £520 million. A total of 1012 jobs have now been created, 27 hectares of land reclaimed, 694 new homes constructed and 77,000 square metres of commercial/retail floorspace provided.

Highlights during the year included the completion of the economic linkages project in the Docks and along Southgate Street, Blackfriars North and East Range refurbishment works - creating a new concert hall for the city - and major new artworks by Wolfgang Buttress (the candle) and Katayoon Dowlatshahi (tall ships) in Gloucester Docks. At Greyfriars Linden Homes in conjunction with the Homes and Communities Agency made good progress on completing their designs for a major new residential development with the project submitted for planning consent early in 2011. Also on the residential side Crest Nicholson made good progress on their new 48 flats and apartments at Merchants Quay and Bloors residential developments in the Canal Corridor continued at a "pace" despite the economic slowdown. The year also saw new plans emerge for the railway triangle from LXB for a food retail store and employment development with the potential to deliver up to 800 jobs. Finally the Ecclesiastical Insurance Group agreed terms with the SWRDA for their new headquarters development at Southgate Moorings, which is due to start on site in 2013. This will deliver nearly 10,000 square metres of grade A office accommodation and safeguard around 600 jobs.

A total of £757,203 was spent on company administration in 2010/11, £734,641 net and £22,562 irrecoverable VAT. The company has retained an operating surplus of £18,090 in 2010/11.

The company's financial position has been closely monitored by experienced URC directors on the Audit and Governance Committee.

With the abolition of the SWRDA in 2012 and increased pressures on HCA and local authority spending in 2011/12 the URC was forced to change its company structure and to reduce its operating budget to around £300,000. This has involved the loss of 5 staff and reductions in salaries for a slimmed down team of three professional staff and an Office Manager. In addition at the end of March 2011 three of the company's four founder partners (SWRDA, HCA and Gloucestershire County Council) resigned from the Board leaving the City Council as the sole remaining founding partner. The company has sufficient committed funds from the City and County Councils and additional revenues from property interests to continue its operations in 2011/12.

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

Directors of the company

The directors who held office during the year, and subsequently, were as follows

G E Smith
K Bartlett (appointed 1 April 2011)
P Foyle
R J Head (appointed 1 April 2011)
J Hilton (appointed 6 July 2010)
P S James
I Jarvis
I Mean
B Leach (appointed 1 April 2011)
A L Shield
M Smith (resigned 15 June 2010 and reappointed 1 April 2011)
Dr A A Bray (resigned 7 March 2011)
M E Bolt (resigned 31 March 2011)
D J Bush JP (resigned 31 March 2011)
P S Dhanda (resigned 15 June 2010)
C Foley (resigned 7 March 2011)
J Girling MEP (resigned 1 April 2011)
A Gravells (resigned 31 March 2011)
C Hallam (resigned 31 March 2011)
M D Hawthorne (resigned 31 March 2011)
G Morgan (appointed 19 May 2010 and resigned 31 March 2011)
D J Owen (resigned 31 March 2011)
M Owen (resigned 31 March 2011)
Dr S E Pearson (resigned 31 March 2011)
Rt Rvd M F Perham (resigned 31 March 2011)
S Pickering (resigned 31 March 2011)
M P Seccombe (resigned 31 March 2011)
M R G Tallett-Williams (resigned 31 March 2011)
D Warburton (resigned 31 March 2011)

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hazlewoods LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board on 23 September 2011 and signed on its behalf by



G E Smith
Director

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED**

We have audited the financial statements of Gloucester Heritage Urban Regeneration Company Limited for the year ended 31 March 2011, set out on pages 8 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Statement of Directors' Responsibilities (set out on page 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 and express an opinion on 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 applicable to smaller entities, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLOUCESTER HERITAGE URBAN REGENERATION COMPANY 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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime

Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Barnett way
Barnwood
Gloucester
GL4 3RT

23 September 2011

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

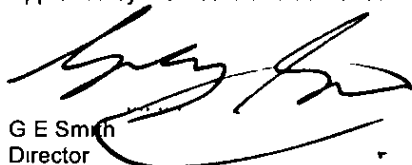
	Note	2011 £	2010 £
Income		775,293	960,662
Administrative expenses		<u>(757,203)</u>	<u>(928,447)</u>
Surplus on ordinary activities before taxation		18,090	32,215
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
Surplus for the financial year	8	<u>18,090</u>	<u>32,215</u>

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED**(REGISTRATION NUMBER 4970761)****BALANCE SHEET****AS AT 31 MARCH 2011**

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	4	<u>4,784</u>	<u>9,569</u>
Current assets			
Debtors	5	76,410	102,178
Cash at bank and in hand		<u>127,938</u>	<u>115,150</u>
		204,348	217,328
Creditors Amounts falling due within one year	6	<u>(35,044)</u>	<u>(70,899)</u>
Net current assets		<u>169,304</u>	<u>146,429</u>
Net assets		<u>174,088</u>	<u>155,998</u>
Capital and reserves			
Income and expenditure account	8	<u>174,088</u>	<u>155,998</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board and authorised for issue on 23 September 2011 and signed on its behalf by



G E Smith
Director

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Income

Income mainly represents grants received by the company relating to the financial period from its various funding providers. Costs paid on the company's behalf by grant providers are also recognised as income.

Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% of cost per annum

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2 Operating surplus

Operating surplus is stated after charging:

	2011	2010
	£	£
Auditor's remuneration - The audit of the company's annual accounts	3,320	3,688
Profit on sale of tangible fixed assets	-	(50)
Depreciation of tangible fixed assets	<u>4,785</u>	<u>11,766</u>

3 Taxation

The company is not liable to corporation tax on the operating surplus as it is undertaking not-for-profit activities. The corporation tax liability relates to the tax chargeable on non trading related income for which corporation tax is liable at the relevant tax rate in the year.

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

4 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2010	17,527	28,496	46,023
Depreciation			
At 1 April 2010	8,764	27,690	36,454
Charge for the year	4,382	403	4,785
At 31 March 2011	13,146	28,093	41,239
Net book value			
At 31 March 2011	4,381	403	4,784
At 31 March 2010	8,763	806	9,569

5 Debtors

	2011 £	2010 £
Trade debtors	63,934	90,912
Other debtors	12,476	11,266
	<u>76,410</u>	<u>102,178</u>

6 Creditors Amounts falling due within one year

	2011 £	2010 £
Trade creditors	24,277	57,307
Other creditors	10,767	13,592
	<u>35,044</u>	<u>70,899</u>

7 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

8 Statement of movements on income and expenditure account

	Income and expenditure account £	Total £
At 1 April 2010	155,998	155,998
Retained surplus for the year	18,090	18,090
At 31 March 2011	<u>174,088</u>	<u>174,088</u>

GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

9 Commitments

Operating lease commitments

As at 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
Land and buildings		
Over five years	<u>14,000</u>	<u>14,000</u>
Other		
Within one year	1,199	-
Within two and five years	<u>3,264</u>	<u>4,463</u>
	<u>4,463</u>	<u>4,463</u>