



Grant Thornton

Financial statements Binden Estates Limited

For the year ended 31 October 2010



Company No. 05327453

Officers and professional advisers

Company registration number	05327453
Registered office	The Corn Exchange Fenwick Street Liverpool L2 7TP
Directors	G O Mason M Smith
Secretary	B Harvey
Solicitors	Hill Dickinson LLP No 1 St Paul's Square Liverpool L3 9SL
Auditor	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 and the financial statements of the company for the year ended 31 October 2010

Principal activity

The company's principal activity is that of property investment

Directors

The directors who served the company during the year were as follows

G O Mason
M Smith

Directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 profit or loss of the company for that period. 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

Auditor

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

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'B Harvey', with a stylized flourish at the end.

B Harvey
Secretary
1/6/2011



Independent auditor's report to the members of Binden Estates Limited

We have audited the financial statements of Binden Estates Limited for the year ended 31 October 2010 which comprise the principal accounting policies, profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes. 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 Directors' Responsibilities Statement set out on page 3, 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

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/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 October 2010 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

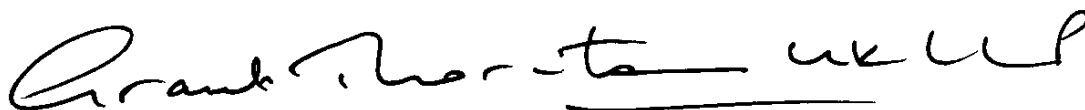
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Binden Estates Limited (continued)

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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Directors



Michael Cox
Senior Statutory Auditor
For and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Liverpool

12 June 2011

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The accounting policies of the company are set out below and remain unchanged from the previous year

Going Concern

The company has provided guarantees which amount to £10.3m in respect of bank loans and an overdraft of its parent company, Perrers Properties Limited. The company's forecasts and projections which also incorporate its parent undertaking, taking account of reasonably possible changes in its trading performance, show that the company will be able to operate within the level of the group's current facilities.

The bank has an option to withdraw the bank loan facilities of Perrers Properties Limited on 30 October 2011 and the overdraft facility is due for renewal during May 2011. The director of the group is currently in discussions concerning the group's future borrowing needs and, in particular, the refinancing of the existing loan facility and renewal of the overdraft facility. The group has received credit committee approval from its bankers to refinance all borrowings on terms acceptable to both the group and its bankers.

G O Mason has confirmed that the loan from the company's parent, shown in creditors as due after more than one year, will remain in place for a minimum of 12 months from the date the accounts are approved, provided that the bank facilities held by the parent company remain in place.

G O Mason has also confirmed that he will provide additional financial support to the group should the group require additional facilities. Related entities that have provided finance facilities to the group have also confirmed their continued support.

The directors have an expectation that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover is the total amount of rent and other income receivable by the company, excluding VAT, and is attributable to the continuing activity of property investment. Turnover is recognised in the period to which it relates, taking into account provisions for lease incentives. Lease incentives are spread on a straight-line basis over the period to the first rent review date.

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment properties revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Current tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the year except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability. Debt issue costs are offset against the debt and amortised over the term of the loan.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Profit and loss account

	Note	2010 £	2009 £
Turnover		593,923	550,238
Other operating charges	1	169,268	123,104
Operating profit	2	424,655	427,134
Permanent diminution in value of investment property		—	(82,199)
Interest payable and similar charges		346,349	352,995
Profit/(loss) on ordinary activities before taxation		78,306	(8,060)
Tax on profit/(loss) on ordinary activities	4	26,840	22,640
Profit/(loss) for the financial year	12	51,466	(30,700)

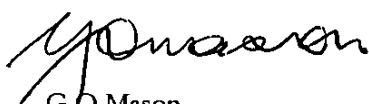
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	5	<u>7,810,000</u>	<u>7,902,000</u>
Current assets			
Debtors	6	184,830	250,503
Creditors: amounts falling due within one year	7	<u>285,591</u>	<u>371,122</u>
Net current liabilities		<u>(100,761)</u>	<u>(120,619)</u>
Total assets less current liabilities		<u>7,709,239</u>	<u>7,781,381</u>
Creditors: amounts falling due after more than one year	8	<u>7,338,279</u>	<u>7,259,890</u>
		<u>370,960</u>	<u>521,491</u>
Capital and reserves			
Called-up equity share capital	10	10	10
Revaluation reserve	11	274,007	476,004
Profit and loss account	12	<u>96,943</u>	<u>45,477</u>
Shareholders' funds		<u>370,960</u>	<u>521,491</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 1/6/2011, and are signed on their behalf by


G O Mason
Director

Company registration number 05327453

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	2010	2009
	£	£
Profit/(loss) for the financial year	51,466	(30,700)
Unrealised loss on revaluation of certain fixed assets	(201,997)	(379,067)
Total gains and losses recognised for the year	<u>(150,531)</u>	<u>(409,767)</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating charges

	2010 £	2009 £
Property costs	96,647	79,956
Administrative expenses	72,621	43,148
	<u>169,268</u>	<u>123,104</u>

2 Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Loss on disposal of fixed assets	<u>6,539</u>	<u>—</u>

The audit fee for the current and prior year has been met by Binden Estates Limited's parent company Perrers Properties Limited

3 Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the current and prior year

4 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	26,840	22,640
Total current tax	<u>26,840</u>	<u>22,640</u>

4 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit/(loss) on ordinary activities before taxation	<u>78,306</u>	<u>(8,060)</u>
Profit/(loss) on ordinary activities by rate of tax	21,926	(2,257)
Expenses not deductible for tax purposes	4,914	25,109
Marginal relief	-	(212)
Total current tax (note 4(a))	<u>26,840</u>	<u>22,640</u>

5 Tangible fixed assets

	Freehold Investment Properties £
Cost or valuation	
At 1 November 2009	7,902,000
Additions	326,997
Disposals	(217,000)
Revaluation	(201,997)
At 31 October 2010	<u>7,810,000</u>
Net book value	
At 31 October 2010	<u>7,810,000</u>
At 31 October 2009	<u>7,902,000</u>

The investment properties have been revalued at 31 October 2010 by Mr G O Mason, a director and qualified chartered surveyor, on the basis of existing use, open market value, guided by external professional valuations

Deferred taxation, based on unrealised revaluation surplus, has not been provided as the directors consider that properties are held primarily for long term investment, and not with the intention of resale in the foreseeable future. The deferred taxation amount is disclosed as a contingent liability.

If the investment properties had not been revalued, the historical cost at 31 October 2010 would have been £7,535,993 (2009 £7,425,996)

6 Debtors

	2010	2009
	£	£
Trade debtors	8,687	11,469
VAT recoverable	–	29,196
Other debtors	13,726	68,629
Prepayments and accrued income	162,417	141,209
	<u>184,830</u>	<u>250,503</u>

7 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	35,981	152,791
Amounts owed to related undertakings	170	–
Corporation tax	26,840	22,640
VAT	18,040	–
Accruals and deferred income	204,560	195,691
	<u>285,591</u>	<u>371,122</u>

8 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Amounts owed to group undertaking	<u>7,338,279</u>	<u>7,259,890</u>

The amount owed to group undertaking relates to a loan from the parent undertaking. The loan is unsecured and interest bearing at 6%.

Svenska Handelsbanken AB holds a first and only debenture and composite guarantee over the company, regarding the loan to Perrers Properties Limited, the parent company of Binden Estates Limited, which amounted to £10,278,023 at 31 October 2010 (2009 £10,188,886).

9 Related party transactions

The parent company, Perrers Properties Limited, provided a loan to the company amounting to £7,338,279 (2009 £7,259,890). The balance comprises £5,674,602 (2009 £5,942,462) capital and £1,663,677 (2009 £1,317,428) interest. The loan is interest bearing at 6%. The interest charged for the year was £346,249 (2009 £352,563).

Mr G O Mason, a director of the company is also a director and shareholder in Mason & Partners Limited. This company charged £39,765, (2009 £34,652) for services in connection with the company's property investments and management services under normal commercial terms. The balance outstanding at the year end was £6,110 (2009 £9,977) which is included in trade creditors. They have also advanced the company an unsecured, interest free loan of £170 (2009 £nil).

10 Share capital

Authorised share capital

	2010 £	2009 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	2010 No	£	2009 No	£
10 Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

11 Revaluation reserve

	2010 £	2009 £
Balance brought forward	476,004	780,872
Revaluation of fixed assets	(201,997)	(379,067)
Transfer from the profit and loss account on realisation	–	74,199
Balance carried forward	<u>274,007</u>	<u>476,004</u>

12 Profit and loss account

	2010 £	2009 £
Balance brought forward	45,477	76,177
Profit/(loss) for the financial year	51,466	(30,700)
Balance carried forward	<u>96,943</u>	<u>45,477</u>

13 Contingent Liability

There is a contingent liability of £70,000 in respect of corporation tax which would be payable if the company's investment properties were sold at their revalued amounts

There is a contingent liability of £10,278,023 due to a composite guarantee regarding a bank loan issued to the parent company, Perrers Properties Limited

14 Capital commitments

There were no capital commitments at 31 October 2010 (2009 £94,794)

15 Ultimate Parent undertaking

The parent company and controlling party is Perrers Properties Limited, a company incorporated in England and Wales