

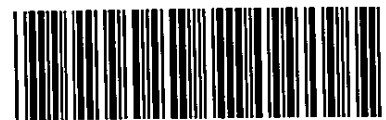
REGISTERED NUMBER: 05948492

AXIS BUSINESS PARK LIVERPOOL LIMITED

Report and Financial Statements

31 December 2009

TUESDAY



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AXIS BUSINESS PARK LIVERPOOL LIMITED

REGISTERED NUMBER. 05948492

DIRECTORS

B A Topley
P E Wilson

SECRETARY

J H J Behrens (resigned 7 January 2011)
C R Young (appointed 7 January 2011)

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

REGISTERED OFFICE

16 Palace Street
Cardinal Place
London
United Kingdom
SW1E 5JQ

BANKERS

Bank of Scotland plc
39 Albyn Place
Aberdeen
AB10 1YN

AXIS BUSINESS PARK LIVERPOOL LIMITED

DIRECTORS' REPORT

REGISTERED NUMBER: 05948492

The directors present their report, together with the financial statements of the Company, for the year ended 31 December 2009.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is to deal in property interests for development profit. The Company commenced development of the unit on the site in the first quarter of 2008. This development completed in the summer of 2009. The Company is currently actively marketing the property for letting and sale.

RESULTS AND DIVIDENDS

The loss on ordinary activities after taxation for the period amounted to £672,666 (2008 £18,700). The directors do not recommend the payment of a dividend for the year (2008 - nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the period, at the period end and at the date of this report are shown on page 1. None of the directors have any interests in the share capital of the company.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

RE-APPOINTMENT OF AUDITORS

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst and Young LLP as auditor of the Company.

This report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board,



B A Topley
Director

11 FEB 2011

AXIS BUSINESS PARK LIVERPOOL 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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 proper 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.

AXIS BUSINESS PARK LIVERPOOL LIMITED

AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIS BUSINESS PARK LIVERPOOL LIMITED

We have audited the financial statements of Axis Business Park Liverpool Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognized Gains and Losses, the Balance Sheet, and the related notes 1 to 14. 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 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 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.

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 December 2009 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AXIS BUSINESS PARK LIVERPOOL LIMITED

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AXIS BUSINESS PARK LIVERPOOL LIMITED (CONTINUED)

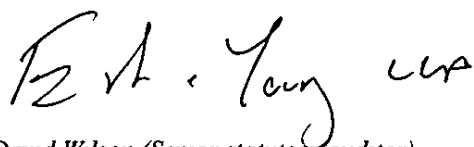
Matters on which we are required to report by exception

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 and the directors' report in accordance with the small companies regime

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. This disclosure indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.



David Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

11 February 2011

AXIS BUSINESS PARK LIVERPOOL LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2009

		<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	Notes	£	£
TURNOVER	2	-	32,000
Operating costs	3	(296,878)	(63,405)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(296,878)	(31,405)
Interest payable	4	(411,488)	-
Interest receivable	5	35,700	12,705
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(672,666)	(18,700)
Taxation	6	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(672,666)	(18,700)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2009

There are no other recognised gains and losses arising in the period other than the loss of the Company for the year ended 31 December 2009 of £672,666 (2008 £18,700)

AXIS BUSINESS PARK LIVERPOOL LIMITED


BALANCE SHEET

As at 31 December 2009

	Notes	31 December 2009 £	31 December 2008 £
CURRENT ASSETS			
Stock	7	18,480,842	18,199,490
Debtors	8	38,170	97,976
Cash and Bank		77,697	480,267
		<u>18,596,709</u>	<u>18,777,733</u>
Creditors amounts falling due within one year	9	(19,288,074)	(6,675,118)
NET CURRENT (LIABILITIES)/ASSETS		<u>(691,365)</u>	<u>12,102,615</u>
Creditors amounts falling due after more than one year	10	-	(12,121,314)
NET LIABILITIES		<u>(691,365)</u>	<u>(18,699)</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	(691,366)	(18,700)
TOTAL EQUITY SHAREHOLDERS' DEFICIT	12	<u>(691,365)</u>	<u>(18,699)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue and are signed on its behalf by


B A Topley
Director

11 FEB 2011

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2009

1. ACCOUNTING POLICIES

ACCOUNTING BASIS

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due, for the foreseeable future

The Directors have prepared cash flow forecasts which indicate the Company can continue as a going concern. In preparing those forecasts the directors have taken account of the ongoing operational losses and loan servicing costs being incurred by the Company, in respect of which the Company's immediate parent undertaking has received a letter of support from the Company's two ultimate joint venture partners that it is their current intention to meet any future unfunded operational liabilities (excluding repayment of bank loans) of this Company.

Furthermore, in preparing the forecasts the Directors have taken account of a material risk and uncertainty in respect of the ability of the Company to repay or refinance its bank loan facilities which are currently due for renewal. The Company has a bank loan facility with Bank of Scotland that had a principal loan and accumulated interest balance outstanding of £12,330,527 as at December 31, 2009. The bank loan held by the Company is part of a combined facility with its fellow subsidiary undertaking, G Park Liverpool 2 Limited, which had a principal loan and accumulated interest balance outstanding of £5,998,559 as at December 31, 2009. The combined bank loan facility is secured on the development properties held by both companies, both of which are on the same site. As at December 31, 2009 the properties had carrying amounts of £18,480,842, and £9,250,926. This bank loan facility was due for renewal on June 21, 2010 and has been held on a rolling basis while negotiations in respect of renewing the loan have been ongoing.

The Directors believe that the financial statements should be prepared on a going concern basis as it is their view that this loan will be re-financed together with a Bank of Scotland loan held by another of the Company's fellow subsidiary undertakings, Rugeley G Park Limited. This view is supported by the current state of negotiations with the Bank of Scotland where negotiations have reached an advanced stage, with a proposal to extend the loan for a period of 12 months currently at the credit committee stage of approval.

Should negotiations with the Bank of Scotland result in failure to re-finance the loan, the Directors will seek alternative sources of funding. If this is not possible then the Directors believe that the liquidation proceeds of the properties will extinguish the bank loan liabilities.

In the event that the Company is unable to refinance its loan facility or sell its property in order to repay the loan amounts, the Company may no longer be able to meet its liabilities as they fall due. This raises a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the current advanced status of the re-financing negotiations on the Bank of Scotland loans, the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

STOCK – DEVELOPMENT PROPERTIES

Development properties are stated at the lower of cost and net realisable value and represent direct expenditure on land. Profits on the disposal of development properties are included where contracts have been exchanged during the Company's financial year, and where completion has taken place before or shortly after the year end.

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2009

1. ACCOUNTING POLICIES (CONTINUED)

CAPITALISATION OF INTEREST

Interest costs incurred in funding land and construction work in progress in respect of property development projects are capitalised during the period of development. The interest rate applied in relation to bank interest is based on the bank's LIBOR rate plus 2.5%. The interest rate applied to the loan from the Company's parent undertaking is charged at 6%.

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 gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

CASH FLOW STATEMENT

The Company has taken advantage of the exemption granted under Companies Act 2006 not to prepare a cash flow statement as it qualifies as a small company.

2. TURNOVER

	<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	£	£
Sale of site waste	-	32,000
	<u>-</u>	<u>32,000</u>

3. OPERATING COSTS

No directors received any emoluments for their services as directors of the Company (2008 £nil). The Company had no employees in the year, (2008 nil).

	<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	£	£
Audit fees	2,500	2,100
Bank charges	5,073	297
Marketing	74,738	61,008
Site running costs	197,568	-
Insurance	16,999	-
	<u>296,878</u>	<u>63,405</u>

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2009

4. INTEREST PAYABLE

	<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	£	£
Bank interest payable	247,041	-
Parent undertaking loan interest payable	164,447	-
	<u>411,488</u>	<u>-</u>

5. INTEREST RECEIVABLE

	<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	£	£
Other interest receivable	32,247	-
Bank interest receivable	3,453	12,705
	<u>35,700</u>	<u>12,705</u>

6. TAXATION

The charge to UK corporation tax for the period is £nil (2008 £nil)

Analysis of the tax charge for the year at 28% (2008 28.5%)

	<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	£	£
CURRENT TAX		
UK corporation tax on loss for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Analysis of the tax charge for the year at 28% (2008 28.5%)		
	<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	£	£
Loss on Ordinary activities before tax	(672,666)	(18,700)
Profit on Ordinary activities before tax multiplied by the standard rate of corporation tax 28% (2008 28.5%)	(188,346)	(5,330)
Effect of		
Tax losses not recognised	188,346	5,330
Total current tax	<u>-</u>	<u>-</u>

The Company has carried forward tax losses of £188,346 (2008 £5,330) that have not been recognised as a deferred tax asset as there is currently no persuasive evidence that there will be suitable taxable profits against which this timing difference will reverse

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2009

7. STOCK

	<i>31 December</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	£	£
Construction costs	11,626,842	10,781,730
Land	4,402,329	4,564,859
Interest	751,586	669,637
Stamp duty	214,547	214,548
Other	1,485,538	1,968,716
	<u>18,480,842</u>	<u>18,199,490</u>

8. DEBTORS

	<i>31 December</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts due from related undertakings	29,110	-
Amounts due from immediate parent undertaking	1	1
VAT Debtor	9,059	97,975
	<u>38,170</u>	<u>97,976</u>

9. CREDITORS

	<i>31 December</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts due to immediate parent undertaking	6,803,985	6,421,609
Amounts due to related party Gazeley UK Limited (note 13)	135,882	-
Accruals	4,500	224,426
Bank overdraft	9,788	-
Bank borrowings (note 10)	12,330,527	-
Trade creditors	3,392	29,083
	<u>19,288,074</u>	<u>6,675,118</u>

10. CREDITORS

	<i>31 December</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	£	£
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Bank borrowings repayable between one and two years	-	12,121,314
	<u>-</u>	<u>12,121,314</u>

The loan balance with Bank of Scotland as at 31 December 2009 is £11,429,691 (2008 £11,641,055) with interest accumulated in the year to 31 December 2009 of £900,836 (2008 £480,259). The loan, agreed on 28th February 2008, is secured by a debenture with the Bank of Scotland. The loan bears interest at 2.5 % above LIBOR and was repayable on 21 June 2010, and is being maintained on a rolling basis while negotiations with the Bank of Scotland in respect of an extension are ongoing.

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2009

11. CALLED UP SHARE CAPITAL

Authorised

At 31 December 2009 and 2008

	No	£
Ordinary shares of £1 each	10,000	10,000

Allotted, called up and fully paid

At 31 December 2009 and 2008

	No	£
Ordinary shares of £1 each	1	1

A single £1 ordinary share was issued to Gazeley Metlife (Holdings) Limited on incorporation

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£
At 1 January 2008	1	-	1
Loss for the year	-	(18,700)	(18,700)
At 1 January 2009	1	(18,700)	(18,699)
Loss for the year	-	(672,666)	(672,666)
At 31 December 2009	1	(691,366)	(691,365)

13. RELATED PARTIES

The Company has a loan from its immediate parent company and is accruing interest payable on that loan. During the period interest of £347,663 (2008 £189,378) was recognised, of this £183,216 was capitalised and £164,447, note 4, charged to the profit and loss account in accordance with the Company's accounting policies.

The Company received invoices from Gazeley UK Limited for the recharge of project related costs for £774,545 (2008 £nil) and made payments to Gazeley UK Limited of £638,663 (2008 £nil) giving a year end balance of £135,882 (2008 £nil), note 9.

14. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Gazeley Metlife (Holdings) Limited which itself is a joint venture between MetLife Real Estate Cayman Company and Gazeley UK Limited with equal shareholdings.