



Liverpool Land

Development Company

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

(A company limited by guarantee not having share capital)

FINANCIAL STATEMENTS

Period ended 31 March 2004

Registered Number: 04710666



LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

for the period ended 31 March 2004

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LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION

Period ended 31 March 2004

Incorporated in England and Wales on 25 March 2003

Number	04710666	
Directors	R F O'Brien CBE	(appointed 31 March 2003)
	S J Broomhead	(appointed 15 August 2003)
	J Corbett	(appointed 31 March 2003)
	D G Henshaw	(appointed 31 March 2003)
	E J Lewis-Ward	(appointed 8 September 2003)
	P Lakin	(appointed 12 July 2004)
	P Millea	(appointed 31 March 2003)
	R M C Shields CBE	(appointed 31 March 2003, resigned 15 August 2003, appointed 9 January 2004)
	P R Spooner	(appointed 9 January 2004)
	M J Storey CBE	(appointed 31 March 2003)
	A J Walker	(appointed 31 March 2003)
	D J Waugh	(appointed 31 March 2003)
Secretary	M P Harris	(appointed 31 March 2003, resigned 12t July 2004)
	AG Secretarial Ltd	(appointed 12 July 2004)
Registered Office	Mersey House 140 Speke Road Garston Liverpool Merseyside L19 2PH	
Bankers	Barclays Bank plc Liverpool City Business Centre Moorfields Liverpool	
Solicitors	Addleshaw Goddard 100 Barbirolli Square Manchester M2 3AB	
Auditors	Baker Tilly Chartered Accountants Number One Old Hall Street Liverpool L3 9SX	

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT

Period ended 31 March 2004

The directors present their report and the audited financial statements for the period ended 31 March 2004.

Principal activities

To deliver comprehensive physical and economic regeneration in the Speke Halewood, Atlantic Gateway, Approach 580 and Eastern Approaches Strategic Investment Areas of Liverpool by creating new development sites and premises and attracting investment and jobs.

Business review

Liverpool Land Development Company's first year of operation saw good progress being made in all four Strategic Investment Areas.

This was particularly evident in Speke Halewood where the Development Company was able to build on the success of its predecessor, Speke Garston Development Company. The final plot on the Boulevard Industry Park was let to Chiron Vaccines for a 240,000 sq ft production facility, safeguarding 650 jobs. At Estuary Commerce Park, the new Liverpool Blood Centre and a 40,000 sq ft speculative office scheme were completed. Littlewoods announced the relocation of its home shopping division and 1,100 jobs to Hangar Two at the Aerodrome and a new building on the adjacent Estuary. The Langtree Group was appointed as the preferred developer of 52,000 sq ft of industrial units at Venture Point where there was also significant interest in the serviced development plots completed by LLDC.

In the Northshore area of the Atlantic Gateway SIA the Langtree Group was appointed as the preferred developer of Wellington Employment Park. This scheme could generate around 500 new jobs in 155,000 sq ft of business units on three sites totalling five hectares. A detailed regeneration strategy was also developed for the Leeds Street and Pumpfields neighbourhoods on the fringe of the city centre.

Important developments during the year, In the Approach 580 SIA included the appointment of St Modwen as the preferred developer of the 15-ha Stonebridge Park scheme. This will provide 360,000 sq ft of serviced development plots in a parkland business environment fronting the East Lancashire Road.

In the Eastern Approaches SIA there was significant progress on planning the programme of improvements to the Edge Lane corridor, one of the key gateways into the city, with Mouchel Parkman being appointed as the principal consultants for the scheme. Master planning was also completed for the Liverpool Digital project which includes the Marconi building complex, the former MTL bus depot site and Wavertree Technology Park.

Future developments

Key activities for the current year will include further development at - and attracting new investment to LLDC's major projects including Estuary Commerce Park, Venture Point, Wellington Employment Park, Stonebridge Park and Liverpool Digital. At the same time, planning work will continue on evolving projects including Central Docks, Leeds Street/Pumpfields, Stonebridge Cross, Aintree Industrial Estate and the Edge Lane improvements. The Development Company will also be looking to harness the benefits of other major developments in the four SIA areas, for example Jaguar's plans to move production of the Landrover Freelander to Halewood.

Results and dividends

The results for the period are shown in the profit and loss account on page 6.

No dividend is recommended.

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT - continued

Period ended 31 March 2004

Directors

The directors of the company, all of whom served throughout the period and none of whom had any beneficial interests in the shares of the company, were as follows: -

R F O'Brien CBE	(appointed 31 March 2003)
M V Anderson	(appointed 31 March 2003, resigned 29 October 2003)
S J Broomhead	(appointed 15 August 2003)
D T Carr	(appointed 31 March 2003, resigned 8 September 2003)
J Corbett	(appointed 31 March 2003)
D G Henshaw	(appointed 31 March 2003)
E J Lewis-Ward	(appointed 8 September 2003)
A D Manley	(appointed 31 March 2003, resigned 5 July 2004)
P Millea	(appointed 31 March 2003)
R M C Shields CBE	(appointed 31 March 2003, resigned 15 August 2003, appointed 9 January 2004)
P R Spooner	(appointed 9 January 2004)
M J Storey CBE	(appointed 31 March 2003)
A J Walker	(appointed 31 March 2003)
D J Waugh	(appointed 31 March 2003)

Employment of disabled persons

Under its recruitment policies, the company gives full and fair consideration to all applications for employment from disabled persons having regard to their particular aptitudes and abilities. Should any employee become disabled while employed by the company, arrangements will be made wherever possible for appropriate retraining with a view to continued employment. The company's policies in respect of training, career development and promotion recognise the need to make appropriate provision for disabled staff according to opportunities available and to organisational requirements.

Charitable and political donations

No charitable or political donations were made during the period.

Auditors

Baker Tilly were appointed as auditors during the period. A resolution to re-appoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

By order of the board

Only authorised for and on behalf of


AG Secretarial Ltd
Secretary

Mersey House
140 Speke Road
Garston
Liverpool
Merseyside
L19 2PH

2004

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial period 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 period.

In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless in our view the company will be unable to continue in business

We are also responsible for:

- keeping proper accounting records
- safeguarding the company's assets
- taking reasonable steps for the prevention and detection of fraud

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

Independent auditor's report to the members of Liverpool Land Development Company Limited

We have audited the financial statements on pages 6 to 15.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly
Registered Auditor
Chartered Accountants

Liverpool
12 July 2004

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31 March 2004

	Note	2004 £
Turnover		2,162,812
Cost of sales		(2,162,812)
Gross profit		-
Administrative expenses		(1,276,066)
Other operating income		1,273,101
Other operating expenses		-
Operating loss	2	(2,965)
Interest receivable		2,965
Interest payable and similar charges		-
Profit on ordinary activities before taxation		-
Taxation	4	-
Profit on ordinary activities after taxation		-
for the financial period	10	-

The company has had no recognised gains or losses during the period other than the result for the financial period.

All of the company's activities were acquired during the period.

The only movement in funds is the result for the period.

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

BALANCE SHEET

at 31 March 2004

	Note	£	2004 £
Fixed assets			
Tangible assets	5		28,873
Current assets			
Debtors	6	852,805	
Cash at bank and in hand		480,354	
		<u>1,335,159</u>	
Creditors: amounts falling due within one year	7	<u>(1,362,032)</u>	
Net current assets			<u>(28,873)</u>
Total assets less current liabilities			<u>-</u>
			<u>-</u>
Capital and reserves			
Profit and loss account	10		-
Total funds			<u>-</u>

The financial statements on pages 6 to 15 were approved by the board of directors on 12th July 2004.



D J Waugh
Director

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

CASH FLOW STATEMENT

For the period ended 31 March 2004

	2004 £
Net cash inflow from operating activities	507,551
Returns on investments and servicing of finance	
Interest Received	2,965
Taxation	-
Capital expenditure and financial investment	
Payments to acquire tangible fixed assets	(30,162)
Management of liquid resources	-
Financing	-
 Increase in cash	 <u>480,354</u>

Further details are given in note 11.

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED**NOTES ON FINANCIAL STATEMENTS****31 March 2004****1 Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the sale of developments which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

Grants

Grants of a revenue nature are credited to income in the period to which they relate.

Leases

Rentals receivable/paid under operating leases are credited/charged to income as incurred.

Depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their anticipated useful lives on a straight line basis at the following annual rates:

Computer equipment	3 years
Fixtures & fittings	4 years

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 2004
(continued)

2 Operating loss

	2004 £
Operating loss is stated after charging:	
Staff costs (note 3)	678,041
Auditors' remuneration	8,000
Depreciation	1,289
Operating leases- other	23,300
	<hr/>
and after crediting:	
Rents receivable & recharges	28,377
NWDA funding	510,350
EP funding	137,277
LCC funding	1,540,244
PCEF funding	1,219,665
	<hr/>

3 Directors and employees

All staff are employees of Liverpool City Council	2004 £
Staff costs including directors' emoluments	
Wages and salaries	531,967
Social security costs	51,658
Pension contributions	66,445
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	650,070
Cost of temporary staff	27,971
	<hr/>
	678,041
	<hr/>
	Number
Average number employed including executive directors	
Office & management	11
	<hr/>
Directors	£
Fees as Directors	27,450
Directors' emoluments	131,222
	<hr/>
	158,672
	<hr/>

The company made pension contributions to a defined benefit scheme amounting to £ nil in respect of one director.

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 2004
(continued)

4 Taxation

(a) Analysis of charge for the period

	2004 £
Current tax:	
UK corporation tax	-
	<hr/>
Tax on loss on ordinary activities	-
	<hr/> <hr/>

(b) Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £
Profit on ordinary activities before tax	-
	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	-
Effects of:	
Expenses not deductible for tax purposes	5,733
Difference between depreciation and amortisation and capital allowances	(8,106)
	<hr/>
Trading losses carried forward	2,373
	<hr/>
Current tax charge for the period (note 4 (a))	-
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LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 2004
(continued)

5 Tangible assets

	Computer equipment £	Fixtures & fittings £	Total £
Cost			
Additions	27,287	2,875	30,162
31 March 2004	<u>27,287</u>	<u>2,875</u>	<u>30,162</u>
Depreciation			
Charge in the period	998	291	1,289
31 March 2004	<u>998</u>	<u>291</u>	<u>1,289</u>
Net book value			
31 March 2004	<u>26,289</u>	<u>2,584</u>	<u>28,873</u>

6 Debtors

	2004 £
Amounts falling due within one year	
Trade debtors	681,677
Other debtors	92,699
Prepayments and accrued income	78,429
	<u>852,805</u>

7 Creditors: amounts falling due within one year

	2004 £
Payments on account	168,572
Trade creditors	570,539
Other creditors	70,236
Accruals	552,685
	<u>1,362,032</u>

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 2004
(continued)

8 Provision for liabilities and charges

Deferred taxation

Amount
provided
2004
£

Accelerated capital allowances
Short term timing differences
Unutilised tax losses

-
-
-

-
-

9 Company limited by guarantee

Liverpool Land Development Company Limited is a company limited by guarantee, without share capital.

10 Profit and loss account

£

Profit for the period

-

31 March 2004

-

-
-

11 Cash flow statement

(a) Reconciliation of operating loss to net cash inflow from operating activities

2004
£

Operating loss
Increase in debtors
Increase in creditors
Depreciation of tangible fixed assets

(2,965)
(852,805)
1,362,032
1,289

Net cash inflow from operating activities

507,551

(b) Reconciliation of net cash flow to movement in net debt

2004
£

Increase in cash in the period
Cash outflow from decrease in debt

480,354
-

Movement in net debt in the period (see note c)

480,354

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 2004
(continued)

11 Cash flow statement (continued)

(c) Analysis of changes in net debt

	At 25 March 2003 £	Cash flows £	Non cash movement £	At 31 March 2004 £
Cash at bank and in hand	-	480,354	-	480,354
Debt due after 1 year	-	-	-	-
	-	480,354	-	480,354

12 Controlling parties

This company is jointly controlled by English Partnerships, Liverpool City Council and Northwest Development Agency equally.

13 Related party transactions

During the period, the company entered into the following transactions with its controlling parties, who are regarded as related parties.

	Period end balances 2004 £	Reimbursement of expenses and project funding (net) 2004 £
North West Development Agency		1,730,015
Included in trade debtors are amounts due	529,149	
Included in accrued income are amounts due	70,865	
Included in accruals are amounts owing	26,377	
Liverpool City Council		1,540,244
Included in trade debtors are amounts due	38,679	
Included in other creditors are amounts owing	70,236	
English Partnerships		137,277
Included in trade debtors are amounts due	112,381	
Included in accrued income are amounts due	7,241	

LIVERPOOL LAND DEVELOPMENT COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 2004
(continued)

14 Commitments under operating leases

	2004	
	Land and buildings	Other
	£	£
At 31 st March 2004 the company was committed to making the following payments during the next year under non-cancellable operating leases as follows:		
Expiring within 1 year	-	-
Expiring between 2 and 5 years	-	-
Expiring in 5 years or more	46,000	-
	<hr/>	<hr/>
	46,000	-
	<hr/>	<hr/>