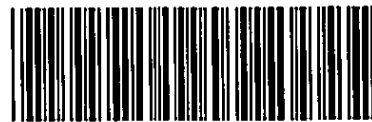


AXIS BUSINESS PARK LIVERPOOL LIMITED

Report and Financial Statements

31 December 2010

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COMPANIES HOUSE

AXIS BUSINESS PARK LIVERPOOL LIMITED

REGISTERED NUMBER 05948492

DIRECTORS

B A Topley
P E Wilson

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 2010

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 leased the property in March 2011 to DHL for a period of 10 years.

RESULTS AND DIVIDENDS

The loss on ordinary activities after taxation for the year amounted to £ 1,117,538 (2009 £672,666). The directors do not recommend the payment of a dividend for the year (2009 - nil).

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. Refer to note 1 for further details.

DIRECTORS AND THEIR INTERESTS


The directors who served during the year, at the year 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.

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,

 9/9/11
B A Topley
Director

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

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 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 12. 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 Statement of Directors' Responsibilities 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

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 Report and Financial Statements 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 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 2010 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

AXIS BUSINESS PARK LIVERPOOL LIMITED

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

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.

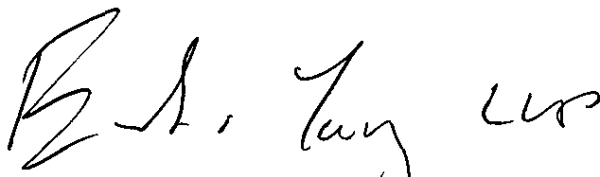
Opinion on other matter prescribed by the Companies Act 2006

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.

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 financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the director's report.



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

9 September 2011

AXIS BUSINESS PARK LIVERPOOL LIMITED

PROFIT AND LOSS ACCOUNT

REGISTERED NUMBER 05948492

For the year ended 31 December 2010

		<i>Year ended 31 December 2010</i>	<i>Year ended 31 December 2009</i>
	Notes	£	£
Operating costs	2	(315,215)	(296,878)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(315,215)	(296,878)
Interest payable	3	(802,839)	(411,488)
Interest receivable	4	516	35,700
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,117,538)	(672,666)
Taxation	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,117,538)	(672,666)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2010

There are no other recognised gains and losses arising in the year other than the loss of the Company for the year ended 31 December 2010 of £1,117,538 (2009 £672,666)

AXIS BUSINESS PARK LIVERPOOL LIMITED


BALANCE SHEET

As at 31 December 2010

	Notes	31 December 2010 £	31 December 2009 £
CURRENT ASSETS			
Stock	6	18,514,363	18,480,842
Debtors	7	77,760	38,170
Cash and Bank		475,896	77,697
		<u>19,068,019</u>	<u>18,596,709</u>
CURRENT LIABILITIES			
Creditors amounts falling due within one year	8	(20,876,924)	(19,288,074)
NET CURRENT LIABILITIES		<u>(1,808,903)</u>	<u>(691,365)</u>
NET LIABILITIES		<u>(1,808,903)</u>	<u>(691,365)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	(1,808,904)	(691,366)
TOTAL EQUITY SHAREHOLDERS' DEFICIT	10	<u>(1,808,903)</u>	<u>(691,365)</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

 9/9/14
B A Topley
Director

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

as at 31 December 2010

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

At 31 December 2010, the Company had net current liabilities of £1,808,903 (2009 £691,365) and net liabilities of £1,808,903 (2009 £691,365)

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.

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 with Bank of Scotland that had a principal loan and accumulated interest balance outstanding of £12,719,442 as at December 31, 2010. The bank loan held by the Company is part of a combined facility with a fellow group company, G Park Liverpool 2 Limited, which had a principal loan and accumulated interest balance outstanding of £6,172,320 as at December 31, 2010. The combined bank loan facility is secured on the building held by this Company and the separate development land held by G Park Liverpool 2 Limited, both of which are adjacent on the same site. As at December 31, 2010 the building held by the Company had a carrying amount of £18,514,363 and the separate development land held by G Park Liverpool 2 Limited had a carrying amount of £9,251,931. Following the letting of the speculatively developed building, the bank loan facility was renewed on July 15, 2011 and is now due to expire on December 31, 2011. The Directors are confident that this extension will allow for the orderly sale of the building and adjacent land within this timescale.

In the event that a sale is not completed before the loan facility expires, the Directors will seek alternative sources of funding. If this is not possible then the Directors believe that the liquidation proceeds of the combined sale of the building held by the Company and the separate development land held by G Park Liverpool 2 Limited will extinguish the bank loan liabilities. In the event that the Company is unable to further refinance its loan facility or sell the land and building 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 fact that the building is now let on a 10 year lease and that the bank loan has been formally extended, the Directors have a reasonable expectation that the sale of the building and land can be achieved before the loan expiry date and accordingly 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 (CONTINUED)

as at 31 December 2010

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%. Once development is completed interest is expensed to the profit and loss account.

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

In accordance with FRS1 no cash flow statement has been prepared as the company has taken advantage of the exemption available to small companies.

2. OPERATING COSTS

No directors received any emoluments for their services as directors of the Company (2009 £nil). The Company had no employees in the year, (2009 nil).

	<i>Year ended 31 December 2010 £</i>	<i>Year ended 31 December 2009 £</i>
Audit fees	2,000	2,500
Bank charges	173	5,073
Marketing	800	74,738
Site running costs	294,933	197,568
Insurance	17,309	16,999
	<u>315,215</u>	<u>296,878</u>

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

as at 31 December 2010

3. INTEREST PAYABLE

	<i>Year ended 31 December 2010</i>	<i>Year ended 31 December 2009</i>
	£	£
Bank interest payable	424,471	247,041
Parent undertaking loan interest payable	378,368	164,447
	<u>802,839</u>	<u>411,488</u>

4. INTEREST RECEIVABLE

	<i>Year ended 31 December 2010</i>	<i>Year ended 31 December 2009</i>
	£	£
Other interest receivable	-	32,247
Bank interest receivable	516	3,453
	<u>516</u>	<u>35,700</u>

5. TAXATION

The charge to UK corporation tax for the period is £nil (2009 £nil)

Analysis of the tax charge for the year at 28% (2009 28%)

	<i>Year ended 31 December 2010</i>	<i>Year ended 31 December 2009</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% (2009 28%)

	<i>Year ended 31 December 2010</i>	<i>Year ended 31 December 2009</i>
	£	£
Loss on Ordinary activities before tax	(738,928)	(672,666)
Loss on Ordinary activities before tax multiplied by the standard rate of corporation tax 28% (2009 28%)	(206,900)	(188,346)
Effect of		
Tax losses not recognised	206,900	188,346
Total current tax	<u>-</u>	<u>-</u>

The Company has carried forward tax losses of £1,411,594 (2009 £672,666) 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

Factors that may affect future tax charges

In the budget of 22 June 2010, the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year from April 2011, which would be enacted annually. In the budget of 23 March 2011, this proposal was amended such that the rate will reduce to 26% from April 2011, with a subsequent 1% reduction in each of the next three years taking the rate to 23%, from April 2014. The rate changes will impact the amount of future tax payments to be made by the company.

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

as at 31 December 2010

6. STOCK

	<i>31 December</i>	<i>31 December</i>
	<i>2010</i>	<i>2009</i>
	£	£
Construction costs	11,626,842	11,626,842
Land	4,402,329	4,402,329
Interest	751,586	751,586
Stamp duty	214,547	214,547
Other	1,519,059	1,485,538
	<u>18,514,363</u>	<u>18,480,842</u>

7. DEBTORS

	<i>31 December</i>	<i>31 December</i>
	<i>2010</i>	<i>2009</i>
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts due from related undertakings (note 11)	51,211	29,110
Amounts due from immediate parent undertaking (note 9)	1	1
VAT Debtor	19,098	9,059
Prepayments	7,450	-
	<u>77,760</u>	<u>38,170</u>

8. CREDITORS

	<i>31 December</i>	<i>31 December</i>
	<i>2010</i>	<i>2009</i>
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts due to immediate parent undertaking	7,759,411	6,803,985
Amounts due to related party Gazeley UK Limited (note 11)	302,466	135,882
Accruals	91,229	4,500
Bank overdraft	-	9,788
Bank borrowings (note 10)	12,719,442	12,330,527
VAT Creditor	693	-
Amount due to related party Gazeley MetLife (Holdings) Ltd (note 11)	2,350	-
Trade creditors	1,333	3,392
	<u>20,876,924</u>	<u>19,288,074</u>

The loan balance with Bank of Scotland as at 31 December 2010 is £12,719,442 (2009 £12,330,517) with interest accumulated in the year to 31 December 2010 of £424,471 (2009 £900,836). 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 originally repayable on 21 June 2010. Subsequent to the year end, on July 15, 2011, the loan was extended and is now due to expire on 31 December 2011.

AXIS BUSINESS PARK LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

as at 31 December 2010

9. CALLED UP SHARE CAPITAL

Authorised

At 31 December 2010 and 2009

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

Allotted, called up and fully paid

At 31 December 2010 and 2009

	No	£
Ordinary shares of £1 each	1	1

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

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and loss account	Total shareholders' funds
	£	£	£
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)
Loss for the year	-	(1,117,538)	(1,117,538)
At 31 December 2010	1	(1,808,904)	(1,808,903)

11. RELATED PARTIES

The Company has a loan from its immediate parent company and was accruing interest payable on that loan in 2009. During the period interest of £378,367 (2009 £347,663) recognised, of this £nil (2009 £183,216) was capitalised and £378,367 (2009 £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 £166,584.55 (2009 £774,545) and made payments to Gazeley UK Limited of £nil (2009 £638,663) giving a year end balance of £302,466 (2009 £135,882), note 9.

The Company received an invoice from Gazeley MetLife Holdings Ltd for the recharge of audit costs for £2,350 which remains unpaid year ended 31st December 2010.

The Company raised sales invoices to Axis Business Park Management Company Ltd of £21,728 (2009 £29,010) for the recharge of costs for maintenance of shared access roads and grounds costs.

12. 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.