

MARITIME CENTRE (NO 2) LIMITED

REGISTERED NUMBER : SC151333

REPORT AND ACCOUNTS

For the year ended 31 July 2003



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MARITIME CENTRE (No 2) LIMITED
Report and Accounts for the year ended 31 July 2003

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MARITIME CENTRE (No 2) LIMITED
Directors and advisers

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Directors

K J Wharton
A I Findlay

Secretary and registered office

W J Bowley
48 Castle Street
Edinburgh
EH2 3HT

Auditors

PricewaterhouseCoopers LLP
8 Princes Parade
St Nicholas Place
Liverpool
L3 1QJ

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MARITIME CENTRE (No 2) LIMITED
Report and Accounts for the year ended 31 July 2003
Directors' Report
for the year ended 31 July 2003

The directors present their report and the audited financial statements for the year ended 31 July 2003.

Principal activities

The principal activity of the Company is one of property trading and investment.

Review of business

The Company has not made any property investments or sales during the year.

Results and dividends

The directors are unable to recommend the payment of a dividend in respect of the year ended 31 July, 2003 (2002: nil). The retained loss for the year of £416 will be transferred from reserves.

Directors

The directors of the Company at 31 July 2003, both of whom have been directors for the whole of the year ended on that date, were :

K J Wharton
T D Williams

Mr T D Williams resigned as a director on 7 October 2003, Mr A I Findlay was appointed as a director on 7 October 2003.

Mr K J Wharton is a director of The Mersey Docks and Harbour Company, the ultimate holding company. His beneficial interests and that of his immediate family in the ordinary 10p shares of the holding company are recorded in the Annual Report and Accounts of that company for the year ended 31 December 2003. The only change in these interests since that date has been that Mr K J Wharton also has a further beneficial interest by way of a contingent award made on 6 April 2004 in respect of 28,227 ordinary 10p shares of The Mersey Docks and Harbour Company pursuant to that company's Long Term Incentive Plan for the period 2004 – 2006.

The beneficial interests of Mr A I Findlay, who is also a director of The Mersey Docks and Harbour Company, and those of his immediate family in the ordinary 10p shares of the holding company, as at the date of his appointment as a director are as shown in the Annual Report and Accounts of that company for the year ended 31 December 2003. The only changes in these interests since that date have been that Mr A I Findlay also holds a further beneficial interest by way of a contingent award made on 6 April 2004 in respect of 33,872 ordinary 10p shares of The Mersey Docks and Harbour Company pursuant to that company's Long Term Incentive Plan for the period 2004 – 2006. Mr A I Findlay has also exercised options in respect of 7,400 ordinary 10p shares of The Mersey Docks and Harbour Company pursuant to that company's Executive Share Option Scheme on 26 April 2004 at a price of 401p per share.

The beneficial interests held by Mr A I Findlay and Mr K J Wharton by way of contingent awards made on 13 March 2001 in respect of 17,712 ordinary 10p shares and 14,449 ordinary 10p shares respectively of The Mersey Docks and Harbour Company pursuant to that company's Long Term Incentive Plan, have lapsed.

DIRECTORS' REPORT (CONT'D)

The beneficial interests of Mr T D Williams and his immediate family in the ordinary 10p shares of The Mersey Docks and Harbour Company were as follows:-

At 1 August 2002
Ordinary 10p
Shares
8,826

At 31 July 2003
Ordinary 10p
shares
15,926

Mr T D Williams also has a further beneficial interest in 816 ordinary 10p shares of The Mersey Docks and Harbour Company acquired on 24 July 2003 pursuant to that company's Employee Share Incentive Plan 2002.

The beneficial interest held by Mr T D Williams by way of a contingent award made on 13 March 2001 in respect of 9,788 ordinary 10p shares of The Mersey Docks and Harbour Company pursuant to that company's Long Term Incentive Plan, has lapsed.

There were no changes in the above interests between the year end and his resignation as a director on 7 October 2003.

Statement of Directors Responsibilities

Company law requires the directors to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

By order of the Board



W J Bowley
Secretary
21 May 2004

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MARITIME CENTRE (No 2) LIMITED
Independent Auditors' report to the members of Maritime Centre (No 2)
Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the directors' report.

BASIS OF AUDIT 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 July 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool
21 May 2004

Profit and Loss Account

For the year ended 31 July 2003

| | Notes | 2003 £ | 2002 £ |
|--|-------|-----------|-----------|
| Turnover | | - | - |
| Cost of sales | | - | (25,099) |
| Gross loss | | - | (25,099) |
| Administration expenses | | (595) | (1,500) |
| Loss on ordinary activities before interest | 5 | (595) | (26,599) |
| Interest payable | 6 | - | (57,273) |
| Loss on ordinary activities before taxation | | (595) | (83,872) |
| Taxation credit for the year | 7 | 179 | 5,001 |
| Loss attributable to equity shareholders | | (416) | (78,871) |
| Dividends | | - | - |
| Loss for the year | 12 | (416) | (78,871) |

All operations are continuing.

A statement of total recognised gains and losses is not required as there were no recognised gains or losses other than the profit for the year.

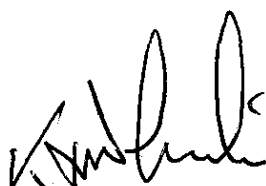
There is no difference between the reported loss on ordinary activities before taxation and the historical cost equivalent.

Balance Sheet

As at 31 July 2003

| | Notes | 2003 £ | 2002 £ |
|---|-------|--------------------|--------------------|
| Current assets | | | |
| Stocks and work in progress | 8 | 1,656,049 | 1,656,049 |
| Debtors | 9 | 4,688 | 4,688 |
| | | <u>1,660,737</u> | <u>1,660,737</u> |
| Creditors: amounts falling due within one year | 10 | <u>(1,775,474)</u> | <u>(1,775,058)</u> |
| Total assets less current liabilities | | <u>(114,737)</u> | <u>(114,321)</u> |
| Net liabilities | | <u>(114,737)</u> | <u>(114,321)</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 2 | 2 |
| Profit and loss account | 12 | <u>(114,739)</u> | <u>(114,323)</u> |
| Equity shareholders' deficit | 13 | <u>(114,737)</u> | <u>(114,321)</u> |

The financial statements on pages 6 to 11 were approved by the board of directors on 21 May 2004 and were signed on its behalf by:



K. J. Wharton
Director

Notes to the financial statements for the year ended 31 July 2003**1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies that have been applied consistently (except where detailed) is set out below.

These financial statements have been prepared under the historical cost convention.

Deferred taxation

Deferred taxation is accounted for on a undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets. A deferred tax asset is recognised when it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

Stock

These assets are valued at the lower of cost or net realisable value. Cost includes the purchase cost of land and buildings, development expenditure and attributable finance costs including interest. Net realisable value is based on the estimated selling price less cash expected to be incurred to completion and disposal.

Cashflow and related party transactions

The Company is a wholly owned subsidiary of The Mersey Docks and Harbour Company, a statutory unregistered company constituted by The Mersey Docks and Harbour Act 1971. As a consequence it is exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from the requirement to publish a cash flow statement. Since the parent company publishes consolidated accounts, the Company has taken advantage of the exemption to not report transactions with other group members as permitted in Financial Reporting Standard No 8.

2. TURNOVER

No turnover was recorded in the current year.

3. DIRECTORS' EMOLUMENTS

No directors received any emoluments in respect of their services to the Company (2002: Nil).

4. EMPLOYEE INFORMATION

Employee costs in the year were nil (2002: nil) and other than directors there were no employees of the company (2002: nil).

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

IS STATED AFTER CHARGING:

| | 31 July 2003 | 31 July 2002 |
|------------------------------------|---------------------|---------------------|
| | £ | £ |
| Auditors remuneration – audit fees | 595 | 1,500 |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 31 July 2003 | 31 July 2002 |
|--------------------------|---------------------|---------------------|
| | £ | £ |
| Bank loans and overdraft | - | 57,273 |

7. TAXATION

(A) ANALYSIS OF TAXATION CHARGE

| | 31 July 2003 | 31 July 2002 |
|--|---------------------|---------------------|
| | £ | £ |
| Current tax: | | |
| UK Corporation tax on loss for the year | (179) | (4,688) |
| Over provided on previous years | - | (313) |
| Total current tax credit | (179) | (5,001) |
| Deferred tax: | | |
| Origination and reversal of timing differences | - | - |
| Total deferred tax | - | - |
| Tax credit on loss on ordinary activities | - | (5,001) |

7. TAXATION (CONTINUED)**(B) FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax credit in 2002 was different than the standard rate of UK Corporation tax (30%). The differences are explained below:

| | 31 July 2003 | 31 July 2002 |
|---|---------------------|---------------------|
| | £ | £ |
| Loss on ordinary activities before tax | (595) | (83,872) |
| Loss on ordinary activities multiplied by the standard rate of UK Corporation tax (30%) | (179) | (25,162) |
| Effects of: | | |
| Deferred tax movement not recognised | - | 20,474 |
| Adjustment to tax charge in respect of previous years | - | (313) |
| Total current tax credit | (179) | (5,001) |

8. STOCKS AND WORK IN PROGRESS

| | 31 July 2003 | 31 July 2002 |
|--------------------|---------------------|---------------------|
| | £ | £ |
| Trading properties | 1,656,049 | 1,656,049 |

9. DEBTORS:

| | 31 July 2003 | 31 July 2002 |
|---------------|---------------------|---------------------|
| | £ | £ |
| Other debtors | 4,688 | 4,688 |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31 July 2003 | 31 July 2002 |
|-------------------------------------|---------------------|---------------------|
| | £ | £ |
| Accruals | 2,095 | 1,500 |
| Amounts owed to group companies | 1,773,379 | 1,773,558 |
| Total creditors due within one year | 1,775,474 | 1,775,058 |

11. CALLED-UP SHARE CAPITAL

| | 31 July 2003 | 31 July 2002 |
|--|--------------|--------------|
| | £ | £ |
| Authorised: | | |
| 2 Ordinary shares of £1 each | 2 | 2 |
| Allotted, called-up and fully paid: | | |
| 2 Ordinary share of £1 each | 2 | 2 |

12. PROFIT AND LOSS ACCOUNT

| | 31 July 2003 | 31 July 2002 |
|---------------------------|--------------|--------------|
| | £ | £ |
| At 1 st August | (114,323) | (35,452) |
| Loss for the year | (416) | (78,871) |
| At 31 st July | (114,739) | (114,323) |

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

| | 31 July 2003 | 31 July 2002 |
|---------------------------|--------------|--------------|
| | £ | £ |
| At 1 st August | (114,321) | (35,450) |
| Loss for the year | (416) | (78,871) |
| At 31 st July | (114,737) | (114,321) |

14. RELATED PARTY TRANSACTIONS

The Company is a subsidiary of The Mersey Docks and Harbour Company, a statutory unregistered company constituted by The Mersey Docks and Harbour Act 1971. As a consequence the Company has taken advantage of the exemption to not report transactions with other group members as permitted in Financial Reporting Standard No 8.

15. ULTIMATE PARENT UNDERTAKING

The directors regard The Mersey Docks & Harbour Company, a statutory unregistered company constituted by The Mersey Docks and Harbour Act 1971, as the ultimate parent undertaking and controlling party.

Copies of the consolidated accounts of the parent company are available from:-

The Mersey Docks and Harbour Company
Maritime Centre
Port of Liverpool
L21 1LA