

**BIRMINGHAM ECONOMIC DEVELOPMENT  
PARTNERSHIP LIMITED**  
(a company limited by guarantee)

**Report and Financial Statements**

**31 March 2004**



**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
(a company limited by guarantee)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

**ACTIVITIES**

The group provided business support services to Birmingham businesses using government subsidies but ceased trading on 26 March 2001 when the trade of the company was transferred to the Birmingham Chamber of Commerce and Industry.

**RESULTS**

The loss for the period of £4,294 (2003 - loss of £55,486) has been transferred from reserves.

**REVIEW OF THE FINANCIAL POSITION AND FUTURE PROSPECTS**

The company intends to administer any unused reserves to fund projects that are within the scope of the terms of the funding agreement. *Since March 2001 the company has ceased trading and will not trade for the foreseeable future.*

On 22 November 2001 the subsidiary company Birmingham Centre for Manufacturing ceased trading. The trade and all the assets of the subsidiary company, with the exception of debtors, creditors and bank balances, were transferred on a going concern basis to the Technology and Innovation Centre and the company will not trade for the foreseeable future.

**DIRECTORS**

The directors who served during the period and subsequently were as follows:

Sir A Bore	(resigned 17 August 2004)
K Hardeman	(appointed 17 August 2004)
S Battle	
D B Cragg	
R J Dickens	
J H Pratt	(resigned 23 October 2003)
J Towers	
P R Spooner	(resigned 19 December 2003)
Dr A C Coulson	(resigned 17 August 2004)
B Woods-Scawen	(resigned 23 February 2004)
D L Grove	(appointed 23 October 2003, resigned 12 October 2004)
D Pywell	(appointed 17 August 2004)
I Squires	(appointed 12 October 2004)

**AUDITORS**

Deloitte & Touche LLP have expressed their willingness to continue in office and a resolution to re-appoint them as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



M A Hibbert  
Company Secretary  
29<sup>th</sup> April 2005

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

*United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that year. 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 accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the *Companies Act 1985*. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED  
(a company limited by guarantee)**

We have audited the financial statements of Birmingham Economic Development Partnership Limited (a company limited by guarantee) for the year ended 31 March 2004 which comprises the profit and loss account, the balance sheets and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 and other members of the group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 circumstances of company and the group, consistently applied and adequately disclosed.

We planned 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. However, the evidence available to us was limited with respect to the subsidiary company due to uncertainties relating to the potential for grants received being reclaimed and grants receivable being reduced by the relevant funding bodies as more fully explained in Note 13.

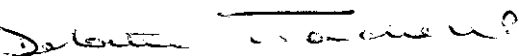
In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Qualified opinion in respect of limitation of scope**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning grants received and receivable in the subsidiary company (The Birmingham Centre for Manufacturing Limited) referred to in Note 12, in our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 March 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to grants received and receivable by The Birmingham Centre for Manufacturing limited:

- a) we have not obtained all the information and explanations that we consider necessary for the purposes of our audit; and
- b) we were unable to determine whether proper accounting records have been kept.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

9 May 2005

**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
(a company limited by guarantee)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2004**

	Note	2004 £	2003 £
Other operating income	2	7,004	-
Staff costs	3	-	961
Other operating charges	2	(22,350)	(78,637)
<b>OPERATING LOSS</b>	4	(15,346)	(77,676)
Interest receivable and similar income	5	13,619	20,044
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,727)	(57,632)
Tax on loss on ordinary activities	6	(2,567)	2,146
<b>LOSS AFTER TAXATION FOR THE FINANCIAL YEAR</b>		(4,294)	(55,486)
<b>Profit and loss account brought forward</b>		<u>1,756,911</u>	<u>1,812,397</u>
<b>Profit and loss account carried forward</b>		<u><u>1,752,617</u></u>	<u><u>1,756,911</u></u>

All activities derive from discontinued operations.

There are no recognised gains or losses other than the loss for either financial year. Accordingly, no statement of total recognised gains and losses is presented.

**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
(a company limited by guarantee)

**CONSOLIDATED BALANCE SHEET**  
**31 March 2004**

	Note	£	2004 £	£	2003 £
<b>CURRENT ASSETS</b>					
Debtors	8	1,261,925		1,325,080	
Cash at bank and in hand		697,536		767,587	
		<u>1,959,461</u>		<u>2,092,667</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(206,844)</u>		<u>(335,756)</u>	
<b>NET ASSETS</b>			<u>1,752,617</u>		<u>1,756,911</u>
<b>Represented by:</b>					
<b>PROFIT AND LOSS ACCOUNT</b>	10		<u>1,752,617</u>		<u>1,756,911</u>

These financial statements were approved by the Board of Directors on 29<sup>th</sup> April 2005

Signed on behalf of the Board of Directors



Director

29<sup>th</sup> April 2005

K. HARDEMAN


**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
(a company limited by guarantee)

**COMPANY BALANCE SHEET**  
**31 March 2004**

	Note	£	2004 £	£	2003 £
<b>CURRENT ASSETS</b>					
Debtors	8	1,253,313		1,276,237	
Cash at bank and in hand		639,245		720,348	
		<u>1,892,558</u>		<u>1,996,585</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(13,699)</u>		<u>(76,767)</u>	
<b>NET ASSETS</b>			<u>1,878,859</u>		<u>1,919,818</u>
<b>Represented by:</b>					
<b>PROFIT AND LOSS ACCOUNT</b>	10		<u>1,878,859</u>		<u>1,919,818</u>

These financial statements were approved by the Board of Directors on 29<sup>th</sup> April 2005

Signed on behalf of the Board of Directors

  
Director  
29<sup>th</sup> April 2005

K. HARDEMAN

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**1. ACCOUNTING POLICIES**

The particular accounting policies adopted by the directors are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

**Basis of consolidation**

The Group financial statements consolidate the results of the Company and its Subsidiary for the year ended 31 March 2004.

**Goodwill**

Goodwill, representing the excess of the consideration over the assessed fair value of the net assets acquired, is capitalised and amortised over its useful economic life.

**Turnover**

Turnover represents grants receivable for service delivery and eligible overhead costs, client contributions in respect of subsidised services and sundry sales to third parties.

Grant income is accounted for in the period in which it is receivable. Related expenditure in respect of service delivery is matched to the same period.

Expenditure in respect of overhead costs is accounted for when arising.

**Grants**

Grants received for the purpose of the purchase of fixed assets are treated as deferred income and released to the profit and loss account over the estimated useful lives of the associated fixed assets.

**Taxation**

Corporation tax payable is provided on taxable investment income and profit at the current rate.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise 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 assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

The company is only liable to tax on its investment income and as such the reconciliation between profit before tax and the tax charge required by FRS 19 has not been included.

**Cash flow statement**

The company is exempt from the requirement of FRS 1 (revised) to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under Sections 246 to 249 of the Companies Act 1985 when filing financial statements with the Registrar of Companies.



**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**2. ANALYSIS OF PROFIT AND LOSS ACCOUNT**

The Birmingham Economic Development Partnership Limited comprises the trading of Business Link Birmingham, Enterprise Link and Birmingham Centre for Manufacturing Limited. Set out below is an analysis of the profit and loss account:

	<b>Business link £</b>	<b>Enterprise link £</b>	<b>B.C.M. Limited £</b>	<b>2004 Total £</b>	<b>2003 Total £</b>
<b>Staff costs (including directors)</b>					
Wages and salaries	-	-	-	-	-
Pension costs	-	-	-	-	961
Social security costs	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961</u>
Other operating income	-	-	7,004	7,004	-
Other operating charges	(52,295)	1,067	28,878	(22,350)	(78,637)
	<u>(52,295)</u>	<u>1,067</u>	<u>35,882</u>	<u>(15,346)</u>	<u>(77,676)</u>
<b>Operating profit/(loss)</b>	<b>(52,295)</b>	<b>1,067</b>	<b>35,882</b>	<b>(15,346)</b>	<b>(77,676)</b>
<b>Interest receivable</b>					
Bank interest	11,694	1,142	783	13,619	20,044
	<u>11,694</u>	<u>1,142</u>	<u>783</u>	<u>13,619</u>	<u>20,044</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>(40,601)</b>	<b>2,209</b>	<b>36,665</b>	<b>(1,727)</b>	<b>(57,632)</b>
	<u><u>(40,601)</u></u>	<u><u>2,209</u></u>	<u><u>36,665</u></u>	<u><u>(1,727)</u></u>	<u><u>(57,632)</u></u>

Other operating charges relate to service delivery costs and costs of sub-contractors and supplies derived from discontinued operations.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

None of the directors received any remuneration.

Non executive directors are all directors of other companies which in the normal course of business may trade with the Birmingham Economic Development Partnership Limited.

As these directors are not involved in the day to day running of the company, they do not determine contracts made which are therefore raised on an arm's length basis.

	2004 £	2003 £
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	-	-
Pension costs	-	(961)
Social security costs	-	-
	<u>-</u>	<u>(961)</u>

The average number of employees of the company during the year was nil (2003 – nil)

**4. OPERATING LOSS**

	2004 £	2003 £
<b>Operating loss is stated after charging/(crediting):</b>		
Write back of creditors	-	(58,257)
VAT liability	(46,000)	55,000
Auditors' remuneration:		
Audit services	4,675	7,600
Non audit services	2,788	750
	<u>7,463</u>	<u>8,350</u>

Audit fee for the company was £3,675 (2003 - £5,000)

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2004 £	2003 £
Bank interest	<u>13,619</u>	<u>20,044</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**6. TAXATION**

	2004 £	2003 £
Corporation tax at 19% (2003 – 20%)	2,567	4,009
Less tax on interest in the subsidiary company	-	(155)
	<u>2,567</u>	<u>3,854</u>
Adjustment in respect of prior periods:		
Corporation tax	-	(6,000)
	<u>2,567</u>	<u>(2,146)</u>

The company is only liable to tax on its investment income and as such the reconciliation between profit before tax and the tax charge required by FRS 19 has not been included.

The subsidiary company "The Birmingham Centre for Manufacturing Limited" is a fully taxable company and as such can utilise its tax losses resulting in the adjustment for prior periods.

**7. LOSS FOR THE YEAR FOR BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**

The company has taken advantage of Section 230 of the Companies Act 1985 and consequently a profit and loss account for the Company alone is not presented. The loss dealt with in the company's profit and loss account was £40,959 (2003 – £823).

**8. DEBTORS**

	Group		Company	
	2004 £	2003 £	2004 £	2003 £
Amounts falling due within one year:				
Grants receivable	-	43,669	-	-
Sundry debtors and prepayments	11,925	31,411	3,313	26,237
	<u>11,925</u>	<u>75,080</u>	<u>3,313</u>	<u>26,237</u>
Amounts falling due after more than one year:				
Other debtors	1,250,000	1,250,000	1,250,000	1,250,000
	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>

**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	50,803	67,665	2,115	4,135
Corporation tax	2,230	2,735	2,230	2,735
Other creditors	64,381	119,147	9,354	64,147
Accruals	89,430	146,209	-	5,750
	<u>206,844</u>	<u>335,756</u>	<u>13,699</u>	<u>76,767</u>

**10. PROFIT AND LOSS ACCOUNT**

<b>Group</b>	<b>Business Link</b>	<b>Enterprise Link</b>	<b>B.C.M. Limited</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward at 1 April 2003	1,818,015	59,196	(120,300)	1,756,911
Profit/(loss) for the year	(42,940)	1,981	36,665	(4,294)
	<u>1,775,075</u>	<u>61,177</u>	<u>(83,635)</u>	<u>1,752,617</u>

<b>Company</b>	<b>Business Link</b>	<b>Enterprise Link</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward at 1 April 2003	1,860,622	59,196	1,919,818
Profit/(loss) for the year	(42,940)	1,981	(40,959)
	<u>1,817,682</u>	<u>61,177</u>	<u>1,878,859</u>

The £61,177 (2003 - £59,196) of reserves generated by Enterprise Link is available solely for reinvestment within the programme of enterprise and business start up activities which form part of the Single Regeneration Budget.

The Business Link reserves which have been generated from the DTI Business Services contract may only be used for the delivery of business support services.

**11. FINANCIAL COMMITMENTS**

**Capital commitments**

At 31 March 2004 the group and company had no capital commitments which were contracted for but not provided in the financial statements (2003 - £Nil).

**Operating lease commitments**

At 31 March 2004, the group and company had no commitments in respect of operating leases (2003 - £Nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**12. CONTINGENT LIABILITIES**

Within The Birmingham Centre for Manufacturing Limited the following contingent liabilities have been identified:

It has been established that a number of payments made in good faith in the previous years, all of which have been expensed, may not have been properly incurred. It is not possible to quantify the total amount involved. It is possible that the relevant funding body may reclaim grant receipts relating to certain of this expenditure. Because of uncertainties involved no provision has been made in these accounts in respect of any possible grant reclaim.

**13. LIMITED MEMBER LIABILITY**

The company is limited by three members' guarantees, which are restricted to £1 per member. The individual directors are bound by their fiduciary duty to the company.

**14. SUBSIDIARY COMPANY**

The company controls The Birmingham Centre for Manufacturing Limited (a company limited by guarantee) that operates in Great Britain and is incorporated in England and Wales. The company's primary activities were:

To support and promote the development of the manufacturing economy in Birmingham

To provide a focus for the development of an integrated training infrastructure in Birmingham

On the 22 November 2001 the company ceased trading.

**15. PENSION SCHEME**

Birmingham Economic Development Partnership Limited and Birmingham Centre for Manufacturing Limited, both operate defined contribution pension schemes. The pension charge for the Group for the year represents contributions payable by the company to the fund, which amounted to £nil (2003 – credit of £961). At the year end there were no outstanding contributions.