

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

Report and Financial Statements

31 March 2000

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**



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

**Deloitte
& Touche**

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

ACTIVITIES

The company continues to provide business support services to Birmingham businesses, using government subsidies.

RESULTS

The profit retained for the year of £4,006 (1999 - £2,190,668) has been transferred to reserves.

REVIEW OF THE FINANCIAL POSITION AND FUTURE PROSPECTS

The directors are satisfied that the performance of the company is in line with the forecast position in the year. The intention was to use some of Birmingham Economic Development Partnership Limited ("BEDP") accumulated reserves for supporting specific projects within the year. 2001 will be the final year in which BEDP will hold the contract for the delivery of Business Link services. Following a successful bid to the Small Business Service by Birmingham Chamber of Commerce and Industry the contract for Business Link Services in Birmingham and Solihull will be operated by the Chamber from 26 March 2001.

BEDP will continue to exist as a strategic body pulling together different aspects of business support within Birmingham under a single Regeneration, Economic Development and Business Support strategy.

The directors anticipate considerable synergy and benefits to small business customers from this new integrated approach to service delivery across the Birmingham and Solihull sub-region.

DIRECTORS

The directors who served during the year were as follows:

A Bore (Chairman)
S Bawle
L Collins
G Coyne
D B Cragg
R J Dickens
J A Hart
B James (Executive Director - resigned 9 September 1999)
J Towers
R A Woolley

POST BALANCE SHEET EVENT

On 26 March 2001, the trade and assets of the company were transferred to the Chamber of Commerce.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

R. A. Alderson

R Alderson
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 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.



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

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 company's and the group'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 except that our work was limited in respect of the propriety of certain payments, as more fully disclosed in note 1, on which investigations are still proceeding and also the possibility that grant receipts may be reclaimed by funding bodies when the outcome of the investigation into these payments is known.

Uncertainty relating to going concern

In forming our opinion, we have considered the adequacy of disclosures made in note 1 to the financial statements relating to the uncertainty of preparing the accounts on the going concern basis. The appropriateness of the going concern basis is dependent on the ability to secure funding from newly restructured funding bodies in respect of the subsidiary company.

In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Qualified opinion in respect of limitation of scope

Except for any disclosures and adjustments that may be required when the outcome of the investigations referred to in note 2 is known, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2000 and of the profit 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 of our work relating to the outcome of the investigations referred to above, we have not obtained all the information and explanations that we considered necessary for the purpose of the audit.

Chartered Accountants and Registered Auditors

7 September 2001.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	3	11,126,449	12,332,258
Staff costs	4	(1,847,851)	(1,727,596)
Depreciation		(293,586)	(206,414)
Other operating charges	3	(9,098,166)	(8,246,827)
Operating (loss)/profit	5	(113,154)	2,151,421
Interest receivable and similar income	6	159,466	111,693
Profit on ordinary activities before taxation		46,312	2,263,114
Tax on profit on ordinary activities	7	(42,306)	(72,446)
Profit after taxation retained for the period		4,006	2,190,668
Profit and loss account brought forward		4,222,262	2,031,594
Profit and loss account carried forward		4,226,268	4,222,262

All activities derive from continuing operations.

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

CONSOLIDATED BALANCE SHEET
31 March 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	9		685,648		772,588
Goodwill	10		15,978		31,956
			<u>701,626</u>		<u>804,544</u>
CURRENT ASSETS					
Stock and work in progress	11	-		160,872	
Debtors	12	2,479,200		1,893,593	
Cash at bank and in hand		4,218,130		4,873,648	
			<u>6,697,330</u>	<u>6,928,113</u>	
CREDITORS: amounts falling due within one year	13	(2,907,005)		(3,099,588)	
NET CURRENT ASSETS			<u>3,790,325</u>		<u>3,828,525</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,491,951		4,633,069
CREDITORS: amounts falling due after more than one year	14		(265,683)		(410,807)
			<u>4,226,268</u>		<u>4,222,262</u>
Represented by:					
PROFIT AND LOSS ACCOUNT					
Business Link	16	3,175,278		3,472,429	
Enterprise Link		1,068,929		678,024	
Birmingham Centre for Manufacturing		(17,939)		71,809	
			<u>4,226,268</u>		<u>4,222,262</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

4th September 2001

A Bore

S Battle

Directors



BALANCE SHEET
31 March 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	9		348,149		345,182
CURRENT ASSETS					
Stock and work in progress	11	-		160,872	
Debtors	12	1,917,910		1,536,405	
Cash at bank and in hand		4,073,637		4,601,758	
			<u>5,991,547</u>	<u>6,299,035</u>	
CREDITORS: amounts falling due within one year	13	(2,187,268)		(2,403,055)	
NET CURRENT ASSETS			<u>3,804,279</u>		<u>3,895,980</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,152,428		4,241,162
CREDITORS: amounts falling due after more than one year	14		(31,592)		(80,058)
			<u>4,120,836</u>		<u>4,161,104</u>
Represented by:					
PROFIT AND LOSS ACCOUNT	16				
Business Link		3,051,907		3,483,080	
Enterprise Link		1,068,929		678,024	
			<u>4,120,836</u>		<u>4,161,104</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

4th September 2001

A Bore

D B Cragg
Directors



CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2000

	Note	2000 £	1999 £
Cash flow from operating activities	17	(594,231)	1,832,068
Returns on investments and servicing of finance	18	159,466	111,693
Taxation		(31,886)	(27,394)
Capital expenditure and financial investment	18	(188,867)	(157,667)
Acquisitions and disposals		-	110,824
Cash (outflow)/inflow before use of liquid resources and financing		<u>(655,518)</u>	<u>1,869,524</u>
(Decrease)/increase in cash in the year	19	<u>(655,518)</u>	<u>1,869,524</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

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 Accounting Standards.

Going concern basis

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. Until 31 March 2001, the subsidiary company was dependent on funding, principally from Birmingham City Council and The Birmingham and Solihull Training and Enterprise Council Limited. Discussions with the new funding bodies are progressing but there can be no certainty until the funding levels for the year to 31 March 2002 are confirmed. However, based on discussions to date, the directors consider that they should be able to obtain sufficient funding for at least the next twelve months.

Basis of consolidation

The Group financial statements consolidate the results of the Company and its Subsidiary for the year ended 31 March 2000.

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 payable. Related expenditure in respect of service delivery is matched to the same period.

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

Depreciation

Depreciation is provided on fixed assets to write off the cost of those assets in equal instalments over their estimated useful lives. The rates of depreciation are as follows:-

Premises refurbishment	10% per annum
IT/telecommunications	33.3% per annum
Fixtures and fittings	20% per annum

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.

Leases

Rentals under operating leases are charged to the profit and loss account as incurred.

Work in progress

Work in progress represents consultancy costs arising in the year for which the grant becomes payable in the following year.

Pension costs

Contributions in respect of pension schemes are charged to the profit and loss account as they are incurred.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

2. OTHER OPERATING CHARGES

In the subsidiary company, in both the current and previous year, it has been established that a number of payments, all of which have been expensed within Other Operating Charges, may not have been properly incurred. These items are currently being investigated and, at this time, it is not possible to quantify the total amount involved. If it is established that any of this expenditure was not properly incurred, then appropriate action to recover these amounts will be taken, although there can be no certainty that such amounts will be recovered in full. In these circumstances, it is possible that grant receipts relating to certain of this expenditure may be reclaimed by the relevant funding body; no provision has been made in these accounts in respect of this possible grant reclaim.

3. 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:

	Business link £	Enterprise link £	B.C.M. Limited £	2000 Total £	1999 Total £
Turnover					
Grants receivable, sponsorship, and subsidies	3,805,199	4,445,113	526,407	8,776,719	10,313,793
Sale to third parties	1,506,935	70,444	772,351	2,349,730	2,018,465
	<u>5,312,134</u>	<u>4,515,557</u>	<u>1,298,758</u>	<u>11,126,449</u>	<u>12,332,258</u>
Staff costs (including directors)					
Wages and salaries	(906,451)	(188,735)	(510,048)	(1,605,234)	(1,521,638)
Pension costs	(65,865)	(7,597)	(21,793)	(95,255)	(66,064)
Social security costs	(81,328)	(18,096)	(47,938)	(147,362)	(139,894)
	<u>(1,053,644)</u>	<u>(214,428)</u>	<u>(579,779)</u>	<u>(1,847,851)</u>	<u>(1,727,596)</u>
Depreciation	(140,450)	(54,229)	(98,907)	(293,586)	(206,414)
Other operating charges	<u>(4,506,629)</u>	<u>(3,881,534)</u>	<u>(710,003)</u>	<u>(9,098,166)</u>	<u>(8,246,827)</u>
Operating (loss)/profit before taxation	(388,589)	365,366	(89,931)	(113,154)	2,151,421
Interest receivable					
Bank interest	<u>117,262</u>	<u>36,021</u>	<u>6,183</u>	<u>159,466</u>	<u>111,693</u>
Profit on ordinary activities before taxation	<u>(271,327)</u>	<u>401,387</u>	<u>(83,748)</u>	<u>46,312</u>	<u>2,263,114</u>

All turnover is derived from operations within the United Kingdom.

Other operating charges relate to service delivery costs and costs of sub-contractors and supplies.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Directors' emoluments		
Other emoluments (excluding pension contributions)	49,883	80,117
Compensation for loss of office	43,482	43,275
Pension contributions	2,694	5,429
	<u>96,059</u>	<u>128,821</u>

One director is accruing benefits under a defined contribution benefit scheme (1999: One).

None of the non-executive 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 arms length basis.

	2000 £	1999 £
Staff costs during the year (including directors)		
Wages and salaries	1,605,234	1,521,638
Pension costs	95,255	66,064
Social security costs	147,362	139,894
	<u>1,847,851</u>	<u>1,727,596</u>

The average number of employees of the company during the year was 75 representing 53 Business Link and Enterprise Link and 22 B.C.M. Limited employees (1999 - 70 representing 39 Business Link, 16 Enterprise Link and 15 B.C.M. Limited employees).

5. OPERATING (LOSS)/PROFIT

	2000 £	1999 £
Operating (loss)/profit is stated after charging/(crediting):		
Depreciation	293,586	206,414
Amortisation of goodwill	15,978	10,651
Release of capital grant	(148,597)	(84,773)
Auditors' remuneration:		
Audit services	18,625	20,650
Non audit services	9,645	500
Professional fees (excluding auditors' remuneration)	39,779	146,961
Rentals - land and buildings	<u>279,013</u>	<u>298,131</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Bank interest	<u>159,466</u>	<u>111,693</u>

7. TAXATION

	2000 £	1999 £
Corporation tax at 20% (1999 - 21%)	<u>42,306</u>	<u>72,446</u>

The Inland Revenue have indicated that they wish to revisit the agreement under which the majority of the company's surplus is not subject to tax. No additional provision has been made for any additional liability which may arise from this review in respect of earlier periods. This agreement to treat the majority of the surplus as non taxable therefore results in a disproportionate tax charge.

8. (LOSS)/PROFIT 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 £40,268 (1999 - profit of £2,129,510).

9. TANGIBLE FIXED ASSETS

Group	Premises refurbishment £	Plant, IT and tele- communications equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 1999	283,331	1,366,139	76,674	1,726,144
Additions	-	192,152	14,494	206,646
Disposals	-	(4,584)	-	(4,584)
At 31 March 2000	<u>283,331</u>	<u>1,553,707</u>	<u>91,168</u>	<u>1,928,206</u>
Accumulated depreciation				
At 1 April 1999	95,708	804,722	53,126	953,556
Charge for the year	28,333	251,691	13,562	293,586
Disposals	-	(4,584)	-	(4,584)
At 31 March 2000	<u>124,041</u>	<u>1,051,829</u>	<u>66,688</u>	<u>1,242,558</u>
Net book value				
At 31 March 2000	<u>159,290</u>	<u>501,878</u>	<u>24,480</u>	<u>685,648</u>
At 31 March 1999	<u>187,623</u>	<u>561,417</u>	<u>23,548</u>	<u>772,588</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

9. TANGIBLE FIXED ASSETS (continued)

Company	Premises refurbishment £	I T and tele- communications equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 1999	283,331	905,120	76,674	1,265,125
Additions	-	183,152	14,493	197,645
At 31 March 2000	283,331	1,088,272	91,167	1,462,770
Accumulated depreciation				
At 1 April 1999	95,708	771,109	53,126	919,943
Charge for the year	28,333	152,783	13,562	194,678
At 31 March 2000	124,041	923,892	66,688	1,114,621
Net book value				
At 31 March 2000	159,290	164,380	24,479	348,149
At 31 March 1999	187,623	134,011	23,548	345,182

10. GOODWILL

Group	£
Cost	
At 1 April 1999 and 31 March 2000	42,607
Amortisation	
At 1 April 1999	10,651
Amount charged to profit and loss account	15,978
At 31 March 2000	26,629
Net book value	
At 31 March 2000	15,978
At 31 March 1999	31,956

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

11. STOCK

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Work in progress	-	160,872	-	160,872

12. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Grants receivable	1,369,066	766,285	1,369,066	766,285
Sundry debtors and prepayments	1,110,134	1,127,308	548,844	770,120
	<u>2,479,200</u>	<u>1,893,593</u>	<u>1,917,910</u>	<u>1,536,405</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade creditors	1,720,851	1,531,503	1,413,016	1,124,069
Corporation tax	77,022	66,602	70,351	61,102
Taxation and social security	57,034	156,876	5,521	120,626
Accruals	379,664	239,678	150,865	116,343
Deferred income:				
Government capital grants (note 15)	128,551	114,246	31,894	17,589
Other	543,883	990,683	515,621	963,326
	<u>2,907,005</u>	<u>3,099,588</u>	<u>2,187,268</u>	<u>2,403,055</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Government capital grants (note 15)	<u>265,683</u>	<u>410,807</u>	<u>31,592</u>	<u>80,058</u>

Included above is an amount of £Nil (1999 - £72,924) which falls due after more than five years. This relates to deferred government grants which are released over the estimated useful lives of the fixed assets to which they relate.

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

15. GOVERNMENT GRANTS

These relate to capital grants received to finance the purchase of tangible fixed assets.

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Grant received brought forward	525,053	119,028	97,647	119,028
Additions	17,778	490,798	17,778	30,798
Amount released to profit and loss account	(148,597)	(84,773)	(51,939)	(52,179)
	<u>394,234</u>	<u>525,053</u>	<u>63,486</u>	<u>97,647</u>
Due within one year (note 13)	128,551	114,246	31,894	17,589
Due after more than one year (note 14)	265,683	410,807	31,592	80,058
	<u>394,234</u>	<u>525,053</u>	<u>63,486</u>	<u>97,647</u>

16. PROFIT AND LOSS ACCOUNT

Group	Business Link	Enterprise Link	B.C.M. Limited	Total
	£	£	£	£
Balance brought forward	3,472,429	678,024	71,809	4,222,262
(Loss)/retained profit for the year	(297,151)	390,905	(89,748)	4,006
	<u>3,175,278</u>	<u>1,068,929</u>	<u>(17,939)</u>	<u>4,226,268</u>
Company		Business Link	Enterprise Link	Total
		£	£	£
Balance brought forward		3,483,080	678,024	4,161,104
(Loss)/retained profit for the year		(431,173)	390,905	(40,268)
		<u>3,051,907</u>	<u>1,068,929</u>	<u>4,120,836</u>

The £1,068,929 (1999 - £678,024) 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.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

17. FINANCIAL COMMITMENTS

Capital commitments

At 31 March 2000 the company had no capital commitments which were contracted for but not provided in the financial statements (1999 - £Nil).

Operating lease commitments

At 31 March 2000, the company was committed to making the following payments during the next year in respect of operating leases.

Group	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Leases which expire:				
Within one year	285,001	115,746	16,830	4,159
Within two to five years	118,000	134,275	22,829	17,038
	<u>403,001</u>	<u>250,021</u>	<u>39,659</u>	<u>21,197</u>
Company				
Leases which expire:				
Within one year	228,001	115,746	12,671	-
Within two to five years	-	16,275	12,545	6,754
	<u>228,001</u>	<u>132,021</u>	<u>25,216</u>	<u>6,754</u>

18. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£	£
Operating (loss)/profit	(113,154)	2,151,421
Depreciation charge	293,586	206,414
Amortisation of goodwill	15,978	10,651
Amortisation of grant aid	(148,597)	(84,773)
Decrease/(increase) in stocks	160,872	(16,908)
Increase in debtors	(585,607)	(670,914)
(Decrease)/increase in creditors	(217,309)	236,177
Net cash (outflow)/inflow from operating activities	<u>(594,231)</u>	<u>1,832,068</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED
IN THE CASH FLOW STATEMENT**

	2000 £	1999 £
Net cash inflow for returns on investments and servicing of finance		
Interest received	159,466	111,693
	<u>159,466</u>	<u>111,693</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(206,645)	(648,465)
Capital grants received	17,778	490,798
	<u>(188,867)</u>	<u>(157,667)</u>
Net cash outflow for capital expenditure and financial investment		
	<u>(188,867)</u>	<u>(157,667)</u>
Acquisitions and disposals		
Net cash acquired with subsidiary undertaking (note 20)	-	110,824
	<u>-</u>	<u>110,824</u>

20. ANALYSIS OF NET FUNDS

	At 1 April 1999 £	Cash flow £	At 31 March 2000 £
Cash in hand and at bank	4,873,648	(655,518)	4,218,130
	<u>4,873,648</u>	<u>(655,518)</u>	<u>4,218,130</u>

**21. PURCHASE OF SUBSIDIARY UNDERTAKING AND BUSINESS OF
BIRMINGHAM CENTRE FOR MANUFACTURING LIMITED**

Net assets acquired:	1999 £
Tangible fixed assets	1,019
Cash	110,824
Debtors	311,525
Creditors	(463,125)
Taxation	(2,850)
	<u>(42,607)</u>
Goodwill	42,607
	<u>-</u>
Satisfied by:	
Cash	-
	<u>-</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

22. 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.

23. 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 period represents contributions payable by the company to the fund, which amounted to £95,255 (1999 - £66,064). At the year end there were no outstanding contributions.

24. POST BALANCE SHEET EVENT

On 26 March 2001, the trade and assets of the company were transferred to the Chamber of Commerce. All necessary provisions have been made in these financial statements.