

**BIRMINGHAM ECONOMIC DEVELOPMENT  
PARTNERSHIP LIMITED**

**(a company limited by guarantee)**

**Report and Financial Statements**

**31 MARCH 2005**



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

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

**RESULTS**

The group results include those of Birmingham Centre for Manufacturing Ltd (BCM), which does not trade, being a subsidiary undertaking of Birmingham Economic Development Partnership Limited.

The group loss for the year, after taxation, amounted to £41,352 (2004 - loss of £4,294).

**ACTIVITY AND FUTURE DEVELOPMENTS**

The group provided subsidised business support services to Birmingham businesses until 26 March 2001 when it ceased trading and the trade of the company was transferred to Birmingham Chamber of Commerce and Industry.

The company intends to administer its reserves to fund projects that are within the scope of the terms of applicable funding agreements. Funding of projects commenced in December 2004.

**DIRECTORS**

The directors who served during the year 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 Towers	
Dr A C Coulson	(resigned 17 August 2004)
D L Grove	(resigned 12 October 2004)
M Whitby	(appointed 17 August 2004)
D Pywell	(appointed 17 August 2004)
C I Squires	(appointed 12 October 2004)

M E Beasley was appointed as director on 31 May 2005 on which date J Towers resigned.

**AUDITORS**

During the year Ernst & Young LLP replaced Deloitte & Touche LLP as auditors to the company. A resolution to appoint Ernst & Young LLP as the Company's auditor will be proposed at the Annual General Meeting.

By order of the Board



M A Hibbert  
Company Secretary  
27<sup>th</sup> January 2006

**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
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**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, 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 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 consolidated financial statements of Birmingham Economic Development Partnership Limited (a company limited by guarantee) for the year ended 31 March 2005, which comprises the consolidated profit and loss account, the consolidated balance sheet, and the company balance sheet and the related notes 1 to 14. 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, except that the scope of our work was limited as explained below. 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 group's circumstances, 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 because the subsidiary company has insufficient records to enable it to prove that certain expenditures made in the past were in compliance with the terms of the grants received in respect of those expenditures. Consequently, it is possible that the grants received could be reclaimed by the relevant funding bodies. It is not possible to quantify the total amounts of grants received that are impacted or to reliably estimate the potential amount repayable.


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

**Qualified opinion arising from limitation in audit scope**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the potential repayment of grants received by the subsidiary company (The Birmingham Centre for Manufacturing Ltd), in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its loss 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 the potential repayment of grants received

- we have not obtained all the information and explanations that were considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records have been maintained.

  
Ernst & Young LLP  
Registered Auditor  
Address  
Date 16 FEBRUARY 2006

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 MARCH 2005**

	Note	2005 £	2004 £
Other operating income	2	-	7,004
Other operating charges	2	(56,339)	(22,350)
<b>OPERATING LOSS</b>	4	(56,339)	(15,346)
Interest receivable	5	18,472	13,619
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(37,867)	(1,727)
Tax on loss on ordinary activities	6	(3,485)	(2,567)
<b>LOSS AFTER TAXATION FOR THE FINANCIAL YEAR</b>		(41,352)	(4,294)

All activities derive from discontinued operations.

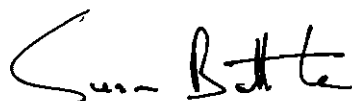
There are no recognised gains or losses other than the loss for either financial year. Accordingly, no statement of total recognised gains and losses is presented.

**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
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**CONSOLIDATED & COMPANY BALANCE SHEETS**  
**31 March 2005**

		2005 £ Group	2004 £ Group	2005 £ Company	2004 £ Company
<b>CURRENT ASSETS</b>					
Debtors (including £1,250,000 falling due after one year (2004: £1,250,000))	8	1,256,953	1,261,925	1,255,167	1,253,313
Cash at bank and in hand		681,525	697,536	632,822	639,245
		<u>1,938,478</u>	<u>1,959,461</u>	<u>1,887,989</u>	<u>1,892,558</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(227,213)</u>	<u>(206,844)</u>	<u>(42,138)</u>	<u>(13,699)</u>
<b>NET ASSETS</b>		<u>1,711,265</u>	<u>1,752,617</u>	<u>1,845,851</u>	<u>1,878,859</u>
<b>Represented by:</b>					
<b>PROFIT AND LOSS ACCOUNT</b>	10	<u>1,711,265</u>	<u>1,752,617</u>	<u>1,845,851</u>	<u>1,878,859</u>

On behalf of the Board

  
S Battle

Director

27<sup>th</sup> January 2006

**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**

**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 2005.

**Taxation**

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

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.

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

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

	<b>Business Link</b>	<b>Enterprise Link</b>	<b>B.C.M. Limited</b>	<b>2005 Total</b>	<b>2004 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other operating income	-	-	-	-	7,004
Other operating charges	(47,067)	117	(9,389)	(56,339)	(22,350)
<b>Operating profit/(loss)</b>	<b>(47,067)</b>	<b>117</b>	<b>(9,389)</b>	<b>(56,339)</b>	<b>(15,346)</b>
<b>Interest receivable</b>					
Bank interest	16,602	825	1,045	18,472	13,619
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>(30,465)</b>	<b>942</b>	<b>(8,344)</b>	<b>(37,867)</b>	<b>(1,727)</b>

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

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The group had no employees apart from the Directors who received no emoluments for their services to the group.

**BIRMINGHAM ECONOMIC DEVELOPMENT PARTNERSHIP LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**

**4. OPERATING LOSS**

	2005 £	2004 £
Operating loss is stated after charging/(crediting):		
VAT liability	(96)	(46,000)
Auditors' remuneration:		
Audit services	5,875	4,675
Non audit services	1,292	2,788
	<u>          </u>	<u>          </u>

**5. INTEREST RECEIVABLE**

	2005 £	2004 £
Bank interest	<u>18,472</u>	<u>13,619</u>

**6. TAXATION**

	2005 £	2004 £
Corporation tax at 20% (2004 – 20%)	<u>3,485</u>	<u>2,567</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 BCM 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 £33,008 (2004 – £40,959).

**8. DEBTORS**

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Amounts falling due within one year:				
Sundry debtors and prepayments	<u>6,953</u>	<u>11,925</u>	<u>5,167</u>	<u>3,313</u>
Amounts falling due after more than one year:				
Other debtors	<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**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**

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

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	55,268	50,803	6,580	2,115
Corporation tax	3,269	2,230	3,269	2,230
Other creditors	26,415	64,381	26,414	9,354
Accruals	142,261	89,430	5,875	-
	<u>227,213</u>	<u>206,844</u>	<u>42,138</u>	<u>13,699</u>

**10. PROFIT AND LOSS ACCOUNT**

	<b>Group total £</b>	<b>Company total £</b>
Balance brought forward at 1 April 2003	1,756,911	1,919,818
Loss for the year	(4,294)	(40,959)
Balance brought forward at 1 April 2004	1,752,617	1,878,859
Loss for the year	(41,352)	(33,008)
Balance carried forward at 31 March 2005	<u>1,711,265</u>	<u>1,845,851</u>

Of the reserves carried forward £61,954 (2004 - £61,177) was generated by Enterprise Link and is available solely for reinvestment within the programme of enterprise and business start up activities, which form part of the Single Regeneration Budget.

The remaining reserves carried forward 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 2005 the group and company had no capital commitments, which were contracted for but not provided in the financial statements (2004 - £Nil).

**12. CONTINGENT LIABILITIES**

A contingent liability has been identified within BCM.

The subsidiary company has insufficient records to enable it to prove that certain expenditures in the past, made in good faith and all expensed in previous years, were in compliance with the terms of the grants received in respect of those expenditures. Consequently, it is possible that the grants received could be reclaimed by the relevant funding bodies. It is not possible to quantify the total amounts of grants received that are impacted or to reliably estimate the potential amount repayable. Accordingly, no provision has been made in these financial statements in respect of any possible grant reclaim.

The company has no contingent liabilities.

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

**13. LIMITED MEMBER LIABILITY**

The company is limited by three members' guarantees, which are restricted to £1 per member.

**14. SUBSIDIARY COMPANY**

The company controls The BCM (a company limited by guarantee) that operates in Great Britain and is incorporated in England and Wales. The company ceased trading on 22 November 2001.