

# Merseyside Special Investment Fund Limited

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## **DIRECTORS**

N Kemsley (Chairman)  
J P Conlan  
Mrs M E Downs MBE  
P Holme  
E McGonagle  
G M Thelwall Jones

## **AUDITORS**

Ernst & Young  
Chartered Accountants  
Silkhouse Court  
Tithebarn Street  
Liverpool  
L2 2LE

## **BANKERS**

Barclays Bank plc  
Liverpool City Business Centre  
4 Water Street  
Liverpool  
L69

## **SOLICITORS**

Davies Wallis Foyster  
5 Castle Street  
Liverpool  
L2 4XE

## **REGISTERED OFFICE**

C/o Bank of England Agency  
Lancaster House  
Mercury Court  
Tithebarn Street  
Liverpool  
L2 2QP



# Merseyside Special Investment Fund Limited

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## DIRECTORS' REPORT

The directors present their report and accounts for the period 19 October 1994 to 31 March 1996.

### RESULTS

The accounts for the period show a deficit of £4,577.

### DATE OF INCORPORATION

The company was incorporated on 19 October 1994.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company is engaged in the establishment and operation of a venture capital and loan fund to assist small and medium sized enterprises operating in the county of Merseyside. During the period under review the company has sought to obtain approval from the European Commission and the Government Office for Merseyside to its proposals, and to obtain finance.

### FUTURE DEVELOPMENTS

On 22 March 1996 the project received the formal Offer of Funding from Government Office for Merseyside which was duly accepted on 10 April 1996. As a result the company has continued to complete the legal processes necessary in relation to all supporting finance for the project. All such processes were successfully completed on 29 July 1996 and funds are now in place enabling the Merseyside Special Investment Fund to become operational from 30 July 1996.

### FIXED ASSETS

During the period there was no acquisition of tangible fixed assets.

### DIRECTORS

The directors at 31 March 1996 were as follows:

N Kemsley	(appointed 11 November 1994)
J P Conlan	(appointed 11 November 1994)
Mrs M E Downs MBE	(appointed 11 March 1996)
P Holme	(appointed 11 November 1994)
B F Lawson	(appointed 11 November 1994)
E McGonagle	(appointed 31 July 1995)
G M Thelwall Jones	(appointed 19 October 1994)

B F Lawson resigned as a director on 9 July 1996.

# Merseyside Special Investment Fund Limited

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## DIRECTORS' REPORT

### DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those accounts, the directors are required to:

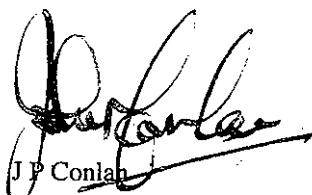
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

### AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution ratifying the appointment of Ernst & Young and proposing their re-appointment as auditors will be put to the Annual General Meeting.

By order of the Board



J P Conlan  
Secretary

12 August 1996

**REPORT OF THE AUDITORS****to the members of Merseyside Special Investment Fund Limited**

We have audited the accounts on pages 5 to 11, which have been prepared under the historical cost convention.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

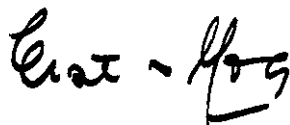
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1996 and of the deficit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the period ended 31 March 1996 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Liverpool

Date 19 AUG 1996

# Merseyside Special Investment Fund Limited

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## REVENUE ACCOUNT

for the period 19 October 1994 (date of incorporation) to 31 March 1996

	<i>Notes</i>	<i>1996</i> £
<b>REVENUE</b>		
Continuing operations	2	162,500
Administrative costs		(166,881)
<b>OPERATING DEFICIT FROM CONTINUING OPERATIONS</b>		<u>(4,381)</u>
Interest payable	6	949
Interest receivable	7	(753)
<b>DEFICIT FOR THE FINANCIAL PERIOD</b>		<u><u>(4,577)</u></u>

There are no recognised gains and losses other than the deficit for the financial period.

A statement of the movement on reserves is given in note 11.

# Merseyside Special Investment Fund Limited

## BALANCE SHEET

at 31 March 1996

	<i>Notes</i>	<i>1996 £</i>
<b>FIXED ASSETS</b>		
Investments	8	<u>8</u>
<b>CURRENT ASSETS</b>		
Cash at bank and in hand	9	18,863
<b>CREDITORS : amounts falling due within one year</b>	10	<u>(23,448)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(4,585)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>(4,577)</u></u>
<b>RESERVES</b>		
Revenue account	11	<u><u>(4,577)</u></u>



N Kemsley - Director

12 August 1996

# Merseyside Special Investment Fund Limited

## STATEMENT OF CASH FLOWS

for the period ended 31 March 1996

	<i>Note</i>	<i>1996</i> <i>£</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	3	<u>19,067</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid		(949)
Interest received		<u>753</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(196)</u>
INVESTING ACTIVITIES		
Payments to acquire investments		<u>(8)</u>
NET CASH INFLOW BEFORE FINANCING		<u>18,863</u>
INCREASE IN CASH AND CASH EQUIVALENTS		<u>18,863</u>

# Merseyside Special Investment Fund Limited

## NOTES TO THE ACCOUNTS

at 31 March 1996

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of Section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

#### *Government grants*

Government grants of a revenue nature are credited to income in the period to which they relate.

#### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

### 2. REVENUE

Revenue represents the amounts receivable in the ordinary course of business for services provided, including grants receivable. There is only one class of business, all of which is transacted in the United Kingdom.

Analysis of revenue as follows:

	1996 £
Ongoing activities	162,500

### 3. OPERATING DEFICIT

This is stated after charging/(crediting):

	1996 £
Directors' remuneration	16,242
Auditors' remuneration - for audit services	7,500
Grants received	(100,000)

#### *Reconciliation of operating deficit to net cash inflow from operating activities:*

	1996 £
Operating deficit	(4,381)
Increase in creditors	23,448
Net cash inflow from operating activities	19,067

# Merseyside Special Investment Fund Limited

## NOTES TO THE ACCOUNTS

at 31 March 1996

### 4. DIRECTORS' EMOLUMENTS

	<i>1996</i>
	<i>£</i>
Fees	4,242
Other emoluments (including pension contributions)	-
Consideration paid to third parties for services of a director	12,000
	<u>16,242</u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	<i>1996</i>
	<i>No</i>
£nil to £5,000	6
£10,001 to £15,000	1
	<u>7</u>

Emoluments (excluding pension contributions) of the chairman	<u>Nil</u>
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Emoluments (excluding pension contributions) of the highest paid director	<u>12,000</u>
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### 5. STAFF COSTS

	<i>1996</i>
	<i>£</i>
Wages and salaries	16,242
	<u>16,242</u>

The average weekly number of employees during the period was made up as follows:

	<i>1996</i>
	<i>No</i>
Administration	7
	<u>7</u>

### 6. INTEREST PAYABLE

	<i>1996</i>
	<i>£</i>
Bank overdrafts	949
	<u>949</u>

# Merseyside Special Investment Fund Limited

## NOTES TO THE ACCOUNTS

at 31 March 1996

### 7. INTEREST RECEIVABLE

	1996 £
Bank deposit account	753

### 8. INVESTMENT IN SUBSIDIARIES

	1996 £
Investment in subsidiary undertakings at cost	8

The company owns the whole of the issued share capital of the following companies which are registered in England and Wales. The subsidiaries were acquired during the period and did not trade.

Sheribuild Limited  
Engineadore Limited  
Bookhint Limited  
Cheernews Limited

### 9. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the balance sheet and changes during the period.

	31 March 1996 £	At incorporation £	Change in period £
Cash at bank and in hand	18,863	-	18,863

### 10. CREDITORS : amounts falling due within one year

	1996 £
Trade creditors	14,635
Accruals	8,813
	23,448

# Merseyside Special Investment Fund Limited

## NOTES TO THE ACCOUNTS

at 31 March 1996

### 11. RESERVES

	<i>Revenue account £</i>
At 19 October 1994	-
Deficit for the period	(4,577)
At 31 March 1996	<u>(4,577)</u>

### 12. CAPITAL COMMITMENTS

	<i>1996 £</i>
Contracted	-
Authorised by the directors but not contracted	-

### 13. SUBSEQUENT EVENTS

As more fully described in the Directors' Report the company has, since the balance sheet date, successfully raised finance to enable the principal activity to be commenced. At the balance sheet date the company had contingent liabilities in respect of professional fees and other pre-launch costs which will be determined and payable upon the crystallisation of grant and other finance facilities.