

Northern Enterprise (General Partner) Limited

**Directors' report and financial
statements**

Registered number 3597128

31 March 2009



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Directors and advisors

Company registration number: 3597128

Registered office: Ground Floor
Victoria House
Hampshire Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YJ

Directors: Sir David RM Chapman Bt DL B Comm
AM Conn MA FCA
JL Hamilton OBE DL
AJG Winter OBE FIMI

Secretary: BS Hensby BSc MBA CDir

Bankers: Barclays Bank plc
Regional Large Corporate Banking Centre
PO Box 378
71 Grey Street
Newcastle upon Tyne
NE99 1JP

Solicitors: Eversheds Solicitors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

Auditors: KPMG Audit Plc
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2009.

Principal activities and business review

The company operates as the general partner of The Second HSBC Enterprise Fund for the North East, a limited partnership established under the Limited Partnership Act 1907, and has delegated management of this fund through a Management Agreement to NEL Fund Managers Limited.

In the current and prior year the company received management fees from the fund and paid a management fee to NEL Fund Managers Limited.

Proposed dividend

The directors do not recommend the payment of a dividend (2008: *Nil*).

Directors

The directors who held office during the year were as follows:

Sir David RM Chapman Bt DL B Comm
AM Conn MA FCA
JL Hamiton OBE DL
AJG Winter OBE FIMI

Political and charitable contributions

The company made no political or charitable contributions during the year.

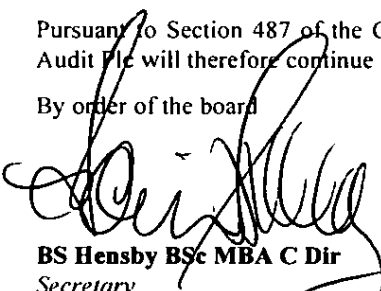
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



BS Hensby BSc MBA C Dir
Secretary

Ground Floor
Victoria House
Hampshire Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YJ

29th July 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 company will continue in business.

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditors' report to the members of Northern Enterprise (General Partner) Limited

We have audited the financial statements of Northern Enterprise (General Partner) Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Northern Enterprise (General Partner) Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of the company's result for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

29 July 2009

Profit and loss account
for the year ended 31 March 2009

	<i>Note</i>	2009 £	2008 £
Turnover	<i>1</i>	26,729	36,094
Administrative expenses		(26,729)	(36,094)
		<hr/>	<hr/>
Result for the financial year		-	-
		<hr/>	<hr/>

The company has no recognised gains or losses (2008: *£nil*) other than those included in the profit and loss account.

Balance sheet
at 31 March 2009

	<i>Note</i>	2009 £	2008 £
Fixed assets			
Investments	<i>3</i>	17	17
Current assets			
Cash at bank and in hand		1	1
Creditors: amounts falling due within one year	<i>4</i>	(17)	(17)
		<hr/>	<hr/>
Net current liabilities		(16)	(16)
		<hr/>	<hr/>
Net assets		1	1
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	<i>5</i>	1	1
		<hr/>	<hr/>
Equity shareholders' funds		1	1
		<hr/>	<hr/>

These financial statements were approved by the board of directors on **29th July** 2009 and were signed on its behalf by:



Sir David RM Chapman Bt DL B Comm
 Chairman

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of NEL Fund Managers Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of NEL Fund Management Group Limited, within which this company is included, can be obtained from the address given in note 6.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover represents amounts receivable in the ordinary course of business from operating as the general partner of The Second HSBC Enterprise Fund for the North East.

Turnover is recognised on an accruals basis.

Notes (continued)

2 Directors and employees

During the current or preceding financial year there were no employees, other than the directors. The directors received no remuneration during the current or preceding financial year.

3 Investments

	Participating interest £
Cost	
At 31 March 2008 and 31 March 2009	17

The undertaking in which the company has an interest is as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
Participating interest			
The Second HSBC Enterprise Fund for the North East	England and Wales	Venture capital investment fund	0.5% partnership capital

4 Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	17	17

5 Called up share capital

	2009 £	2008 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1

Notes *(continued)*

6 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's ultimate parent company is NEL Fund Management Group Limited, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by NEL Fund Management Group Limited. The consolidated accounts are available to the public on application to the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.