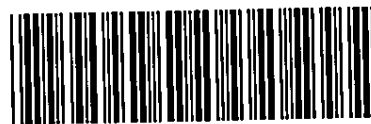


COMPANY REGISTRATION NUMBER 04177818

BUSINESS LINK TYNE AND WEAR LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2007

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COMPANIES HOUSE

unw LLP

Chartered Accountants & Registered Auditors
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

BUSINESS LINK TYNE AND WEAR LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	P M Callaghan
Registered office	Spectrum 6 Spectrum Business Park Seaham SR7 7TT
Auditor	unw LLP Chartered Accountants & Registered Auditors Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	National Westminster 87 Grey Street Newcastle upon Tyne NE99 1PY

BUSINESS LINK TYNE AND WEAR LIMITED

THE DIRECTOR'S REPORT

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the Period from 1 April 2006 to 30 September 2007

PRINCIPAL ACTIVITIES AND FAIR REVIEW OF THE BUSINESS

The principal activity of the company during the period was stimulating economic development in Tyne and Wear through support to the small business community

In March 2004 the Treasury announced that the contract administration for the Business Link network would be transferred from the National Small Business Service to the Regional Development Agencies. On 1 April 2005 One NorthEast in line with the other Regional Development Agencies took responsibility for the core services contract via a statutory transfer order on 1 April 2005

During the period the contract for the core business services was opened up to public tender. The business in partnership with two other sub-regional Business Link Operators and the North East Chamber of Commerce, known as the Coalition for Ambition, was successful in securing the future five year contract for core Business Link branded services. A new entity, Business Link North East Ltd, a not for distributable profit company limited by members guarantee was established and became the sole member of Tyne & Wear Small Business Service Limited which is the parent company of Business Link Tyne and Wear and was the ultimate controlling party until 31 March 2007

From 1 April 2006 to 31 March 2007 The Company continued to deliver the contract for core Business Link Services in Tyne & Wear. The Company prepared plans for the orderly wind down and closure on 31 March 2007. On 2 April there was a transfer of staff to Business Link North East Limited under the Transfer of Undertakings and Protection of Employment (TUPE) regulations. All open contracts under offer at this time were also novated and transferred on 2 April to Business Link North East Limited. The Company has been dormant thereafter. It was agreed pursuant to clause 38.2.2 and Schedule 2 of the "Agreement to Award Grant for the Operation of Business Link Services" dated 18th August 2006 that the assets of the former regional BLOs would be transferred to Business Link North East (BLNE) for the sum of £1. The Funding Agreement Letter (NE 063928 - "Business Link IDB and Solutions Funding") has the original BLNE Five Year Business Plan, as agreed with One NorthEast, appended to it showing that (at section 14) the transferred reserves of the former BLOs were to be used as the initial working capital of BLNE in its start up phase. This was implemented on 2nd April 2007 when BLNE became operational.

Accumulated reserves were applied in the first instance to settling outstanding liabilities as part of the Company's planned closure. The Company paid a dividend to Tyne and Wear Small Business Service Ltd of the remaining reserves on 1 April 2007.

GOING CONCERN

The Financial Statements have been prepared under the historic cost convention and on the basis of an orderly wind down due to the expiry of the Business Link Contract on 31 March 2007 and appropriate adjustments and disclosures have been made in the Financial Statements.

RESULTS

The deficit for the Period, after taxation, amounted to £1,218,918 (2006 £1,973,808 surplus)

The trading results for the period and the Company's financial position at the end of the period are shown in the attached financial statements

BUSINESS LINK TYNE AND WEAR LIMITED

THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

DIRECTORS

The directors who served the company during the year were as follows

Prima Secretary Limited	(Appointed 20 March 2007)	Resigned (22 April 2008)
D Brophy Chief Executive	(Resigned 20 March 2007)	
T Chapman	(Resigned 20 March 2007)	
S A Din	(Resigned 14 October 2006)	
H Forrest	(Resigned 20 March 2007)	
W A Scullion	(Resigned 20 March 2007)	
D Simms	(Resigned 20 March 2007)	
J G Withers	(Resigned 20 March 2007)	
I Lucas	(Resigned 20 March 2007)	
A D R Dickson	(Resigned 3 August 2006)	
N Hudson	(Resigned 14 November 2006)	
P M Callaghan Chairman	(Resigned 11 August 2006)	(Re-appointed 20 March 2007)
K A Atkinson	(Resigned 20 March 2007)	

The company is limited by members guarantee. In the event of a winding up each member undertakes to contribute to the payment of liabilities such amount as may be required not exceeding £1. Paul Callaghan was a member during the period.

STATEMENT OF DIRECTORS INDEPENDENCE

The Board determined that all Non-Executive Directors met the test of independence during the period as contained in the Combined Code.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the group for that Period. In preparing these 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,

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 that disclose with reasonable accuracy at any time the financial position of the group and 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.

INSURANCE

Insurance policies have been taken out to indemnify all officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including advice and counselling given subject to the provisions of UK legislation.

BUSINESS LINK TYNE AND WEAR LIMITED

THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

PROVISION OF INFORMATION TO AUDITORS

In so far as the directors are aware

there is no relevant audit information of which the group's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

STATEMENT ON CORPORATE GOVERNANCE

Whilst the group is not formally required to comply with the system of corporate governance embodied in the Combined Code, the directors are committed to implementing standards of best practice and use the Principles of the Combined Code as a guide to achieving this, as appropriate, within the group. Details of compliance are set out as below

AUDIT COMMITTEE

The Audit Committee continued to meet regularly during the period up to 31 March 2007 and receive reports from the Internal Auditor during the year. The following non-executive directors served on the Audit Committee

Terry Chapman Chairman
Keith Atkinson
Howard Forrest
Irene Lucas

The Audit Committee meets at least quarterly, and reports directly to the full board. It has its own terms of reference, and included in its scope is responsibility for all group activities. A system of independent, sub-contracted internal audit was in place during the period.

INTERNAL FINANCIAL CONTROL

The directors have responsibility for adopting and maintaining an effective system of internal control and for regularly reviewing that system. The system of internal control established by the directors is intended to be comprehensive, although the limitations of any system of control are such that it is designed to manage and mitigate, rather than eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

The principal features of the system of internal financial controls are

- Budgetary control measuring performance against pre-determined targets on at least a monthly basis,
- Regular forecasting and reviews covering trading performance, assets, liabilities and cash flows,
- Delegated limits of authority covering key financial commitments,
- An Audit Committee reporting to the Board, that oversees a system of Internal Audit provided by an independent third party supplier on a sub-contract basis.

The board also regularly reviews the effectiveness of the other internal controls, including operational controls and risk management and compliance with relevant laws and regulations in accordance with published guidance, (Internal Control Guidance for Directors on the Combined Code). The principal features of operational control are

- The application of a recognised organisational and management structure within which key individuals have responsibility for the day to day running of the business
- Identification and management of key business and inherent risks
- Insurance policies have been taken out to indemnify all officers of the company in respect of advice and counselling given

BUSINESS LINK TYNE AND WEAR LIMITED

THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

AUDITOR

A resolution to re-appoint unw LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office

On behalf of the Directors

P M Callaghan



Approved by the directors on 18 July 2008

BUSINESS LINK TYNE AND WEAR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BUSINESS LINK TYNE AND WEAR LIMITED

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

We have audited the financial statements of Business Link Tyne and Wear Limited for the period from 1 April 2006 to 30 September 2007, which have been prepared on the basis of the accounting policies set out on pages 10 to 11

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 judgements made by the director 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.

BUSINESS LINK TYNE AND WEAR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BUSINESS LINK TYNE AND WEAR LIMITED *(continued)*

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

OPINION

In our opinion


the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its loss for the period then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Director's Report is consistent with the financial statements

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

18 July 2008


unw LLP
Chartered Accountants
& Registered Auditors

BUSINESS LINK TYNE AND WEAR LIMITED

INCOME AND EXPENDITURE ACCOUNT

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

	Note	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
TURNOVER	2	18,603,193	20,505,258
Cost of sales		<u>15,185,952</u>	<u>15,849,277</u>
GROSS SURPLUS		3,417,241	4,655,981
Administrative expenses		<u>3,472,527</u>	<u>2,816,305</u>
Other operating income	3	<u>(60,130)</u>	<u>(85,000)</u>
OPERATING SURPLUS	4	4,844	1,924,676
Other provisions		<u>(1,300,000)</u>	<u>—</u>
		<u>(1,295,156)</u>	<u>1,924,676</u>
Interest receivable	7	<u>94,121</u>	<u>60,657</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,201,035)	1,985,333
Tax on (deficit)/surplus on ordinary activities	8	<u>17,883</u>	<u>11,525</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL PERIOD		<u>(1,218,918)</u>	<u>1,973,808</u>

The Companies operations ceased on 31 March 2007 all of the activities of the company are classed as discontinued

The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 10 to 17 form part of these financial statements

BUSINESS LINK TYNE AND WEAR LIMITED

BALANCE SHEET

30 SEPTEMBER 2007

	Note	30 Sep 07 £	31 Mar 06 £
FIXED ASSETS			
Tangible assets	9	—	21,324
CURRENT ASSETS			
Debtors	10	-	5,977,703
Cash		1	3,770,814
		1	9,748,517
CREDITORS. Amounts falling due within one year	11	—	6,113,764
NET CURRENT ASSETS		1	3,634,753
TOTAL ASSETS LESS CURRENT LIABILITIES		1	3,656,077
PROVISIONS FOR LIABILITIES			
Pensions		—	99,902
		1	3,556,175
CAPITAL AND RESERVES			
Called-up equity share capital	14	1	1
Income and expenditure account	15	-	3,556,174
SHAREHOLDER'S FUNDS	16	1	3,556,175

These financial statements were approved and signed by the director and authorised for issue on 18 July 2008

P M Callaghan
Director



The notes on pages 10 to 17 form part of these financial statements

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Going Concern

The financial statements have been prepared under the historic cost convention and on the basis of an orderly wind down due to the expiry of the Business Link contract on 31 March 2007. The Directors do not consider the company to be a going concern and appropriate adjustments and disclosures have been made in the Financial Statements

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Income

Funding income represents funding from the Secretaries of State for Education and Skills, and Trade and Industry for the 'core' work of the company, together with funding applied for and received from other bodies in respect of specific projects

Funding is made by the Secretaries of State for Education and Skills, and Trade and Industry in accordance with the provisions and conditions specified in the Delivery Plan and Business Plan, which regulate the way in which such funds may be spent

Grants and contributions received and receivable in respect of specific project expenditure are credited to deferred income and recognised in the income and expenditure account in the same period as the related expenditure

Project income is normally recognised immediately in the Income & Expenditure Account. Where it is contingent upon the satisfactory outcome of a specific initiative (eg payments to the providers of training are contingent upon the successful outcome of that training) payments and related funding income are only recorded on receipt of evidence of the successful outcome. It is the company's policy to adhere to all the reporting requirements of funding bodies. In the opinion of the directors it is unlikely that any of the funding recognised in the year will become repayable at a future date

Donations and contributions are regulated as part of the total income of the company for the purposes of the Delivery Plan and Business Plan and have accordingly been included in arriving at the gross operating surplus

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Equipment - 33 3% Straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

Deferred taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Deferred tax assets are recognised when it is more likely than not that they will be recovered. The company has not adopted a policy of discounting deferred tax assets and liabilities. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Grants and contributions

Capital grants and contributions receivable are credited to deferred income and released to the income and expenditure account over the estimated lives of the relevant assets.

Taxation

Confirmation has been requested from the Inland Revenue, that it will not regard funding received from the Secretaries of State for Education and Skills, and Trade and Industry as liable to tax, provided that it is not used to fund trading activities. The tax charge in the financial statements is based on income arising in connection with non-tax exempt activities.

Disclosure of information

Without limiting the information given, the accounts meet the requirements of the Companies Act 1985 and the Statements of Standard Accounting Practice issued by the member bodies of the Accounting Standards Board so far as those requirements are appropriate.

Computer software

The purchase of computer software and software development costs are expended in the period.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
United Kingdom	<u>18,603,193</u>	<u>20,505,258</u>

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

3. OTHER OPERATING INCOME

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
Other operating income	<u>60,130</u>	<u>85,000</u>

4. OPERATING SURPLUS

Operating surplus is stated after charging

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
Depreciation of owned fixed assets	32,752	15,695
Auditor's remuneration		
- as auditor	15,000	15,500
- for other services	<u>12,500</u>	<u>12,500</u>

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
Audit	12,500	19,300
Accountancy	2,500	2,500
Taxation	1,000	1,000
Business consultancy	9,000	9,000
	<u>25,000</u>	<u>31,800</u>

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

5 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	Period from 1 Apr 06 to 30 Sep 07 No	Year to 31 Mar 06 No
Number of administrative staff	<u>130</u>	<u>127</u>

The aggregate payroll costs of the above were

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
Wages and salaries	3,665,131	3,406,733
Social security costs	365,175	346,471
Other pension costs	246,205	235,536
Directors' pension costs	14,376	13,866
	<u>4,290,887</u>	<u>4,002,606</u>

The staff costs charged in the accounts are re-charged from the parent company Tyne and Wear Small Business Service Limited, it is the parent company that holds the contracts of employment for all employees. The costs of employment are re-charged so as to match them against the income generated by employees.

6 DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
Emoluments receivable	148,107	141,150
Value of company pension contributions to money purchase schemes	14,376	13,866
	<u>162,483</u>	<u>155,016</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Period from 1 Apr 06 to 30 Sep 07 No	Year to 31 Mar 06 No
Defined benefit schemes	<u>1</u>	<u>1</u>

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

7. INTEREST RECEIVABLE

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
Bank interest receivable	<u>94,121</u>	<u>60,657</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
Current tax		
UK Corporation tax based on the results for the period at 19% (2006 - 19%)	<u>17,883</u>	<u>11,525</u>
Total current tax	<u>17,883</u>	<u>11,525</u>

(b) Factors affecting current tax charge

The tax assessed on the (deficit)/surplus on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19% (2006 - 19%)

	Period from 1 Apr 06 to 30 Sep 07 £	Year to 31 Mar 06 £
(Deficit)/surplus on ordinary activities before taxation	<u>(1,201,035)</u>	<u>1,985,333</u>
Surplus on ordinary activities by rate of tax	<u>236,366</u>	<u>377,213</u>
Less the effect of non-trading activities	<u>(218,483)</u>	<u>(365,688)</u>
Total current tax (note 8(a))	<u>17,883</u>	<u>11,525</u>

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

9 TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 April 2006	198,744
Additions	11,428
Disposals	(48,256)
At 30 September 2007	161,916
DEPRECIATION	
At 1 April 2006	177,420
Charge for the period	32,752
On disposals	(48,256)
At 30 September 2007	161,916
NET BOOK VALUE	
At 30 September 2007	-
At 31 March 2006	21,324

10 DEBTORS

	30 Sep 07 £	31 Mar 06 £
Trade debtors	-	932,217
Amounts owed by group undertakings	-	882,541
Other debtors	-	592,204
Prepayments and accrued income	-	3,570,741
	-	5,977,703

11 CREDITORS. Amounts falling due within one year

	30 Sep 07 £	31 Mar 06 £
Overdrafts	-	749,918
Trade creditors	-	3,005,487
Amounts owed to group undertakings	-	353,239
Corporation tax	-	11,525
PAYE and social security	-	99,381
VAT	-	1,207
Other creditors	-	100,934
Accruals and deferred income	-	1,792,073
	-	6,113,764

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

12. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2007 the company had annual commitments under non-cancellable operating leases as set out below

	30 Sep 07		31 Mar 06	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	-	9,665	-
Within 2 to 5 years	-	-	199,696	5,718
	<u>-</u>	<u>-</u>	<u>209,361</u>	<u>5,718</u>

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of provisions under FRS 8 which exempt the Company from making detailed disclosure of its transactions with its ultimate parent Company. In the ordinary course of Business Link Tyne & Wear Limited has transactions with other businesses or organisations with common directors. During the year the Company purchased services from the following organisations. None of these transactions, detailed below, are believed to be material to either the organisations or the individual.

Organisation	Common Director(s)	2007 £	2006 £
University of Northumbria	Anthony Dickson	-	197
Newcastle Chronicle & Journal	David Simms	14,417	54,305
JT Dove Ltd	John Withers	-	7,245
Versatile	Terry Chapman	8,959	9,988
Alex Scullion Electrical	Alex Scullion	7,035	-
Leighton Group	Paul Callaghan	2,497	12,044
TSG Ltd	Nigel Hudson	229,740	88,501
South Tyneside Council	Irene Lucas	-	72,411
MRH	Howard Forest	5,250	9,000

During the year the Company made sales of services to the following organisations. None of these transactions, detailed below, are believed to be material to either the organisations or the individual.

Organisation	Common Director(s)	2007 £	2006 £
South Tyneside Council	Irene Lucas	137,672	6,093
Northern Arts	Jane Robinson	-	18,768
JT Dove Ltd	John Withers	-	235

BUSINESS LINK TYNE AND WEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 30 SEPTEMBER 2007

14 SHARE CAPITAL

Authorised share capital:

	30 Sep 07	31 Mar 06
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	30 Sep 07		31 Mar 06	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

15. INCOME AND EXPENDITURE ACCOUNT

	Period from 1 Apr 06 to 30 Sep 07	Year to 31 Mar 06
	£	£
Balance brought forward	3,556,174	1,582,366
(Deficiency)/surplus for the financial period	(1,218,918)	1,973,808
Equity dividends	(2,337,256)	—
Balance carried forward	<u>-</u>	<u>3,556,174</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	30 Sep 07	31 Mar 06
	£	£
(Deficit)/Surplus for the financial period	(1,218,918)	1,973,808
Equity dividends	(2,337,256)	—
Net (reduction)/addition to shareholder's funds	(3,556,174)	1,973,808
Opening shareholder's funds	<u>3,556,175</u>	<u>1,582,367</u>
Closing shareholder's funds	<u>1</u>	<u>3,556,175</u>

17 CONTINGENT LIABILITIES

Since the Company was incorporated it has received income from various funding streams to carry out specific programmes, known as funded programmes. The total received from the European Regional Development Fund is subject to audit from the European Commission and may require repayment of an amount up to the total funds received. At the time of preparing the accounts it is not possible to quantify the potential liability that would arise, if any.

18 ULTIMATE PARENT COMPANY

The intermediate parent company is Tyne and Wear Small Business Service Limited a company registered in England and Wales, registration number 4070510. The ultimate parent company and controlling party is Business Link North East Limited a company registered in England and Wales, registration number 5883621.