

**North Northamptonshire Development Company
Limited**

Company Limited by Guarantee
Financial statements
For the year ended 31 March 2007



Grant Thornton 

THURSDAY



A32 *A6S7XS59* 740
16/08/2007
COMPANIES HOUSE

Company No. 4285198

Company information

Company registration number	4285198
Registered office	1 Exchange Court Cottingham Road Corby Northants NN17 1TY
Directors	R Lay S D Smith P L Fawcett G Harris R E Whittaker A Allfree Sir P J Walker K Goeldenbot D Brady J N R Harker T J Freer E Higgins E Finch H C Wake R J Harrington
Secretary	D Iles
Bankers	Barclays Bank Plc 1a Queens Square Corby Northants NN17 1NX
Solicitors	Tollers 2 Exchange Court Cottingham Road Corby Northants NN17 1TY

North Northamptonshire Development Company Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2007

2

Auditor

Grant Thornton UK LLP
Chartered Accountants
Registered Auditors
Grant Thornton House
Kettering Parkway
Kettering
Northants
NN15 6XR

Index

Report of the directors	4 - 5
Report of the independent auditor	6 - 7
Principal accounting policies	8
Profit and loss account	9
Balance sheet	10
Statement of total recognised gains and losses	11
Notes to the financial statements	12 - 17

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2007

Principal activities and business review

During the year, the principal activity of the company was to act as a vehicle to deliver growth and regeneration to the four districts of North Northamptonshire being Kettering, Corby, Wellingborough and East Northamptonshire

Directors

The company is limited by guarantee and has no shares. Therefore the directors have no shares in the company.

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

R Lay
S D Smith
P L Fawcett
G Harris
R E Whittaker *
A Allfree *
Sir P J Walker *
K Goeldenbot *
D Brady *
J N R Harker *
T J Freer *
E Higgins *
E Finch *
H C Wake *
J M Lewis *
Baroness A T Billingham
T F Beattie
G M Solomonds
P J Gould
L E Johnston
R Lane
A Pover
R J Harrington

The directors marked (*) were appointed to the Board on 8 May 2006. Mr R J Harrington was appointed 29 January 2007.

Baroness A T Billingham, G M Solomonds, P J Gould, L E Johnston, R Lane and T F Beattie retired from the Board on 8 May 2006. Mr A Pover retired on 21 June 2006. Mr J M Lewis retired on 29 January 2007.

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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom 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 of the company 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
- 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 the financial statements 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution to re-appoint Grant Thornton UK 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.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



D Iles
Secretary
4 June 2007

Report of the independent auditor to the members of North Northamptonshire Development Company Limited

We have audited the financial statements of North Northamptonshire Development Company Limited for the year ended 31 March 2007 which comprise the principal accounting policies, profit and loss account, balance sheet, the statement of total recognised gains and loss and notes 1 to 16. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), 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 auditor

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' 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 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 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 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.

Grant Thornton 

Report of the independent auditor to the members of North Northamptonshire Development Company Limited

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.

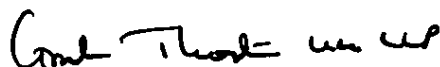
Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its loss for the year then ended,

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

the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 March 2007.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

KETTERING

JUNE 2007
13 July

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover - contributions from funders

Turnover is the revenue arising from the provision of services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts. Revenue is recognised when the organisation has performed its obligations and in exchange obtained the right to consideration.

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:

Fixtures & Fittings	-	20% per annum straight line
Computer equipment	-	33% per annum 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 profits on a straight line basis over the period of the lease.

Retirement benefits

Defined Benefit Pension Schemes

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at the appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the group.

The current service costs and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest charged on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Profit and loss account

	Note	2007 £	2006 £
Contributions from funders		2,030,435	1,662,806
Other operating charges	1	1,940,568	1,643,480
Operating surplus	2	89,867	19,326
Interest receivable		2,335	1,722
Interest payable and similar charges	3	(3,000)	(6,000)
Surplus on ordinary activities before taxation		89,202	15,048
Taxation	4	4,100	(8,000)
Surplus after taxation for the financial year	14	93,302	7,048

The accompanying accounting policies and notes form part of these financial statements

Balance sheet

	Note	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	6		21,701		24,513
Current assets					
Debtors	7	307,203		119,482	
Cash at bank and in hand		237,557		237,891	
		<u>544,760</u>		<u>357,373</u>	
Creditors, amounts falling due within one year	8	<u>475,211</u>		<u>392,838</u>	
Net current liabilities			<u>69,549</u>		<u>(35,465)</u>
Total assets less current liabilities			<u>91,250</u>		<u>(10,952)</u>
Pensions liability	16		<u>(163,000)</u>		<u>(194,000)</u>
			<u>(71,750)</u>		<u>(204,952)</u>
Reserves					
Members' funds	14		<u>(71,750)</u>		<u>(204,952)</u>
Deficit			<u>(71,750)</u>		<u>(204,952)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on 4 June 2007 and are signed on their behalf by



R E Whittaker
 Director

Statement of total recognised gains and losses

	2007 £	2006 £
Surplus for the financial year	93,302	7,048
Actuarial gains and losses on pension scheme	57,000	(22,000)
Less: provision for deferred tax	(17,100)	7,000
Total recognised gains and losses for the year	<u>133,202</u>	<u>(7,952)</u>
Prior year adjustment		<u>(197,000)</u>
Total recognised gains and losses for the year		<u>(204,952)</u>

Notes to the financial statements

1	Other operating charges		
		2007	2006
		£	£
	Administrative expenses	<u>1,940,568</u>	<u>1,643,480</u>
2	Operating surplus		
	Operating surplus is stated after charging		
		2007	2006
		£	£
	Depreciation of owned fixed assets	13,666	21,794
	Auditor's fees	<u>5,000</u>	<u>3,900</u>
3	Interest payable and similar charges		
		2007	2006
		£	£
	Finance costs in respect of pension scheme deficit	<u>3,000</u>	<u>6,000</u>
4	Taxation		
		2007	2006
		£	£
	Deferred tax		
	Arising on pension scheme deficit movement	<u>(4,100)</u>	<u>8,000</u>
5	Directors		
	Remuneration in respect of directors was as follows		
		2007	2006
		£	£
	Emoluments	<u>10,154</u>	<u>142,467</u>

These amounts relate to the executive director only, who participated in the defined benefit pension scheme. The director retired on 8 May 2006.

6 Tangible fixed assets

	Fixtures & Fittings £	Computer equipment £	Total £
Cost			
At 1 April 2006	19,043	89,575	108,618
Additions	7,580	3,274	10,854
At 31 March 2007	<u>26,623</u>	<u>92,849</u>	<u>119,472</u>
Depreciation			
At 1 April 2006	8,614	75,491	84,105
Charge for the year	4,418	9,248	13,666
At 31 March 2007	<u>13,032</u>	<u>84,739</u>	<u>97,771</u>
Net book value			
At 31 March 2007	<u>13,591</u>	<u>8,110</u>	<u>21,701</u>
At 31 March 2006	<u>10,429</u>	<u>14,084</u>	<u>24,513</u>

7 Debtors

	2007 £	2006 £
Trade debtors	250,616	89,117
Other debtors	56,587	30,365
	<u>307,203</u>	<u>119,482</u>

8 Creditors amounts falling due within one year

	2007 £	2006 £
Trade creditors	201,445	320,883
Other creditors	273,766	71,955
	<u>475,211</u>	<u>392,838</u>

9 Leasing commitments

At 31 March 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2007 £	2006 £
Operating leases which expire Within 2 to 5 years	<u>65,612</u>	<u>-</u>

10 Capital commitments

The company had no capital commitments at 31 March 2007 or 31 March 2006

11 Contingent liabilities

There were no contingent liabilities at 31 March 2007 or 31 March 2006

12 Company limited by guarantee

The company is limited by guarantee. Each of the members has agreed to contribute to the assets in the event of a deficiency on winding up of an amount not exceeding £10

13 Controlling related party

The directors are this company's controlling related party by virtue of their office as directors

14 Members' funds

**Profit and
loss account
£**

At 1 April 2006	(204,952)
Surplus for the year	93,302
Actuarial gains and losses on pension scheme	57,000
Deferred tax effect of actuarial gains and losses on pension scheme	(17,100)
	<u>(71,750)</u>
At 31 March 2007	

15 Retirement benefit

Defined Benefit Scheme

The company's employees, if eligible, are entitled to be members of the Northamptonshire County Council Pension Fund, which is a defined benefit scheme. The assets of the scheme are administered by an Administering Authority independent of the directors of the Company

16 Pensions

The company operates a defined benefit pension schemes for the benefit of the employees. The assets of these schemes are administered by trustees in funds independent from those of the company

The costs, assets and liabilities of the defined benefit schemes are periodically assessed by actuarial valuations. The last full valuation was carried out at 31 March 2004 by a qualified actuary

The main assumptions used by the actuary were

	2007	2006	2005
Rate of increase in salaries	4.6%	4.4%	4.4%
Rate of increase for pensions in payment	3.1%	2.9%	2.9%
Discount rate	5.4%	4.9%	5.4%
Inflation	3.1%	2.9%	2.9%

Pensions (continued)

The assets in the schemes and the expected long-term rates of return were

	2007		2006		2005	
	Rate of return %	Value £'000	Rate of return %	Value £'000	Rate of return %	Value £'000
Equities	7.50	745	7.00	727	7.50	573
Government bonds	4.70	134	4.30	117	4.70	29
Other bonds	5.40	75	4.90	97	5.40	109
Property	6.50	75	6.00	54	6.50	31
Cash/liquidity	5.25	31	4.50	43	4.75	29
Total market value of assets		1,060		1,038		771
Present value of scheme liabilities		(1,293)		(1,315)		(1,052)
Deficit in the schemes		(233)		(277)		(281)
Related deferred tax asset		70		83		84
Net pension liability		(163)		(194)		(197)

Analysis of the amount charged to operating profit

	2007 £'000	2006 £'000
Current service cost	(66)	(56)
Past service/curtailment/settlement gain	-	34
Total operating charge	(66)	(22)

Analysis of the amount chargeable to other finance income

	2007 £'000	2006 £'000
Expected return on pension scheme assets	61	53
Interest on pension scheme liabilities	(64)	(59)
Net return	(3)	(6)

Pensions (continued)

Analysis of the amount recognised in the statement of total recognised gains and losses is

	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	(12)	141
Experience gains and losses arising on scheme liabilities	-	(56)
Changes in the assumptions underlying the present value of the scheme's liabilities	69	(107)
	<u>57</u>	<u>(22)</u>

The movements in the deficit during the year were

	2007 £'000	2006 £'000
Deficits in the schemes at beginning of year	(277)	(281)
Current and post service costs	(66)	(22)
Contributions received	56	54
Other finance income	(3)	(6)
Actuarial (loss)/gain	57	(22)
Deficits in schemes at end of year	<u>(233)</u>	<u>(277)</u>

The history of experience gains and losses would be

	2007 £	2006 £
Difference between the expected and actual rate of return on scheme assets		
Amount (£'000)	(12)	141
Percentage of scheme's assets	1.1%	13.6%
	<u>2007 £</u>	<u>2006 £</u>
Total actuarial gains and losses	0	(56)
Amount (£'000)	0%	4.3%
Percentage of the present value of scheme's liabilities		
	<u>2007 £</u>	<u>2006 £</u>
Total amount recognised in statement of recognised gains and losses	57	(22)
Amount (£'000)	4.4%	1.7%
Percentage of the present value of scheme's liabilities		

17 Related party transactions

During the year transactions occurred between other companies in which the following directors had an interest

Patricia Fawcett	Northamptonshire Enterprise Limited	Purchases of £6,250
James Harker		
Terry Freer		

Stephen Smith	Business Link	Sales of £1,125
	Northants Chamber of Commerce	Purchases of £36,038

Ronald Whittaker	Satra Technology Centre	Purchases of £8,079
------------------	-------------------------	---------------------

No amounts were outstanding at the year end