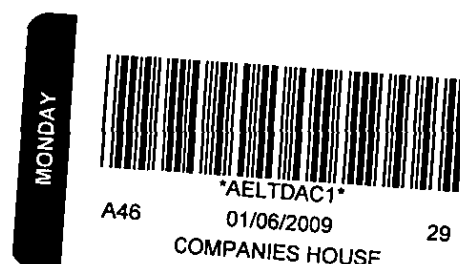




Financial Statements  
North Northamptonshire  
Development Company  
Limited  
Company Limited by  
Guarantee

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**For the Year Ended 31 March 2009**



**Company No. 4285198**

## Company information

**Company registration number**

4285198

**Registered office**

1 Exchange Court  
Cottingham Road  
Corby  
Northants  
NN17 1TY

**Directors**

S D Smith  
P L Fawcett  
G Harris  
R E Whittaker  
A Allfree  
P J Walker  
K Goeldenbot  
D Brady  
J N R Harker  
E Finch  
H C Wake  
J L H Bailey  
A M L Wiley  
D A Reynolds  
M Allen  
P D Hall

**Secretary**

D Iles

**Bankers**

Barclays Bank Plc  
1a Queens Square  
Corby  
Northants  
NN17 1NX

**Solicitors**

Dunham Law  
12 Walker Avenue  
Stratford Office Village  
Wolverton Mill  
Milton Keynes  
MK12 5TW

**North Northamptonshire Development Company Limited  
Company Limited by Guarantee  
Financial statements for the year ended 31 March 2009**

**2**

**Auditor**

Grant Thornton UK LLP  
Grant Thornton House  
Kettering Parkway  
Kettering  
Northants  
NN15 6XR

## Index

<b>Report of the directors</b>	4 - 5
<b>Report of the independent auditor</b>	6 - 7
<b>Principal accounting policies</b>	8 - 9
<b>Income and expenditure account</b>	9
<b>Balance sheet</b>	10
<b>Other primary statements</b>	11
<b>Notes to the financial statements</b>	12 - 17

## Report of the directors

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

### **Principal activities**

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

S D Smith  
P L Fawcett  
G Harris  
R E Whittaker  
A Allfree  
P J Walker  
K Goeldenbot  
D Brady  
J N R Harker  
E Finch  
H C Wake  
J M Lewis  
J L H Bailey  
A M L Wiley  
D A Hughes  
D A Reynolds  
M Allen  
P D Hall

M Allen was appointed as a director on 5 December 2008.

J M Lewis retired as a director on 27 January 2007.

D A Hughes retired as a director on 23 October 2008.

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

### **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 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 surplus or deficit 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 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 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 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.

### **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  
22 May 2009



## 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 2009 which comprise the principal accounting policies, income and expenditure account, balance sheet and notes 1 to 16. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), 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 Report of the Directors and the 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.



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

### 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.

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 2009 and of its deficit 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.

GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS

Kettering

27 May 2009



## 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 2007).

### Turnover - contributions from funders

This represents contributions from funders spent during the period. Funders have agreed a pattern of contributions which will not exactly match the pattern (or period) of spending. Unspent contributions have been carried forward against future spending requirements.

### 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 income on a straight line basis over the period of the lease.

### Retirement benefits

#### Defined benefit pension scheme

The company has applied the Amendment to FRS 17 Retirement Benefits which is effective for accounting periods commencing on or after 6 April 2007. The amendment to FRS 17 primarily affects disclosures in relation to defined benefit pension schemes. However for quoted securities the fair value is now taken to be the current bid price rather than the mid-market value. The effect of this change in valuation method has been treated as a change in accounting policy, which has affected disclosure only and has not lead to any prior year adjustment.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at 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 company.

The current service cost 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 on the scheme liabilities and the expected return on scheme assets are included net in other finance costs/ (income). Actuarial gains and losses are reported in the statement of total recognised gains and losses.

## Income and expenditure account

	Note	2009 £	2008 £
Contributions from funders		1,876,252	2,160,715
Other operating charges	2	1,905,814	2,180,058
<b>Operating deficit</b>	3	<b>(29,562)</b>	<b>(19,343)</b>
Interest receivable		4,766	6,905
Interest payable and similar charges	4	(36,000)	(1,000)
<b>Deficit on ordinary activities before taxation</b>		<b>(60,796)</b>	<b>(13,438)</b>
Tax on deficit on ordinary activities		—	—
<b>Deficit for the financial year</b>	14	<b><u>(60,796)</u></b>	<b><u>(13,438)</u></b>

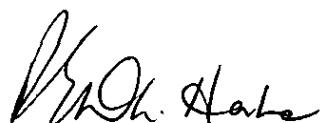
The accompanying accounting policies and notes form part of these financial statements.

## Balance sheet

	Note	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Tangible assets	5		13,545		14,935
<b>Current assets</b>					
Debtors	6	322,050		285,982	
Cash at bank and in hand		120,930		474,385	
		442,980		760,367	
<b>Creditors: amounts falling due within one year</b>	7	247,509		679,490	
<b>Net current assets</b>			195,471		80,877
<b>Total assets less current liabilities</b>			209,016		95,812
<b>Provisions for liabilities</b>					
Pensions liability	8		865,000		750,000
			(655,984)		(654,188)
<b>Reserves</b>					
Income and expenditure account	14		(655,984)		(654,188)
<b>Deficit</b>			(655,984)		(654,188)

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 2007).

These financial statements were approved by the directors and authorised for issue on 22 May 2009, and are signed on their behalf by:



R E Whittaker  
Director

## Other primary statements

### Statement of total recognised gains and losses

	2009 £	2008 £
<b>Deficit for the financial year</b>	<b>(60,796)</b>	<b>(13,438)</b>
Actuarial gain/(loss) in respect of defined benefit pension scheme	59,000	(499,000)
Deferred tax in respect of defined benefit pension scheme	–	(70,000)
<b>Total gains and losses recognised for the year</b>	<b><u>(1,796)</u></b>	<b><u>(582,438)</u></b>

## Notes to the financial statements

### 1 Liability Limitation Agreement

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 March 2009. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting.

### 2 Other operating charges

	2009 £	2008 £
Administrative expenses	<u>1,905,814</u>	<u>2,180,058</u>

### 3 Operating deficit

Operating deficit is stated after charging:

	2009 £	2008 £
Depreciation of owned fixed assets	8,114	12,011
Auditor's fees	<u>6,613</u>	<u>6,169</u>

### 4 Interest payable and similar charges

	2009 £	2008 £
Net finance costs in respect of defined benefit pension schemes	<u>36,000</u>	<u>1,000</u>

**5 Tangible fixed assets**

	Fixtures & Fittings £	Computer equipment £	Total £
Cost			
At 1 April 2008	26,623	98,094	124,717
Additions	234	6,490	6,724
Disposals	(299)	(49,760)	(50,059)
At 31 March 2009	<u>26,558</u>	<u>54,824</u>	<u>81,382</u>
Depreciation			
At 1 April 2008	17,332	92,450	109,782
Charge for the year	3,772	4,342	8,114
On disposals	(299)	(49,760)	(50,059)
At 31 March 2009	<u>20,805</u>	<u>47,032</u>	<u>67,837</u>
Net book value			
At 31 March 2009	<u>5,753</u>	<u>7,792</u>	<u>13,545</u>
At 31 March 2008	<u>9,291</u>	<u>5,644</u>	<u>14,935</u>

**6 Debtors**

	2009 £	2008 £
Trade debtors	291,732	240,294
Other debtors	30,318	45,688
	<u>322,050</u>	<u>285,982</u>

**7 Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	71,050	309,646
Other taxation	6,535	4,731
Other creditors	169,924	365,113
	<u>247,509</u>	<u>679,490</u>

**8 Pensions liability**

	2009 £	2008 £
Pensions liability - see note 16	<u>865,000</u>	<u>750,000</u>

**9 Leasing commitments**

At 31 March 2009 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2009 £	2008 £
Operating leases which expire:		
Within 2 to 5 years	<u>75,453</u>	<u>77,094</u>

**10 Capital commitments**

The company had no capital commitments at 31 March 2009 or 31 March 2008.

**11 Contingent liabilities**

There were no contingent liabilities at 31 March 2009 or 31 March 2008.

**12 Related party transactions**

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

A M L Wiley, J N R Harker and P L Fawcett are all directors of Northamptonshire Enterprises Limited (NEL). During the year, there were no sales or purchases to the above company (2008: £2,282 (net of VAT, purchases £27,210) and there were no outstanding balances at the year end (2008: £2,350 (gross) was owed by NEL). S Evans, Chief Executive of the company is also a director of NEL.

G Harris and J N R Harker, directors of the company are also an employee and director respectively of the East Midlands Development Agency (EMDA). During the year funding of £292,188 was received from EMDA (2008: £511,179). No amounts were owing at the year end from EMDA (2008: £Nil).

M Allen, J M Lewis (retired as a director) and D A Hughes (retired as a director) are all employees of the Homes & Communities Agency (HCA). During the year, £296,159 was received from HCA. No amounts were owing at the year end from HCA.

P L Fawcett, a director of the company is also a member of the Arts Council (AC). The company received £89,951 funding during the year from the AC of which £62,707 was unspent at the year end. An additional £9,994 is due from the AC at the end of the funding term.

D Iles is the company secretary and a partner of Dunham Law (former partner of Tollers). During the year £40,741 of costs were incurred in respect of legal and professional services (2008: £36,738). No amounts were owing at either year end.

**13 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 £1.

**14 Income and expenditure account**

	2009 £	2008 £
Balance brought forward	(654,188)	(71,750)
Deficiency for the financial year	(60,796)	(13,438)
Defined pension benefit scheme	59,000	(569,000)
Balance carried forward	<u>(655,984)</u>	<u>(654,188)</u>

**15 Controlling related party**

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

**16 Pension scheme**

**Defined benefit scheme**

The company closed the Local Government Pension Scheme (see Defined benefit scheme below), to new members during the year. This is with the exception that the Chief Executive may present a case to the Board for an individual new recruit to the company to be allowed access to the scheme if appropriate.

The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008. It is contracted out of the State Second Pension.

The assets of the schemes are administered by trustees in funds independent from those of the company.

The most recent actuarial valuation was as at 31 March 2007, with the next formal valuation due as at 31 March 2010.

The principal actuarial assumptions used by the actuaries were as follows:

	2009 %	2008 %
Discount rate at 31 March	6.9	6.1
Expected return on plan assets at 31 March	6.4	7.1
Salary increase rate	4.6	5.1
Inflation / pension increases	3.1	3.6

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2009 and 31 March 2008 are based on the PFA92 and PMA92 year of birth tables with medium cohort improvements, for non pensioners and pensioners. Based on these assumptions, the average life expectancies at age 65 are:

	Males	Females
Current pensioners	21.1 years	24 years
Future pensioners	22.2 years	25 years



**Pension scheme (continued)**

The expected return on plan assets is based on:

	2009 % pa	2008 % pa
Equities	7.0	7.5
Bonds	5.4	5.3
Properties	4.9	6.5
Cash	4.0	5.3

The amounts charged or (credited) in profit or loss are as follows:

	2009 £	2008 £
Current service cost	115,000	78,000
Interest cost	135,000	71,000
Expected return on plan assets	(99,000)	(70,000)
Past service cost	130,000	29,000
Total	<u>281,000</u>	<u>108,000</u>

The amounts charged or (credited) in profit or loss were included in finance costs of £36,000 (2008: £1,000) and current and past service costs of £245,000 (2008: £107,000).

The amounts recognised in the balance sheet are as follows:

	2009 £	2008 £
Fair value of plan assets	1,154,000	1,332,000
Present value of funded retirement benefit obligations	(2,019,000)	(2,082,000)
Net liability	<u>(865,000)</u>	<u>(750,000)</u>

The major categories of plan asset, as a percentage of the total plan assets, are as follows:

	2009 % pa	2008 % pa
Equities	70	74
Bonds	19	17
Properties	7	7
Cash	4	1

**Pension scheme (continued)**

The actual return on plan assets was as follows:

	2009	2008
	£	£
Actual return on plan assets	(307,000)	(55,000)

Changes in the present value of the defined benefit obligation are as follows:

	2009	2008
	£	£
Opening defined benefit obligation at 1 April	2,082,000	1,293,000
Current service cost	115,000	78,000
Past service cost	130,000	29,000
Interest cost	135,000	71,000
Actuarial (gains)/losses	(470,000)	659,000
Losses/gains on curtailments (if any)	-	-
Liabilities extinguished on settlements (if any)	-	-
Liabilities assumed in a business combination (if any)	-	-
Exchange differences on foreign plans (if any)	-	-
Contributions by members	33,000	30,000
Benefits paid	(6,000)	(78,000)
Total	<u>2,019,000</u>	<u>2,082,000</u>

The cumulative actuarial losses recognised in the statement of total recognised gains and losses at 31 March 2009 was £402k (2008: £461k).

Amounts for the current and previous four periods are as follows:

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets at 31 March	1,154	1,332	1,060	1,038	771
Present value of defined benefit obligation at 31 March	(2,019)	(2,082)	(1,293)	(1,315)	(1,052)
Surplus/(deficit) in the plan	(865)	(750)	(233)	(277)	(281)
Experience adjustments arising on plan assets	411	131	12	141	39
Experience adjustments arising on plan liabilities	470	466	69	163	36