

**ENTERPRISE DEVELOPMENT NORTH
EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

Report and Financial Statements

31 March 2012

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ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS 2012

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ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr A J Fielder (Chair)
Mr G M Hodgson

REGISTERED OFFICE

Level 10
Baltic Place West
South Shore Road
Tyne and Wear
NE8 3AE

BANKERS

Barclays Bank plc
71 Grey Street
Newcastle upon Tyne
NE99 1JP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne
United Kingdom

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the financial statements and auditors' report for the year ended 31 March 2012

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

PRINCIPAL ACTIVITIES

Enterprise Development North East was comprised of three divisions, North East Finance (NEF), Centre for e-Business (CEB) and Regional Language Network (RLN)

The principal activity of the CEB division was the development of a strategic programme and allied services targeted at embedding e-business concepts into the policy and practice of a range of organisations that have front line contact with business. CEB ceased trading during the period and all activities were wound down prior to closure in December 2011. All costs of closure have been funded by an Orderly Transition Fund grant and have been accounted for in these financial statements. RLN ceased trading in the prior year.

The principal activity of the NEF division continues to be to monitor and manage investments in the Three Pillars Fund and the Design and Creative Fund.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Ownership of the company was transferred by the Regional Development Agency, One North East, to North East Access to Finance Limited on 30 September 2011 as part of the Government's plans to replace the Regional Development Agencies. The Department for Business, Innovation and Skills ("BIS") has taken over the monitoring rights in relation to One North East's Single Programme investments which include the company's investments in the Three Pillars Fund and the Design and Creative Fund. These rights are exercised through Capital for Enterprise Limited.

Following the transfer of ownership to North East Access to Finance Limited on 30 September 2011, fund management responsibility has been sub-contracted to external fund managers.

The accounts include an amount of £1,257,042 (2011- £2,710,760) within creditors falling due after more than one year, described as the Legacy Creditor. This amount, which is matched by investments, at their estimated recoverable value, and cash balances derived from the realisations up to the balance sheet date of investments represents monies held on behalf of the Three Pillars and Design and Creative Funds.

As highlighted in the profit and loss account on page 7, the company made a loss before tax of £110,034 during the year.

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

RESULTS

The results of the company for the year are set out in detail on page 7.

DIRECTORS

The directors who served throughout the year were as follows

Mr A J Fielder	(Appointed 30 September 2011)
Mr G M Hodgson	(Appointed 30 September 2011)
Mr I G Dormer	(Resigned 30 September 2011)
Mr I P Williams	(Resigned 30 September 2011)
Ms J Povey	(Resigned 30 September 2011)
Mr P A Jackson	(Resigned 30 September 2011)
Ms R Thompson	(Resigned 30 September 2011)

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

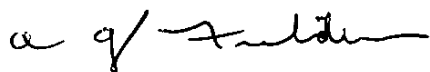
- as far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors

and signed on behalf of the Board



A J Fielder
Chair

24 JULY 2012

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' RESPONSIBILITIES STATEMENT

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- (d) 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ENTERPRISE DEVELOPMENT NORTH EAST LIMITED (A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Enterprise Development North East Limited for the year ended 31 March 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

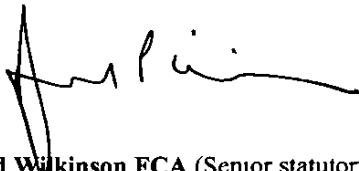
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
ENTERPRISE DEVELOPMENT NORTH EAST LIMITED (A COMPANY
LIMITED BY GUARANTEE) (Continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



David Wilkinson FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne, England

Date 28 Feb 2012

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

	Note	£	2012 £	£	Restated (note 1) 2011 £
TURNOVER	2				
Continuing operations – investment income		60,272		70,787	
Continuing operations – grants and contributions		55,572		201,345	
Discontinued operations – grants and contributions		225,691		704,703	
Discontinued operations – exceptional		186,294		-	
			527,829		976,835
Cost of sales	3		(63,913)		(259,110)
GROSS PROFIT			463,916		717,725
Administration expenses – Exceptional	3	(224,209)		-	
– Other	3	(409,720)		(729,266)	
			(633,929)		(729,266)
Movement in provision against fixed asset investments	9		(1,293,738)		(268,030)
OPERATING LOSS	4				
Continuing operations		(1,358,054)		(254,663)	
Discontinued operations		(105,697)		(24,908)	
			(1,463,751)		(279,571)
Loss on disposal of fixed assets	8		(4,337)		-
Other recharges	5		1,358,054		264,446
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(110,034)		(15,125)
Tax on loss on ordinary activities	7		(3,800)		6,769
LOSS FOR THE FINANCIAL YEAR			(113,834)		(8,356)

There are no recognised gains and losses for the current and preceding financial years other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses has been presented.

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 March 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	8		-		-
Investments	9		483,013		1,967,606
			<u>483,013</u>		<u>1,967,606</u>
CURRENT ASSETS					
Debtors	10	850		339,026	
Cash at bank and in hand		1,147,162		1,108,724	
		<u>1,148,012</u>		<u>1,447,750</u>	
CREDITORS: amounts falling due within one year	11	(349,125)		(565,904)	
NET CURRENT ASSETS			<u>798,887</u>		<u>881,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,281,900		2,849,452
CREDITORS: amounts falling due after more than one year	12		(1,257,042)		(2,710,760)
TOTAL NET ASSETS			<u>24,858</u>		<u>138,692</u>
RESERVES					
Profit and loss account	16		24,858		138,692
TOTAL MEMBERS' FUNDS			<u>24,858</u>		<u>138,692</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies under Section 415a of the Companies Act 2006

The financial statements of Enterprise Development North East Limited, (registered number 04312847), on pages 7 to 18 were approved by the Board of Directors and authorised for issue on *24 July 2012*

Signed on behalf of the Board of Directors

a q. Fielder

A Fielder

Chair

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements in both the current and previous financial years. The profit and loss account in the prior year has been restated to better present the nature of operating recharges. This change had no impact on operating profit or on net assets.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Basis of preparation

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The main uncertainty impacting on the balance sheet is the valuation of investments. This valuation is impacted by the underlying performance of the investee companies. However, as any gains or losses are borne by the legacy funds, there is no impact on the going concern of the company.

As highlighted in the profit and loss account, the company made a loss during the year of £110,034. This was entirely due to the discontinuance of certain operations in the period.

Based on the company's forecasts and projections and taking into account reasonably possible changes in trading performance, the directors are confident that the company has sufficient funding in place for the next twelve months and beyond to continue with its fund management activity.

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover represents the value of services provided during the year net of discounts and Value Added Tax. For services provided, turnover is recognised to the extent that and when there is a right to consideration.

Investment income

Investment income relates to interest on long term loans, dividend income and capital gains from equity investments made. Investment income is recognised as received.

Grants

The company received grants of a revenue nature from the European Regional Development Fund (ERDF) and One North East. Grants are credited to the profit and loss account as the related expenditure is incurred.

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:

Computer equipment	-	33% on cost
Fixtures and fittings	-	33% on cost
Other equipment	-	25% on cost

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.

Pension costs

The company operated a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account. As at the 31st March 2012 the company has no employees.

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and the law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Fixed asset investments

Fixed Asset investments in the form of unsecured loans and equity investments have been made in small and medium sized enterprises which are high risk. All investments are valued in line with International Private Equity and Venture Capital Valuation Guidelines to determine market value. Listed investments are revalued to market value at each year end.

Loans in unquoted enterprises are stated at cost less a provision for any amounts which are not expected to be recoverable. Any movement in provision is charged/(credited) to the Profit and Loss account with a corresponding transfer made from / to the legacy funds.

Investment funding

The company received funding from One North East which was for the purpose of investing in Small and Medium sized enterprises. Until the funding is applied to investment, the funding is repayable.

The funding is transferred into the legacy fund once investments are made. All interest and dividends received plus capital gains and impairment losses are rolled into the legacy fund. Interest received on invested funds is also rolled to the legacy fund. These investment related income and losses flow through the profit and loss account and are subsequently recharged to the legacy fund.

The funding from One North East has been treated as a funding liability. The liabilities are stated at an amount that reflects the ongoing capital adjusted for investment income and gains less investment losses. Such movements flow through the non-statutory financial statements and are allocated to the resulting legacy funds as other recharges. The legacy funds are liabilities which can only be applied under the direction of the fund provider, Capital for Enterprise Limited, acting on behalf of the Department for Business, Innovation and Skills.

Discontinued operations

Discontinued operations represent cash generating units that have been disposed of in the period. The Regional Language Network division closed for trading in the previous financial year. The Centre for e-Business ceased trading and all employees left by December 2011.

On changes to the composition of the groups of units comprising discontinued operations, the presentation of discontinued operations within prior periods is restated to reflect consistent classification of discontinued operations across all periods presented.

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

1. ACCOUNTING POLICIES (CONTINUED)

Cash flow statement

The company has taken advantage of the exemptions of FRS 1 - Cash flow statements, not to prepare a cash flow statement on the basis that it is a small company as defined by Section 382 of the Companies Act 2006

Application of UK GAAP and prior period restatement

For the year ended 31 March 2011 the company prepared financial statements under International Financial Reporting Standards ('IFRS') On 30 September 2011 the company was purchased by North East Access to Finance Limited North East Access to Finance Limited prepares it's financial statements under United Kingdom accounting standards ('UK GAAP') and therefore the directors have chosen to prepare the financial statements of the company under UK GAAP The directors have considered the impact of adopting UK GAAP on the profit and loss account and balance sheet of the company for the year ended 31 March 2011 No adjustments impacting on either the loss for the year or net assets have been identified One adjustment to revise the disclosure of discontinued operations has been identified and this is shown within the table below

As disclosed above the The Centre for e-Business ceased trading in the current financial year As required by FRS 3 - Reporting Financial Performance the prior year profit and loss account for the prior year has been restated to disclose turnover and the operating loss of that division as discontinued

In addition a number of prior period restatements have been made to the financial statements of the company as at 31 March 2011 to present the profit and loss account of the company more fairly The Group policy is to show all movements in fixed asset provisions, investment income and management fees in the profit and loss account with corresponding transfers to funding

Whilst there is no change in the net assets of the company, the directors consider that this policy gives a fairer presentation of the result and is in line with the other subsidiaries within the Group

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

1. ACCOUNTING POLICIES (CONTINUED)

The effects of the adoption of UK GAAP and restatements are summarised below

Profit and Loss Account

	2011 £	Adoption of UK GAAP £	Discontinued operations £	Prior period restatements £	Restated 2011 £
Turnover					
Continuing operation - investment income	-	-	-	70,787	70,787
Continuing operations - grants and contributions	544,301	-	(342,956)	-	201,345
Discontinued operations - grants and contributions	-	361,747	342,956	-	704,703
Total income	544,301	361,747	-	70,787	976,835
Cost of sales	(96,800)	(162,310)	-	-	(259,110)
Gross profit	447,501	199,437	-	70,787	717,725
Administration expenses	(465,832)	(196,231)	-	(67,203)	(729,266)
Movement in provision against fixed asset investments	-	-	-	(268,030)	(268,030)
Operating (loss)/profit - continuing	(18,331)	-	28,114	(264,446)	(254,663)
Operating (loss)/profit - discontinued		3,206	(28,114)		(24,908)
Operating recharges	-	-	-	264,446	264,446
Loss on ordinary activities before taxation	(18,331)	3,206	-	-	(15,125)
Tax on loss on ordinary activities	6,769	-	-	-	6,769
Loss for the financial year	(11,562)	3,206	-	-	(8,356)
Profit from discontinued operations	3,206	(3,206)	-	-	-

There are no changes to the Balance Sheet at 31 March 2011

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

2. TURNOVER

The turnover and loss before tax are attributable to the principal activities of the company. An analysis of turnover is given below.

	2012	Restated
	£	2011
		£
United Kingdom	527,829	976,835

An amount of £186,294 was provided by One North East to cover closure costs of Centre for e-business.

3. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Continuing	Discontinued	Total
	operations	operations	£
	£	£	
Year ended 31 March 2012			
Cost of sales	-	63,913	63,913
Administrative expenses	180,160	453,769	633,929
Movement in provision against fixed asset investment	1,293,738	-	1,293,738
Net operating expenses	1,473,898	453,769	1,927,667

Included within the discontinued operation administrative expenses is an exceptional cost of £224,209 relating to the closure of costs of Centre for e-Business.

Year ended 31 March 2011 (as restated)

Cost of sales	63,345	195,765	259,110
Administrative expenses	195,420	533,846	729,266
Movement in provision against fixed asset investment	268,030	-	268,030
Net operating expenses	463,450	533,846	997,296

4. OPERATING LOSS

Operating loss is stated after charging

	2012	2011
	£	£
Directors' remuneration	-	-
Depreciation of owned fixed assets	867	3,970
Auditors remuneration		
- Audit fees payable to the company's auditors (and previous auditors) for the audit of the company's annual accounts	5,400	5,340
- Non-audit fee payable to the company's auditors and their associates in respect of tax services	2,450	-
Operating lease costs – other	147,346	67,671

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
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NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

5. OTHER RECHARGES

	2012	Restated
	£	2011
		£
Release of Single Programme funding against management costs	21,754	-
Against legacy funding	1,336,300	264,446
	<u>1,358,054</u>	<u>264,446</u>

6. STAFF COSTS

The aggregate payroll costs are

	2012	2011
	£	£
Wages and salaries	242,352	427,241
Social security costs	19,046	31,330
Other pension costs	2,448	4,653
	<u>263,846</u>	<u>463,224</u>

7. TAXATION ON ORDINARY ACTIVITIES

	2012	2011
	£	£
Analysis of charge in the period		
Current tax		
Corporation tax	-	(5,457)
Adjustments to current tax of prior period	3,800	(1,312)
	<u>3,800</u>	<u>(6,769)</u>

ii) Factors affecting tax charge for the current year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 26% (2011 – 28%)

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
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NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	(110,034)	(15,125)
Tax at 26% (2011 – 21%) thereon	(28,609)	(3,176)
Income not taxable	(356,477)	-
Expenses not deductible	356,477	-
Capital allowance for period in excess of depreciation	(965)	-
Losses not provided	29,574	-
Adjustments to tax charge in respect of previous period	3,800	(3,593)
Current tax credit/(charge) for the year	3,800	(6,769)

iii) Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of timing differences relating to revenue losses and capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £30,824 (2011 – Nil). The asset would be recovered if sufficient profits are generated in the next year to utilise the losses.

Finance Act 2011 was substantively enacted on 5 July 2011 and included a provision to reduce the corporation tax rate to 25% with effect from 1 April 2012, this was superseded by the 2012 budget where it was announced the rate would instead be reduced to 24% from 1 April 2012 and this rate was substantively enacted on 26 March 2012. Accordingly, the unrecognised deferred tax asset at the year end has been valued at 24%.

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
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NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2011	31,501	41,195	72,696
Additions	-	5,204	5,204
Disposals	(31,501)	(46,399)	(77,900)
At 31 March 2012	-	-	-
Depreciation			
At 1 April 2011	31,501	41,195	72,696
Charge for the year	-	867	867
On disposals	(31,501)	(42,062)	(73,563)
At 31 March 2012	-	-	-
Net book value			
At 31 March 2012	-	-	-
At 31 March 2011	-	-	-

9. INVESTMENTS

	Shares in group undertaking £	Unlisted investments £	Total £
Cost			
At 1 April 2011	1	5,037,437	5,037,438
Capitalisation of interest on conversion		16,529	16,529
Repayments	-	(207,384)	(207,384)
Investments written off		(450,000)	(450,000)
At 31 March 2012	1	4,396,582	4,396,583
Provision			
At 1 April 2011	-	3,069,832	3,069,832
Movement in provision in year	-	1,293,738	1,293,738
Investments written off		(450,000)	(450,000)
At 31 March 2012	-	3,913,570	3,913,570
Net book value			
At 31 March 2012	1	483,012	483,013
At 30 March 2011	1	1,967,605	1,967,606

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

9. INVESTMENTS (continued)

At 31 March 2012, the company owned 100% of the issued share capital of North East England Trading Limited. In April 2012, this company was transferred to North East Access to Finance Limited and its name was changed to Routes to Investment Limited. The company was dormant throughout the period.

	2012 £	2011 £
Aggregate capital and reserves		
North East England Trading Limited (dormant)	1	1

10. DEBTORS

	2012 £	2011 £
Trade debtors	-	26,734
Corporation tax repayable	-	5,456
VAT recoverable	850	-
Other debtors	-	120,981
Prepayments and accrued income	-	185,855
	<u>850</u>	<u>339,026</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	5,104	22,218
PAYE and social security	-	13,905
Other creditors	10,225	43,044
Accruals and deferred income	199,849	486,737
Single programme funding	133,947	-
	<u>349,125</u>	<u>565,904</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Other creditors - Legacy funds	1,257,042	2,710,760

13. PENSIONS

The company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,448 (2011 - £4,653). At 31 March 2012, the company had no employees.

ENTERPRISE DEVELOPMENT NORTH EAST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in Financial Reporting Standard No 8 – 'Related Party Disclosures', not to disclose transactions with entities that are part of the same group. The company, through its trading subsidiary North East of England Trading Limited, had a 50% interest in the North East Regional Aggregation Body LLP ("ADIT"). Income from ADIT to the company in respect of recharged expenses totalled £nil (2011 – £27,544). ADIT ceased operations on 31 May 2011 and applied for dissolution on 6 February 2012.

15. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and has no share capital. In the event of a winding-up each member undertakes to contribute such an amount, as may be required for the payment of liabilities, not exceeding £1.

16. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Balance brought forward	138,692	147,048
Loss for the financial period	(113,834)	(8,356)
Balance carried forward	<u>24,858</u>	<u>138,692</u>

17. ULTIMATE CONTROLLING PARTY

North East Access to Finance Limited is the parent company as at 31 March 2012, and in the opinion of the directors, the ultimate controlling parties were the six members of North East Access to Finance Limited. These were Ms Susan Wilson CBE, Mr Kevin Rowan, Mr Robert Elliott, Mr Alan Fielder, Mr Graham Thrower and Mr Chris Thompson. Mr Alan Fielder has subsequently resigned his membership.

North East Access to Finance Limited is limited by guarantee of members and does not have a share capital. The liability of every member is limited to £1 (2011 – £1). On winding up of the company, any surplus assets that exist must be transferred to another body or a charitable institution or other institutions having objects similar to the object of the company.

The parent company of the largest and smallest group, which includes the company and for which group accounts are prepared is North East Access to Finance Limited, a company registered in Great Britain. Copies of the group accounts are available from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.

The company has taken advantage of the exemption available in Financial Reporting Standard No 8 'Related Party Disclosures', not to disclose transactions with entities that are part of the same group.