COMPANIES HOUSE

Company Number 1653116

GREATER LONDON ENTERPRISE LIMITED

Report and Financial Statements

Year Ended

31 March 2010

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GREATER LONDON ENTERPRISE LIMITED
Annual report and financial statements for the year ended 31 March 2010

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Country of incorporation of parent company: England

Directors

PA Hendrick
J Crook
M Dobney
MI Edmond
Cllr MA Loveday (Chair)
AK Manning-Jones
PRE Pledger
LM Soden
AM Watts CBE
Cllr G Nicholson
PJ Adey
MG Large
P Thackwray OBE
MM Williams

Secretary and registered office
JEP Gervasio, Saint Martins House 210-212 Chapeltown Road, Leeds, West Yorkshire, LS7 4HZ

Company number
1653116

Auditors
BDO LLP, 55 Baker Street, London W1U 7EU

GREATER LONDON ENTERPRISE LIMITED
Report of the Directors

Introduction

When the Group prepared its budget for 2009-10, it was against a background of uncertainty following a significant decline in the value of our property portfolio, which had fallen by nearly 30 per cent in the previous year and which looked set to continue to decline The effect of this, together with a reduction in the carrying value of some of our investments and an increase in the pension fund deficit, was that, after 17 years of continuous growth, the Group had reported a decrease in Net Worth to £30 7m in 2009 from £49 6m the previous year

Now, a year on, there has been some improvement in property market values but economic and political uncertainties remained throughout the year, with concern growing about public sector expenditure

In the context of this, it is pleasing to report that the Group exceeded its budget and that, despite an increase in the Group's share of the Local Government Pension Scheme (LGPS) pension deficit (from £1 259m to £1 82m), our Net Worth now stands at £31 3m an increase of £0 6m from the previous year

As planned, there has been a focus on managing costs, reducing the amount of unsold development property and continuing to integrate the YFM businesses whilst seeking to further strengthen the Enterprise Development and Consulting activities by renewal of significant contracts and securing of new opportunities Because of the stage of development that each of the Group's businesses has reached and the reduction in property activity caused by the fall in the property market, the budget for the year was a break-even operating profit before amortisation of the intangible assets on the acquisition of YFM

The results show the basis of the budget to have been well founded although some significant one-off costs were encountered in the restructuring and merger of YFM with the Group's other equity finance business, GLE Growth Capital and a more rigorous review of YFM's debtors

In GLE Property Developments over 70 per cent of the stock held at March 2009 was sold generating holding cost savings of £0 4m and profits of over £0 7m against brought forward values

Elsewhere, IGF, the Group's factoring and invoice discounting company, exceeded expectations and budget, returning to profit before some exceptional restructuring costs This was particularly encouraging after the loss and write down in carrying value of goodwill, in relation to IGF, in the previous year

As a result of the rigorous management of costs and the unbudgeted receipts of £9 2m from property development sales, the Group has significantly increased its banking headroom which has improved steadily throughout the year and a new three year facility was agreed shortly after the year end The banking headroom was also improved by the independent property revaluations showing an overall increase of just under £1m which is very encouraging and only marginally below the market indices

After the near 40 per cent reduction of the previous year, stabilising Net Worth was a key driver in our plan for 2009-10 Whilst the fall had been substantially a factor of market movements, this year's firm focus on stability and improving even further the Group's banking headroom has meant this has been a period of consolidation to prepare the Group to take advantage of future opportunities

GREATER LONDON ENTERPRISE LIMITED
Report of the Directors (continued)

The Group has a strong presence in five of the English regions London, the South East, Yorkshire & Humber, the North West and the South West and delivers its innovative services aimed at unlocking the economic potential of people and growing businesses through each of the Group's four key business areas

- Finance for Business
- Enterprise Development
- Business Accommodation
- Consulting Services

Finance for Business

GLE provides a range of financial products and investment designed to help meet the finance needs of small and growing businesses including

- Equity Finance
- Cashflow Finance
- Loan Finance

Equity Finance

The Group's Equity Finance activities are delivered through YFM which has over £300m of funds under management YFM incorporates YFM Private Equity Ltd and YFM Venture Finance Ltd and operates through a number of YFM and former GLE operational, regional or product brands These include

- Seraphim Capital (an Enterprise Capital Fund)
- London Seed Capital
- The Chandos Fund
- British Smaller Companies VCT plc
- British Smaller Technology Companies VCT2 plc
- Partnership Investment Finance
- South Yorkshire Investment Fund
- Yorkshire & Humber Equity Fund
- North West Business Investment Scheme
- The Capital Fund
- South West Ventures Fund

YFM is one of the most active providers of private equity and venture capital for UK SMEs and can invest up to £8m in high growth businesses at all stages of development and across all sectors The Group's geographical spread enables it to invest in businesses right across the UK and its investment team - one of the largest in the UK - offers significant breadth and depth of expertise

During the year the combined equity finance businesses invested over £31m- £13m in to new investments, £15m in supporting the existing portfolio and £3m by way of loan finance In total 145 businesses either received investment or loans
Despite the challenges of the economy, portfolio valuations have on the whole remained resilient, which has in large part been helped by a cautious approach to exposure to extended debt financing in previous years

Investment activity was down particularly in the early part of the year, reflecting further caution across the economy from both financers and businesses themselves There has been some tentative recovery of confidence towards the end of the year, which is beginning to be reflected in increasing demand for finance, but there remains a fragility to this confidence Despite this there were some notable successes with in total 15 realisations of investments made in the year generating £11 3m of return to investors, equivalent to 5 8 times the cost of investments This serves as a testament to the ability of UK small and medium sized businesses to continue to create value even in difficult economic circumstances

The integration of the two YFM businesses with GLE's own equity finance business was completed and the three businesses restructured under a single reporting structure GLE's Business Angels Network, London Business Angels was re-launched as an independent network but with sponsorship from the Group allowing it to focus more closely on its strengths as a regional network and with a lower overhead base that it should be more capable of sustaining

Reflecting market conditions, the plans for Equity Finance did not allow for any new fund raising during the year It was however pleasing that in a limited offering to existing investors, YFM's Venture Capital Trusts raised nearly £3m of additional funds

As a result of the restructure the combined Equity Finance business is now well placed to take advantage of future opportunities and economic recovery, with funds available for investment and plans in development for further new funds to be raised

Cashflow Finance

Delivered through Independent Growth Finance (IGF), the Group provides cashflow finance and a range of related services including payroll and sales ledger management for more than 200 SMEs In the year IGF financed over £298m of its clients' turnover

Market conditions remained very challenging throughout the year with numbers of client losses remaining high (at circa 30 per cent) although clients' turnover and therefore use of their facilities did increase towards the end of the year, reflecting either increasing cashflow pressures or some upturn in business activity Around half of the client losses relate to business failures and half to businesses simply ceasing to trade without going into administration or receivership

Financial losses from client failures during the year were contained well within expectations - with the majority of the bad debt provision relating to failures that had occurred in earlier years and where, as a result of the economy generally, recovery was proving more difficult Despite this, significant progress was made in recovering historic debts too, where the funds in use reduced in line with expectations

Despite continuing pressure on margins and an increase in the interest margin it is charged by its funder, IGF ended the year with marginally more clients than at the start of the year and it exceeded its target for increasing its minimum fees from new business

As a result of this and the reductions in cost going forward resulting from some further restructuring and a decision to move premises, the business exceeded its targets returning to profit before the cost of these exceptional items

With lower overheads coming from the actions taken over the last two years, improved operational systems being put in place to deal with more sophisticated client frauds and some improvement in securing new business, the prospects for IGF are perhaps more encouraging than has been the case in recent years It is however still early days in the turnaround of this business and the management will remain focussed on building cautiously on what has been achieved during the year

Loan Finance

Start up and early growth funding is provided through GLE's enterprise development subsidiary in London (GLE oneLondon) and through YFM in Yorkshire

Through these combined activities we have over £30m of funds under management

GLE oneLondon's lending activity increased in line with target during the year and, as anticipated, reflecting the wider economic challenges, bad debts also increased particularly in relation to start up loans In 2009-10 £3m was lent to 127 entrepreneurs, meaning that since 2006 almost 1,000 loans have been made to entrepreneurs with a total lending of £11m Total lending is currently £5m to 372 entrepreneurs

London Business Loans, our Community Development Finance Institution (CDFI) completed its third full year of operation achieving its Community Investment Tax Relief lending targets which are essential to maintain its tax status Early in the year the business was asked to manage the Mayor's £3m Economic Recovery Loan Fund for London

We also piloted a new Sharia compliant finance product with the assistance of Norton Rose and a Fatwa from the scholars of Gatehouse Bank This is an exciting development and we hope for this product to become a key addition to all SME Loan Funds in future

Enterprise Development

Enterprise and business development activities are provided through GLE's enterprise development subsidiary in London and the South East and YFM's business development subsidiary in Yorkshire

Through these teams the Group provides business support, manufacturing, and international trade advice and capacity building for new and established businesses In the year over 9,000 people or businesses benefited from our advice, mentoring, training and finance services provided by our combined teams

Following a successful tender, GLE Enterprise Development was awarded a further three year contract to deliver London's international trade services on behalf of UK Trade & Investment (UKTI) and it completed its second year of delivering the service for the South East region The service is aimed at helping companies to develop their international trade links or become exporters for the first time The London activities have also been enhanced by additional resources from £2m of European Regional Development Fund (ERDF) funding which was secured by the team and launched during the year

Both the London and South East teams achieved their performance targets for the year Notably, the London region maintained its status as by far the largest revenue generator for UKTI's Overseas Market Introduction Service (OMIS), which offers clients trade assistance from Commercial Officers based in around 100 Embassies, High Commissions and Consulates around the world London's OMIS turnover exceeded £1m in 2009-10, which was an all time record In the South East, two highly successful "Meet the Buyer" events in India and the USA generated in excess of £4m of new business for companies in the South East

Together the London and South East teams also delivered over 60 international trade missions, over 270 workshops and seminars, and provided one-to-one support from the team of 70 International Trade Advisers to more than 3,000 companies during the year

YFM's business development subsidiary is now integrated with the Group's Enterprise Development business It delivers the government's Manufacturing Advisory Service (MAS) for the Yorkshire & Humber region and a number of smaller contracts all on behalf of the regional development agency Performance on these contracts has been strongly ahead of expectations

The Yorkshire & Humber MAS (MAS Y&H) is considered by many as one of the best performing in the country During the year, MAS Y&H supported more than 1,000 of the region's manufacturers to achieve measured and sustainable performance improvements, including more than 750 businesses accessing MAS for the first time This helped to stimulate an additional £30m of Gross Value Added for the region's economy, safeguarding over 3,500 local jobs and, despite the downturn, helping to create 100 new jobs Increased emphasis is also being placed on guiding manufacturers to reduce CO_2, develop resource efficient products and to engage in the emerging low carbon economy

GLE oneLondon, our not-for-profit arm, which delivers outreach and business support to the hard-to-reach, underserved and disadvantaged communities of central and south London, has continued to be a leader amongst the UK's enterprise agencies through its quality provision using community-based offices and working in partnership with local organisations and London boroughs This year it provided nearly 1,800 businesses with one-to-one support and helped create 127 new businesses to start and survive Nearly 2,000 clients received training at over 200 workshops, with over 200 jobs being created as a result

GLE's enterprise activities are now a significant part of the Group and the results demonstrate the progress that has been made in building a business able to deliver on this vital agenda whilst at the same time generating a financial contribution to the Group

Business Accommodation

The Group's Business Accommodation activity remains focused in London providing space for small and growing businesses through both property investment and property development

After the turmoil of the markets in the previous year and the resulting 30 per cent drop in the value of the Group's property portfolio, the index started to recover and this continued throughout the rest of the year with total gains exceeding the reduction of the first quarter and an overall increase in the index for the year of just over five per cent The Group's independent property valuations confirmed that the portfolio also increased during the year but by marginally less at four per cent This performance is not unexpected given the multi let, small and short term letting nature of much of the investment property portfolio

Occupancy in the portfolio held up very well given the economic pressures on businesses It increased during the year before falling back to 80 per cent by the year end

Following a virtual collapse in development sales in the previous year it was very pleasing indeed that the business delivered over £9 2m of unbudgeted sales during the year generating profits and cost savings totalling £1 1m This was an excellent outcome meaning that only 33,000 square feet (just 28 per cent) of the nearly 117,000 square feet of completed stock held a year earlier remains to be sold This is around 12 per cent of the 270,000 square feet that was developed at various sites over the last four years and which formed the Group's largest small unit development programme

As expected, new property development activity remained on hold with no new schemes progressing to construction stage Viability for new development remains challenging but the business did make progress in planning for new schemes and does expect to start at least one new scheme with grant support during the early part of 2010-11 It is also expected that investment activity will recommence during the year ahead assuming the market confidence demonstrated by the increasing property market index continues

Consulting Services

The Group's Consulting business provides programme management and consulting services for a wide range of clients including the European Commission, London Development Agency, London boroughs and London councils (which represents all the London boroughs)

The business manages £55m of grants and other publicly funded programmes and operates from offices in London, Brussels and Prague and undertakes a mix of short and medium term contracts It has the capacity to deliver consultancy or programme management in all aspects of economic development, enterprise and community development

Whilst the business aims to make a commercial return, the emphasis is also on working in partnership with stakeholders to provide an affordable quality service in all areas of the Group's expertise

The business has had another good year, beating its budget by a considerable margin, winning some significant programme management contracts and further developing its range of UK consulting services further in skills and employment related projects, capacity building and training, environmental awareness, innovation support, and research and evaluation

The results were all the more creditable given that opportunities in the market place were limited with considerably fewer contracts being tendered than in previous years

In skills and employment the business successfully managed its first outcome-based employment project, with payment on results The project was profitable, and it is expected that more contracts will be outcome-related in future

In European work, the business continued to provide its funding information and support service to London boroughs through the London Councils European Service while tendering for a follow on contract The Prague office is now achieving a break even position whilst exceeding its delivery targets for its single contract delivering enterprise support to immigrant communities in Prague

Whilst the business has achieved an excellent result and made very good progress in developing its skills and widening its offer, the outlook will remain challenging, as against a background of public sector spending reductions, contracts are likely to become fewer in number (although some may potentially be larger) and more outcome driven The challenge will be to ensure the business is well placed to secure a larger market share within its existing areas of operation and to expand geographically

Conclusion

2009-10 has seen a welcome return to growth in the value of the Group Whilst recovery to earlier values may take some time, it is encouraging that the reduction in Group Net Worth appears to have been confined to a single year despite the decline in market values having started as early as September 2007

The property market has recovered a part of its earlier losses and our equity investment fund assets have so far proven to be relatively robust but the uncertainties and challenges of the economy will continue for some time and we will continue to plan accordingly

The economy remains in a very fragile state as the new government attempts to make an earlier start on reducing the deficit and public spending cuts, some of it in the areas of our operations Our challenge is to maintain the flexibility to respond to changing needs and circumstances whilst continually looking for new opportunities that the drive for greater efficiency and value for money from public spending will surely seek The business and enterprise agenda will be vital to recovery in the economy and the Group should be well placed to mobilise its significant resources to help secure that recovery First however we will surely experience some significant short term challenges which may mean reductions in workload

We always take a longer term view of the sectors in which we invest our funds and resources As a result of the progress made in diversifying our revenue streams, further improvements in our gearing from profitable sales of our property development assets, managing our costs and the earlier strategy of reducing the scale of our property investment activity the Group is now even better placed to take advantage of opportunities in the sectors in which our businesses operate over the medium term

This year has shown more than ever how we rely on and benefit from our most valuable asset, our staff The Group employs over 300 people across the UK We remain committed to the development of all of our staff and I would like to thank them and all of my management and board colleagues for their very hard work, enthusiasm, creativity and commitment throughout the year

Martin Large
Chief Executive

2 Results

The Group's surplus for the year, after taxation and minority interests, amounted to £1,180,000 (2009 deficit - £18,084,000) and has been added to reserves This surplus includes gains of £41,000 (2009 - £42,000) from disposals of fixed assets In accordance with the articles of association, no dividend is payable to members

During the year, the Group made charitable donations amounting to £805 (2009 - £2,520)

3 Directors

Those persons who acted as Directors during the year and subsequently are given below

Non-Executive Directors

J Crook	
PA Hendrick	
LM Soden	
AM Watts CBE	
Cllr L Watt	(resigned 6 May 2010)
M Dobney	
PRE Pledger	
MI Edmond	
AK Manning-Jones	
Cllr MA Loveday	
Cllr H Alexander (Chair)	(resigned 29 November 2009)
Cllr G Nicholson	(appointed 29 November 2009)

Executive Directors

MG Large	(Chief Executive)
PJ Adey	(Group Finance Director)
P Thackwray OBE	(Managing Director, GLE One London)
MM Williams	(Managing Director, GLE Consulting)
AR Clarke	(Managing Director, GLE Growth Capital, resigned 30 November 2009)

4 Directors' Interests in Shares

The Company is limited by guarantee without a share capital

Certain Non-Executive Directors are appointed from time to time to act as Private Members of the Company These Private Members have no rights to participate in the income and assets of the Company PA Hendrick, J Crook, M Dobney, MI Edmond, PRE Pledger, LM Soden, AK Manning Jones, and AM Watts CBE acted as Private Members throughout the year None of these Directors has or had at any time during the year any interest in the shares of any other group undertakings

5 Tangible Fixed Assets

The Group's investment properties and self owned offices were revalued as at 31 March 2010 by Jones Lang La Salle, King Sturge and Lambert Smith Hampton, chartered surveyors Together these revaluations resulted in a surplus above net book value of £940,000, which has been reflected in the financial statements The movements in tangible fixed assets are set out in notes 13 and 14 of the financial statements

6 Investments

Trade investments are valued in the financial statements at either fair value or cost depending on the nature of the investment, less any provisions for impairment Provisions have been made wherever, in the Directors' opinion, there has been impairment in the value of such investments Details of the movements in investments are set out in note 17 of the financial statements

7 Creditor Payment Policy

Following the transfer of the trade from Greater London Enterprise Limited into GLE Consulting Limited from 1 April 2009, the Company no longer has any trade creditors Based on the Company's trade creditors at 31 March 2009, the average number of days taken to settle purchases made during the previous year was 79 days

8 Principal Business and Financial Risks

The Board and the management of the Group pay careful attention to the identification and control of risks associated with the Group's activities At Board level, regular reports are given addressing all risk areas These are supplemented by reviews by the Audit Committee As with other aspects of the Group, all identified areas of risk are allocated to an Executive Director for monitoring and management

The Group is exposed to a number of risks which can be summarised as follows

Property market: The Group is exposed to fluctuation in the industrial property market This risk is mitigated by management regularly reviewing market conditions and taking appropriate action

Interest rate risk: The Group's borrowings are principally at a margin over LIBOR thus exposing the Group to cash flow interest rate risk The Group's policy is to ensure the margin is competitive when compared to other banks and also the consideration of hedging to reduce exposure to this risk

Credit risk: At IGF Invoice Finance significant sums of monies are advanced to clients thereby exposing the Group to the risk that these amounts may not be recoverable This risk is mitigated by controls over client take on procedures, securing advanced funds against client assets and ongoing review of client accounts to ensure the amounts remain recoverable

Liquidity risk: The Group is exposed to liquidity risk as sufficient funds are required to support trading, investing and financing activities The Group regularly monitors the liquidity position to ensure that sufficient funds are available to meet both current and future requirements Liquidity management includes managing the Group's working capital and borrowings The Group's borrowings are the subject of a number of financial covenants which the Directors regularly monitor to ensure both current and future compliance

9 Auditors

BDO LLP have expressed their willingness to continue in office In accordance with Section 485 of the Companies Act 2006, a resolution to reappoint BDO LLP as auditors of the Company will be proposed at the next annual general meeting

10 Director's responsibilities for the financial statements

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 group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company 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 group and company and of the profit or loss 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 accounting estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 requirements of 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

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information The Directors are not aware of any relevant audit information of which the auditors are unaware

ON BEHALF OF THE BOARD

P J Adey
Director 29 July 2010

Saint Martins House
210-212 Chapeltown Road
Leeds, West Yorkshire, LS7 4HZ

GREATER LONDON ENTERPRISE LIMITED
Corporate Governance

The Group is committed to high standards of Corporate Governance and the Board of Directors believes this is a key element in continuing to preserve value and deliver growth in the business

The Board continues to develop its Corporate Governance practices by an annual review undertaken by the Audit Committee with the aim of ensuring it complies with the principles of Good Governance, as set out in the Combined Code, except where compliance is considered inappropriate to the Company's circumstances

Board of Directors

At 31 March 2010, the Board of Directors comprised a Non-Executive Chair, four Executive Directors and ten Non-Executive Directors The Directors are as shown on page 8

The Board met three times during the year and has overall responsibility for leading and controlling the Company and is accountable to the Ordinary and New Members ("the London Boroughs") for financial and operational performance

The Board has adopted a formal schedule of matters detailing key aspects of the Company's affairs presented to it for decision Responsibility for the development and recommendation of strategic plans for consideration by the Board, for implementation of strategies and policies approved by the Board and for operational management is delegated to the Executive Directors

The Board is aware that two Non-Executive Directors Paul Hendrick and Laurence Soden have served in excess of 10 years and are therefore non compliant with the Combined Code However the Board considers they remain independent and their continued engagement and contribution is much valued

The roles of the Chair and Chief Executive are distinct and separate, with a clear division of responsibilities The Board has concluded it is unnecessary to appoint a senior independent director, contrary to the provisions of the Combined Code The Board considers that the Non-Executive Chair is independent of the Chief Executive and this, together with the majority of independent Non-Executive Directors and use of Board sub-committees, facilitates a forum for clear, independent and unfettered communication both internally and externally The Non-Executive Directors combine broad business and commercial experience with independent and objective judgement This balance enables the Board to provide clear and effective leadership and maintain the highest standards of integrity across the Group's business activities The Board has reviewed the independence of the Non-Executive Directors and has concluded that, with the exception of Cllr G Nicholson, Cllr MA Loveday and Cllr L Watt who are nominated by the original London Borough Ordinary Members, the Non-Executive Directors are independent

The Board is supplied with comprehensive Board papers in advance of each Board meeting, including financial and business reports covering each of the Group's principal business activities

The Board accepts its responsibility for ensuring there is an effective system of internal control In this respect the Audit Committee regularly reports and advises the Board on these issues

All Directors have access to the advice and services of the Group Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with In addition, all Directors are able, if necessary, to obtain independent professional advice at the Company's expense

Board Committees

In order to ensure effective control and oversight, the Board has a number of committees with specific responsibilities defined by written terms of reference The principal committees are as follows

The Audit Committee

The Audit Committee met four times in the year It consists of three independent Non-Executive Directors The three members are PA Hendrick (Chair), LM Soden and AM Watts CBE In addition, the Chief Executive, the Finance Director, external auditors and internal auditors attend by invitation at the discretion of the Chair The Committee is responsible for assisting the Board in discharging its responsibilities for the selection of accounting policies and financial reporting, internal controls, and its risk management framework Group management have established a system of internal control, which includes the accounting systems needed to manage and record the transactions undertaken by the business However, it must be recognised that any system cannot provide absolute assurance against material misstatement or loss During the year the Audit Committee reviewed the results of a number of internal audit reports covering various issues of internal controls and risk management This programme of work carried out by an externally resourced firm of accountants, will continue in the forthcoming year and is part of a planned three year rolling schedule across the Group

The Committee carries out a formal annual review of the Group's risk register and makes appropriate recommendations to the Board The Committee also reviews the independence of the external auditors, including the relationship between audit and non-audit work performed by the external auditors The Committee reviews the nature and scope of the audit with the external auditors prior to commencement and continues to monitor the scope and results of the annual audit, its cost effectiveness and objectivity The internal and external auditors have direct access, if required, to the Chairman of the Committee

The Remuneration and Personnel Committee

The Remuneration and Personnel Committee met four times in the year and consists of three independent Non-Executive Directors Executive Directors may attend at the invitation of the Chair to report on specific matters The current Non-Executive members are AM Watts CBE (Chair), LM Soden and PRE Pledger The Committee assists the Board in discharging its responsibilities for executive remuneration policy, remuneration arrangements of Directors and remuneration and personnel policy generally

The Nominations Committee

The Nominations Committee last met in March 2009 It consists of three Non-Executive Directors and one Executive Director The current Non-Executive members are AM Watts CBE, PA Hendrick and PRE Pledger The Committee is responsible for assisting the Board in the formal selection and appointment of Directors

The Nominations Committee (continued)

The Committee considers potential candidates and recommends the appointment of new Directors to the Board The Committee also takes responsibility on behalf of the Board for the induction and training of new Directors and the assessment of Board and individual Director's performance It also takes responsibility for the evaluation of Board members' performance which includes review of attendance records and contributions to meetings

Greater London Enterprise Investments (GLEI) and Greater London Enterprise Contracts (GLEC)

The Boards of GLEI and GLEC met together from the start of the financial year The board of GLEI/GLEC met five times in the year The Boards of GLEI and GLEC consists of five independent Non-Executive Directors and two Executive Directors The Non-Executive members were PA Hendrick (Chair), LM Soden, AK Manning-Jones, AM Watts CBE and PRE Pledger In addition, the senior management for each trading division attend by invitation The subsidiary Board performs a regular financial and operational review of the activities of the Group It has delegated authority from the Board for the detailed review of specific financial and operational matters as directed from time to time and making recommendations as appropriate to the Board Its responsibilities include the examination of the annual budget and consideration of strategic actions

Relations with the Members

The Company has a programme of communication with the London boroughs ("the Members") Each year, the Company provides Members with a report and a review of the Group's activities Communication is also made through the Annual Report and the attendance of Members at the Annual General Meeting, where they have the opportunity to ask questions and raise any concerns to the Board of Directors Three of the Non-Executive Directors are appointed by the Members and ensure the rest of the Board develop an understanding of the views of the Members on an ongoing basis The Company's website provides information on the Group's current activities

GREATER LONDON ENTERPRISE LIMITED
Report on Directors' remuneration

1 Introduction

The Remuneration and Personnel Sub-Committee is responsible for

- The determination of Group policy for executive remuneration and the terms and conditions of employment of the Executive Directors
- The determination of appropriate performance conditions for incentive arrangements and bonus payments across the Group
- Review and determination of Group personnel policies as required

The committee consists wholly of independent Non-Executive Directors and the current members are AM Watts CBE (chair), PRE Pledger and LM Soden Executive Directors attend by invitation at Committee meetings as required for relevant items, but are always excluded when their own performance and remuneration are under review

In the last financial year the Committee met four times The committee continued to carefully review and monitor GLE's remuneration and incentive policies Previously implemented improvements to both the process and structure of bonus schemes and incentive schemes in recent years resulted in no significant changes to incentive schemes in 2009/2010 The committee will continue to monitor these schemes and will review in the light of prevailing market conditions

The objective of GLE's employment policies is to ensure that the Group is able to attract and retain the best calibre of employee from all sections of the communities in which it operates, encouraging diversity and equal opportunities

With regard to remuneration of senior executives, remuneration levels need to be sufficient to attract and retain Directors of the quality required to manage the Company successfully and in the longer term A component part of the remuneration package is therefore structured to link rewards to corporate and individual performance In this respect wherever possible, comparisons have been made with other companies in similar sectors to ensure that packages offered are consistent and fair in relation to that offered elsewhere Accordingly in this respect, the remuneration package of senior executives will include (in addition to an annual salary), both an annual performance incentive together with a medium term incentive

Annual performance bonus

A bonus is paid to management and staff for financial performance in respect of their trading division, provided certain annual targets are exceeded and this is in addition linked to an individual's performance appraisal Payment of annual bonuses is capped at varying levels up to a maximum of 100% for staff and for Executive Directors with the exception of some bonus schemes in respect of Equity Finance Bonuses paid to management and staff are not pensionable

Medium Term Incentive Scheme

A Medium Term Incentive Scheme was established with effect from 1 April 2003 The Executive Directors each participate in the Scheme This scheme is a phantom share scheme and is designed to encourage and reward medium-term performance by providing incentives linked to the increase in the Net Asset Value of the Group Full details of awards and participants to the scheme are provided in the Directors' schedule of emoluments that follows this report The awards (which are at the discretion of the Committee) are considered annually and exercised each year The total awards in any one year are limited to 3% of the Net Asset Value of the Group, and capped at 200% of salary value In addition, appropriate hurdles have been established to ensure real increases in Net Asset Value which account for inflation

Employment Contracts

All Executive Directors have contracts providing for periods of up to one year's notice A Redundancy Compensation agreement exists for one Executive Director that in addition to the period of notice provided in his contract of employment offers protection in the event of redundancy equivalent to one year's remuneration The committee having taken independent specialist advice is of the opinion that this is reasonable and is not out of step with current best practice

2 Policy on Remuneration of Executive Directors

The main components of executive remuneration for the year ended 31 March 2010 were

Basic Salary
An increase in basic salary was implemented across each business area of the Group where it was judged by the directors to be appropriate

Annual Performance Bonus
The Group operates annual performance bonus schemes which are approved by the Remuneration and Personnel Sub-Committee Payments under annual performance bonus schemes are non pensionable

Pensions
The Group makes contributions to a defined benefit scheme operated by the London Pensions Fund Authority, on behalf of the Executive Directors The contributions are based on basic salary only

Other benefits
Executive Directors are entitled to receive a company car or the cash equivalent The Executive Directors are entitled to the provision of insurance against critical illness and private health care although not all directors elect to take up these benefits

GREATER LONDON ENTERPRISE LIMITED
Report on Directors' remuneration (continued)

3 Emoluments

Total emoluments of the Directors for the year are shown below

	Fees	Basic Salary	Annual Bonus	Compensation for loss of office	Other benefits	**Total 2010**	**Total 2009**
	£000	£000	£000		£000	**£000**	**£000**
Executive Directors							
MG Large		171 2	84 7		11 1	**267.0**	**186.5**
PJ Adey		121 1	69 3		12 3	**202.7**	**137.8**
P Thackwray OBE		102 5	43 5		8 7	**154.7**	**127.7**
MM Williams		102 7	53 7		5 8	**162.2**	**116.2**
AR Clarke (res 30 Nov 09)		72 9	-	84 4	0 2	**157.5**	**108.2**
Non-Executive Directors							
LM Soden	13 1					**13.1**	**14.7**
J Crook	1 5					**1.5**	**1.5**
M Dobney	1 0					**1.0**	**1.0**
PA Hendrick	18 3					**18.3**	**22 6**
PRE Pledger	9 7					**9.7**	**13 6**
AM Watts CBE	13 7					**13.7**	**14 6**
MI Edmond	1 5					**1.5**	**8 3**
Cllr M Loveday						**-**	**-**
Cllr G Nicholson (apptd 29 Nov 2009)						**-**	**-**
L Baehr (res 28 July 08)						**-**	**1.6**
AK Manning-Jones	11 0					**11.0**	**11.7**
Clllr H Alexander (res 29 Nov 2009)	-						
CllrL Watt	-						
Cllr R Thomas (res 8 Dec 08)						**-**	**0.5**
	69.8	**570.4**	**251.2**	**84.4**	**38.1**	**1,013.9**	**766.5**

All of the Executive Directors are members of a defined benefit scheme The annual pension accruing to the highest paid Director at the year end was £26,194 and the accrued lump sum was £95,823

3 Emoluments (continued)

Allocation value granted to Directors under the Medium Term Incentive Scheme

	At 31 March 2009	Granted during the year	Exercised/ Expired during the year	At 31 March 2010	Exercise price*	Normal exercise date from	Normal exercise date to
MG Large	55,831		(55,831)	-	£4 44	22 09 2009	22 12 2009
	48,204			48,204	£5 35	01 09 2010	01 12 2010
	51,118			51,118	£5 23	01 09 2011	01 12 2011
		85,824		85,824	£3 07	01 09 2012	01 12 2012
PJ Adey	36,991		(36,991)	-	£4 44	22 09 2009	22 12 2009
	32,020			32,020	£5 35	01 09 2010	01 12 2010
	33,953			33,953	£5 23	01 09 2011	01 12 2011
		59,245		59,245	£3 07	01 09 2012	01 12 2012
P Thackwray	16,294		(16,294)	-	£4 44	22 09 2009	22 12 2009
	14,068			14,068	£5 35	01 09 2010	01 12 2010
	16,259			16,259	£5 23	01 09 2011	01 12 2011
		28,419		28,419	£3 07	01 09 2012	01 12 2012
MM Williams	17,547		(17,547)	-	£4 44	22 09 2009	22 12 2009
	15,365			15,365	£5 35	01 09 2010	01 12 2010
	16,294			16,294	£5 23	01 09 2011	01 12 2011
		28,481		28,481	£3 07	01 09 2012	01 12 2012
A Clarke	17,428		(17,428)	-	£4 44	22 09 2009	22 12 2009
	16,360			16,360	£5 35	01 09 2010	01 12 2010
	17,349			17,349	£5 23	01 09 2011	01 12 2011
		30,325	(30,325)	-	£3 07	01 09 2012	01 12 2012
Total	**405,081**	**232,294**	**(174,416)**	**462,959**			

* The notional gross value attributable to each Unit at the time of Exercise is equal to the net asset value of the Group under UK GAAP (after excluding the net pension deficit – see note 10) as disclosed in the audited consolidated accounts of the Group at the financial year end immediately preceding the grant date, divided by 10,000,000

Expiry of options during the year

Directors' options expired during the year

	Date expired	Number expired	Option price
MG Large	22 12 2009	55,831	£4 44
PJ Adey	22 12 2009	36,991	£4 44
P Thackwray	22 12 2009	16,294	£4 44
M Williams	22 12 2009	17,547	£4 44
A Clarke	22 12 2009	17,428	£4 44
A Clarke	30 11 2009	30,325	£3 07
		174,416	

3 Emoluments (continued)

The above options were granted pursuant to the rules of the GLE 2003 Medium Term Incentive Scheme which was approved at the March 2003 Board meeting The options granted to the five Directors during the year ended 31st March 2010 equated to shares of a value equivalent (at the time of the grant) of amounts ranging from 85% to 160% of the salaries of the Directors The total amount accruing to Executive Directors as at 31 March 2010 was £Nil

4 Group personnel policies

The Committee have focused on seeking to improve and enhance best practice with regard to personnel policy and procedures It regularly monitors the effectiveness of the Group's equal opportunities policy through the review of employee statistics including the ratio of staff by gender, age and the numbers from ethnic minorities During the year the committee have kept personnel activities and training and development under regular review It continues to encourage and support the Group's commitment to the development and training of its employees which is reflected in both its commitment and continued accreditation to Investors in People (IIP), ISO 9001 and Customer First for certain areas of the Group during the year

GREATER LONDON ENTERPRISE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREATER LONDON ENTERPRISE LIMITED

We have audited the financial statements of Greater London Enterprise Limited for the year ended 31 March 2010 which comprise the group income statement, the group statement of comprehensive income, the group and company balance sheets, the group statement of changes in equity and the group statement of cash flow and the related notes The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union The financial reporting framework that has been applied in preparation of the parent company financial statements 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 auditors

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 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 (APB'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 group's and the parent 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

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2010 and of the group's profit for the year then ended,

- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,

- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREATER LONDON ENTERPRISE LIMITED (continued)

Opinion on other matters 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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

BDO LLP

Matthew White (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
29 July 2010

BDO LLP is a limited liability partnership registered in England (with registered number OC305127)

GREATER LONDON ENTERPRISE LIMITED
Group income statement
For the year ended 31 March 2010

	Note	2010 £000	2009 £000
Revenue	3,4	44,771	35,642
Cost of sales		(17,080)	(10,569)
Gross profit		27,691	25,073
Other operating income	5	41	42
Increase / (decrease) in value of available for sale investments	17	169	(350)
Impairment of owned property	13	-	(255)
Share of loss of associate	16	(127)	(56)
Administrative expenses	6	(27,075)	(32,573)
Increase / (decrease) in value of investment properties	14	940	(11,660)
Operating profit / (loss)		1,639	(19,779)
Finance income	9	95	289
Finance expense	9	(737)	(1,546)
Profit / (loss) before taxation		997	(21,036)
Taxation	11	183	2,952
Profit / (loss) for the year		1,180	(18,084)
Attributable to			
- Equity holders of the parent		1,183	(18,055)
- Minority interest		(3)	(29)
		1,180	(18,084)

The notes on pages 26 to 62 form part of these Group financial statements

GREATER LONDON ENTERPRISE LIMITED
Group statement of comprehensive income
For the year ended 31 March 2010

	2010 £000	2009 £000
Profit / (loss) for the year	1,180	(18,084)
Other comprehensive income		
Losses on investment revaluations	-	(52)
Actuarial losses on defined benefit pension plans (net of deferred taxation)	(565)	(816)
Total comprehensive income for the year	615	(18,952)
Attributable to		
- Equity holders of the parent	618	(18,923)
- Minority interest	(3)	(29)
	615	(18,952)

The notes on pages 26 to 62 form part of these Group financial statements

GREATER LONDON ENTERPRISE LIMITED
Company Number 1653116
Group balance sheet
At 31 March 2010

	Note	2010 £000	2009 £000
Non Current Assets			
Intangible assets	12	2,147	3,086
Property, plant & equipment	13	2,030	2,087
Investment property	14	27,364	26,379
Investments in equity accounted associates	16	45	176
Available for sale investments	17	5,627	3,919
Other receivables	20b	217	384
Deferred tax asset	10	708	489
		38,138	36,520
Current Assets			
Development properties	19	6,174	14,243
Trade and other receivables	20a	28,550	22,891
Corporation tax asset		608	525
Cash & cash equivalents	21	3,061	5,476
		38,393	43,135
Total Assets		**76,531**	**79,655**
Current Liabilities			
Trade and other payables	22	12,013	11,267
Loans and borrowings	23a	25,968	30,391
		37,981	41,658
Non Current Liabilities			
Other payables	23b	4,749	5,591
Employee benefits	10	2,528	1,748
		7,277	7,339
Total Liabilities		**45,258**	**48,997**
Net Assets		**31,273**	**30,658**
Capital and reserves			
Members contribution	27	1,300	1,300
Other reserve		121	121
Retained earnings		29,862	29,244
Equity attributable to Equity holders of Company		31,283	30,665
Minority interest		(10)	(7)
		31,273	**30,658**

The financial statements on pages 21 to 62 were approved and authorised for issue by the Board of Directors on 29 July 2010 and were signed on its behalf by

Paul A. Hendrick
PA Hendrick
Director

The notes on pages 26 to 62 form part of these Group financial statements

GREATER LONDON ENTERPRISE LIMITED
Group statement of changes in equity
For the year ended 31 March 2010

	Note	Members Contribution £000	Other Reserves £000	Retained Earnings £000	Total £000	Minority Interest £000	Total Equity £000
Balance at 31 March 2008		**1,300**	**173**	**48,115**	**49,588**	**22**	**49,610**
Changes in equity in 2008							
Valuation losses recognised directly in equity	17	-	(52)	-	**(52)**	-	**(52)**
Actuarial losses on defined benefit plans	10	-	-	(1,133)	**(1,133)**	-	**(1,133)**
Tax effect of losses recognised directly in equity	24	-	-	317	**317**	-	**317**
Net income recognised directly in equity		-	**(52)**	**(816)**	**(868)**	-	**(868)**
Loss for the year		-	-	(18,055)	**(18,055)**	(29)	**(18,084)**
Total income recognised		-	**(52)**	**(18,871)**	**(18,923)**	**(29)**	**(18,952)**
Balance at 31 March 2009		**1,300**	**121**	**29,244**	**30,665**	**(7)**	**30,658**
Changes in equity in 2009							
Actuarial losses on defined benefit plans	10	-	-	(784)	**(784)**	-	**(784)**
Tax effect of losses recognised directly in equity	24	-	-	219	**219**	-	**219**
Net income recognised directly in equity		-	-	**(565)**	**(565)**	-	**(565)**
Profit for the year		-	-	**1,183**	**1,183**	(3)	**1,180**
Total income recognised		-	-	**618**	**618**	**(3)**	**615**
Balance at 31 March 2010		**1,300**	**121**	**29,862**	**31,283**	**(10)**	**31,273**

The Other Reserve relates to amounts recognised in equity in respect of available for sale investments

The notes on pages 26 to 62 form part of these Group financial statements

GREATER LONDON ENTERPRISE LIMITED
Group cash flow statement
For the year ended 31 March 2010

	2010	2009
Cash flows from operating activities	**£000**	**£000**
Profit / (loss) before taxation	997	(21,036)
Adjustments for non cash movements		
Finance income	(95)	(289)
Finance cost	737	1,546
Depreciation	509	609
Share of loss in associate	127	56
Amortisation of intangible assets	939	1,365
Impairment of goodwill	-	2,409
(Increase)/impairment in value of available for sale investments	(169)	350
Impairment in value of owned property	-	255
Increase/(reduction) in value of investment property	(940)	11,660
Gain on sale of fixed assets	(41)	(44)
Movement in working capital:		
(Increase)/decrease in trade and other receivables	(5,629)	12,016
Decrease in development properties	8,069	941
Decrease/(increase) in trade and other payables	2,750	(11,702)
Decrease/(increase) in provisions and employee benefits	(4)	(4)
Cash generated from operations	**7,250**	**(1,868)**
Net interest paid	(642)	(1,257)
Corporation tax paid	-	(462)
Net cash flows from operating activities	**6,608**	**(3,587)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(508)	(661)
Disposals of property, plant and equipment	12	1,850
Purchases of available-for-sale financial assets	(1,635)	(145)
Disposals of available-for-sale financial assets	136	343
Acquisition of subsidiary investment	-	(5,516)
Investment loans advanced	(1)	(121)
Investment loans repayments	85	201
Net cash from investing activities	(1,911)	(4,049)
Cash flows from financing activities		
(Repayments) / increase of bank borrowings	(6,800)	13,300
Net cash (used in) / from financing activities	(6,800)	13,300
Net increase in cash and cash equivalents	(2,103)	5,664
Cash and cash equivalents (including overdrafts) at 1 April	4,175	(1,489)
Cash and cash equivalents (including overdrafts) at 31 March	2,072	4,175

The notes on pages 26 to 62 form part of these Group financial statements

GREATER LONDON ENTERPRISE LIMITED
Notes to the consolidated financial statements
For the year ended 31 March 2010

1 Incorporation and operations

Greater London Enterprise Limited is incorporated and domiciled in England as a private limited company The principal activity of the Company is that of a holding company for its subsidiaries The activities of the Company and its subsidiaries ('the Group') are described in note 4

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below These policies have been consistently applied to all the years presented, unless otherwise stated

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the EU (IFRS)

The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee relevant to its operations and effective for accounting periods beginning 1 April 2008

In assessing the going concern basis of preparation of the consolidated financial statements for the year ended 31 March 2010, the directors have taken into consideration detailed forecasts for each of the business areas and the availability of funding The finance facility represents the amount due under the Group's variable rate back to back invoice discounting agreement and is secured by way of a debenture The finance facility is the subject of an ongoing commercial finance facility with no fixed termination date There is no indication that this facility will be terminated

The bank loan is secured on the investment properties and is a revolving loan facility of £30,000,000 which was made available to the company until 27 May 2010 On that date, a new loan facility was negotiated This facility will expire on 26 February 2013 Interest will be charged at LIBOR plus 1 25% for balances up to £10m and 1 375% for balances over £10m

Based on the satisfactory conclusion of renewing the Group's revolving loan facility on 27 May 2010 the directors are therefore confident that the Group will have adequate resources to continue in operational existence for the foreseeable future Accordingly they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 March 2010

2 Summary of significant accounting policies (continued)

New Pronouncements

The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU, relevant to its operations and effective for accounting periods beginning 1 April 2009

The new or revised standards or interpretations that are effective for accounting periods commencing on or after 1 April 2009 are as follows

IFRS 1 and IAS 27	Cost of an investment in a subsidiary, jointly controlled entity or associate
IFRS 2	Share-based payments – vesting conditions and cancellations
IFRS 7	Financial instruments disclosures
IFRS 8	Operating segments
IAS 1	Presentation of financial statements
IAS 1	Presentation of financial statements – obligations arising on liquidations
IAS 23	Borrowing costs
IAS 32	Financial instruments presentation – puttable financial instruments
IAS 39	Financial instruments recognition and measurement – embedded derivatives
IFRIC 9	Reassessment of embedded derivatives
IFRIC 13	Customer loyalty programmes
IFRIC 15	Agreements for the construction of real estate
IFRIC 16	Hedges of a net investment in a foreign operation
IFRIC 18	Transfers of assets from customers

In addition, the IASB 2008 annual improvements project includes further minor amendments to various accounting standards which are effective for accounting periods beginning 1 January 2009 onwards, and has now been endorsed for use in the EU

The adoption of these standards does not lead to any changes in the Group's accounting policies and have no material impact on the financial statements

The following new or revised standards or interpretations, as endorsed by the EU, are effective for accounting periods commencing on or after 1 April 2010 and thereafter but have not been adopted early

IFRS 1	First-time Adoption of international Financial Reporting Standards
IFRS2	Group Cash-settled Share-based Payment Transactions
IFRS 3	Business Combinations
IAS 27	Consolidated and separate financial statements
IAS 39	Financial Instruments Recognition and Measurement - eligible hedged Items
IFRIC 17	Distributions of Non-cash Assets to Owners

The IASB 2009 annual improvement project includes further minor amendments to various accounting standards and is effective from various dates from 1 January 2010 onwards, and has now been endorsed for use in the EU

2 Summary of significant accounting policies (continued)

The following new or revised standards or interpretations have not been adopted by the Group as these were not effective for the year to 31 March 2010 and at present have not been endorsed by the EU

IFRS 1	Additional Exemptions for First-time Adopters
IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IAS 24	Related Party Disclosures
IAS 32	Classification of Rights Issues
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 14 IAS 19	Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, Improvements to IFRSs (2010)

Basis of consolidation

The Group financial statements include the financial statements of Greater London Enterprise Ltd and its subsidiary undertakings Intercompany transactions and balances between group companies are eliminated in full The profit attributable to members of the Company is stated after deducting the proportion attributable to minority interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of the changes in equity since the date of the combination Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group

All intra-group transactions, balances, income and expenses are eliminated on consolidation

2 Summary of significant accounting policies (continued)

Business combinations

The results of subsidiaries acquired during the year are consolidated from the date on which control in the subsidiary passes to the Group The consolidated financial statements incorporate the results of business combinations using the purchase method In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values as at the acquisition date

Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate Associates are initially recognised in the consolidated balance sheet at cost The Group's share of post-acquisition profits and losses is recognised in the consolidated income statement, except that losses in excess of the Group's investment in the associate are not recognised unless there is an obligation to make good those losses

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate and subject to impairment in the same way as goodwill arising on a business combination described above

Intangible assets

Intangible assets are recognised when it is probable that future economic benefits will flow to the Group and that the cost of the asset can be measured reliably The Group's intangible asset relates to contractually based cashflows acquired as part of the identifiable assets and liabilities of YFM Group Holdings Limited The intangible asset has a finite life and is being amortised over its useful life, based on the profile of the underlying cashflows up to a maximum of 7 years There is no residual value

2 Summary of significant accounting policies (continued)

Impairment of non-financial assets

Impairment tests on goodwill are undertaken annually on 31 March Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable Where the carrying value of an asset exceeds its recoverable amount (i e the higher of value in use and fair value less costs to sell), the asset is written down accordingly

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (ie the lowest Group of assets in which the asset belongs for which there are separately identifiable cash flows) Goodwill is allocated on initial recognition to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination giving rise to the goodwill

Impairment charges are included in the administrative expenses line item in the income statement, except to the extent they reverse gains previously recognised in equity

Revenue Recognition

Revenue is stated exclusive of intra-group transactions, trade discounts, VAT and other taxes It comprises rental income, interest receivable on loans, fees receivable from investment management and advisory services, factoring commission and discount charges, dividends on unlisted investments (which are recognised as received) and income from sales of development properties Fees receivable on advisory contracts are included in turnover on the basis of the sales value of work completed during the year Commissions, discount charges and other fees are recognised as they are earned Rental income and interest receivable are recognised in the period to which they relate Lease incentives, such as rent-free periods, are spread over life of the lease on a straight line basis Revenue recognition policies in respect of the sale of both investment and development properties are given below under the appropriate caption

Foreign currency

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement

Financial assets

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired The Group's accounting policy for each category is as follows

Loans and receivables These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market They arise principally through the provision of goods and services to customers (trade debtors), but also incorporate other types of contractual monetary asset They are carried at cost less any provision for impairment Impairment losses are recognised in the income statement where the recoverable amount falls below carrying value

2 Summary of significant accounting policies (continued)

Available-for-sale: Non-derivative financial assets not included in the above category are classified as available-for-sale and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities They are carried at fair value with changes in fair value recognised directly in equity Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the income statement

Financial liabilities

The Group only has financial liabilities that are recognised at amortised cost, these include

- Trade payables and other monetary liabilities, which are recognised at amortised cost

- Bank borrowings are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet "Interest expense" in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding

Borrowing costs

Interest incurred on the bank loan used to fund the construction of the Group's development properties is capitalised from the start of the development work until the date of practical completion

The capitalisation is suspended if there are prolonged periods when development activity is interrupted Capitalised interest is calculated with reference to the actual rate payable on borrowings for development purposes or, for that part of the development cost financed out of general funds Other financing costs incurred in respect of development properties are charged to the income and expenditure account in the year that they arise, except that financing costs relating to pre-sold and pre-let development properties are capitalised up to the point when a development is either sold or acquires investment status

The Group does not incur any other interest costs that qualify for capitalisation under IAS 23 'Borrowing costs'

Grants receivable

Revenue grants are recognised in the income statement in the period to which they relate Grants receivable in respect of development properties are included in the income statement account when the related property is sold

Capital grants are treated as follows

(a) grants receivable to finance loans advanced under the London Social Inclusion Growth Fund are included as deferred income and are released to the income statement to offset any bad debts arising from those loans,

2 Summary of significant accounting policies (continued)

(b) grants receivable to finance the purchase of fixed asset investments are included as deferred income and are released to the income statement to offset any impairment provisions against such investments, either in full or in part depending on the terms of the scheme,

(c) grants receivable to finance the expenditure on depreciable tangible fixed assets are included in deferred income and are released to the income statement in line with the depreciation charges on those assets,

(d) grants receivable in respect of investment properties are deducted in arriving at the carrying amount of the asset purchased

Provisions

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions

Investment properties

Investment properties are those properties owned by the Group that are held either to earn rental income or for capital appreciation or both Investment properties are initially recognised at cost plus transactions costs Subsequently, the Group's investment properties are revalued annually to open market value, with changes in the carrying value recognised in the income statement Investment properties are not depreciated

Where revenue is obtained from the sale of the investment properties it is recognised when the significant risks and returns have been transferred to the buyer This is generally when an irrevocable and unconditional contract has been entered into by the balance sheet date except where payment or completion is expected to occur significantly after exchange

Development properties

Development properties are initially recognised at cost, and subsequently at the lower of cost and net realisable value Cost includes materials, labour, directly attributable fees and expenses, finance costs (see accounting policy for borrowing costs), and relevant overheads incurred in bringing the development property to its present location and condition Provisions for all known or expected losses to completion are deducted in arriving at the valuation of development properties Where revenue is obtained from the sale of the development properties it is recognised when the significant risks and returns have been transferred to the buyer This is generally when an irrevocable and unconditional contract has been entered into by the balance sheet date except where payment or completion is expected to occur significantly after exchange

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Items of plant and equipment are initially recognised at cost Costs comprises purchase cost and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Depreciation is provided on all items of property, plant and equipment and the cost is written off over their expected useful economic lives It is applied at the following rates

Fixtures and fittings	-	25-33% per annum straight line
Computer equipment	-	25-33% per annum straight line

Amounts recoverable on contracts

Work in progress on advisory contracts is valued at the cost of materials, labour and relevant overheads less progress payments and, where necessary, provisions to reduce cost to estimated realisable value Where a loss is anticipated, the expected loss is recognised immediately

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs to its tax base, except for differences arising on

- the initial recognition of goodwill,
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered) Deferred tax balances are not discounted

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either

- the same taxable group company, or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered

2 Summary of significant accounting policies (continued)

Retirement benefits Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate

Retirement benefits Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at

- the fair value of scheme assets at the balance sheet date, less
- scheme liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities

Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognised directly in equity in the period in which they arise

Past service costs are recognised directly in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time In this case, the past service costs are amortised on a straight line basis over the vesting period

Where improvements are made to benefits payable under a defined benefit scheme, the effect on the plan liability is recognised in the consolidated income statement on a straight-line basis over the average period until the employees become entitled to the improved benefits Where the benefits vest immediately, the effect of the change is recognised immediately

If the Group cannot benefit from a scheme surplus in the form of refunds from the plan or reductions in future contributions, any asset resulting from the above policy is restricted accordingly

Share-based payments

The Group operates a phantom share option scheme An option pricing model is used to measure the Group's liability at each balance sheet date, taking into account the terms and conditions on which the bonus is awarded and the extent to which employees have rendered service Movements in the liability (other than cash payments) are recognised in the income statement

2 Summary of significant accounting policies (continued)

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright The amount initially recognised as an asset is the present value of the minimum lease payments payable over the term of the lease The corresponding lease commitment is shown as a liability Lease payments are analysed between capital and interest The interest element is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability The capital element reduces the balance owed to the lessor

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an operating lease), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term

The land and buildings elements of property leases are considered separately for the purposes of lease classification

Debt factoring and invoice discounting

Under the Group's debt factoring and invoice discounting arrangements, the underlying receivables remain assets of the Group's clients The Group is not party to the contractual provisions in respect of these receivables Accordingly, the Group does not recognise these receivables in the Group balance sheet Amounts advanced to the Group's debt factoring and invoice discounting clients are recognised as receivables in the Group's balance sheet

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future Estimates and judgements are continually evaluated based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances In the future, actual experience may differ from these estimates and assumptions The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

(a) Valuation of investment property and freehold land and buildings

Information in relation to the valuation of investment property is disclosed in note 14 The valuation is based upon assumptions including future rental income, anticipated occupation rates, future development costs and the appropriate discount rate The valuers and directors also make reference to market evidence of transaction prices for similar properties

2 Summary of significant accounting policies (continued)

(b) Pension assumptions

The costs, assets and liabilities of the defined benefit scheme operated by the Group are determined using methods relying on actuarial estimates and assumptions Details of the key assumptions are set out in note 10 The Group takes advice from independent actuaries relating to the appropriateness of the assumptions Changes in the assumptions used may have a significant effect on the consolidated income statement and the balance sheet

(c) Impairment of accounts receivable

The Group regularly assesses the recoverability of its factored debts for evidence of impairment This assessment involves judgement in respect of the credit quality of counterparties and the quality of security provided to the Group

3 Revenue

The Group's revenue can be analysed as follows

	2010	2009
	£000	£000
Sale of development properties	9,222	801
Investment management and advisory fees	27,929	26,259
Factoring commission and discount charges	4,332	5,331
Rental income	3,288	3,251
	44,771	35,642

GREATER LONDON ENTERPRISE LIMITED
Notes to the consolidated financial statements (continued)
For the year ended 31 March 2010

4 Segmental analysis

The Group operates the following business segments

Business Accommodation
The Business Accommodation of the Group concentrates on managing and developing commercial accommodation for small businesses

GLE Properties owns, trades and manages the Group's portfolio of industrial and business space properties The objectives are targeted at turning around under performing properties by investing resources that enhance value and maximise return

GLE Property Developments undertakes new build regeneration projects including industrial, business space and live/work developments aimed at providing a variety of accommodation for smaller businesses in and around London GLE Property Developments undertakes joint venture regeneration schemes in partnership with local authorities also working with businesses to identify property solutions and promote regeneration

Finance for Business
The Finance for Business segment provides a broad range of finance packages which enable small and medium-sized enterprises to grow and prosper, specialising in the equity gap sub £1m Support is provided as either

Loan Finance – a structured loan offering is available providing finance from £200 to £50,000 for start up companies who are encountering difficulty in obtaining finance from their banks

Cashflow Finance – products available include debt recovery, invoice factoring and discounting and a flexible commercial loan facility

Asset Finance – Finance leases are provided for the acquisition of most new and 2nd hand moveable assets, a flexible sale and lease back service is also provided

Equity Finance – an extensive range of equity finance services are offered, these include access to Business Angel Finance, Seed Capital Funding and early stage venture finance In 2009, Equity Finance also includes the activities of YFM Group Holdings Limited who operate a range of businesses including private equity, venture finance and business development activities

A range of programmes are also offered preparing high growth companies for investment on a pan European scale

Consulting Services
Consulting services are provided to a wide range of clients and cover a diverse subject area including employment, innovation and childcare A proven level of expertise exists in all facets of programme management within the company on both revenue and capital programmes, which are delivered to grass roots voluntary sector organisations, through to large statutory providers and private sector organisations, including the London Boroughs

Enterprise Development
Enterprise Development provides a wide range of business support to people thinking of starting their own business and those also looking to grow their existing business

4 Segmental analysis (continued)

Specialist advice is available on financing, mentoring and training issues, including a lender of last resort finance and capacity building These services are delivered using funding from statutory providers with the specific aim of stimulating growth in small businesses

Head Office
The head office function exists to provide core services to the group of companies, including the provision of financial management, IT, marketing and communications, HR, company secretarial services and office facilities

The Group's primary reporting segment for reporting purposes is business segments

	Business Accommodation 2010 £000	Finance for Business 2010 £000	Consultancy Services 2010 £000	Enterprise Development 2010 £000	Head Office 2010 £000	Total 2010 £000
Revenue	12,502	12,581	3,742	15,620	326	44,771
Operating Profit	2,321	118	472	(1,190)	(82)	1,639
Net finance costs						(642)
Profit before taxation						997
Balance Sheet						
Assets	37,700	27,491	1,792	4,464	2,028	73,475
Liabilities	(2,690)	(10,308)	(1,645)	(2,757)	(1,895)	(19,295)
Net cash (debt)	(9,362)	(16,231)	1,338	790	558	(22,907)
	25,648	952	1,485	2,497	691	31,273
Other information						
Capital expenditure	-	108	-	-	401	509
Depreciation	45	153	-	-	311	509

	Business Accommodation 2009 £000	Finance for Business 2009 £000	Consultancy Services 2009 £000	Enterprise Development 2009 £000	Head Office 2009 £000	Total 2009 £000
Revenue	4,053	20,077	3,165	7,962	385	35,642
Operating Loss	(14,902)	(3,505)	(595)	(448)	(329)	(19,779)
Net finance costs						(1,257)
Loss before taxation						(21,036)
Balance Sheet						
Assets	41,763	26,993	1,210	2,329	1,884	74,179
Liabilities	(3,128)	(10,006)	(3,046)	(1,532)	(894)	(18,606)
Net cash (debt)	(16,694)	(9,201)	229	19	732	(24,915)
	21,941	7,786	(1,607)	816	1,722	30,658

4 Segmental analysis (continued)

	Business Accommodation 2009 £000	Finance for Business 2009 £000	Consultancy Services 2009 £000	Enterprise Development 2009 £000	Head Office 2009 £000	Total 2009 £000
Other information						
Capital expenditure	175	244	-	-	243	662
Depreciation	-	307	-	-	302	609

The Group's secondary reporting segment is geographic segment The Group's activities are conducted principally in the United kingdom

5 Other operating income

This principally comprises

	2010 £000	2009 £000
Profit on sale of other property	-	8
Profit on sale of available for sale assets	41	34
	41	42

6 Operating profit / (loss)

This is stated after charging or crediting

	2010 £000	2009 £000
Staff costs (see note 7)	15,130	13,403
Depreciation (see note 13)	509	609
Impairment of goodwill (see note 12)	-	2,409
Amortisation of intangible assets (see note 12)	939	1,365
Write down of development properties (note 19)	-	3,487
Operating lease charges	279	654
Auditors' remuneration – for the audit of the Company	40	40
Auditors' remuneration – for the audit of subsidiaries	113	128
Auditors' remuneration – taxation services	29	33
Auditors' remuneration – other services	-	-

7 Staff costs

	2010	2009
	£000	£000
Wages and salaries	12,644	11,204
Social security costs	1,401	1,304
Pension costs		
- defined contribution schemes	936	804
- defined benefit scheme	149	201
Phantom share option scheme	-	(110)
Total staff costs	15,130	13,403

Average number of staff during year was as follows

	2010	2009
	Number	Number
Property	9	10
Commercial Finance	97	129
Consulting	43	47
*one*London	113	104
Head Office	42	41
	304	331

8 Directors and key management remuneration

Remuneration in respect of Directors and key management was as follows

	2010	2009
	£000	£000
Salary and bonuses	2,834	2,310
Other long term benefits	-	-
Defined contribution pension cost	179	101
Defined benefit pension cost	86	132
	3,099	2,543

There were 4 Directors in the Group's defined benefit scheme (2009 – 5)

The Group operates a phantom bonus scheme whereby Executive Directors become entitled to a cash bonus based on the growth of the Group's net assets

Under IFRS 2 'Share-based payments', the expense in respect of this medium term incentive scheme is calculated by reference to a valuation model and the expense recognised over the vesting period

8 Directors and key management remuneration (continued)

Details of the Directors' emoluments and options granted under the Medium Term Incentive Scheme are included in the report on Directors' remuneration

	2010 £000	2009 £000
Phantom share option scheme liability	-	-

The following information is relevant in the determination of the fair value of options granted during the year under a cash-settled share based remuneration scheme operated by the Group

	2010 Black- Scholes	2009 Black- Scholes
Share price at date of grant	£3 07-£5 35	£4 44-£5 35
Contractual life	3 years	3 years
Volatility relative to comparator index	10%-50%	10%-50%
Dividend growth rate relative to comparator index	0%	0%

The volatility assumption is measured at the expected deviation of Group's net assets

	2010 £000	2009 £000
The share-based remuneration credit to income statement comprises		
Cash-settled scheme	-	(110)

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period

9 Net finance cost

	2010 £000	2009 £000
Finance income		
Interest received on bank deposits	29	237
Interest received on loans made	66	52
	95	289
Finance costs		
Interest payable on borrowings	595	1,511
Finance cost from defined benefit scheme (note 10)	142	35
	737	1,546
Net finance costs	642	1,257

9 Net finance cost (continued)

Durıng the year £nıl (2009 - £22,826) of finance costs were capıtalısed ınto development propertıes at an average borrowıng rate of nıl% (2009 – 6 7%)

Fınance ıncome relates to financıal assets classıfied as loans and receıvables

Fınance costs relate to financıal lıabılıtıes classıfied as financıal lıabılıtıes measured at amortısed cost

10 Pension costs – defined benefit scheme

Certaın employees of the Group are members of a defined benefit scheme operated by the London Pensıons Fund Authorıty whıch covers the Group's oblıgatıon to provıde pensıons to retıred employees and currently elıgıble members of staff, based on final pensıonable salary The assets of the scheme are held ındependently from the Group's finances and are admınıstered by trustee companıes

Pensıon costs are assessed on the advıce of Barnett Waddıngham, an ındependent qualıfied actuary followıng trıennıal valuatıons usıng the projected unıt method The latest valuatıon of the scheme was carrıed out at 31 March 2010 The valuatıon assumed that ınvestment returns would be 6 8% per annum, that salary ıncreases would average 3 5% per annum and that present and future pensıons would ıncrease at the rate of 3 5% per annum

The contrıbutıon paıd by employees ın the scheme ranges from 5 5% to 7 5% of pensıonable salarıes and the Company's regular cash contrıbutıon ıs 15 3% p a of pensıonable salarıes There was also a one off payment of £Nıl (2009 - £70k) ın respect of retrospectıve changes to member benefits that came ınto effect on 1 Aprıl 2008

The maın financıal assumptıons used to value the assets and lıabılıtıes of the scheme as at 31 March 2010 and 2009 ın accordance wıth the requırements of IAS 19 are shown ın the followıng table

	2010	2009	2008
Prıce ınflatıon	*3 5%*	*3 1%*	*3 6%*
Salary ıncreases	*3 5%*	*4 6%*	*5 1%*
Pensıon ıncreases	*3 5%*	*3 1%*	*3 6%*
Dıscount rate for scheme lıabılıtıes	*5 5%*	*6 9%*	*6 9%*

Mortality Assumptions

As part of the formal valuatıons the actuarıes carrıed out detaıled analysıs of the experıence of the membershıp of the scheme The analysıs ındıcated that the rates of ımprovement ın the mortalıty are currently runnıng at a sımılar level to those assumed by the '92 serıes' standard tables

The resultıng average expectatıon of lıfe for a male pensıoner member currently aged 65 ıs 19 6 years (2 9 more years for females) whereas for a male actıve member currently aged 45 the lıfe expectancy as at the valuatıon date ıs assumed to be 40 7 years (2 9 more years for females)

10 Pension costs – defined benefit scheme (continued)

The fair value of the assets held by the pension scheme, the long-term expected rate of return on each class of assets and the value of the scheme's liabilities assessed on the assumptions described above are shown in the following tables

In accordance with IAS 19, the following liability has been recognised in the balance sheet

	2010 £000	**2009 £000**
Group's share of pension fund assets	6,831	5,130
Present value of scheme liabilities	(9,357)	(6,876)
Present value of unfunded liabilities	(2)	(2)
Deficit in the scheme	(2,528)	(1,748)
Related deferred tax asset	708	489
Net pension liability	(1,820)	(1,259)

Assets (Employer)	**Long term return % p.a. 2010**	**Fund value at 31 March 2010 £000**	**Long term return % p a. 2009**	**Fund value at 31 March 2009 £000**
Equities	7 5%	4,782	7 0%	2,924
Target Return Portfolio	4 5%	683	5 5%	513
Alternative Assets	6 5%	956	6 0%	1,283
Cash	3 0%	342	4 0%	410
Corporate Bonds	5 5%	68	0 0%	-
Total value of market assets	6 8%	6,831	6 4%	5,130

The expected rate of return on scheme assets was determined as the weighted average of the expected returns on the assets held by the each of the schemes at 31 March 2010 The return attributed to each class of asset has been reached following discussions with the Group's actuaries

10 Pension costs – defined benefit scheme (continued)

	2010 £000	2009 £000
Reconciliation of plan assets		
At beginning of year	5,130	6,254
Expected return	334	446
Contributions by participants	108	133
Contribution by employers	295	313
Benefits paid	(224)	(213)
Actuarial gain / (loss)	1,188	(1,803)
	6,831	5,130
Composition of plan assets		
Equities	4,782	2,924
Target Return Portfolio	683	513
Alternative Assets	956	1,283
Cash	342	410
Corporate Bonds	68	-
Closing fair value of plan assets	6,831	5,130

	2010 £000	2009 £000
Reconciliation of plan liabilities		
At beginning of year	6,878	6,876
Interest cost	476	481
Current service cost	149	201
Contribution by plan participants	108	133
Benefits paid	(224)	(213)
Actuarial loss / (gains)	1,972	(670)
Past service cost	-	70
	9,359	6,878

The following disclosures show the amounts that have been included in the income statement and the statement of changes in equity under IAS 19

Analysis of the amount charged to operating profit/(loss)

	2010 £000	2009 £000
Current service cost	149	201

10 Pension costs – defined benefit scheme (continued)

Analysis of the amount (charged)/credited to finance income

	2010 £000	2009 £000
Expected return on pension scheme assets	334	446
Interest on pension scheme liabilities	(476)	(481)
Net loss	(142)	(35)
Less deferred taxation	40	10
	(102)	(25)

Analysis of amount recognised in equity

	2010 £000	2009 £000
Cumulative actuarial (losses)/ gains recognised directly in equity		
At 1 April	(88)	1,045
Actuarial gains / (losses) on plan assets	1,188	(1,803)
Actuarial (losses) / gains on obligations	(1,972)	670
At 31 March	(872)	(88)

Movement in deficit during the year

	2010 £000	2009 £000
At 1 April	(1,748)	(622)
Movement in year		
Current service cost	(149)	(201)
Contributions	295	313
Past service cost	-	(70)
Net losses	(142)	(35)
Net actuarial losses	(784)	(1,133)
At 31 March	(2,528)	(1,748)

It has been agreed with the trustees that the contribution rate for the next year will be 15 3% per annum In order to reduce the deficit, the Group has agreed with the London Pension Fund Authority to make additional payments of £94,932 per annum for the year ended 31 March 2011 For the year ended 31 March 2010 the Group paid additional contributions of £90,670

10 Pension costs – defined benefit scheme (continued)

History of experience gains and losses

	2010 £000	2009 £000	2008 £000
Experience gains / (losses) on scheme assets	1,188	(1,803)	(608)
Value of assets	6,831	5,130	6,254
Percentage of scheme assets	**17.4%**	**(35.1%)**	**(9.7%)**
Experience (losses) / gains on scheme liabilities	-	(2)	228
Present value of liabilities	11,902	6,878	6,876
Percentage of the present value of the scheme liabilities	**0.0%**	**0.0%**	**3.3%**

Defined contribution schemes

The pension charge in respect of this scheme is the actual contributions paid These amounted to £225,000 (2009 - £233,000) Based on current estimations, the Company expects to pay £217,000 to the plan during the year 1 April 2010 to 31 March 2011

11 Taxation

Analysis of taxation credit in the year

	2010 £000	2009 £000
Current tax expense		
UK corporation tax at 28% (2009 – 28%) - on profits / (losses) for the year	411	(69)
Adjustments in respect of prior years	(566)	(889)
Total current taxation credit	(155)	(958)
Deferred tax credit		
Origination and reversal of temporary differences	(77)	(2,128)
Adjustments in respect of previous periods	49	134
Total deferred tax credit	(28)	(1,994)
Total taxation credit	(183)	(2,952)

11 Taxation (continued)

The reasons for the difference between the actual tax credit for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows

	2010	2009
	£000	£000
Profit / (loss) on ordinary activities before taxation	997	(21,036)
Expected tax charge based on the standard rate of corporation tax in the UK of 28% (2009 - 28%)	279	(5,890)
Income / expenses not deductible for tax purposes	98	1,313
Unprovided deferred tax movement	(43)	1,487
Effects of other tax rates / credits	-	(27)
Capital gains	-	923
Adjustment in respect of prior years	(517)	(758)
Total taxation credit	(183)	(2,952)

12 Intangible assets

	Goodwill £000	Contract Intangible £000	Total £000
Cost or valuation			
At 1 April 2008	2,409	4,451	6,860
Impairment	(2,409)	-	(2,409)
At 31 March 2009	-	4,451	4,451
Additions	-	-	-
Impairment	-	-	-
At 31 March 2010	-	4,451	4,451
Accumulated amortisation			
At 1 April 2008	-	-	-
Charge for the year	-	(1,365)	(1,365)
At 31 March 2009	-	(1,365)	(1,365)
Charge for the year	-	(939)	(939)
At 31 March 2010	-	(2,304)	(2,304)
Net book value			
At 31 March 2010	-	2,147	2,147
At 31 March 2009	-	3,086	3,086

The contract based intangible asset arose during the year ended 31 March 2009 out of certain contractual rights acquired as part of the identifiable assets and liabilities of YFM Group Holdings Limited The fair value was determined by discounting the contracted cash flows back to their net present value Amortisation relating to intangible assets is included within administrative expenses in the Group Income Statement The remaining useful life on the intangible asset is 5 years

At 31 March 2008, goodwill related entirely to the Group's commercial finance cash generating unit Due to both increased competition and a reduction in the performance of underlying assets, the cash flows generated by this business were not sufficient to support the carrying value of the goodwill at 31 March 2009 Accordingly, an impairment charge of £2,409,000 was recognised in respect of all the goodwill associated with the commercial finance cash generating unit In determining the amount of the impairment charge, the recoverable amount was based on value in use and a pre-tax discount rate of 12 15% applied

13 Property, plant and equipment

	Property £000	Fixtures and fittings £000	Computer Equipment £000	Total
Cost or valuation				
At 1 April 2008	-	2,260	487	2,747
Acquisitions	1,165	81	159	1,405
Additions	-	165	322	487
Disposals	-	(579)	(107)	(686)
Impairment	(255)	-	-	(255)
At 31 March 2009	910	1,927	861	3,698
Additions	-	182	281	463
Disposals	-	(626)	(174)	(800)
At 31 March 2010	910	1,483	968	3,361
Accumulated depreciation				
At 1 April 2008	-	1,358	271	1,629
Charge for the year	-	350	259	609
Disposal	-	(556)	(71)	(627)
At 31 March 2009	-	1,152	459	1,611
Charge for the year	-	242	267	509
Disposal	-	(615)	(174)	(789)
At 31 March 2010	-	779	552	1,331
Net book value				
At 31 March 2010	910	704	416	2,030
Net book value				
At 31 March 2009	910	775	402	2,087

In the year ended 31 March 2009 the Group acquired a freehold property with a fair value of £1,165,000 as part of the acquisition of YFM Group Holdings Limited Due to the decline in commercial property values during that year, an impairment test was conducted at 31 March 2009 The value of the property was determined using fair value in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors As a result of this impairment test, an impairment charge of £255,000 was recognised

14 Investment property

	Freehold property £000	Leasehold property £000	Total £000
At 1 April 2008	15,403	24,211	39,614
Additions	24	151	175
Disposals	-	(1,750)	(1,750)
Revaluation loss	(4,499)	(7,161)	(11,660)
At 31 March 2009	10,928	15,451	26,379
Additions	-	45	45
Revaluation gain	305	635	940
At 31 March 2010	11,233	16,131	27,364

Bank borrowings are secured on the Group's freehold and leasehold property

The Group's investment properties were valued by Jones Lang La Salle, King Sturge and Lambert Smith Hampton, chartered surveyors, as at 31 March 2010 The valuations were performed in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors The directors consider that their valuation is an accurate reflection of fair value at the balance sheet date

There are no current obligations to purchase, construct, or develop the investment properties

During the year £3,363,000 (2009 - £3,251,000) was recognised in the income statement in relation to rental income from investment properties Direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income amounted to £687,649 (2009 - £626,360) Direct operating expenses, including repairs and maintenance, arising from investment property that did not generate rental income during the year amounted to £437,418 (2009 - £456,954)

At 31 March 2010, there was no restriction on the potential future realisation of investment property or the remittance of income and proceeds of disposal (2009 – £nil)

At 31 March 2010, contractual obligations to purchase investment property amounted to £nil (2009 - £nil)

15 Subsidiaries

The principal subsidiaries of Greater London Enterprise Limited, all of who are incorporated in Great Britain and registered in England and Wales, and have been included in these consolidated financial statements, are as follows

Name of company	Nature of business	Percentage of ownership interest at 31 March 2010	2009
GLE Investments Limited	Investment company	100	100
IGF Group Holdings Limited	Investment company	100	100
GLE Properties Limited	Investment property company	100	100
Waterfront Studios Limited (note a)	Investment property company	100	100
GLE Property Developments Limited	Development property company	100	100
One London Limited	Enterprise agency	-	-
GLE Business Villages Limited (note a)	Property company	100	100
London Seed Capital Limited (note b)	Investment company	100	100
Independent Growth Finance Limited (note a)	Holding company		
	13,761,644 'A' ordinary shares	100	100
	9,525,000 'A' deferred shares	95	95
	9,353,505 'B' deferred shares	93 8	93 8
	2,000,000 'B' ordinary shares	100	100
	25,000 'C' ordinary shares	4 8	4 8
IGF Invoice Finance Limited (note a)	Debt factoring and invoice discounting company	97	97
IGF Commercial Finance Limited	Provider of commercial loans	100	100
IGF Payroll Services Limited	Provider of payroll services	100	100
Enterprise London Limited (note a)	Holding Company	100	100
Dynamic Commercial Finance plc (note a)	Debt factoring and invoice discounting	100	100
One London Trade and Investment Limited	Administrative Company	100	100

15 Subsidiaries (continued)

Name of company	Nature of business	Percentage of ownership interest at 31 March 2010	2009
YFM Group Holdings Ltd (note a)	Investment company	100	100
YFM Group Ltd (note a)	Investment company	100	100
Yorkshire Enterprise Ltd (note a)	Investment company	100	100
YFM Private Equity Ltd (note a)	Management company	100	100
YFM Venture Finance Ltd (note a)	Management company	100	100
YFM Business Development Ltd (note a)	Management company	100	100
YFM Workspace Ltd (note a)	Management company	100	100
Regional Centre for Manufacturing Excellence (Yorkshire & Humber) Ltd (note a)	Management company	100	100
White Rose Investments Ltd (note a)	Investment company	100	100
White Rose Nominee Investments Ltd (note a)	Investment company	100	100
Yorkshire Enterprise Small Firms Fund Ltd (note a)	Investment company	100	100
Yorkshire Fund Managers (Investments) Ltd (note a)	Investment company	100	100
Yorkshire Enterprise Finance Ltd (note a)	Investment company	100	100
Yorkshire Enterprise Finance (Holdings) Ltd (note a)	Investment company	100	100
Yorkshire Fund Managers (General Partner) Ltd (note a)	General Partner	100	100
Yorkshire & Humber GP Ltd (note a)	General Partner	100	100
London GP Ltd (note a)	General Partner	100	100
South West GP Ltd (note a)	General Partner	100	100
YVF GP (Development) Ltd (note a)	General Partner	100	100
JKN 139 GP Ltd (note a)	General Partner	100	100
PIF GP No 1 Ltd (note a)	General Partner	100	100
PIF GP No 2 Ltd (note a)	General Partner	100	100
		100	100
PIF GP No 3 Ltd (note a)	General Partner	100	100
PIF GP No 4 Ltd (note a)	General Partner	100	100
Chandos Fund GP Ltd (note a)	General Partner	100	100

15 Subsidiaries (continued)

(a) Held indirectly

(b) The Company owns 100% of the ordinary shares, but there is also a deferred share in issue which is owned by a third party The holder of the deferred share in this subsidiary has agreed to provide capital funding of up to £3,926,000, of which £3,823,877 had been received as at 31 March 2010 The subsidiary had invested £3,749,694 of this funding by the year-end The uninvested balance of £102,123 is recognised within the current payables (note 22) Further amounts are receivable when the uninvested balance falls to £250,000 The final claim for funding is to be made by no later than March 2011

This capital funding is not repayable However, on a return of capital on liquidation or otherwise the subsidiary's surplus net assets are to be distributed as follows

- first, the deferred shareholder is entitled to receive the funds it has advanced to the subsidiary, plus interest at 12% per annum, less any distributions paid to the deferred shareholder,
- next, an amount of up to £75,000 (plus interest at 12% per annum) will be paid to Greater London Enterprise Limited (the ordinary shareholder), and
- finally, any remaining net assets will be apportioned between the shareholders on the basis of 60% to Greater London Enterprise Limited and 40% to the deferred shareholder

16 Investments in associates

The following entity, incorporated in Great Britain and registered in England and Wales, meets the definition of an associate and has been equity accounted in the consolidated financial statements

Name of company	Country of incorporation	Ownership interest at 31 March 2010	2009
London Business Loans (Wholesale) Limited	UK	49%	49%

Aggregated amounts relating to associates are as follows

	2010 £000	2009 £000
Total assets	6,405	4,633
Total liabilities	6,313	4,280
Revenues	177	55
Loss	(260)	(118)

17 Available-for-sale investments

	£000
At 1 April 2008	617
Acquisitions	3,899
Additions	145
Disposals	(340)
Net losses transferred to equity	(52)
Impairment	(350)
At 31 March 2009	**3,919**
Additions	1,634
Disposals	(95)
Revaluation	169
At 31 March 2010	**5,627**

Available-for-sale investments consist entirely of unquoted UK equity securities The fair values of the unquoted securities are valued in accordance with market valuations where available Where market valuations are not available a valuation methodology is used For example in accordance with the British Venture Capital Association Guidelines Where the range of fair values derived by applying a valuation model is significant and the probabilities of the various estimates cannot be reasonably assessed, the investment is carried at cost

18 Financial instruments and financial risk

Interest rate risk The Group's borrowings are principally at a margin over LIBOR thus exposing the Group to cash flow interest rate risk The Group's policy is to ensure the margin is competitive when compared to other banks and also the consideration of hedging to reduce exposure to this risk

Credit risk At IGF Invoice Finance significant sums of monies are advanced to clients thereby exposing the Group to the risk that these amounts may not be recoverable This risk is mitigated by controls over client take on procedures, securing advanced funds against client assets and on going review of client accounts to ensure the amounts remain recoverable

Liquidity risk The Group is exposed to liquidity risk as sufficient funds are required to support trading, investing and financing activities The Group regularly monitors the liquidity position to ensure that sufficient funds are available to meet both current and future requirements Liquidity management includes managing the Group's working capital and borrowings The Group's borrowings are the subject of a number of financial covenants which the Directors regularly monitor to ensure both current and future compliance The Group's revolving loan facility expired in November 2009 As at 31 March 2010 the directors were actively involved in negotiations to replace this facility At the date of signing these accounts, the Group had received an indicative offer for three year period expiring in February 2013 This facility was formally agreed on 27 May 2010 As such, the directors are confident the Group will have sufficient funds to meet its continuing obligations as they fall due

18 Financial instruments and financial risk (continued)

Fair value risk The Group has a number of holdings in available for sale investments which exposes the Group to fair value risk This risk is mitigated both by the Group's due diligence procedures that it undertakes prior to entering into an investment and its on going monitoring procedures

In accordance with IFRS7, the following table shows the principal and interest repayments of the Group

	Due in 2011 £000	Due in 2012 £000	Total £000
Bank loans	10,000	-	10,000
Overdraft	989	-	989
Finance facility	14,979	-	14,979
At 31 March 2010	25,968	-	25,968

	Due in 2010 £000	Due in 2011 £000	Total £000
Bank loans	16,800	-	16,800
Overdraft	1,301	-	1,301
Finance facility	12,290	-	12,290
At 31 March 2009	30,391	-	30,391

The Group has used a sensitivity analysis technique that measures the estimated change in fair value of the Group's financial instruments to both the income statement and equity of an instantaneous increase or decrease of 1% in market interest rates This exercise has been performed purely for illustrative purposes as in practice, these changes rarely occur in isolation In preparing this analysis, it has been assumed that changes in market interest rates affect the interest payable or receivable on floating rate financial instruments

	1% decrease in market interest rate £000	1% increase in market interest rate £000
At 31 March 2010		
Impact on income statement	281	(281)

The amounts generated from the sensitivity analysis are estimates of the impact of market risk assuming that the specified changes occur Clearly, developments in global markets may cause the actual changes to differ significantly from the changes specified above Therefore, this analysis should not be considered a projection of likely future events and losses The sensitivities above exclude any potential impact on the Group's retirement benefit obligations

18 Financial instruments and financial risk (continued)

Capital structure

The Group manages its bank loans and equity as capital The Group's principal objective is to ensure that the Group has sufficient capital to fund its operations In developing business plans, management consider the likely capital requirements and how to fund these requirements Additional capital is funded by using the least cost source at the time of fund-raising At 31 March 2010, the Group's capital can be summarised as follows

	2010 £000	2009 £000
Loan facility	10,000	16,800
Finance facility IGF	14,979	12,290
Members contribution	1,300	1,300
	26,279	30,390

The Group is not subject to any externally imposed capital requirements

On 27 May 2010 the £30m revolving credit facility was renegotiated (see note 23a)

All financial assets, with the exception of available for sale assets, are classified as loans and receivables and all financial liabilities are classified as other financial liabilities measured at amortised cost The maximum amount of credit risk that the Group is exposed to is in respect of its total trade and other receivables

19 Development properties

Included within the carrying value of development properties is capitalised interest of £nil (2009 - £198,826) As at 31 March 2010 the Group made a provision of £nil (2009 - £3,486,715) against the carrying value of development properties

20a Trade and other receivables

	2010 £000	2009 £000
Current		
Net amount recoverable in respect of factored debts	17,991	14,797
Other trade receivables	3,659	3,689
Total trade receivables	21,650	18,486
Other receivables	1,087	1,122
Deferred taxation (note 24)	262	234
Prepayments and accrued income	5,551	3,049
	28,550	22,891

20 Trade and other receivables (continued)

The gross value of the trade receivables factored by IGF Invoice Finance Limited is £52,190,585 (31 March 2009 - £53,680,892)

The ageing of trade receivables that are past due, but not impaired can be analysed as follows The Group is satisfied that trade receivables that are either not past due and not impaired or are past due and not impaired are recoverable on the basis of an assessment of the credit worthiness of the counterparty and, in certain circumstances, an assessment of the quality of the security underlying the receivable In respect of the Group's receivables in relation to factored debts, such security includes both asset backed and personal guarantees

	2010	2009
	£000	£000
Not past due	18,099	16,468
3 to 6 months	586	553
6 to 12 months	2,898	280
>12 months	67	1,185
	21,650	18,486

Movements on the Group provision for impairment of trade and other receivables are as follows

	2010	2009
	£000	£000
As at 1 April	3,207	4,129
Provided during the year	764	1,187
Receivable written off during the year as uncollectable	(820)	(2,084)
Unused amounts reversed	25	(25)
As at 31 March	3,176	3,207

The movement on the provision for impaired receivables has been included in the administrative expenses line in the income statement

20b Other receivables	2010	2009
	£000	£000
Cost at 1 April	423	405
Acquisitions	-	165
Additions	1	121
Write backs /(written off)	45	(67)
Repayments	(85)	(201)
Cost at 31 March	384	423
Impairment		
Provision at 1 April	39	53
Movement in provision for the year	139	4
Written off	(11)	(18)
Provision at 31 March	167	39
Carrying amount at 31 March	217	384

21 Cash and cash equivalents

	2010	2009
	£000	£000
Short term bank deposits	428	734
Cash at bank	2,633	4,742
	3,061	5,476

22 Trade and other payables

	2010	2009
Current	£000	£000
Trade payables	2,000	1,695
Other taxes and social security payable	212	493
Accruals and deferred income	5,906	5,561
Other payables	3,895	3,518
	12,013	11,267

Other non-current payables fall due for payment in more than one year but not more than two years

23a Loans and borrowings

	Current 2010	Non-current 2010	Current 2009	Non-current 2009
	£000	£000	£000	£000
Overdrafts	989	-	1,301	-
Finance facility	14,979	-	12,290	-
Loan facility	10,000	-	16,800	-
	25,968	-	30,391	-

The loan facility held at 31 March 2010, which is secured on the investment properties, has been drawn under a revolving loan facility of £30,000,000 which has been made available to the Company until 27 May 2010 The borrowing is interest bearing at 0 9% above LIBOR for borrowings up to £10,000,000, 1% above LIBOR for amounts between £10,000,000 and £20,000,000 and 1 1% above LIBOR for amounts over £20,000,000 during the period of such borrowings On 27 May 2010, the terms of the loan facility were renegotiated and the renewed facility is in place until 26 February 2013 The borrowing is interest bearing at 1 25% above LIBOR for borrowings up to £10,000,000, 1 375% above LIBOR for amounts over £10,000,000 during the period of such borrowings

The finance facility represents the amount due under the Group's variable rate back-to-back invoice discounting agreement and is secured by a debenture Due to the confidential nature of this agreement, the discount rate has not been disclosed The finance facility is the subject of an ongoing commercial finance facility with no fixed termination date

23a Loans and borrowings (continued)

Borrowings mature as follows

	2010	2009
	£000	£000
Due within 1 year	25,968	30,391
	25,968	30,391

23b Other payables: non current

	2010	2009
	£000	£000
Deferred income	4,209	5,177
Other payables	540	414
	4,749	5,591

Deferred income

Deferred income comprises monies received and held within two separate funds known as the Endowment Fund and the Legacy Fund, part of the YFM Group Holdings Limited acquisition These grant aided co-investment funds provide risk capital to small and medium sized companies Funding assistance is provided to the Group by way of a grant The grant received is credited to either the Endowment Fund or the Legacy Fund and the eligible investment is included within available for sale investments Capital losses arising on these investments are deducted from the relevant Fund The income arising from these investments is credited to the Group Income Statement

24 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2009 – 28%)

The movement on the deferred tax account is as shown below

	2010	2009
	£000	£000
At 1 April	(234)	2,179
Profit and loss charge / (credit)	(28)	647
Transfers in from YFM	-	(417)
Revaluation of land and buildings	-	(2,643)
At 31 March	(262)	(234)

24 Deferred tax (continued)

Deferred tax assets have been recognised in respect of all such tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered

Details of the deferred tax liability, amounts charged/ (credited) to the consolidated income statement and amounts charged/ (credited) to reserves are as follows

	Liability 2010 £000	Charged/ (credited) to income 2010 £000	Transfers from YFM Group 2010 £000	Charged/ (credited) to reserves 2010 £000
Accelerated capital allowances	(59)	23	-	-
Unprovided deferred tax	491	(235)	-	-
Other temporary and deductible differences	(211)	30	-	-
Available losses	(483)	154	-	-
	(262)	(28)	-	-
Amount in respect of pension liability	(708)	-	-	(219)
	(970)	(28)	-	(219)
Unprovided deferred taxation	(522)	-	-	-
Total deferred taxation	(1,492)	(28)	-	(219)

	Liability 2009 £000	Charged/ (credited) to income 2009 £000	Transfers from YFM Group 2009 £000	Charged/ (credited) to reserves 2009 £000
Accelerated capital allowances	(82)	(88)	-	-
Unprovided deferred taxation	726	-	-	-
Revaluations	-	(2,643)	-	-
Other temporary and deductible differences	(241)	318	-	-
Available losses	(637)	417	(417)	-
	(234)	(1,996)	(417)	
Amount in respect of pension liability	(489)	2	-	(317)
	(723)	(1,994)	(417)	(317)
Unprovided deferred taxation	(726)			
Total deferred taxation	(1,449)	(1,994)	-	(317)

There are unused tax losses carried forward of £521,930 The deductible temporary differences can be carried forward indefinitely The amounts shown in respect of the pension liability are included within non current assets on the group balance sheet

25 Commitments

Capital commitments

	The Group	
	2010	2009
	£000	£000
Contracted for but not provided for in these financial statements	-	-

The Group is also committed to investing a further £438,317 (2009 - £584,881) into Seraphim Capital ECF

In addition, the Group and the Company have financial commitments for the forthcoming year in respect of rentals due under operating leases The total commitments to make these payments fall due as follows

	2010	2009
	£000	£000
Less than one	279	357
Two to five	-	1,154
Greater than five	-	282
	279	1,793

26 Leases

Operating leases with tenants

The group leases out all of its investment properties under operating leases for average terms of 3-5 years to expiry The future aggregate minimum rental recoverable under non-cancellable operating leases is as follows

	2010	2009
	£000	£000
Less than one	185	1,529
Two to five	2,254	2,244
Greater than five	576	286
	3,015	4,059

27 Members' contributions

The Company is limited by guarantee and has no share capital Members' contributions represent amounts received from London borough councils These contributions are repayable only out of the assets of the Company available on a winding-up In the event of a winding-up, the first £13,000,000 (plus 5% compound interest thereon from 13 November 1997, being the date of adoption of the new Memorandum and Articles of Association) is to be shared equally amongst the original ordinary members Any surplus above this amount is to be shared equally amongst the original ordinary members and the new ordinary members

Private members have no right to participate in the income and assets of the Company

GREATER LONDON ENTERPRISE LIMITED
Company Number 1653116
Company balance sheet
At 31 March 2010

	Note	2010 £000	2009 £000
Fixed assets			
Tangible assets	29	-	811
Investments	30	8,836	8,870
		8,836	9,681
Current assets			
Debtors			
Amounts falling due within one year	31	119	783
Amounts falling due after more than one year	31	2,054	34
Cash at bank		109	159
		2,282	976
Creditors: amounts falling due within one year	32	(5,584)	(5,000)
Net current liabilities		(3,302)	(4,024)
Net assets less current liabilities excluding pension liability		5,534	5,657
Net pension liability		(1,821)	(1,257)
Net assets		3,713	4,400
Capital and reserves			
Members' contributions	33	1,300	1,300
Accumulated funds		2,413	3,100
Members' funds equity interests	34	3,713	4,400

The financial statements on pages 63 to 68 were approved and authorised for issue by the Board of Directors on 29 July 2010 and were signed on its behalf by

Paul A Hendrick

PA Hendrick
Director

The notes on pages 64 to 68 form part of these financial statements

28 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards The principal accounting policies, which have been applied consistently, are set out below

Investment in subsidiary undertakings

Investments by the Company in the shares of subsidiary undertakings are stated at cost less any provisions, where in the opinion of the Directors, there has been impairment in the value of any such investment

Tangible assets

As at 1 April 2009 the tangible assets were transferred to GLE Investments Limited for a consideration equivalent to their carrying value at that date

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs to its tax base, except for differences arising on

- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered) Deferred tax balances are not discounted

Transfer of trading business to GLE Consulting

As of 1 April 2009, the consultancy division whose trade was within GLE Limited was transferred into a separate legal entity called GLE Consulting Limited which is a 100% owned subsidiary of Greater London Enterprise Limited

Cashflow statement

The Company has taken advantage of the exemption conferred by FRS1 not to prepare a cash flow statement on the basis that the Company's results are included in its own published consolidated financial statements

28 Accounting policies (continued)

Related party transactions

The Company has taken advantage of the exemption conferred by FRS8 (Related Party Disclosures) not to disclose any transactions with members of the Group on the grounds that these financial statements are presented together with the consolidated financial statements

Defined Benefit Scheme

The amounts charged to the income and expenditure account are the current service charge costs and gains and losses on settlements and curtailments They are included as part of staff costs Past service costs are recognised in the income and expenditure account if the benefits are vested If the benefits have not vested immediately the costs are recognised over the period until vesting occurs The interest cost and the expected return on assets are shown as a net amount within either interest payable or receivable Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds Pension scheme assets are measured at a fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return of a high quality corporate bond and term to the scheme liabilities The actuarial valuations are obtained triennially and are updated at each balance sheet date The resulting defined asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet

The assumptions in relation to the pension scheme are included in the Group accounts (see note 10)

29 Tangible assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost			
At 31 March 2009	1,064	601	1,665
Transfers	(1,064)	(601)	(1,665)
At 31 March 2010	-	-	-
Accumulated depreciation			
At 31 March 2009	426	428	854
Transfers	(426)	(428)	(854)
At 31 March 2010	-	-	-
Net book value			
At 31 March 2010	-	-	-
At 31 March 2009	638	173	811

30 Investments

	2010 £000	2009 £000
Investment in subsidiary undertakings		
Cost and Net Book Value at 31 March	8,250	8,250
Other investments		
Net Book Value at 1 April	620	694
Additions	153	128
Disposals	(22)	(84)
Movement on provision	(165)	(118)
Net Book Value at 31 March	586	620
Total investments	8,836	8,870

The Company's principal subsidiaries are listed in note 15 of the Group financial statements

31 Debtors

	2010 £000	2009 £000
Current		
Trade debtors	-	273
Other debtors	100	432
Deferred taxation	7	13
Prepayments and accrued income	12	65
	119	783
Non-current		
Amounts owed by subsidiary undertakings	2,054	34
	2,173	817

32 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Current		
Bank overdraft – secured	1,898	37
Trade creditors	-	214
Social security and other taxes	-	88
Accruals and deferred income	4	401
Amounts owed to subsidiary undertakings	3,682	3,691
Other creditors	-	569
	5,584	5,000

33 Members' contributions

The Company is limited by guarantee and has no share capital Members' contributions represent amounts received from London borough councils These contributions are repayable only out of the assets of the Company available on a winding-up In the event of a winding-up, the first £13,000,000 (plus 5% compound interest thereon from 13 November 1997, being the date of adoption of the new Memorandum and Articles of Association) is to be shared equally amongst the original ordinary members Any surplus above this amount is to be shared equally amongst the original ordinary members and the new ordinary members

Private members have no right to participate in the income and assets of the Company

34 Reconciliation of movements in members' funds

	2010	2009
	£000	£000
As 1 April	4,400	9,168
Deficit for the year	(123)	(3,952)
Net actuarial loss on pension fund	(564)	(816)
At 31 March	3,713	4,400

The Company is not publishing a separate profit and loss account as permitted by section 408 of the Companies Act 2006 The loss for the financial year dealt with in the Group financial statements was £123,011 (2009 – loss of £3,951,529)

35 Administrative expenses

Administrative expenses of the Company include the following costs

	2010	2009
	£000	£000
Salaries and bonuses	-	1,470
Social security costs	-	155
Pension costs	-	72
Total staff costs	-	1,697

	2010	2009
	Number	Number
Average number of staff employed during the year	-	41

	2010	2009
	£000	£000
Auditors' remuneration for audit	-	12

Details of the remuneration of the Company's Directors and of the highest paid Director are outlined in the report on Directors remuneration in the Group's financial statements

As of 1 April 2009, the consultancy division whose trade was within GLE Limited was transferred into a separate legal entity called GLE Consulting Limited which is a 100% owned subsidiary of Greater London Enterprise Limited