

**ACCORD NETWORK
MANAGEMENT LIMITED**

Report and Financial Statements

Year ended 31 March 2012



ACCORD NETWORK MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Atherton
J Evans
M Joyce (resigned 5 March 2012)

SECRETARY

P Birch

REGISTERED OFFICE

Lancaster House
Centurion Way
Leyland
Lancashire
PR26 6TX

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

ACCORD NETWORK MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year the company has not actively traded. The trade was previously through its joint venture with W S Atkins (Optima) which provided integrated highways management and maintenance to the Highways Agency.

As a consequence of the contract finishing on 20 June 2009, the turnover of the company was £nil (2011: £nil). Since 20 June 2009, the activities of Optima have principally been collecting the remaining monies from the Highways Agency and settling any outstanding liabilities.

The company's balance sheet is presented on page 7.

PRINCIPAL RISKS AND UNCERTAINTIES DURING THE YEAR

The directors of Optima review on a monthly basis the cash flow and working capital position. The principal risks faced by Optima following the completion of the contract are limited to the recovery of outstanding balances and the settlement of remaining obligations. Adequate cash balances were in place in the year.

SUBSEQUENT EVENTS AND GOING CONCERN

At the current date the directors have no plans to continue trading through Accord Network Management Limited. As there has been a significant curtailment of the operations of the company as a result of the completion of the contract with the Highways Agency, and there are no current plans for the company once the remaining income has been collected and the expenditure has been paid, the directors have concluded that the going concern basis for the preparation of the financial statements is no longer appropriate.

The directors have considered the carrying value of the assets and liabilities of the company, particularly having regard to the matters referred to above, and are satisfied that no material adjustments are required to the balance sheet as a result of the cessation of the Optima business. The directors are confident that the company has adequate financial resources to meet its liabilities as they fall due.

DIRECTORS

The directors who served during the year and thereafter are set out on page 1.

DIRECTORS' REPORT (continued)

RESULTS AND DIVIDENDS

The profit for the year amounted to £34,000 (2011 loss of £312,000) No dividends were paid in the year (2011 £563,298)

STATEMENT OF DISCLOSURE TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved

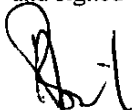
- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's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

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

AUDITOR

Deloitte LLP have expressed their willingness to continue as the company's auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



P Birch
Secretary

2 August 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- 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 Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCORD NETWORK MANAGEMENT LIMITED

We have audited the financial statements of Accord Network Management Limited for the year ended 31 March 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

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

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

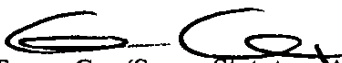
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


Emma Cox (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

6 August 2012

ACCORD NETWORK MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2012

	Note	2012 £'000	2011 £'000
Share of operating profit/(loss) in joint venture	4	34	(238)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		34	(238)
Tax on profit/(loss) on ordinary activities	6	-	(74)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11,12	34	(312)

All of the activities of the company are classed as discontinuing (further details are given in the Directors' report)

The company has no recognised gains or losses other than the result for the current and prior year as shown above
Accordingly a separate Statement of Total Recognised Gains and Losses has not been prepared

ACCORD NETWORK MANAGEMENT LIMITED
Company No. 03497171

BALANCE SHEET
As at 31 March 2012

	Note	2012 £'000	£'000	2011 £'000	£'000
CURRENT ASSETS					
Debtors	8	3,022		2,988	
NET CURRENT ASSETS			3,022		2,988
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS					
			3,022		2,988
CAPITAL AND RESERVES					
Called up share capital	10		1		1
Profit and loss account	11		3,021		2,987
SHAREHOLDER'S FUNDS	12		3,022		2,988

These financial statements were approved by the Board of Directors on *2 August* 2012
Signed on behalf of the Board of Directors

Director



DAVID ATHERTON

ACCORD NETWORK MANAGEMENT LIMITED

CASH FLOW STATEMENT

As at 31 March 2012

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities	13	-	563
Equity dividends paid	5	-	(563)
Decrease in cash	14	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards which have been consistently applied throughout the current and prior year. The particular accounting policies adopted are described below.

Basis of preparation

As noted in the Directors' report, the contract in Area 11 finished in June 2009. Since that date, the Joint Venture (Optima) and the company itself will continue to exist only to collect the remaining monies due to them whilst paying their outstanding liabilities. Beyond these activities there are no current plans to continue trading through the company and as a consequence the directors are of the opinion that the going concern basis is no longer appropriate in preparing these financial statements.

The directors have considered the impact of this on the assets and liabilities of the company and based on their review do not believe any adjustment to their value or presentation is required. The directors are confident that the company has adequate financial resources to meet its liabilities as they fall due.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Leases

Operating lease rentals are charged to the profit and loss account on straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities have not been discounted.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2012

1. ACCOUNTING POLICIES (continued)

Joint ventures

The company has an equal share in an unincorporated joint venture, Optima Infrastructure Management (Optima), with WS Atkins Plc. This joint venture has been accounted for under FRS 9 as applicable to individual company accounts.

Under the terms of the joint venture agreement the company is entitled to receive 50% of the unincorporated joint venture's profits. This amount, less any provision required for future losses, is included within debtors net of cash actually received from the joint venture. The directors consider this to be the most appropriate presentation of the arrangements in respect of the unincorporated joint venture.

2. PROFIT AND LOSS ACCOUNT

Auditor's remuneration for the audit of the company's financial statements is borne by another group company in the current year and it is at a similar level to 2011, £4,000.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Other than the directors, the company had no employees (2011: £nil).

No director received any remuneration from the company (2011: same). Directors' emoluments are borne by another group company.

4. INCOME FROM FIXED ASSET INVESTMENT

	2012	2011
	£'000	£'000
Profit/(loss) from other fixed asset investment (see note 7)	<u>34</u>	<u>(238)</u>

5. DIVIDENDS ON EQUITY SHARES

Amounts recognised as distributions to equity holders in year

	2012	2011
	£'000	£'000
Interim dividend for year ended 31 March 2011 of £nil per ordinary share (2011: £563)	<u>-</u>	<u>563</u>

6. TAXATION

Analysis of tax charge in year

	2012	2011
	£'000	£'000
UK corporation tax		
Prior period adjustment	<u>-</u>	<u>(1)</u>
Total current tax	<u>-</u>	<u>(1)</u>
Origination of timing differences	<u>-</u>	<u>75</u>
Tax charge on loss on ordinary taxation	<u>-</u>	<u>74</u>

ACCORD NETWORK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 March 2012**

6. TAXATION (continued)

Analysis of tax charge in year (continued)

Factors affecting the tax credit for the current year:

The current tax charge for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 26% (2011 28%). The differences are explained below

	2012	2011
	£'000	£'000
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	34	(238)
Current tax at 26% (2011 28%)	9	(67)
Effects of		
Expenses not deductible for tax purposes	-	7
Capital allowances in excess of depreciation	-	(18)
Group relief (claimed)/surrendered at nil consideration	(9)	77
Total current tax charge (see above)	-	(1)

7. JOINT VENTURES

Debtors – amounts due from joint venture

	2012	2011
	£'000	£'000
Share of profits from joint venture		
At start of year	191	429
Share of profit/(loss) for the year from joint venture	34	(238)
At end of year	225	191

The company has an equal share in an unincorporated venture, Optima Infrastructure Management (Optima), with WS Atkins plc. Optima Infrastructure Management (Optima) provided road maintenance services up to June 2009. Since that date it has not traded.

The company's share of the results of Optima Infrastructure Management are

	2012	2011
	£'000	£'000
Turnover	87	263
Profit/(loss) before tax	34	(238)
Current assets	583	775
Current liabilities	(358)	(584)
Net assets	225	191

ACCORD NETWORK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 March 2012**

8. DEBTORS

	2012	2011
	£'000	£'000
Amounts due within one year		
Amounts owed by joint ventures (see note 7)	225	191
Amounts owed by participating interests	2,797	2,797
	<u>3,022</u>	<u>2,988</u>

9. RELATED PARTY TRANSACTIONS

	Balances at 31 March 2012 £'000	Balances at 31 March 2011 £'000
Optima Infrastructure Management Enterprise Group	225	191
	2,797	2,797
	<u>3,022</u>	<u>2,988</u>

10 CALLED UP SHARE CAPITAL

	2012	2011
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

11 PROFIT AND LOSS ACCOUNT

	2012	2011
	£'000	£'000
Balance brought forward	2,987	3,862
Profit/(loss) for the financial year	34	(312)
Equity dividends paid	-	(563)
	<u>3,021</u>	<u>2,987</u>

ACCORD NETWORK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 March 2012**

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	2011
	£'000	£'000
Profit/(loss) for the financial year	34	(312)
Equity dividends paid	-	(563)
	<hr/>	<hr/>
Net increase/(decrease) to shareholder's funds	34	(875)
Opening shareholder's funds	2,988	3,863
	<hr/>	<hr/>
Closing shareholder's funds	3,022	2,988
	<hr/>	<hr/>

13. ANALYSIS OF CASH FLOWS

	2012	2011
	£'000	£'000
Reconciliation of operating loss to net cash flow from operating activities		
Operating profit/(loss)	34	(238)
Increase in debtors	(34)	801
	<hr/>	<hr/>
Net cash inflow from operating activities	-	563
	<hr/>	<hr/>

14. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April	Cash	At 31 March
	2011	flows	2012
	£'000	£'000	£'000
Net cash			
Cash at bank and in hand	-	-	-
	<hr/>	<hr/>	<hr/>

15. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Enterprise Group Holdings Limited, a company registered in England and Wales

The smallest group in which the results of the company were consolidated was that headed by Enterprise Plc
The largest group in which the results of the company were consolidated was that headed by Enterprise Group Holdings Limited
Copies of the Enterprise Group Holdings financial statements can be obtained from its registered office at Lancaster House, Centurion Way, Leyland, Lancashire, PR26 6TX