



Financial Statements  
New East Manchester Limited  
(a company limited by  
guarantee)

For the year ended 31 March 2008



Company No. 3931250

## Company information

**Company registration number :** 3931250

**Registered office :** P O Box 532  
Town Hall  
Albert Square  
Manchester  
M60 2LA

<b>Directors :</b>	Robert E Hough	(Chairman) Business Sector
	Iqbal Ahmed OBE	Business Sector
	Graham Alcock	Business Sector
	Garry Cook	Business Sector
	Father Tim Hopkins	Community / faith representative
	John Huggins	Business Sector
	Councillor Sir Richard Leese CBE	Manchester City Council
	Gary Loftus	Community representative
	Councillor John Merry	North West Development Agency
	Paul Spooner	English Partnerships
	Councillor Neil Swannick	Manchester City Council
	Dr Peter White	North West Development Agency
	Elaine Wright MBE	Community representative

<b>Alternate Directors :</b>	Councillor James Battle	Manchester City Council
	Damien Bourke	North West Development Agency
	Councillor Mike Carmody	Manchester City Council
	David Chilton	English Partnerships

**Secretary :** Sir Howard Bernstein

**Bankers :** The Co-operative Bank Plc  
P O Box 101  
1 Balloon Street  
Manchester  
M60 4EP

**Solicitors :** Manchester Professional Services Limited  
P O Box 532  
Town Hall  
Manchester  
M60 2LA

**Auditors :** Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

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## Report of the directors

The directors present their report together with financial statements for the year ended 31 March 2008.

### **Principal activity**

New East Manchester Limited is a Government backed Urban Regeneration Company, which was formed following the report of the Urban Task Force in 1999. The principal activity of the company during the year was the management of the implementation of the Regeneration Framework for east Manchester.

The Board of New East Manchester Limited is responsible for the budget, policy and operational management of the Regeneration Framework.

The Board includes directors from three public investment partners, the North West Development Agency, English Partnerships and Manchester City Council.

New East Manchester Limited manages operational costs following contributions by the public investment partners. The directors' report and financial statements provide details of income and expenditure for 2007/08 in keeping with the Companies Act.

### **Review of activities**

New East Manchester Limited has responsibility for co-ordination of the investment plans of partners in the regeneration of east Manchester. Investment made since 2000 in east Manchester's regeneration programme has made a major contribution to the emerging renaissance of the area.

For 2007/08, operational costs managed through New East Manchester Limited included staff and office costs, the cost of production of the refreshed Strategic Regeneration Framework, the cost of consultation with local residents and businesses, commissioning research, surveys and independent appraisals. Technical assistance funding towards these costs was also received from the European Union. Progress reports were provided to the Senior Management Team and to the Board during the year.

A review of Board process and performance led to the strengthening of business skills on the Board with two additional appointments following the year end.

The Board also received a report on the revised operational management structure which was implemented during the second half of the year. The revised structure is reflected in the changes to the Senior Management Team and incorporates the results of the corporate evaluation of posts below Management Team.

The effectiveness of internal controls has been reviewed and updated appropriately. A revised internal Policies and Procedures Manual consolidating the changes is being provided.

The key procedures that the Board have established to provide effective internal control include:-

- An appropriate control environment through the definition of the organisational structure and authority levels
- The identification of the risks facing New East Manchester Limited and the development of appropriate procedures and controls to manage these risks
- A budgeting and reporting system with results compared with budget and with previous years

Reports on each of these areas were reviewed by the Board and any actions arising were included in detailed implementation plans.

During the year, the Board commissioned and received a report on a revised east Manchester Strategic Regeneration Framework for the next ten years. This followed the extensive consultation carried out with residents, businesses and stakeholders during 2006/07. Comments received were taken into account and, following approval from the Board, a refreshed Strategic Regeneration Framework to guide future planning strategy was produced.

The Board has also reviewed measures of key performance, programme milestones and targets, investment funding and expenditure. Development of the programme management system to provide improved planning and forecasting together with a review of business processes was carried out during the year.

The continuing support of the key funding partners in the programme of investment is fundamental to completing the regeneration of east Manchester. New East Manchester Limited is continuing to work with the partners to secure resources that will facilitate this process.

### **Results for the year and transfer to reserves**

The results for the year are contained in the financial statements on page 10.

Expenditure exceeded income by £42,718 (2007 : surplus of £258,932). This was transferred to reserves. The balance of reserves at the year end is £122,324 (2007 : surplus of £165,042). This is managed within the ongoing financial support from the funding partners over the ongoing programme.

**Directors**

The directors listed below served during the year unless otherwise stated.

	<b>Representing</b>
Robert E Hough	(Chairman) Business Sector
Iqbal Ahmed OBE	Business Sector
Graham Alcock	Business Sector
Rita Birch (resigned 9 May 2008)	Community representative
Garry Cook (appointed 23 July 2008)	Business Sector
Tracy Evans (deceased 9 June 2008)	Community representative
Father Tim Hopkins	Community / faith representative
John Huggins (appointed 23 July 2008)	Business Sector
Councillor Sir Richard Leese CBE	Manchester City Council
Gary Loftus (appointed 9 May 2008)	Community representative
Alistair Mackintosh (resigned 23 July 2008)	Business Sector
Councillor John Merry	North West Development Agency
Tom Russell (resigned 9 May 2008)	(Chief Executive)
Paul Spooner	English Partnerships
Councillor Neil Swannick	Manchester City Council
Dr Peter White	North West Development Agency
Elaine Wright MBE	Community representative

In addition, the following Alternate Directors have been appointed as stand-in representatives:

	<b>Representing</b>
Councillor James Battle.	Manchester City Council
Damien Bourke	North West Development Agency
Councillor Mike Carmody	Manchester City Council
David Chilton	English Partnerships

**Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware :

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

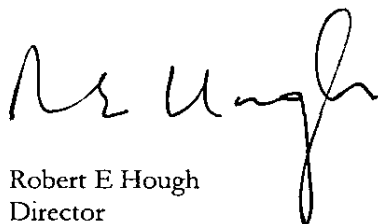
**Auditors**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

**Small company exemption**

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

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'R E Hough', is written over the printed name and title of the director.

Robert E Hough  
Director

19 September 2008



## Report of the independent auditors to the members of New East Manchester Limited (a company limited by guarantee)

We have audited the financial statements of New East Manchester Limited for the year ended 31 March 2008, which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 12. These financial statements have been prepared in accordance with the accounting policies set out herein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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**

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the directors' report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications, for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.





## Report of the independent auditors to the members of New East Manchester Limited (a company limited by guarantee)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion :

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
MANCHESTER

*12 November*

2008

## Principal accounting policies

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard of Smaller Entities (effective January 2007).

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

### **Income**

Income represents a contribution from the company's member bodies, English Partnerships, Manchester City Council and North West Development Agency towards the Company's annual running costs.

### **Tangible Fixed assets and depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The periods generally applicable are:

Furniture and fittings	5 - 7 years
Other equipment	4 years
Computer equipment	3 - 4 years

### **Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants/assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

### **Cash flow statement**

The company has taken advantage of the exemption provided by FRS1 and has not prepared a cash flow statement on the grounds that it is a small company within the meaning of the Companies Act 1985.

## Income and expenditure account

	Note	2008 £	2007 £
Income:	2		
Transfer of assets from Ancoats Urban Village Company Ltd		—	312,845
Partnership contribution		<b>154,602</b>	164,621
Other operating income and charges	3	<b>(209,878)</b>	(225,434)
<b>Operating (deficit)/surplus</b>		<b>(55,276)</b>	252,032
Net interest	4	<b>15,697</b>	8,519
<b>(Deficit)/surplus on ordinary activities before taxation</b>	2	<b>(39,579)</b>	260,551
Tax on (deficit)/surplus on ordinary activities	6	<b>(3,139)</b>	(1,619)
<b>Transfer to reserves</b>	10	<b>(42,718)</b>	258,932

All of the activities of the company are classed as continuing.

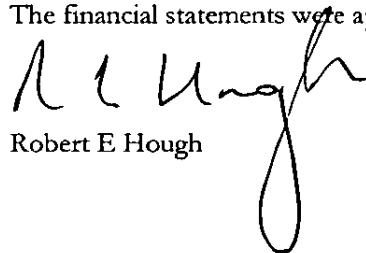
There were no recognised gains or losses other than the results for the financial year.

## Balance sheet

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	7	<u>4,962</u>	<u>9,330</u>
<b>Current assets</b>			
Debtors	8	103,160	70,890
Cash at bank and in hand		<u>478,308</u>	<u>427,155</u>
		<b>581,468</b>	<b>498,045</b>
<b>Creditors: amounts falling due within one year</b>	9	<u>(464,106)</u>	<u>(342,333)</u>
<b>Net current assets</b>		<b>117,362</b>	<b>155,712</b>
<b>Net assets</b>		<u><b>122,324</b></u>	<u><b>165,042</b></u>
<b>Reserves</b>			
Income and expenditure account	10	<u><b>122,324</b></u>	<u><b>165,042</b></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 19 September 2008.



Robert E Hough

Director

## Notes to the financial statements

### **1 Status of the company**

New East Manchester Limited is a company limited by guarantee but not having any share capital. The liability of members is limited to £1 each.

### **2 Income and surplus on ordinary activities before taxation**

Income and surplus on ordinary activities before taxation are attributable to the principle activities of the company which are carried on entirely within the United Kingdom.

The surplus on ordinary activities before taxation is stated after :

	2008 £	2007 £
Depreciation – tangible fixed assets, owned	4,151	6,852
Auditors' remuneration	7,000	8,550

### **3 Other operating income and charges**

	2008 £	2007 £
Administrative expenses	209,878	225,434

### **4 Net interest**

	2008 £	2007 £
Other interest receivable and similar income	15,697	8,519

### **5 Directors and employees**

	2008 £	2007 £
Remuneration in respect of directors was as follows :		
Services of Chief Executive	121,000	146,973

The company does not directly employ any staff. The cost is incurred by Manchester City Council.

- 31 persons employed under Manchester City Council contracts of employment working full time or part time for the company;
- One person employed by other organisations working full time or part time for the company
- One part time consultant

**6 Taxation**

The directors have received confirmation from the Inland Revenue that as the company is not trading for profit, corporation tax will only be chargeable on interest received:

	2008 £	2007 £
Corporation tax	<u>3,139</u>	<u>1,619</u>

**7 Tangible fixed assets**

	Furniture and fittings £	Computer equipment £	Other equipment £	Total £
<b>Cost</b>				
At 1 April 2007	12,986	49,610	5,715	68,311
Additions	—	—	—	—
Disposals	—	(7,874)	—	(7,874)
At 31 March 2008	<u>12,986</u>	<u>41,736</u>	<u>5,715</u>	<u>60,437</u>
<b>Depreciation</b>				
At 1 April 2007	12,392	41,562	5,027	58,981
Charge for the year	219	3,520	412	4,151
Disposals	—	(7,657)	—	(7,657)
At 31 March 2008	<u>12,611</u>	<u>37,425</u>	<u>5,439</u>	<u>55,475</u>
<b>Net book amount</b>				
At 31 March 2008	<u>375</u>	<u>4,311</u>	<u>276</u>	<u>4,962</u>
<b>Net book amount</b>				
At 31 March 2007	<u>594</u>	<u>8,048</u>	<u>688</u>	<u>9,330</u>

**8 Debtors**

	2008 £	2007 £
Prepayments and accrued income	<u>103,160</u>	<u>70,890</u>

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

	2008 £	2007 £
Amounts owed to related parties (note 12)	420,064	329,243
Corporation tax creditor	6,834	3,695
Accruals and deferred income	37,208	9,395
	<u>464,106</u>	<u>342,333</u>

**10 Reserves**

	2007 £
At 1 April 2007	165,042
Deficit for the year	(42,718)
At 31 March 2008	<u>122,324</u>

**11 Commitments**

There were no capital commitments at 31 March 2008 or 31 March 2007.

**12 Transactions with related parties**

English Partnerships, Manchester City Council and the North West Development Agency are each members of the company. Manchester City Council and the North West Development Agency each have the right to appoint two directors to the Board together with an alternate director for each. English Partnerships have the right to appoint one director and one alternate.

The company received contributions of £154,602 (2007 : £164,621) from Manchester City Council during the year.

At 31 March 2008, the following amounts were due to the following related parties:

	Amounts due to related party	
	2008	2007
	£	£
Manchester City Council	<u>420,064</u>	<u>329,243</u>

At 31 March 2008 a further amount of £268,502 is potentially due to Manchester City Council. This amount has in prior years been recognised as funding contributions by the Company pending formal confirmation of this from Manchester City Council. No provision for repayment has been made by the Company at 31 March 2008 or 31 March 2007.