

**GREATER MERSEYSIDE  
ENTERPRISE LIMITED**

**(A company limited by guarantee)**

Company No 4150536

**REPORT AND  
FINANCIAL STATEMENTS**

**63 WEEK PERIOD ENDED 15 JUNE 2007**



# **GREATER MERSEYSIDE ENTERPRISE LIMITED**

(A company limited by guarantee)

## **ANNUAL REPORT**

**63 WEEK PERIOD ENDED 15 JUNE 2007**

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## REPORT AND FINANCIAL STATEMENTS 2007

### OFFICERS AND PROFESSIONAL ADVISERS

#### DIRECTORS

L Rogers	Chair	(Resigned 31 March 2007)
J A Corner		(Resigned 31 March 2007)
S Cupples		
P L Davies*		
W C Gaywood		(Resigned 31 March 2007)
J M Henry		(Appointed 9 July 2007)
J K Jackson		(Resigned 31 March 2007)
J A O'Loughlin		(Resigned 31 March 2007)
P G Morton		(Appointed 9 July 2007)
G D R Parry		
R K Polhill		(Resigned 31 March 2007)
J M S Rigby#		(Resigned 31 March 2007)
R Swainson		

\* Chair of the Audit Committee

# Chair of the Remuneration and Appointments Committee

#### SECRETARY

J M Henry

#### REGISTERED OFFICE

4<sup>th</sup> Floor  
St Nicholas House  
Old Churchyard  
Birkenhead  
Liverpool  
L2 8TX

#### BANKERS

National Westminster Bank  
22 Castle Street  
Liverpool  
L2 0UP

#### SOLICITORS

DLA Piper UK LLP  
India Buildings  
Water Street  
Liverpool  
L2 0NH

#### AUDITORS

PKF (UK) LLP  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

# **GREATER MERSEYSIDE ENTERPRISE LIMITED**

**(A company limited by guarantee)**

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the 63 week period ended 15 June 2007

### **PRINCIPAL ACTIVITIES**

The company ceased normal operational activities and entered a termination phase on 31 March 2007. During the 12 months to 31 March 2007, the company's principal activity was to provide business support to small and medium sized enterprises ("SME's") under an operating contract with the Northwest Regional Development Agency ("NWDA") under the Business Link brand within the area of Greater Merseyside, which comprises the six local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral.

Following the review of Business Link in the Northwest, the Board of NWDA approved a Business Plan for the future Business Link Service for the region in the Spring of 2006. During the remainder of 2006 and the first quarter of 2007 the company worked with the NWDA to help make the transition to its new wholly owned regional service provider. The new service commenced on 1 April 2007 as the main contracts operated by the company on behalf of the NWDA, UKTI and the Learning and Skills Council came to an end.

Most of the company's operating activities transferred to the new regional Business Link company at the end of March 2007. At the same time, the company's UK Government funded International Trade activities were combined into a new regional vehicle, International Trade Solutions. The company's EU funded International Trade activities were transferred to Liverpool International Chamber of Commerce with effect from 2 April 2007.

The normal accounting period end of the company was 31 March. However, as the company planned to cease operations after 31 March 2007, the Board resolved to extend the length of the company's accounting period in order to include the majority of the closure transactions. These financial statements have been made up to 15 June 2007. As soon as practicable the Board intend to seek the appointment of an insolvency practitioner to the role of Members' Voluntary Liquidator in order to complete the formal winding up of the affairs of the company.

### **REVIEW OF DEVELOPMENTS**

Under the company's Business Link operating contract, the company was required to broker the provision of or, where appropriate, directly provide local Business Link services to small and medium sized enterprises within Greater Merseyside, and use all reasonable endeavours to implement new business support initiatives within the area.

This involved work under contract from the local Learning and Skills Council ("LSC"), NWDA and UK Trade and Investment ("UKTI"). The company also continues to deliver business support services partly funded by European Structural Funds in both the Objective One and Two areas.

The period was one in which the company was able to consolidate its position across the region with increased levels of activity. The Objective One programmes on Supporting Growing Businesses and Enterprise Development have now been further extended to the end of 2008 and will be delivered by the new regional Business Link company.

This Support for Growing Business project, has assisted over 2200 businesses and is bringing substantial benefits to the Merseyside Economy in terms of additional Gross Value Added generated by the firms who have received assistance with their development. The programme enables companies to receive business support from leading consultants at affordable prices and with quality and choice assured. Government Office Northwest and NWDA support this approach. It also falls in line with the new business model requiring the provision of Information, the implementation of a full Diagnostic process and the Brokering of solutions to approved suppliers.

# **GREATER MERSEYSIDE ENTERPRISE LIMITED**

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The financial position of the company has continued to improve. Directors are pleased to report a profit before tax of £413,530 after making allowance for all foreseeable closure costs. In assessing performance, the Key Indicators used are

- Actual v Budget Profit Before Tax
- Actual v Budget Cash Flow
- Key Output Targets in operating contracts

Profitability for the period, before closure costs is significantly better than budget. The overall cash position showed similar improvement.

The company was able to deliver high quality services to its clients, and even in the final months of the operation, 90 percent of clients, independently surveyed, reported that they were either satisfied or very satisfied with the services received. This was reinforced by a clear willingness to recommend the services to other businesses, with 95% of active clients willing to do so. In addition 93% of clients receiving intensive assistance, that is engaged in a significant development project, reported clear economic benefit from the help and support provided by the company.

This high quality of service is largely due to the dedication and commitment of the staff, and the Board would also like to place on record their thanks to all employees for their continued commitment and hard work during this difficult transitional period. The majority of staff have transferred to the organisations which have taken over the company's former operations. Unfortunately approximately one third of our staff were made redundant as a result of this re-organisation. Most of the costs of redundancy have been met by the successor organisations.

## **FUTURE PROSPECTS AND RISKS**

These financial statements have been prepared on a termination basis as the company has now ceased normal operations and will proceed to formal winding up shortly after their approval. The directors believe that the company can meet its liabilities and hence intend to follow the arrangements for a Members Voluntary Liquidation.

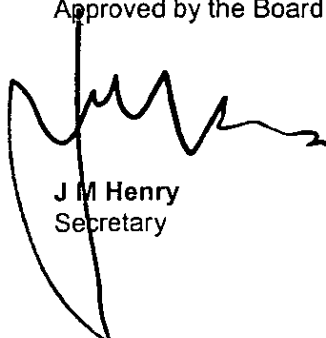
## **DIRECTORS**

The membership of the Board is set out on page 3.

## **AUDITORS**

In accordance with Section 234ZA (2) of the Companies Act, so far as each of the directors is aware, at the time this report was approved, there is no relevant information which the company's auditors are unaware of 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.

Approved by the Board of Directors on 17 July 2007 and signed on their behalf



**J M Henry**  
Secretary

# **GREATER MERSEYSIDE ENTERPRISE LIMITED**

(A company limited by guarantee)

## **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). The financial statements are required to 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREATER MERSEYSIDE ENTERPRISE LIMITED**

**(A company limited by guarantee)**

We have audited the financial statements of Greater Merseyside Enterprises Limited for the period ended 15 June 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 annual report and the financial statements in accordance with applicable law and United Kingdom 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

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

We read the 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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, of the state of the company's affairs as at 15 June 2007 and of its result for the period 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.

*PKC(U)CLX*

Liverpool

**Registered Auditors**

17 July 2007

**GREATER MERSEYSIDE ENTERPRISE LIMITED**  
(A company limited by guarantee)

**PROFIT AND LOSS ACCOUNT**  
**63 WEEK PERIOD ENDED 15 JUNE 2007**

	Notes	2007 £	Year ended 31 March 2006 £
Turnover	2	9,300,608	10,290,324
Cost of sales		(6,304,741)	(7,343,407)
<b>Gross profit</b>		<b>2,995,867</b>	<b>2,946,917</b>
Administrative expenses		(2,638,425)	(2,492,604)
<b>Operating profit</b>	4	<b>357,442</b>	<b>454,313</b>
Interest receivable and similar income		56,088	27,098
<b>Profit on ordinary activities before taxation</b>		<b>413,530</b>	<b>481,411</b>
Tax on profit on ordinary activities	5	(10,800)	(4,061)
<b>Profit on ordinary activities after taxation for the financial year</b>	10	<b>402,730</b>	<b>477,350</b>

All amounts relate to discontinued activities

There are no recognised gains or losses for the current year other than as stated above



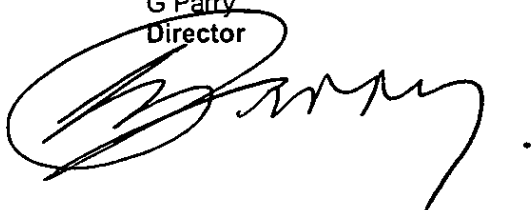
**GREATER MERSEYSIDE ENTERPRISE LIMITED**  
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**BALANCE SHEET**  
**AT 15 JUNE 2007**

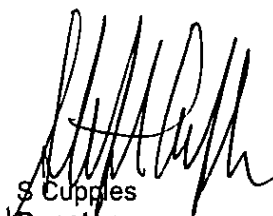
	Notes	2007 £	31 March 2006 £
<b>Fixed assets</b>			
Tangible assets	6	-	72,873
Investments	7	-	1
		<u>-</u>	<u>72,874</u>
<b>Current assets</b>			
Debtors	8	591,342	1,611,778
Cash at bank and in hand		1,225,885	891,202
		<u>1,817,227</u>	<u>2,502,980</u>
<b>Creditors amounts falling due within one year</b>	9	<u>(773,983)</u>	<u>(1,935,340)</u>
<b>Net current assets</b>		<u>1,043,244</u>	<u>567,640</u>
<b>Total net assets</b>		<u>1,043,244</u>	<u>640,514</u>
<b>Reserves</b>			
Profit and loss reserve	10	1,043,244	640,514
<b>Total funds</b>	10	<u>1,043,244</u>	<u>640,514</u>

These financial statements were approved by the Board of Directors on 17 July 2007 and signed on their behalf

G Parry  
Director



S Cupples  
Director



**GREATER MERSEYSIDE ENTERPRISE LIMITED**  
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**CASH FLOW STATEMENT**  
**63 WEEK PERIOD ENDED 15 JUNE 2007**

	2007	Year ended 31 March 2006
	£	£
<b>Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b>		
Operating profit	357,442	454,313
Depreciation	38,002	49,984
Loss on disposal of fixed assets	20,050	-
Decrease in debtors	1,020,436	87,469
Decrease in creditors	(1,168,096)	(219,224)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>267,834</u>	<u>372,542</u>
 <b>Cash flow statement</b>		
Net cash inflow from operating activities	267,784	372,542
Return on investments and servicing of finance (note 1)	56,088	27,098
Capital expenditure (note 2)	(1,643)	(35,662)
Proceeds from disposal of fixed assets	16,515	-
Taxation (note 3)	(4,061)	-
<b>Increase in cash</b>	<u>334,683</u>	<u>363,978</u>
 <b>Reconciliation of net cash flow to movement in net debt (note 4)</b>		
Increase/(decrease) in the period	334,683	363,978
Net funds at 1 April 2006	891,202	527,224
<b>Net funds at 15 June 2007</b>	<u>1,225,885</u>	<u>891,202</u>

**GREATER MERSEYSIDE ENTERPRISE LIMITED**  
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**NOTES TO THE CASH FLOW STATEMENT**  
**63 WEEK PERIOD ENDED 15 JUNE 2007**

	2007		Year Ended 31 March 2006			
	£	£	£	£		
<b>NOTE 1 TO CASH FLOW STATEMENT</b>						
<b>Gross cash flows</b>						
Returns on investments and servicing of finance						
Interest received	56,088		27,658			
Interest paid	-		(560)			
	<u>56,088</u>	<u>56,088</u>	<u>27,098</u>			
<b>NOTE 2 TO CASH FLOW STATEMENT</b>						
Capital expenditure						
Payments to acquire fixed assets		(1,643)		(35,662)		
		<u>(1,643)</u>		<u>(35,662)</u>		
<b>NOTE 3 TO CASH FLOW STATEMENT</b>						
Taxation paid		(4,061)		-		
		<u>(4,061)</u>		<u>-</u>		
<b>NOTE 4 TO CASH FLOW STATEMENT</b>						
	At 1 4 06 £	Cash Flows £	At 15 06 07 £	At 1 4 05 £	Cash Flows £	At 31 3 06 £
Cash in hand and at bank	891,202	334,683	1,225,885	527,224	363,978	891,202
	<u>891,202</u>	<u>334,683</u>	<u>1,225,885</u>	<u>527,224</u>	<u>363,978</u>	<u>891,202</u>
Total	891,202	334,683	1,225,885	527,224	363,978	891,202

# **GREATER MERSEYSIDE ENTERPRISE LIMITED**

(A company limited by guarantee)

## **NOTES TO THE FINANCIAL STATEMENTS**

**63 WEEK PERIOD ENDED 15 JUNE 2007**

### **1 Accounting policies and convention**

The financial statements have been prepared in accordance with the historical cost convention and take account of all applicable Accounting Standards in the United Kingdom. The going concern concept has not been applied and the financial statements prepared on a termination basis, making appropriate provision to write assets down to recoverable amounts and to include all amounts expected to be incurred in winding up the company's affairs.

#### **Tangible fixed assets**

Until disposal, tangible fixed assets were capitalised at cost. Computer equipment inherited from predecessor bodies was included in the balance sheet at transfer value, being the best available estimate of historical cost.

Until disposal, depreciation was provided at rates calculated to write off the assets, on the straight line basis over their estimated useful lives, as follows:

Computer equipment	33⅓%
Fixtures and fittings	20%

Loss on disposal has been calculated by reference to the carrying value on the above basis at the time of disposal. Any costs of disposal have been included in operating expenditure.

#### **Investments**

Investments held as fixed assets were carried at cost less provision for any impairment. Loss on disposal has been calculated by reference to the carrying value on the above basis at the time of disposal.

#### **Grants**

Revenue grants have been accounted for on a receivable basis in accordance with the terms of the underlying funding contracts.

#### **Operating leases**

Operating lease rentals have been charged to profit and loss in equal amounts over the lease term with full provision made for termination.

#### **Pension costs**

During the period, the company contributed to defined contribution pension schemes, which are financially independent from the company. All amounts payable, including those relating to periods after the balance sheet date in respect of employees who will continue in employment until the appointment of a liquidator or 31 August 2007 (whichever is sooner) have been paid to the schemes and charged to the profit and loss account.

# GREATER MERSEYSIDE ENTERPRISE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

63 WEEK PERIOD ENDED 15 JUNE 2007

### 2 Turnover

Turnover comprises donations, grant income, transition funding and invoiced amounts derived from the provision of services which fall within the company's ordinary activities, which include the provision of advice and services to small and medium sized enterprises. Amounts are stated net of Value Added Tax.

### 3 Information regarding directors and employees

Directors' emoluments	2007	Year Ended 31 March 2006
	£	£
Aggregate emoluments	<u>58,225</u>	<u>58,269</u>
Average number of persons employed	No	No
Operations	51	68
Administration	<u>38</u>	<u>54</u>
	<u>89</u>	<u>122</u>
Staff costs during the period (including directors)	2007	Year Ended 31 March 2006
	£	£
Wages and salaries	3,535,434	3,484,577
Social security costs	381,071	373,860
Pension costs	<u>348,335</u>	<u>307,915</u>
	<u>4,264,840</u>	<u>4,166,352</u>

**GREATER MERSEYSIDE ENTERPRISE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**63 WEEK PERIOD ENDED 15 JUNE 2007**

<b>4</b>	<b>Operating profit</b>	<b>2007</b>	<b>31 March 2006</b>
		<b>£</b>	<b>£</b>
	The operating profit is after charging		
	Depreciation	38,002	49,984
	Loss on disposal of fixed assets	20,050	-
	Rentals under operating leases	19,243	24,447
	Auditors' remuneration - audit	10,500	9,750
	- non-audit services	40,000	19,447
	Redundancy costs	<u>68,318</u>	<u>-</u>

The above costs of redundancy are stated net of amounts received/receivable from successor bodies (£713,872)

<b>5</b>	<b>Tax on profit on ordinary activities</b>	<b>2007</b>	<b>31 March 2006</b>
		<b>£</b>	<b>£</b>
	United Kingdom corporation tax at 19% on investment income	10,800	5,148
	Marginal relief	-	(1,087)
		<u>10,800</u>	<u>4,061</u>

Because of the nature of the sources of income and the nature of activities, the company is not subject to tax other than as set out above

# GREATER MERSEYSIDE ENTERPRISE LIMITED

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## NOTES TO THE FINANCIAL STATEMENT

63 WEEK PERIOD ENDED 15 JUNE 2007

	Computer Equipment	Fixtures and fittings	Total
	£	£	£
<b>6 Tangible fixed assets</b>			
<b>Cost</b>			
At 1 April 2006	585,161	79,809	664,970
Additions	1,643	-	1,643
Disposals	(586,804)	(79,809)	(666,613)
<b>At 15 June 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>			
At 1 April 2006	543,793	48,304	592,097
Charge for the period	31,905	6,097	38,002
Eliminated on disposal	(575,698)	(54,401)	(630,099)
<b>At 15 June 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>			
At 31 March 2006	41,368	31,505	72,873
<b>At 15 June 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the period most assets were disposed of. Remaining assets will be transfer to the new Business Link contractor under the terms of a proposed Business Transfer Agreement (see Note 14)

	2007	31 March 2006
	£	£
<b>7 Investments</b>		
<b>Cost of investment in subsidiary</b>		
At 1 April 2006 and 15 June 2007	-	-
<b>Other investments</b>		
At 1 April 2006	1	1
Disposal	(1)	-
<b>At 15 June 2007</b>	<b>-</b>	<b>1</b>

The company was the sole member of Merseyside Enterprise Limited, a company limited by guarantee. The company was dissolved on 6 February 2007.

On 3 March 2005 the company was allocated one new 'B' ordinary share in the Centre for Assessment Limited, being a 20% interest in the business. The remaining shares are held by other Business Links in the area. On 15 June 2007, with the approval of the NWDA, the ownership of these shares was transferred to Chamberlink Limited for £nil consideration.

# GREATER MERSEYSIDE ENTERPRISE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

63 WEEK PERIOD ENDED 15 JUNE 2007

<b>8</b>	<b>Debtors</b>	<b>2007</b>	<b>31 March 2006</b>
		<b>£</b>	<b>£</b>
	Trade debtors	390,990	454,814
	Other debtors	39,420	-
	Prepayments and accrued income	160,932	1,156,964
		<u>591,342</u>	<u>1,611,778</u>
<b>9</b>	<b>Creditors, amounts falling due within one year</b>	<b>2007</b>	<b>31 March 2006</b>
		<b>£</b>	<b>£</b>
	Trade creditors	330,754	626,168
	Corporation tax	10,800	4,061
	Other taxation and social security	-	108,316
	Other creditors	3,091	9,320
	Accruals and deferred income	429,338	1,187,475
		<u>773,983</u>	<u>1,935,340</u>
<b>10</b>	<b>Reserves</b>		<b>Profit and loss reserve</b>
			<b>£</b>
	Balance at 1 April 2006		640,514
	Profit for the period		402,730
	<b>Balance at 15 June 2007</b>		<u>1,043,244</u>
<b>11</b>	<b>Commitments</b>		
	There were no capital commitments at the period end Annual commitments under non-cancellable operating leases are as follows		
		<b>2007</b>	<b>31 March 2006</b>
		<b>£</b>	<b>£</b>
	<b>Land and buildings</b>		
	<i>Leases which expire</i>		
	Within two to five years	-	129,673
	<b>Other</b>		
	<i>Leases which expire</i>		
	Within one year	-	24,741
	Within two to five years	-	-
		<u>-</u>	<u>154,414</u>



# GREATER MERSEYSIDE ENTERPRISE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

63 WEEK PERIOD ENDED 15 JUNE 2007

### 11 Commitments (continued)

On 15 June 2007 the company assigned the lease on one of its two remaining leasehold buildings. The company has agreed to transfer its last remaining leasehold building to the new Business Link subsidiary company set up by NWDA at £nil cost. This transaction was completed on 13 July 2007. With the exception of a short term rental on a computer facility which expires on 31 July 2007, all other properties were vacated during the period in accordance with normal contractual terms. Accordingly no provision has been made in these financial statements for any on-going commitments.

### 12 Pension schemes

The company does not operate a pension scheme but makes contributions to employees' personal pension plans under a number of defined contribution schemes.

The amount charged to the profit and loss account during the period was £348,335 (2006 - £307,915). At 15 June 2007 the obligations outstanding were £nil (31 March 2006 £9,805).

### 13 Related Party transactions

The company operates under an operating agreement with the North West Development Agency, which is considered to be a related party by virtue of its importance to the business. Grant and other funding of £4,804,982 (2006 - £3,819,273) was received from this government agency during the year.

### 14 Business transfer, liquidation and distribution of reserves

The Business Link contract with NWDA provided for any reserves arising out of the contract to be repayable to NWDA after dealing with costs of termination. The contract also provided for any assets funded by the Business Link contract to be transferable to a successor body for the sum of £1.

In the opinion of the Board, substantially all the reserves of the company are attributable to the Business Link contract. Accordingly, the Board resolved on 22 March 2007 to transfer all reserves, after the costs of winding up the company, to NWDA as this was consistent with contractual obligations and the company's Articles of Association.

The company will enter into a Business Transfer agreement with NWDA and its subsidiary company, Northwest Business Link Limited (Registered Number 6060925) for the transfer of certain assets to Northwest Business Link Limited. This agreement will also provide for the reserves of the company to be transferred to NWDA during the company's liquidation. This agreement is substantially agreed as at the date of approval of these financial statements and should be completed shortly after their approval. Accordingly, the provisions of this proposed agreement have been used to derive amounts attributable to certain assets and liabilities. The company's operational ERDF contracts were novated, with the agreement of the relevant Government Departments, to the NWDA and Liverpool International Chamber of Commerce on 2 April 2007.

As noted in the Directors' Report, the directors intend to appoint a liquidator shortly after the approval of these financial statements under the procedures for a Members Voluntary Liquidation.