

Registered Number 06399340

**GWE Business West Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 March 2011**

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# **GWE Business West Limited**

## **Annual Report and Financial Statements**

### **for the year ended 31 March 2011**

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# **GWE Business West Limited**

## **Directors and advisers for the year ended 31 March 2011**

### **Directors**

N Alberry	T J Postlethwaite (resigned 10 December 2010)
M Bothamley (appointed 3 November 2010)	P J Rilett
S C B Cooper (resigned on 1 November 2010)	J C Savage (resigned on 31 March 2011)
A Fletcher	D Savory (appointed 18 May 2011)
N Mehta	C F Skellett
T C Mordaunt (appointed 24 June 2010)	P M Smith
B Phillips	

### **Secretary**

T Doyle

### **Registered Office**

Great Western Business Centre  
Emlyn Square  
Swindon  
Wiltshire  
SN1 5BP

### **Independent Auditors**

Chartered Accountants and Statutory Auditors  
PricewaterhouseCoopers LLP  
31 Great George Street  
Bristol  
BS1 5QD

# **GWE Business West Limited**

## **Directors' report for the year ended 31 March 2011**

The directors present their report and the audited financial statements for the year ended 31 March 2011

### **Principal activities**

The principal activity of the company is to assist local economic development and individual company success through their collective representation and by the direct provision of services

### **Review of business and future developments**

The group financial performance showed a loss for the year of £2,446,996 (2010 profit of £27,586) £1,484,733 of this loss was attributable to our subsidiary company Northern Arc and restructuring costs it underwent in March 2011 along with provision for restructuring costs it will undergo in November 2011

The holding company's loss of £1,442,777 (2010 loss of £301,461) includes the dividend receivable from Northern Arc Ltd of £252,000 (2010 £166,667), but is before the preference dividend of £126,214, (2010 £122,214) This loss also includes £717,000 of costs relating to the revaluation of properties to market value, and £283,794 of costs relating to one off restructure costs The remaining loss of £441,983 was in line with expectations and included investments in new Initiative activity in Swindon and investments in the Bristol 2050 project

On 31 March 2011 the trade and net assets of Northern Arc Ltd were transferred to GWE Business West Limited and on 14 July 2010 the company acquired control of Recognising Excellence Limited, as set out in note 22 to the financial statements

### **Regional Chambers and Initiatives**

Our core Chamber membership numbers fell by 8% from 1963 to 1807 across Bristol, Bath and Gloucestershire this was in line with national trends We are reviewing our offer and working much more closely with British Chambers of Commerce

The Initiative continued to flourish in the West of England, the key projects being continued work on the Bristol 2050 project with a lot of the ground work and research taking place ready for publication in December 2011 GWE Business West (GWEBW) has also put a lot of resource in to supporting the regional proposals for LEP's in the West of England, Gloucestershire and Swindon and Wiltshire, all three of which have now received Ministerial approval and we have continued to support their set up and establishment

### **Public Sector Contracts**

One of the main ways we support business continues to be through the receipt of grants from various government agencies to provide a variety of business services, GWEBW received over £7m (55%) of its income from these agencies Three new projects worth £590k, funded from European ERDF money aimed at High Growth companies made a good start in the year, and our three year ESF funded skills project in its final year successfully hit all its targets We continued to deliver a variety of International support projects worth £5.5m including the UKTI contract for the South West

# **GWE Business West Limited**

Our subsidiary Northern Arc Ltd continued to receive 99%, (£14.3m) of its funding from Government agencies, delivering the Business Link contract for SWRDA worth £5.2m across Wiltshire, Gloucestershire and the West of England. However in January 2011 SWRDA informed us our BL and other associated contracts would terminate on 25 November 2011. Northern Arc also delivered a variety of mainly European ERDF funded projects mostly aimed at High Growth companies and Skills development. All these contracts performed well delivering between 93% and 126% of their target KPI's.

## **Commercial Services**

GWEBW continued to provide a variety of commercial services to business, we had one of our most successful years ever in our International department delivering Export Documentation, Carnets and Letters of Credit with our income up 25%. Our Events and Conferencing business also saw a modest growth of 6% in a challenging climate.

We are also continuing to look for new opportunities for the future and have invested this year in a Mediation in Business service and a Virtual Documentation service.

## **Governance**

The Board of directors is comprised of eleven directors. All matters regarding future policy, strategic investments and ongoing monitoring of performance are undertaken by the board.

## **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

## **Results and dividends**

The consolidated profit and loss account for the year is set out on page 9.

No interim dividend was declared in the year. The directors do not recommend the payment of a final dividend, although a preference share dividend of £126,214 (2010: £122,214) was accrued during the year.

## **Financial risk management**

The group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

### *Price risk*

The group has limited exposure to commodity price risk as a result of the nature of its operations. The group has no exposure to equity securities price risk as it holds no listed or other equity investments.

### *Credit risk*

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly.

# **GWE Business West Limited**

## *Liquidity risk*

The group operates without any need for short term debt finance and has limited liquidity risk. In order to ensure stability of cash out flows and hence manage interest rate risk, the company spreads the risk of its mortgage with 40% Interest Rate Swap, 40% Collar and 20% variable rate.

## **Market value of land and buildings**

In the opinion of the directors the market value of land and buildings has fallen below its current net book value and an impairment provision of £717k has been made in the year, as set out in note 10 to the financial statements.

## **Directors**

The directors, all of whom served throughout the year unless otherwise stated, are listed on page 2. The company has in force indemnity insurance in respect of the directors.

## **Employee involvement**

During the year, the policy of providing employees with information about the group has been continued through the company intranet and employees are encouraged to put forward their views through staff surveys and through the Employee Forum.

## **Disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 the group and of the profit or loss of the group for that period. In preparing those 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **GWE Business West Limited**

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Statement on disclosure of information to the auditors**

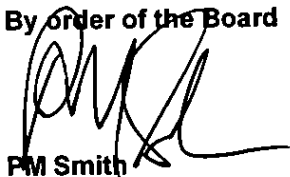
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

Each director has taken all reasonable steps (such as making enquires of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he/she ought to have taken in his/her duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

**By order of the Board**



**PM Smith**  
Director

*14 October 2011*

# **GWE Business West Limited**

## **Independent auditors' report to the members of GWE Business West Limited**

We have audited the financial statements (the "financial statements") of GWE Business West Limited for the year ended 31 March 2011 which comprise the Group Profit and Loss Account, the Statement of Group Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Accounting Policies and the related notes. 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)

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 5 and 6 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 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. 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 group's and parent company's affairs as at 31 March 2011 and of the group's loss and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

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



# GWE Business West Limited

## **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's 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



Colin Bates (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

*14 October 2011*

# GWE Business West Limited

## Group profit and loss account for the year ended 31 March 2011

	Note	2011 £	2010 £
Turnover - continuing			
- existing		25,981,718	22,886,872
- acquisition	22	1,143,122	-
Turnover - discontinued		-	3,782,973
<b>Turnover</b>	1	<b>27,124,840</b>	26,669,845
Cost of sales		(13,934,652)	(12,696,502)
<b>Gross profit</b>		<b>13,190,188</b>	13,973,343
Administrative expenses (including exceptional items)		(16,576,401)	(13,766,967)
Other operating income	22	390,908	-
Operating profit before exceptional items - continuing			
- existing		(2,514,538)	227,942
- acquisition		(154,675)	-
Operating profit before exceptional items - discontinued		-	(21,566)
Exceptional items – continuing	2	(326,092)	-
<b>Operating (loss)/profit</b>	2	<b>(2,995,305)</b>	206,376
Interest payable and similar charges	3	(61,466)	(67,843)
Interest receivable and similar income		93,757	145,954
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(2,963,014)</b>	284,487
Tax credit/(charge) on (loss)/profit on ordinary activities	6	21,107	(9,045)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(2,941,907)</b>	275,442
Equity minority interests	19	494,911	(247,856)
<b>(Loss)/profit for the financial year</b>	19	<b>(2,446,996)</b>	27,586

All of the above (losses)/profits arise from continuing operations, other than as disclosed above. The discontinued operation is the Business Link Berkshire contract with the South East Regional Development Agency (SEEDA), which ended on 31 March 2010. The acquisition is Recognising Excellence Limited (see note 22).

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

## GWE Business West Limited

### Statement of group total recognised gains and losses for the year ended 31 March 2011

	Note	2011 £	2010 £
(Loss)/profit for the financial year		<b>(2,446,996)</b>	27,586
Unrealised surplus on revaluation of investments		<b>123</b>	128,041
<b>Total recognised (losses)/gains for the year</b>		<b>(2,446,873)</b>	155,627

# GWE Business West Limited

## Balance sheets as at 31 March 2011

– company number 06399340

	Note	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
<b>Fixed assets</b>					
Intangible fixed assets	9	441,274	468,853	441,274	468,853
Tangible assets	10	2,804,401	3,645,220	2,802,587	3,518,310
Investment in subsidiary undertaking	11	-	-	777,012	777,006
Investment in joint venture	11	85,000	25,000	85,000	25,000
- share of gross assets		91,926	31,926	-	-
- share of gross liabilities		(6,926)	(6,926)	-	-
		3,330,675	4,139,073	4,105,873	4,789,169
<b>Current assets</b>					
Stocks	12	13,404	16,859	13,404	16,859
Debtors	13	7,287,670	5,034,234	6,955,330	2,769,290
Investments	14	1,096,040	1,095,917	1,096,040	1,095,917
Cash at bank and in hand		1,979,500	5,079,349	1,679,828	3,141,237
		10,376,614	11,226,359	9,744,602	7,023,303
Creditors amounts falling due within one year	15	(7,296,654)	(5,875,980)	(7,828,418)	(4,336,728)
<b>Net current assets</b>		3,079,960	5,350,379	1,916,184	2,686,575
<b>Total assets less current liabilities</b>		6,410,635	9,489,452	6,022,057	7,475,744
Creditors amounts falling due after more than one year	16	(1,555,644)	(1,505,465)	(1,555,644)	(1,505,465)
Provision for liabilities and charges	17	(42,949)	(77,947)	(42,949)	(77,947)
<b>Net assets</b>		4,812,042	7,906,040	4,423,464	5,892,332
<b>Capital and reserves</b>					
Called up share capital	18	6,755,355	6,655,355	6,755,355	6,655,355
Share premium account	19	589,453	589,453	-	-
Revaluation Reserve	19	128,164	128,041	128,164	128,041
Profit and loss account	19	(2,660,930)	(480,380)	(2,460,055)	(891,064)
<b>Total shareholders' funds</b>	20	4,812,042	6,892,469	4,423,464	5,892,332
Minority interests	19	-	1,013,571	-	-
<b>Capital employed</b>		4,812,042	7,906,040	4,423,464	5,892,332

The financial statements on pages 9 to 32 were approved by the board of directors on 14 October 2011 and were signed on its behalf by

  
P M Smith, Director

  
C F Skellett, Director

# GWE Business West Limited

## Group cash flow statement for the year ended 31 March 2011

	Note	2011 £	2011 £	2010 £	2010 £
<b>Net cash outflow from operating activities</b>	a		(3,266,883)		(274,101)
<b>Returns on investments and servicing of finance</b>					
Interest paid		(61,466)		(67,843)	
Interest receivable & similar income		93,757		145,954	
Dividend to minority interests		(126,000)		(83,333)	
<b>Net cash outflow for returns on investments and servicing of finance</b>			(93,709)		(5,222)
<b>Taxation</b>			13,041		(20,398)
<b>Acquisitions</b>					
Bank balances acquired with subsidiary undertakings		406,570		-	
<b>Net cash inflow from acquisitions</b>			406,570		-
<b>Capital expenditure</b>					
Payments to acquire financial assets		(60,000)		-	
Payments to acquire tangible assets		(122,832)		(167,403)	
<b>Net cash outflow from capital expenditure</b>			(182,832)		(167,403)
<b>Net cash outflow before financing</b>			(3,123,813)		(467,124)
<b>Financing</b>					
Issue of share capital		100,000		-	
Repayment of bank loans	b	(76,036)		(107,119)	
<b>Net cash inflow/(outflow) from financing</b>			23,964		(107,119)
<b>Decrease in cash in the year</b>	b		(3,099,849)		(574,243)

The cash flows for the joint venture company are not material for separate disclosure in the group cash flow statement above

# GWE Business West Limited

## Notes to the consolidated cash flow statement for the year ended 31 March 2011

### a Reconciliation of operating (loss)/profit to net cash outflow from operating activities

	2011 £	2010 £
Operating (loss)/profit	(2,995,305)	206,376
Depreciation of tangible fixed assets	248,656	189,210
Amortisation of intangible fixed assets	27,579	27,579
Loss on disposal of tangible assets	-	8,219
Decrease/(increase) in stocks	3,455	(12,847)
Increase in debtors	(1,939,540)	(1,827,480)
Increase in creditors	1,423,270	1,122,465
(Decrease)/increase in provisions	(34,998)	12,377
<b>Net cash outflow from operating activities</b>	<b>(3,266,883)</b>	<b>(274,101)</b>

### b Analysis of net funds

	31 March 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
<b>Net cash</b>				
Cash at bank and in hand	5,079,349	(3,099,849)	-	1,979,500
Debts falling due within one year	(97,102)	-	-	(97,102)
Debts falling due after one year	(1,261,037)	76,036	-	(1,185,001)
	(1,358,139)	76,036	-	(1,282,103)
<b>Net funds</b>	<b>3,721,210</b>	<b>(3,023,813)</b>	<b>-</b>	<b>697,397</b>

# **GWE Business West Limited**

## **Accounting policies**

### **Accounting convention**

The financial statements are prepared on a going concern basis under the historical convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. The principal accounting policies are set out below.

### **Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2011. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

### **Government grants**

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate. Revenue based grants are matched to the relevant expenditure and credited to the profit and loss account accordingly.

### **Intangible fixed assets**

Goodwill arising on business acquisitions is amortised over its useful life, typically of twenty years.

### **Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	50 years
Leasehold buildings	1-99 years
Plant & machinery	10 years
Computer equipment	3 years

Land is not depreciated.

### **Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### **Investments**

Fixed asset investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value. Fixed asset investments in joint venture undertakings are accounted for under the gross equity method of accounting. Current asset investments are investments held in listed corporate bonds. These investments are stated at market value at the year-end. Unrealised gains/(losses) are derived from the movement in market value during the year and are recorded in the revaluation reserve.

The turnover and profit on ordinary activities before taxation for the joint venture companies are not material for separate disclosure in the profit and loss account.

# GWE Business West Limited

## Stocks

Stocks are valued at the lower of cost and net realisable value

## Pensions

The company operates a defined contribution pension scheme. The scheme is made up of personal pension plans and the assets of the plans are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the personal pension plans in respect of the accounting year.

## Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Deferred tax is accounted for using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

## Provisions

Provisions are recognised when a liability exists at the year end that can be measured reliably, there is an obligation to one or more third parties as a result of past transactions or events and there is an obligation to transfer economic benefits in settlement.

Provisions are calculated based on management's best estimate of the expenditure required to settle the present obligation at the balance sheet date, after due consideration of the risks and uncertainties that surround the underlying event.

## Turnover

Turnover represents amounts due in respect of services provided, net of VAT and trade discounts. Due to the nature of the company's business, the impact on its results of Government Grants is very significant, the company received the majority of its funding from Government in the form of grants for the delivery of business services to SME's. A summary of the significant grants are detailed below.

Grant Provider	Type of service	Recognised in the profit and loss account £
South West Regional Development Agency	Core Business Link service	5,175,707
	Other	821,387
	Regional	1,445,209
Learning Skills Council		3,390,825
ERDF		4,063,388
UKTI		5,453,835
Other		60,000
		<hr/> 20,410,351 <hr/>



# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011

### 1 Segmental analysis of turnover

The group's turnover and operating profit relate entirely to its principal activity and arise in the United Kingdom. The analysis by class of business of the group's turnover is set out below.

	2011 £	2010 £
Grant income	20,410,351	21,124,961
Fee income	3,044,733	2,743,647
Other income	3,669,756	2,801,237
	27,124,840	26,669,845

### 2 Operating (loss)/profit

	2011 £	2010 £
Operating (loss)/profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets	248,656	189,210
Loss on sale of fixed assets	-	8,219
Operating lease rentals		
- land and buildings	314,171	367,547
- plant and machinery	25,383	24,408
- other assets	20,729	18,665
Auditors' remuneration		
- audit services for the parent company and the group accounts	13,300	13,000
- audit services for the subsidiary company	10,800	10,600
- non-audit fees for taxation services	3,450	1,800
Exceptional items		
- impairment of fixed assets	717,000	-
- acquisition of Recognising Excellence Limited (see note 22)	(390,908)	-
Total exceptional items	326,092	-

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

The exceptional impairment of fixed assets results from the company undertaking an internal valuation in March 2011 of two of the company's freehold properties

On 14 July 2010 the company acquired 100% of the trade and net assets of Recognising Excellence Limited (a company limited by guarantee - registered number 06506091) in consideration of assuming the responsibility of continuing to undertake their operation of the business. No consideration was paid to acquire sole membership of the company limited by guarantee, and the net assets acquired have been recorded as other operating income of £390,908 in the group profit and loss account

### 3 Interest payable and similar charges

	2011 £	2010 £
On bank loans	61,466	67,843

### 4 Directors' emoluments

	2011 £	2010 £
Aggregate emoluments	360,884	435,104
Compensation for loss of office	191,708	99,215
Company pension contributions to defined contribution schemes	36,655	56,535

Retirement benefits are accruing to 4 directors (2010: 5) under defined contribution schemes. Emoluments disclosed above include the following amounts paid to the highest paid director

Aggregate emoluments	134,435	124,836
Company pension contributions to defined contribution scheme	14,424	14,496

### 5 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

By activity	2011 Number	2010 Number
Service and delivery staff	274	303
Administration	40	37
	314	340

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 5 Employees (continued)

#### Employment costs

	2011 £	2010 £
Wages and salaries	9,401,551	10,249,527
Social security costs	987,798	1,051,854
Other pension costs	1,087,077	871,744
	11,476,426	12,173,125
Redundancy costs	1,726,593	-
	13,203,019	12,173,125

#### Pension costs

The company operates a defined contribution pension scheme. The assets of the personal pension plans are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the personal pension plans and amounted to £1,087,077 (2010 £871,744). At the year end there were contributions totalling £36,064 (2010 £90,442) due from the group to the personal pension plans.

### 6 Tax on profit on ordinary activities

	2011 £	2010 £
<b>Current year tax</b>		
UK corporation tax	-	7,664
Prior year adjustment	(21,107)	1,381
<b>Current tax (credit)/charge</b>	<b>(21,107)</b>	<b>9,045</b>

## GWE Business West Limited

### Notes to the financial statements for the year ended 31 March 2011 (continued)

#### 6 Tax on profit on ordinary activities (continued)

Factors affecting the tax (credit)/charge for the year	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation	(2,825,212)	284,486
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2010 21%)	-	59,742
Effects of		
Non-taxable profits	-	(52,078)
Prior year adjustments	(21,107)	1,381
	(21,107)	(50,697)
<b>Current tax (credit)/charge</b>	<b>(21,107)</b>	<b>9,045</b>

No deferred tax is provided for, as it not considered material to the group or the company. The group and company have tax losses valued at £293k (2010 £258k) available for use against future profits of the trade, but no deferred tax asset has been recognised at 31 March 2011 in respect of these tax losses.

#### Factors affecting future tax charges

The group anticipates that the factors affecting future tax charges will be broadly similar to those in the current year.

#### 7 Result of the holding company

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The holding company's loss after tax for the financial year is made up as follows:

	2011 £	2010 £
Loss before exceptional items	(725,777)	(301,461)
Exceptional items (see note 2)	(717,000)	-
<b>Holding company's loss for the year</b>	<b>(1,442,777)</b>	<b>(301,461)</b>

## GWE Business West Limited

### Notes to the financial statements for the year ended 31 March 2011 (continued)

#### 8 Dividends

Group dividends payable total £252,214 (2010 £205,547) This comprises an accrued dividend of 4 pence (2010 4 pence) per £1 preference share amounting to £126,214 (2010 £122,214) and a £42,000 (2010 £27,778) dividend per £1 ordinary B share amounting to £126,000 (2010 £83,333) payable by Northern Arc Limited to minority interests

#### 9 Intangible fixed assets

<b>Group and Company</b>	<b>Goodwill 2011 £</b>
<b>Cost</b>	
At 1 April 2010	524,011
Additions	-
At 31 March 2011	524,011
<b>Accumulated amortisation</b>	
At 1 April 2010	55,158
Charge for the year	27,579
At 31 March 2011	82,737
<b>Net book amount at 31 March 2011</b>	<b>441,274</b>
Net book amount at 31 March 2010	468,853

Goodwill arose during an earlier year on the acquisition of the Leigh Court Events business

## GWE Business West Limited

### Notes to the financial statements for the year ended 31 March 2011 (continued)

#### 10 Tangible fixed assets

##### Group

	Freehold land and buildings £	Long term leasehold buildings £	Plant & machinery £	Computer equipment £	Total £
<b>At cost</b>					
At 1 April 2010	3,300,000	219,989	450,143	561,948	4,532,080
Additions	-	-	39,816	85,022	124,838
Impairment	(717,000)	-	-	-	(717,000)
<b>At 31 March 2011</b>	<b>2,583,000</b>	<b>219,989</b>	<b>489,959</b>	<b>646,970</b>	<b>3,939,918</b>
<b>Depreciation</b>					
At 1 April 2010	23,000	162,799	364,170	336,891	886,860
Charge for the year	-	19,608	40,317	188,731	248,656
<b>At 31 March 2011</b>	<b>23,000</b>	<b>182,407</b>	<b>404,487</b>	<b>525,622</b>	<b>1,135,516</b>
<b>Net book value</b>					
At 31 March 2011	2,560,000	37,582	85,472	121,348	2,804,401
At 31 March 2010	3,277,000	57,190	85,973	225,057	3,645,220

See Note 16 for details of fixed assets charged to the company's bankers

##### Company

	Freehold land and buildings £	Long term leasehold buildings £	Plant & machinery £	Computer equipment £	Total £
<b>At cost</b>					
At 1 April 2010	3,300,000	219,989	450,143	338,038	4,308,170
Additions	-	-	26,974	11,786	38,760
Transfer	-	-	-	229,825	229,825
Impairment	(717,000)	-	-	-	(717,000)
<b>At 31 March 2011</b>	<b>2,583,000</b>	<b>219,989</b>	<b>477,116</b>	<b>579,652</b>	<b>3,859,757</b>
<b>Depreciation</b>					
At 1 April 2010	23,000	162,799	364,170	239,891	789,860
Charge for the year	-	19,608	28,054	63,172	110,835
Transfer	-	-	-	156,475	156,475
<b>At 31 March 2011</b>	<b>23,000</b>	<b>182,407</b>	<b>392,224</b>	<b>459,539</b>	<b>1,057,170</b>
<b>Net book value</b>					
At 31 March 2011	2,560,000	37,582	84,892	120,113	2,802,587
At 31 March 2010	3,277,000	57,190	85,973	98,147	3,518,310

See note 2 for details of the impairment of £717,000 during the year

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 11 Investment in subsidiary and joint venture

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
<b>Shares in group undertaking</b>				
<b>– Northern Arc Limited</b>				
At 1 April 2010	-	777,006	-	777,006
Addition	-	6	-	-
<b>At 31 March 2011</b>	<b>-</b>	<b>777,012</b>	<b>-</b>	<b>777,006</b>
<b>Interests in joint venture</b>				
Incubation South East Limited				
Net assets	25,000	25,000	25,000	25,000
Share of profit for the year	-	-	-	-
<b>Net book amount at 31 March 2011</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
South West Angel Investor Network (SWAIN)				
Net assets	10,000	10,000	-	-
Share of profit for the year	-	-	-	-
<b>Net book amount at 31 March 2011</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
Mediation in Business				
Net assets	50,000	50,000	-	-
Share of profit for the year	-	-	-	-
<b>Net book amount at 31 March 2011</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>
<b>Total interest in joint ventures</b>	<b>85,000</b>	<b>85,000</b>	<b>25,000</b>	<b>25,000</b>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

Company	Country of registration or incorporation	Shares held	
<b>Subsidiary undertaking</b>		<b>Class</b>	<b>%</b>
Northern Arc Limited	England and Wales	A Ordinary	100
		B Ordinary	100
Recognising Excellence Limited (a company limited by guarantee)	England and Wales	Members	100%
<b>Joint venture</b>			
Incubation South East Limited	England and Wales	Ordinary	50
Mediation in Business Limited	England and Wales	Ordinary	50
South West Angel Investor Network (SWAIN)	England and Wales	Ordinary	33 33

The principal activities of the above companies for the last relevant financial year was as follows

Northern Arc Limited - provision of support and advice to businesses

Recognising Excellence Limited – provision of performance improvement services

Incubation South East Limited - provision of property consultancy services

Mediation in Business - provision of mediation services

South West Angel Investor Network - provision of a Business Angel network service

## 12 Stocks

	Group	Group	Company	Company
	2011	2010	2011	2010
	£	£	£	£
Consumables	13,404	16,859	13,404	16,859

## 13 Debtors

	Group	Group	Company	Company
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	3,312,326	2,025,288	2,979,986	1,016,317
Amounts owed by group undertakings	-	-	-	138,804
Other debtors	200,600	2,817,988	200,600	1,454,340
Prepayments and accrued income	3,774,744	190,958	3,774,744	159,829
	7,287,670	5,034,234	6,955,330	2,769,290



# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 14 Investments

Company	£
At 1 April 2010	1,095,917
Revaluation (see note 19)	123
<b>At 31 March 2011, at fair value</b>	<b>1,096,040</b>

The current asset investments comprise five UK corporate bonds, which are traded on active markets. The corporate bonds have maturity dates between 2017 to 2032 and pay interest at rates between 5.5% and 6.5%.

There is no impairment provision required on the current asset investments.

The maximum exposure to credit risk at the reporting date is the fair value of the investments in the balance sheet.

### 15 Creditors: amounts falling due within one year

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Bank loan	97,102	97,102	97,102	97,102
Trade creditors	658,272	1,304,264	625,690	704,783
Corporation tax	49,692	57,758	49,614	50,093
Other tax and social security payable	281,443	352,516	268,782	261,857
Other creditors	627,595	1,024,300	569,265	877,281
Amounts owed to Subsidiary undertakings	-	-	927,981	-
Accruals and deferred income	5,582,550	3,040,040	5,289,984	2,345,612
	<b>7,296,654</b>	<b>5,875,980</b>	<b>7,828,418</b>	<b>4,336,728</b>

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 16 Creditors: amounts falling due after more than one year

Group and Company	2011 £	2010 £
Bank loan	1,185,001	1,261,037
Accrued preference share dividend	370,643	244,428
	<b>1,555,644</b>	<b>1,505,465</b>
<b>Bank loan maturity analysis</b>		
In less than one year	97,102	97,102
In more than one year but not more than two years	97,102	97,102
In more than two years but not more than five years	291,306	291,306
In more than five years	796,593	872,629
	<b>1,282,103</b>	<b>1,358,139</b>

The bank loan is repayable in equal instalments over the next 14 years. The bank loan bears interest at a rate of 0.85% above base rate. £680,000 of the loan is subject to a base rate collar capped at 5.5% and a floor rate of 4%. The bank loans are secured by a first charge over all freehold land and buildings of the company.

### 17 Provisions for liabilities and charges

Group and Company	Dilapidation provision £
At 1 April 2010	77,947
Profit & loss account	(34,998)
<b>Balance at 31 March 2011</b>	<b>42,949</b>

No further provision has been made in the year.

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 18 Share capital

	2011 £	2010 £
<b>Authorised</b>		
2,000,000 A ordinary voting shares of £1 each	2,000,000	2,000,000
2,000,000 B ordinary non-voting shares of £1 each	2,000,000	2,000,000
6,000,000 preference shares of £1 each	6,000,000	6,000,000
	<b>10,000,000</b>	<b>10,000,000</b>
<b>Allotted, called up and fully paid</b>		
1,800,000 A ordinary voting shares of £1 each	1,800,000	1,800,000
1,800,000 B ordinary non-voting shares of £1 each	1,800,000	1,800,000
3,155,355 (2010 3,055,355) preference shares of £1 each	3,155,355	3,055,355
	<b>6,755,355</b>	<b>6,655,355</b>

The 'A' Shares carry one vote per share and have equal rights to receive dividends. The 'B' shares are non-voting and carry no entitlement to dividends. The preference shares are non-voting and are redeemable at the discretion of the company. During the year the company issued 100,000 preference shares of £1 each for a consideration of £100,000.

### 19 Statement of movements on reserves

Group	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 April 2010	589,453	128,041	(480,380)
Increase in fair value of current asset investments	-	123	-
Retained profit/(loss) for the year	-	-	(2,446,996)
Preference dividend payable by GWE Business West Limited	-	-	(126,214)
Acquisition of minority interest	-	-	392,660
<b>Balance at 31 March 2011</b>	<b>589,453</b>	<b>128,164</b>	<b>(2,660,930)</b>

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 19 Statement of movements on reserves (continued)

Group	Minority interests £
At 1 April 2010	1,013,571
On profit for the year	(494,911)
Ordinary B share dividend payable by Northern Arc Limited to minority interests	(126,000)
Transfer on acquisition of Minority Interests	(392,660)
<b>Balance at 31 March 2011</b>	<b>-</b>

In March 2011 the company acquired the minority interest comprised of the 3 Ordinary A shares of £1 each and the 3 Ordinary B shares of £1 each in Northern Arc Limited. The shares were acquired at a price equal to their nominal value of £6. As a result of this acquisition the company's holding in the shares of Northern Arc Limited increased from 66.66% to 100%.

Company	Profit and loss account £
At 1 April 2010	(891,064)
Retained loss for the year	(1,442,777)
Preference dividend payable	(126,214)
<b>Balance at 31 March 2011</b>	<b>(2,460,055)</b>

#### Analysis of group reserves:

Operationally the reserves of the group include the following accumulated reserves

	2011 £	2010 £
Accumulated reserves		
South West Regional Development Agency	-	1,427,717

The group's activities include contracts with the South West Regional Development Agency. Surpluses arising from these activities have been identified and have been utilised this year in absorbing the closure costs arising from the termination from November 2011 of the Business Link contract.

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 20 Reconciliation of movements in shareholders' funds

<b>Group</b>	<b>2011 £</b>	<b>2010 £</b>
(Loss)/profit for the financial year	<b>(2,446,996)</b>	27,586
Dividends (see Note 8)	<b>(126,214)</b>	(205,547)
Increase in fair value of current asset investments	<b>123</b>	128,041
Issue of share capital	<b>100,000</b>	-
Acquisition of minority interest	<b>392,660</b>	-
Net reduction in shareholders' funds	<b>(2,080,427)</b>	(49,920)
Opening shareholders' funds	<b>6,892,469</b>	6,942,389
<b>Closing shareholders' funds</b>	<b>4,812,042</b>	6,892,469

<b>Company</b>	<b>2011 £</b>	<b>2010 £</b>
Loss for the financial year	<b>(1,442,777)</b>	(301,461)
Dividends (see Note 8)	<b>(126,214)</b>	(122,214)
Increase in fair value of current asset investments	<b>123</b>	128,041
Issue of share capital	<b>100,000</b>	-
Net reduction in shareholders' funds	<b>(1,468,868)</b>	(295,634)
Opening shareholders' funds	<b>5,892,332</b>	6,187,966
<b>Closing shareholders' funds</b>	<b>4,423,464</b>	5,892,332

## GWE Business West Limited

### Notes to the financial statements for the year ended 31 March 2011 (continued)

#### 21 Financial commitments

At 31 March 2011 the group had annual commitments under non-cancellable operating leases

	<b>Land &amp; buildings 2011 £</b>	<b>Land &amp; buildings 2010 £</b>	<b>Other 2011 £</b>	<b>Other 2010 £</b>
Expiry date				
Within one year	-	57,288	-	4,230
Between two and five years	<b>157,000</b>	255,000	<b>46,113</b>	38,843
Exceeding five years	<b>89,500</b>	98,000	-	-
	<b>246,500</b>	410,288	<b>46,113</b>	43,073

#### 22 Acquisition

On 14 July 2010 the company acquired 100% control of Recognising Excellence Limited (a company limited by guarantee - registered number 06506091) in consideration of assuming the responsibility of continuing to undertake their operation of the business. No consideration was paid to acquire sole membership of the company limited by guarantee, and the net assets acquired have been recorded as other operating income of £390,908 in the group profit and loss account.

The net assets acquired on 14 July 2010 comprised

##### Balance sheet

	£'000
Tangible fixed assets	2
Debtors	313
Cash at bank and in hand	406
Creditors due within one year	(330)
<b>Net assets</b>	<b>391</b>

No fair value adjustments are required

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

In its last financial year to 31 March 2010, Recognising Excellence Limited made a loss after tax of £77,404. For the period since that date to the date of acquisition, Recognising Excellence Limited management accounts show

### Profit & loss account

	£'000
Turnover	610
Cost of sales	(345)
Gross profit	265
Administrative expenses	(270)
Loss before tax	(5)
Tax on profit for the year	-
<b>Loss after tax</b>	<b>(5)</b>

## 23 Related party transactions

Organisation	Director's name	Transactions with related party organisations	Income/ (expenditure) 2011 £	Debtor/ (creditor) 2011 £	Income/ (expenditure) 2010 £	Debtor/ (creditor) 2010 £
Bristol Grammar School	P Rilett	Function Income	1,521	-	-	-
Gloucestershire Enterprise Limited (Formerly Chargrove Business Services Limited)	N Weaver J Wilson	Rent & re-charge of other costs	(321,796)	10,295	(349,835)	(51,813)
Destination Bristol	J Savage	Function income, bureau charge and loan	38,310	6,202	51,856	34,830
Great Western Enterprise (Holdings) Limited	A Fletcher B Phillips N Alberry T Postlethwaite	Property rentals	132,938	-	(218,591)	-
Incubation South East Limited	N Alberry	Management services	37,476	9,554	35,590	9,131
Recognising Excellence Limited	P Smith	Purchase of Services	(3,206)	-	-	-

# GWE Business West Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 23 Related party transactions (continued)

Organisation	Director's name	Transactions with related party organisations	Income/ (expenditure) 2011 £	Debtor/ (creditor) 2011 £	Income/ (expenditure) 2010 £	Debtor/ (creditor) 2010 £
SKILS Limited	S Sheather	Director's fees	(5,441)	(495)	(6,531)	(484)
South West Angel & Investor Network Limited	T Postlethwaite	Management support	16,023	7,868	15,015	3,191
South West Manufacturing Advisory Service Limited	B Phillips	Membership	973	125	615	-
St Peter's Hospice	P Smith	Membership / Trading	1,080	-	1,258	-
The Bristol Cultural Development Partnership	J Savage	Management recharge	79,906	9,171	119,183	12,445
The Bristol Port Company	T Mordaunt	Function Income/Membership	980	-	10,000	10,000
The Broadmead Board / Destination Bristol	J Savage	Salary Recharge	-	-	44,872	4,830
The South West Chamber of Commerce	J Savage	Membership	5,170	225	2,243	-
JT Group	P Rilett	Membership	-	-	8,225	8,225
Watts Tyres Limited	P Rilett	Certification Fees	1,034	255	3,151	-
Wessex Water Services	C Skellet	Initiative Membership	5,163	-	6,959	-



## **GWE Business West Limited**

### **Notes to the financial statements for the year ended 31 March 2011 (continued)**

#### **24 Capital commitments**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Capital expenditure contracted for, but not provided for	-	-

#### **25 Ultimate controlling party**

The directors consider the control of the group to be shared equally between Great Western Enterprise (Holdings) Limited and Bristol Chamber of Commerce, Industry and Shipping, both being companies limited by guarantee with no share capital