

BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2008

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**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

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**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr J P Bevan
Mr G Bray
Mr G D Evans
Cllr M R Harvey
Mr S D Hudd
Mr D R H James
Mr D W C Morgan (Chairman)
Mr J P Sheppard
Mr W D Snowdon
Mr K Thomas
Mr R G Thomas
Mrs J Griffiths
Mr T Mansell
Cllr D R Bevan
Cllr M D Stephens
Cllr R D L Burns
Dr C Grace
Mr P S Kerkin
Mr R James
Mr P Ledger
Cllr M E Alexander

Company secretary

Eversecretary Ltd

Registered office

Enterprise Centre
Bryn Road
Tondy
Bridgend
CF32 9BS

Auditor

Clay Shaw Thomas Limited
Chartered Accountants
& Registered Auditors
Ty Atebion
Bocam Park
Bridgend
CF35 5LJ

Bankers

National Westminster Bank Plc
28 Adare Street
Bridgend
CF31 1EN

Solicitors

Geldards LLP
1 Dumfries House
Dumfries Place
Cardiff

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2008

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is an approved enterprise agency. Its principal objectives are to stimulate and promote the creation of new enterprises in the Bridgend, Rhondda Cynon Taff, Cardiff and the Vale of Glamorgan Local Authority areas and to provide assistance, whether financial or otherwise, to help new and existing SME's expand within these areas

The trading position during the year saw a marked improvement in terms of profitability from that experienced in 2006/2007. This was due in large part to the positive impact of the changes in cost structure made in the early part of 2007 which included the re-negotiation of the company's loan terms more favourable to the company in comparison to the current market. However, the company failed to achieve the desired growth in direct client fee income during 2007/2008 and this led to the need for further changes in the company structure in February 2008. This, in part, resulted in a less than expected year end profit.

Looking forward to 2008/2009 the company is in the fortunate position of being awarded a contract by the Welsh Assembly Government for delivery of pre-start business support services. However, this contract has been reduced from that of 2007/2008 and as a consequence the company is implementing an agreed action plan to further reduce overheads. The elements of this plan will be in place before the end of August 2008.

A new contract to deliver post start business services from October 2008 is being tendered for and the result of that tender will be known in the late summer 2008. The company will also see the renewal of the current Business Eye contract which is due to end in March 2009. The new contract, under revised terms, will commence in April 2009.

The company is actively seeking to expand its current property portfolio through a mix of new developments and management contracts.

As a consequence of all the changes to the overheads, known contract values and expected growth the company is budgeting for a net profit at the financial year end 2008/2009.

RESULTS

The profit for the year amounted to £13,147. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. Given the size of the company, 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 company's finance department. The company does not use derivative financial instruments for speculative purposes.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

DIRECTORS

The directors who served the company during the year were as follows.

Mr J P Bevan
Mr G Bray
Mr G D Evans
Clr M R Harvey
Mr S D Hudd
Mr D R H James
Mr D W C Morgan (Chairman)
Mr J P Sheppard
Mr W D Snowdon
Mr K Thomas
Mr R G Thomas
Mrs J Griffiths
Mr T Mansell
Clr D R Bevan
Clr M D Stephens
Clr R D L Burns
Dr C Grace
Mr P S Kerkin
Mr R James
Mr P Ledger
Clr M E Alexander

Mr P Ledger was appointed as a director on 31 July 2007

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 by law 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 judgements 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.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

In so far as the directors are aware.

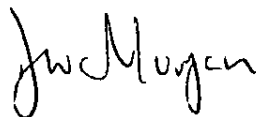
- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Clay Shaw Thomas Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office
Enterprise Centre
Bryn Road
Tondu
Bridgend
CF32 9BS

Signed on behalf of the directors



Mr D W C Morgan
Chairman

Approved by the directors on 29th Feb 2008

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

INDEPENDENT AUDITOR'S REPORT TO BUSINESS IN FOCUS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Business In Focus Limited for the year ended 31 March 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

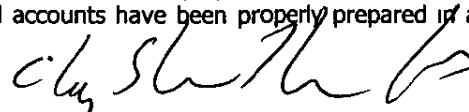
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Ty Atebion
Bocam Park
Bridgend
CF35 5LJ

.29/7/2008


CLAY SHAW THOMAS LIMITED
Chartered Accountants
& Registered Auditors

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2008

| | 2008 | 2007 <i>(restated)</i> |
|---|--------------------|---------------------------|
| | £ | £ |
| GROSS PROFIT | 2,824,558 | 3,185,896 |
| Administrative expenses | (2,732,875) | (3,332,654) |
| OPERATING PROFIT/(LOSS) | 91,683 | (146,758) |
| Income from shares in group undertakings | 40,000 | - |
| Interest receivable | 17 | 15 |
| Interest payable and similar charges | (126,604) | (151,060) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | 5,096 | (297,803) |
| Tax on profit/(loss) on ordinary activities | 8,051 | 60,569 |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | 13,147 | (237,234) |

All of the activities of the company are classed as continuing

The notes on pages 11 to 18 form part of these abbreviated accounts.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2008

| | 2008 | 2007 <i>(restated)</i> |
|---|------------------------|---------------------------|
| | £ | £ |
| Profit/(Loss) for the financial year attributable to the members | 13,147 | (237,234) |
| Total recognised gains and losses relating to the year | <u>13,147</u> | <u>(237,234)</u> |
| Prior year adjustment (see note 8) | (90,741) | - |
| Total gains and losses recognised since the last annual report | <u>(77,594)</u> | <u>(237,234)</u> |

The notes on pages 11 to 18 form part of these abbreviated accounts.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

ABBREVIATED BALANCE SHEET

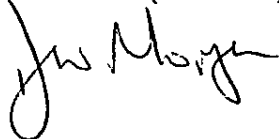
31 MARCH 2008

| | Note | 2008 | | 2007 (restated) | |
|--|------|----------------|-------------------------|--------------------|-------------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 8,652,293 | | 8,560,720 |
| Investments | 10 | | <u>1</u> | | <u>1</u> |
| | | | 8,652,294 | | 8,560,721 |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 617,366 | | 651,676 | |
| Cash at bank and in hand | | <u>14,783</u> | | <u>17,982</u> | |
| | | 632,149 | | 669,658 | |
| CREDITORS: Amounts falling due within one year | 13 | <u>506,697</u> | | <u>945,533</u> | |
| NET CURRENT ASSETS/(LIABILITIES) | | | 125,452 | | (275,875) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>8,777,746</u> | | <u>8,284,846</u> |
| CREDITORS: Amounts falling due after more than one year | 14 | | <u>1,726,403</u> | | <u>1,246,650</u> |
| | | | 7,051,343 | | 7,038,196 |
| Deferred income | 15 | | <u>2,326,275</u> | | <u>2,326,275</u> |
| | | | <u>4,725,068</u> | | <u>4,711,921</u> |
| RESERVES | | | | | |
| Revaluation reserve | 17 | | | | |
| | 18 | | 3,890,642 | | 3,890,642 |
| Profit and loss account | 18 | | <u>834,426</u> | | <u>821,279</u> |
| MEMBERS' FUNDS | | | <u>4,725,068</u> | | <u>4,711,921</u> |

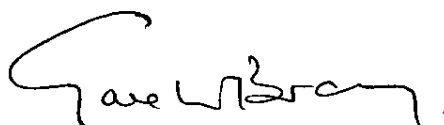
These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 21 July 2008, and are signed on their behalf by

D W C MORGAN (CHAIRMAN)



G BRAY (DIRECTOR)



The notes on pages 11 to 18 form part of these abbreviated accounts.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2008

| | 2008 | | 2007 (restated) | |
|---|------------------|-------------------------|----------------------------|----------------------------|
| | £ | £ | £ | £ |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | | 50,426 | | 359,656 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | | |
| Income from group undertakings | 40,000 | | - | |
| Interest received | 17 | | 15 | |
| Interest paid | <u>(126,604)</u> | | <u>(151,060)</u> | |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | (86,587) | | (151,045) |
| TAXATION | | - | | (36,104) |
| CAPITAL EXPENDITURE | | | | |
| Payments to acquire tangible fixed assets | <u>(157,274)</u> | | <u>(25,305)</u> | |
| NET CASH OUTFLOW FROM CAPITAL EXPENDITURE | | (157,274) | | (25,305) |
| FINANCING | | | | |
| Increase in/(repayment of) bank loans | 362,465 | | (78,477) | |
| Net inflow from other short-term creditors | <u>26,515</u> | | <u>7,785</u> | |
| NET CASH INFLOW/(OUTFLOW) FROM FINANCING | | 388,980 | | (70,692) |
| INCREASE IN CASH | | <u>195,545</u> | | <u>76,510</u> |
| RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES | | | | |
| | | 2008 | | 2007 (restated) |
| | | £ | | £ |
| Operating profit/(loss) | | 91,683 | | (146,758) |
| Depreciation | | 65,701 | | 75,655 |
| Decrease in debtors | | 42,361 | | 402,965 |
| (Decrease)/increase in creditors | | <u>(149,319)</u> | | <u>27,794</u> |
| Net cash inflow from operating activities | | <u>50,426</u> | | <u>359,656</u> |

The notes on pages 11 to 18 form part of these abbreviated accounts.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT (continued)

YEAR ENDED 31 MARCH 2008

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2008 | | 2007 (restated) | |
|--|------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ | £ |
| Increase in cash in the period | 195,545 | | 76,510 | |
| Net cash (inflow) from/outflow from bank loans | (362,465) | | 78,477 | |
| Net (inflow) from other short-term creditors | (26,515) | | <u>(7,785)</u> | |
| | | (193,435) | | 147,202 |
| Change in net debt | | (193,435) | | 147,202 |
| Net debt at 1 April 2007 | | (1,740,175) | | (1,842,100) |
| Net debt at 31 March 2008 | | (1,933,610) | | <u>(1,740,175)</u> |

ANALYSIS OF CHANGES IN NET DEBT

| | At 1 Apr 2007 £ | Cash flows £ | At 31 Mar 2008 £ |
|--------------------------|-----------------------|------------------|------------------------|
| Net cash | | | |
| Cash in hand and at bank | 17,982 | (3,199) | 14,783 |
| Overdrafts | <u>(238,341)</u> | <u>198,744</u> | <u>(39,597)</u> |
| | (220,359) | 195,545 | (24,814) |
| Debt: | | | |
| Debt due within 1 year | (273,166) | 90,773 | (182,393) |
| Debt due after 1 year | <u>(1,246,650)</u> | <u>(479,753)</u> | <u>(1,726,403)</u> |
| | (1,519,816) | (388,980) | (1,908,796) |
| Net debt | (1,740,175) | (193,435) | (1,933,610) |

The notes on pages 11 to 18 form part of these abbreviated accounts.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows.

| | |
|--|--------------------|
| Plant & Machinery | - 33.33% per annum |
| Fixtures & Fittings | - 33.33% per annum |
| Building refurbishment and enhancement | - 10% per annum |

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, the company's properties are held for long-term investment and are valued annually by the Board and every five years valued externally by a professional valuer. The surplus on revaluation of such properties are transferred to the investment property revaluation reserve, and deficits are written off to the profit and loss account.

The policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider this policy is necessary in order that the accounts may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for an employee. The contributions payable for the year are charged to the Profit and Loss Account.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES (continued)

Deferred taxation

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised by the company to the extent that they are regarded as recoverable. The assets are regarded as recoverable to the extent, that the company forecast future profits from which the reversal can take place.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Capitalisation of interest

Interest on capital borrowed directly attributable to finance the construction of properties is capitalised and included within the cost or valuation in the Balance Sheet. Interest is no longer capitalised when the properties are physically completed and available for rent

Deferred income

Government grants relating to capital expenditure are held as deferred income in the balance sheet and are released to the profit and loss account when the related assets are sold

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

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

| | 2008 | 2007 (restated) |
|------------------------------------|----------------------|----------------------------|
| | £ | £ |
| Depreciation of owned fixed assets | 65,701 | 75,655 |
| Auditor's remuneration | | |
| - as auditor | 7,500 | 7,600 |
| Operating lease costs. | | |
| Other | <u>27,813</u> | <u>28,631</u> |

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to.

| | 2008 | 2007 (restated) |
|----------------------------------|------------------|----------------------------|
| | No | No |
| Number of administrative staff | 26 | 27 |
| Number of management staff | 5 | 6 |
| Number of other staff - manual | — | 6 |
| Number of other staff - Advisors | 27 | 39 |
| | <u>58</u> | <u>78</u> |

The aggregate payroll costs of the above were:

| | 2008 | 2007 (restated) |
|---------------------------------|-------------------------|----------------------------|
| | £ | £ |
| Wages and salaries | 1,535,507 | 1,843,234 |
| Social security costs | 149,910 | 180,433 |
| Other pension costs - staff | 64,569 | 54,907 |
| Other pension costs - directors | 5,148 | 5,148 |
| | <u>1,755,134</u> | <u>2,083,722</u> |

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

| | 2008 | 2007 (restated) |
|--|----------------------|----------------------------|
| | £ | £ |
| Emoluments receivable | 66,492 | 65,603 |
| Value of company pension contributions to money purchase schemes | 5,148 | 5,148 |
| | <u>71,640</u> | <u>70,751</u> |

The number of directors who accrued benefits under company pension schemes was as follows.

| | 2008 | 2007 (restated) |
|------------------------|-------------|----------------------------|
| | No | No |
| Money purchase schemes | 1 | 1 |

With the exception of the Executive Director, no board members receive any remuneration.

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

| | 2008 | 2007 (restated) |
|--------------------------------|---------------|----------------------------|
| | £ | £ |
| Income from group undertakings | 40,000 | — |

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2008 | 2007 (restated) |
|-------------------------|----------------|----------------------------|
| | £ | £ |
| Interest on other loans | <u>126,604</u> | <u>151,060</u> |

7. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

| | 2008 | | 2007 (restated) | |
|--|----------------|----------------|----------------------------|----------|
| | £ | £ | £ | £ |
| Deferred tax: | | | | |
| Origination and reversal of timing differences (note 12) | | | | |
| Capital allowances | 1,698 | | (13,158) | |
| Losses | (9,749) | | (47,411) | |
| Total deferred tax (note 12) | | (8,051) | | (60,569) |

Factors affecting current tax charge

| | 2008 | 2007 (restated) |
|--|-----------------|----------------------------|
| | £ | £ |
| Profit/(loss) on ordinary activities before taxation | <u>5,096</u> | <u>(297,803)</u> |
| Profit/(loss) on ordinary activities by rate of tax | 1,019 | (47,944) |
| Depreciation | 13,140 | 14,375 |
| Disallowable expenses | 2,511 | 2,535 |
| Capital allowances | (26,419) | (19,072) |
| Losses carried forward | 9,749 | 47,411 |
| Losses group relieved | - | 2,695 |
| Total current tax | <u>-</u> | <u>-</u> |

8. PRIOR YEAR ADJUSTMENT

Following the completion of certain European grants the Company's internal control procedures discovered that there was an over provision for several claims. The resulting write off of £90,741 against other debtors has been treated as a prior year adjustment and prior year balances have been restated accordingly. There is no impact on the company's profits for the year ended 31 March 2008.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

9. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Leasehold Property £ | Plant & Machinery £ | Fixtures & Fittings £ | Equipment £ | Total £ |
|--------------------------|---------------------------|----------------------------|---------------------------|-----------------------------|----------------|------------------|
| COST OR VALUATION | | | | | | |
| At 1 Apr 2007 | 4,369,900 | 4,039,280 | 148,418 | 490,749 | 122,065 | 9,170,412 |
| Additions | — | 103,862 | 19,383 | 34,029 | — | 157,274 |
| At 31 Mar 2008 | 4,369,900 | 4,143,142 | 167,801 | 524,778 | 122,065 | 9,327,686 |
| DEPRECIATION | | | | | | |
| At 1 Apr 2007 | — | — | 137,547 | 429,689 | 42,456 | 609,692 |
| Charge for the year | — | — | 9,480 | 44,015 | 12,206 | 65,701 |
| At 31 Mar 2008 | — | — | 147,027 | 473,704 | 54,662 | 675,393 |
| NET BOOK VALUE | | | | | | |
| At 31 Mar 2008 | 4,369,900 | 4,143,142 | 20,774 | 51,074 | 67,403 | 8,652,293 |
| At 31 Mar 2007 | 4,369,900 | 4,039,280 | 10,871 | 61,060 | 79,609 | 8,560,720 |

The company's investment properties were valued at a market value of £8,400,000 on 22 June 2005 by Messrs DTZ Debenham Tie Lueng, Chartered Surveyors

The historical cost of the investment properties at the year end were £4,622,400 (2007: £4,518,538), included in the net book value of the investment properties is capitalised interest costs of £108,029 (2007: £108,029). A potential tax liability of £1,167,193 will become due if the properties are sold at their market value, as noted above

10. INVESTMENTS

Investments in group companies

| | £ |
|-----------------------------------|----------|
| COST | |
| At 1 April 2007 and 31 March 2008 | <u>1</u> |
| NET BOOK VALUE | |
| At 31 March 2008 | <u>1</u> |
| At 31 March 2007 | <u>1</u> |

See note 20 for investment details.

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

11. DEBTORS

| | 2008 | 2007 <i>(restated)</i> |
|------------------------------------|-----------------------|---------------------------|
| | £ | £ |
| Trade debtors | 387,902 | 444,183 |
| Amounts owed by group undertakings | 54,732 | 6,682 |
| Corporation tax repayable | 7,799 | 7,799 |
| Other debtors | 54,666 | 127,632 |
| Prepayments and accrued income | 48,018 | 9,182 |
| Deferred taxation (note 12) | 64,249 | 56,198 |
| | <u>617,366</u> | <u>651,676</u> |

'Other debtors' include £27,910 (2007 restated. £108,661) due in respect of European Regional Development fund grants

12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

| | 2008 | 2007 <i>(restated)</i> |
|-------------------------------|----------------------|---------------------------|
| | £ | £ |
| Included in debtors (note 11) | <u>64,249</u> | <u>56,198</u> |

The movement in the deferred taxation account during the year was

| | 2008 | 2007 <i>(restated)</i> |
|--|----------------------|---------------------------|
| | £ | £ |
| Balance brought forward | 56,198 | (4,371) |
| Profit and loss account movement arising during the year | 8,051 | 60,569 |
| Balance carried forward | <u>64,249</u> | <u>56,198</u> |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

| | 2008 | 2007 <i>(restated)</i> |
|---|----------------------|---------------------------|
| | £ | £ |
| Excess of depreciation over taxation allowances | 7,089 | 8,787 |
| Tax losses available | 57,160 | 47,411 |
| | <u>64,249</u> | <u>56,198</u> |

BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

13. CREDITORS: Amounts falling due within one year

| | 2008 | 2007 <i>(restated)</i> |
|---|-----------------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | 113,193 | 429,225 |
| Trade creditors | 93,596 | 192,830 |
| Other creditors including taxation and social security: PAYE and social security | 37,113 | 44,736 |
| VAT | 99,231 | 109,451 |
| Other creditors | 108,797 | 82,282 |
| | 451,930 | 858,524 |
| Accruals and deferred income | 54,767 | 87,009 |
| | <u>506,697</u> | <u>945,533</u> |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | 2008 | 2007 <i>(restated)</i> |
|---------------------------|-----------------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | <u>113,193</u> | <u>429,225</u> |

14. CREDITORS: Amounts falling due after more than one year

| | 2008 | 2007 <i>(restated)</i> |
|---------------------------|-------------------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | <u>1,726,403</u> | <u>1,246,650</u> |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

| | 2008 | 2007 <i>(restated)</i> |
|---------------------------|-------------------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | <u>1,726,403</u> | <u>1,246,650</u> |

The bank overdraft and loans are secured by a first legal mortgage over the company's properties and by an unscheduled mortgage debenture

The company has entered into an interest rate SWAP agreement during year in respect of its bank loan. The agreement expires on 10 April 2022 and the fair value of the interest rate swap on 31 March 2008 was an unrecognised asset of £136,790

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date.

| | 2008 | 2007 <i>(restated)</i> |
|---------------------------|-------------------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | <u>1,348,295</u> | <u>729,033</u> |

**BUSINESS IN FOCUS LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

15. DEFERRED INCOME

| | 2008 | 2007 <i>(restated)</i> |
|---------------------------------|------------------|----------------------------------|
| | £ | £ |
| Received and receivable: | | |
| At 1 April 2007 | <u>2,326,275</u> | <u>2,326,275</u> |
| At 31 March 2008 | <u>2,326,275</u> | <u>2,326,275</u> |
| Amortisation: | | |
| At 31 March 2008 | <u>-</u> | <u>-</u> |
| Net balance at 31 March 2008 | <u>2,326,275</u> | <u>2,326,275</u> |

In the seven years following receipt, there is a potential liability to repay a proportion of the government grants held as deferred income in the event that the asset to which the grant relates is sold. As at 31st March 2008, this potential liability amounted to £254,300 (2007: £254,300) with £2,071,975 (2007: £2,071,975) held as deferred income, where no such contingent obligation exists.

16. RELATED PARTY TRANSACTIONS

During the year, the company charged services of £73,050 (2007: £10,000) to its subsidiary undertaking, Cardiff and Vale Enterprise International Limited. During the year the company received dividends of £40,000 from its subsidiary. At the year end, the balance due to Business In Focus Limited was £54,732 (2007: £6,682), see note 12.

17. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and therefore has no issued share capital.

18. RESERVES

| | Revaluation reserve | Profit and loss account |
|--|--------------------------------|------------------------------------|
| | £ | (restated) £ |
| Balance brought forward as previously reported | 3,890,642 | 912,020 |
| Prior year adjustment (note 8) | <u>-</u> | <u>(90,741)</u> |
| Restated balance as at 1 April 2007 | 3,890,642 | 821,279 |
| Profit for the year | <u>-</u> | <u>13,147</u> |
| Balance carried forward | <u>3,890,642</u> | <u>834,426</u> |