COMPANY REGISTRATION NUMBER 2808521

NORTHERN ENTERPRISE LIMITED

FINANCIAL STATEMENTS

31 MARCH 2014

TUESDAY

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COMPANIES HOUSE

NORTHERN ENTERPRISE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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NORTHERN ENTERPRISE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	B S Hensby
Company secretary	Y Gale
Registered office	City Quardrant 11 Waterloo Square Newcastle upon Tyne England NE1 4DP
Auditor	Deloitte LLP Chartered Accountants & Statutory Auditor Newcastle upon Tyne United Kingdom
Bankers	Barclays Bank Plc Regional Large Corporate Banking Centre Newcastle upon Tyne United Kingdom

NORTHERN ENTERPRISE LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2014

The director presents his report and the financial statements of the company for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES
The company acts as a limited partner to The North East Seed Capital Fund, Capital North East and The NEL Growth Fund.

FUTURE PROSPECTS
It is expected that the company will continue to act as the limited partner to the above funds for the foreseeable future.

Based on the company's forecast and projections, and taking into account reasonable possible changes in trading performance, the director is confident that the company has sufficient funding in place for the next twelve months and beyond to continue in operation. See note 1 (Accounting Policies).

DIRECTOR
The director who served the company during the year was as follows:

B S Hensby

AUDITOR
Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The director at the date of the approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006, as applied to qualifying partnerships.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the director



Y GALE
Company Secretary

Approved by the director on 11 July 2014

NORTHERN ENTERPRISE LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

YEAR ENDED 31 MARCH 2014

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he/she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

NORTHERN ENTERPRISE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORTHERN ENTERPRISE LIMITED

YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Northern Enterprise Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its result 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORTHERN ENTERPRISE LIMITED *(continued)*

YEAR ENDED 31 MARCH 2014

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from preparing a strategic report and in preparing the director's report.

DAVID WILKINSON FCA (Senior Statutory Auditor)
For and on behalf of
DELOITTE LLP
Chartered Accountants & Statutory Auditor

Newcastle upon Tyne
United Kingdom
18 July 2014

NORTHERN ENTERPRISE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER		–	–
Administrative expenses		–	(2)
OPERATING LOSS		–	(2)
Interest receivable and similar income	3	–	29,423
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		–	29,421
Tax on profit on ordinary activities	4	–	(5,848)
PROFIT FOR THE FINANCIAL YEAR		–	23,573
Balance brought forward		**23,573**	–
Balance carried forward		**23,573**	23,573

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

Statement of total recognised gains and losses
There are no recognised gains or losses other than the profit of £nil attributable to the shareholders for the year ended 31 March 2014 (2013 - profit of £23,573).

The notes on pages 9 to 12 form part of these financial statements.

NORTHERN ENTERPRISE LIMITED

BALANCE SHEET

31 MARCH 2014

	Note	2014 £	£	2013 £	£
FIXED ASSETS					
Investments	5		**1,167**		1,167
CURRENT ASSETS					
Debtors	6	**30,282**		30,282	
CREDITORS: Amounts falling due within one year	7	**(7,874)**		(7,874)	
NET CURRENT ASSETS			**22,408**		22,408
TOTAL ASSETS LESS CURRENT LIABILITIES			**23,575**		23,575
CAPITAL AND RESERVES					
Called-up equity share capital	8		**2**		2
Profit and loss account			**23,573**		23,573
SHAREHOLDERS' FUNDS	9		**23,575**		23,575

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved and signed by the director and authorised for issue on 17 July 2014

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B S HENSBY

Company Registration Number: 2808521

The notes on pages 9 to 12 form part of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of NF Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of NF Holdings Limited, within which this company is included, can be obtained from the address given in the related parties note.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Going concern

As a limited partner of investment funds the key risk and uncertainties of the company are those of the associated funds. Distributions to partners can only be made to the extent realisations are generated from the investments; however, due to the nature of the investments there is a risk that they may not be fully realised.

As highlighted in the profit and loss account the company made neither a profit or loss during the year. This is in line with the business plan and this is forecast to continue to be the position for the foreseeable future. The company anticipates meeting its current obligations without the need to raise further funds.

The director, having assessed the responses of the directors of the company's parent NEL Fund Managers Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the NEL Fund Managers Limited to continue as a going concern.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of NEL Fund Managers Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fixed assets investments

Investments held as fixed assets are stated at cost less any provision for impairment.

2. DIRECTORS, EMPLOYEES AND AUDIT FEE

During the current and preceding financial year there were no employees, other than the director. The director received no remuneration during the current and preceding financial year.

The director is also a director of the immediate parent company, NEL Fund Managers Limited, and the majority of his activities relate to services carried out in relation to NEL Fund Managers Limited and other group companies. Therefore the director deems it inappropriate to directly allocate any of his costs to the profit and loss account of this company.

The fee of £343 (2013: £329) for the audit of the financial statements was borne by a fellow group company in both the current and prior year.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Gains on financial assets/liabilities at fair value through the P&L	-	29,423

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2013 - 20%)	-	5,848
Total current tax	-	5,848

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 20% (2013 - 20%).

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below.

	2014 £	2013 £
Profit on ordinary activities before taxation	-	29,421
Profit on ordinary activities by rate of tax	-	5,884
Affect of capital disposal	-	(36)
Total current tax (note 4(a))	-	5,848

5. INVESTMENTS

	Total £
COST	
At 1 April 2013 and 31 March 2014	**1,254**
AMOUNTS PROVIDED	
At 1 April 2013 and 31 March 2014	**87**
NET BOOK VALUE	
At 31 March 2014 and 31 March 2013	**1,167**

The undertaking in which the company has an interest is as follows;

Participating interest	Country of incorporation	Principal activity	Class and percentage of shares held
The North East Seed Capital Fund	England and Wales	Venture capital investment fund	14% partnership capital
The Capital North East Fund	England and Wales	Venture capital investment fund	19% partnership capital
The NEL Growth Fund	England and Wales	Venture capital investment fund	19.55% partnership capital

6. DEBTORS

	2014 £	2013 £
Amounts owed by group undertakings	**30,282**	30,282

7. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	**7,874**	2,026
Corporation tax	**–**	5,848
	7,874	7,874

8. SHARE CAPITAL

Allotted, called up and fully paid:

	2014 No	2014 £	2013 No	2013 £
Ordinary shares of £1 each	**2**	**2**	2	2

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	–	23,573
Opening shareholders' funds	**23,575**	2
Closing shareholders' funds	**23,575**	23,575

10. ULTIMATE PARENT COMPANY

At 31 March 2014, the parent company was NEL Fund Managers Limited. The ultimate parent company is NF Holdings Limited. The financial statements of these companies can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

At 31 March 2014 and in the opinion of the directors, the ultimate controlling parties are the members of NF Holdings Limited. These are R H Maudslay, N Mundy, H R V Morgan-Williams and M J Stephenson. N Mundy ceased being a member of NF Holdings on 11 April 2014.