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Park Royal Partnership Limited
(A Company Limited by Guarantee
without a Share Capital)

Report and Financial Statements

Year Ended

31 March 2005

IBDO

BDO Stoy Hayward
Chartered Accountants



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Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Annual report and financial statements for the year ended 31 March 2005

Contents

Page:

1	Report of the directors
3	Report of the independent auditors
5	Income and expenditure account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

A Coates	(Chairman)
I Bellia	
G Benham	
T Cook	
E Brookes	(Alternate K Crawford)
A Flatt	
D Hoy	
J Jones	
P Martin	
R Mitton	
C Pickering	
P Pledger	
S Powell	(Alternate F Fletcher-Smith)
J Sadek	
P Sutcliffe	

Secretary and registered office

S Wild, Boden House, 114-120 Victoria Road, Park Royal, London, NW10 6NY.

Company number

2702122

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Report of the directors for the year ended 31 March 2005

The directors present their report together with the audited financial statements for the year ended 31 March 2005.

Principal activities

The principal activity of the company is to promote and co-ordinate, through a partnership between private, public and voluntary sector members, the physical, social and economic regeneration of the area of West London.

Results and future developments

The company was successful at maintaining funding of its programmes despite major reductions in SRB funding since 31 March 2004. The new LDA funded Business Estates Programme £3.98m contract came into operation and the company met most of its agreed targets in the year. The company has used this funding to successfully bid for other new bids most notably the GOL Park Royal Premises and Estates Programme amounting to £440k. The company agreed a three year funding strategy and Business Plan to support the 10 year strategy for the Park Royal area. Despite the major funding challenges PRP experienced in 2004/05 the company achieved a modest pre-tax surplus of £7,701.

The company has made good progress in its implementation of its funding strategy with agreement on its joint venture with a national training company to operate the training and recruitment offer to businesses on Park Royal. This has significantly reduced the company's cost base going forward and improved the offer that it can make to businesses and the local community. In addition the company has embarked on a major and exciting initiative to improve Park Royal which has received enthusiastic support from the LDA and local stakeholders. The directors do foresee significant challenges in the short to medium term and the executive and Board are working closely together to address them.

Directors

The directors of the company during the year were:

A Coates (Chairman)	
M Akram	(resigned 25 July 2005)
R Coombs	(resigned 8 June 2004)
I Bellia	(appointed 8 June 2004)
G Benham	
T Cook	(appointed 8 June 2004)
A Flatt	
D Hoy	
J Jones	
R Mitton	
C Pickering	
P Pledger	
P Portwood	(resigned 27 May 2005)
S Powell	
A Readshaw	(resigned 28 February 2005)
A Shahzad	(resigned 8 June 2005)
P Sutcliffe	

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Report of the directors for the year ended 31 March 2005 (Continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the result of the company for that year. In preparing those 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; and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



S Wild
Secretary

Date 27/9/05

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Report of the independent auditors

To the members of Park Royal Partnership Limited

We have audited the financial statements of Park Royal Partnership Limited for the year ended 31 March 2005 on pages 5 to 14 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

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

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

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
London

BDO Stoy Hayward LLP

Date *27 September 2005*

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Income and expenditure account for the year ended 31 March 2005

	Note	2005 £	2005 £	2004 £	2004 £
Turnover	2		3,495,353		3,489,966
Administrative expenses					
- grants payable		559,466		674,912	
- other		2,994,456		2,864,350	
			3,553,922		3,539,262
			(58,569)		(49,296)
Other operating income			56,037		53,011
Operating (deficit)/surplus	5		(2,532)		3,715
Interest receivable			10,233		6,753
Surplus on ordinary activities before taxation			7,701		10,468
Taxation on surplus on ordinary activities	6		8,609		788
(Deficit)/surplus for the year	13		(908)		9,680

All amounts relate to continuing activities.

All recognised gains and losses are included in the income and expenditure account.

There were no movements in the accumulated fund in the current or prior year other than the (deficit)/surplus for the year.

The notes on pages 7 to 14 form part of these financial statements.

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Balance sheet at 31 March 2005

	Note	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible assets	7		98,588		159,288
Investment	8		100		100
			<hr/>		<hr/>
			98,688		159,388
Current assets					
Debtors	9	722,065		511,543	
Cash at bank and in hand	10	444,388		934,254	
		<hr/>		<hr/>	
		1,166,453		1,445,797	
Creditors: amounts falling due within one year	11	1,000,029		1,331,315	
		<hr/>		<hr/>	
Net current assets			166,424		114,482
			<hr/>		<hr/>
Total assets less current liabilities			265,112		273,870
Provision for liabilities and charges	12		540		8,390
			<hr/>		<hr/>
			264,572		265,480
			<hr/>		<hr/>
Reserves					
Accumulated fund	13		264,572		265,480
			<hr/>		<hr/>

The financial statements were approved by the Board on 27 September 2005

A Coates
Chairman



The notes on pages 7 to 14 form part of these financial statements.

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Notes forming part of the financial statements for the year ended 31 March 2005

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Group financial statements

The financial statements contain information about Park Royal Partnership Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by S.248 of the Companies Act 1985 not to produce consolidated financial statements as the group it heads qualifies as a small group.

Turnover

Turnover represents income receivable in connection with the promotion of the Park Royal area of West London, and is exclusive of value added tax.

Grant funded income:

This is included in the income and expenditure account on a receivable basis. In the case of funded programmes, income and expenditure are accrued on a matching basis in respect of projects not completed at the end of the financial year.

Funding administration fee:

Administration fees earned in respect of grant fund handling are recognised in the income and expenditure account on a matching basis in the financial year in which those grant funds are administered by the company. A deferral is made for part of the fees until matched funding requirements have been met.

Membership fees:

Membership fees are included in the income and expenditure account in the financial year to which the subscription relates.

Programme income:

Programme income is included in the income and expenditure account on a receivable basis. In the case of funded programmes, income and expenditure are accrued on a matching basis in respect of projects not completed at the end of the financial year.

Grant and loan funds

Monies held by and due to the company in respect of grant and loan funds are included in the balance sheet as assets and matched by a corresponding creditor.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- 20% on cost per annum
Equipment	- 33 ¹ / ₃ % on cost per annum
Fixtures and fittings	- 33 ¹ / ₃ % on cost per annum

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

1 Accounting policies (Continued)

Government grants

Grants relating to expenditure on tangible fixed assets are credited to the income and expenditure account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account. Lease payments are split between capital and interest using the actuarial method. The interest is charged to the income and expenditure account. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Pension costs

Contributions to the company's group personal pension plan are charged to the profit and loss account in the year in which they become payable.

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

2 Turnover and result

The turnover and surplus before taxation are solely attributable to the principal activity of the company and arise from work undertaken in the United Kingdom. Turnover is analysed below:

	2005	2004
	£	£
Regeneration programmes	3,293,086	3,306,997
Membership fees	202,267	182,969
	<hr/>	<hr/>
	3,495,353	3,489,966
	<hr/>	<hr/>

3 Employees

	2005	2004
	£	£
Staff costs consist of:		
Wages and salaries	986,678	830,008
Social security costs	107,534	91,544
Other pension costs	42,635	34,316
	<hr/>	<hr/>
	1,136,847	955,868
	<hr/>	<hr/>
	Number	Number
The average number of employees (excluding directors) during the year was:	31	26
	<hr/>	<hr/>

4 Directors

During the year a director of the company received fees of £38,000 (2004 - £30,000) which was met in part by corresponding grant funding income. No other director received any emoluments in respect of the year (2004 - £Nil).

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Notes forming part of the financial statements for the year ended 31 March 2005 (*Continued*)

5 Operating (deficit)/surplus

	2005 £	2004 £
This is arrived at after charging/(crediting):		
Depreciation	79,775	69,540
Auditors' remuneration	18,380	18,750
Hire of plant and machinery - operating leases	15,356	17,665
Hire of other assets - operating leases	127,147	123,824
Release of deferred government grant	(56,038)	(53,011)

6 Taxation on surplus on ordinary activities

	2005 £	2004 £
<i>Current tax</i>		
UK corporation tax on surplus for the year	9,876	3,938
Adjustment in respect of previous period	6,583	-
	16,459	3,938
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 12)	(7,850)	(3,150)
	8,609	788
<i>Tax reconciliation:</i>		
Surplus on ordinary activities before tax	7,701	10,468
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 19% (2004 - 19%)	1,463	1,989
Effects of:		
Expenses not deductible for tax purposes	373	1,144
Excess depreciation/(capital allowances) for the year	8,086	3,630
Effect of lower tax rate	-	(1,112)
Other	(46)	(1,713)
Underprovision in prior year	6,583	-
Current tax charge for the year	16,459	3,938

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Notes forming part of the financial statements for the year ended 31 March 2005 (*Continued*)

7 Tangible assets

	Leasehold improvements £	Equipment £	Fixtures and fittings £	Total £
<i>Cost</i>				
At beginning of year	53,560	205,802	176,854	436,216
Additions	-	14,068	5,007	19,075
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	53,560	219,870	181,861	455,291
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>				
At beginning of year	25,003	140,547	111,378	276,928
Charge for the year	10,712	33,287	35,776	79,775
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	35,715	173,834	147,154	356,703
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2005	17,845	46,036	34,707	98,588
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	28,557	65,255	65,476	159,288
	<hr/>	<hr/>	<hr/>	<hr/>

8 Investment

The investment represents 100 ordinary shares of £1 each in Park Royal London Limited, being its entire issued share capital. Park Royal London Limited has been dormant since incorporation.

9 Debtors

	2005 £	2004 £
Trade debtors	435,106	303,771
Other debtors	4,700	1,023
Prepayments and accrued income	282,259	206,749
	<hr/>	<hr/>
	722,065	511,543
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Park Royal Partnership Limited
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Notes forming part of the financial statements for the year ended 31 March 2005 (*Continued*)

10 Cash at bank and in hand

The balance includes funds reserved for grant and loan schemes of £35,500 (2004 - £35,500).

11 Creditors: amounts falling due within one year

	2005 £	2004 £
Other creditors	238,293	377,388
Creditors for taxation and social security	62,228	57,671
Corporation tax	9,876	3,938
Accruals	162,499	143,648
Grants payable	165,021	395,665
Deferred income	362,112	353,005
	<u>1,000,029</u>	<u>1,331,315</u>

12 Provision for liabilities and charges

	Deferred taxation £
Balance at 1 April 2004	8,390
Credited to profit and loss account (note 6)	(7,850)
	<u>540</u>
Balance at 31 March 2005	<u>540</u>

Deferred taxation

	2005 £	2004 £
Accelerated capital allowances	908	8,804
Sundry timing differences	(368)	(414)
	<u>540</u>	<u>8,390</u>

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

13 Accumulated fund

	2005
	£
At 1 April 2004	265,480
Deficit for the year	(908)
	<hr/>
At 31 March 2005	264,572
	<hr/> <hr/>

14 Members

The company is limited by guarantee without a share capital. In the event of the company being wound up, every member of the company shall contribute to the company's assets an amount not exceeding £10, for payment of the debts and liabilities outstanding. At 31 March 2005, there were 233 (2004 - 210) members.

15 Commitments under operating leases

As at 31 March 2005, the company had annual commitments under operating leases as set out below:

	2005	2005	2004	2004
	Land and	Other	Land and	Other
	buildings	£	buildings	£
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	11,778
In two to five years	-	3,673	-	-
After five years	127,147	-	123,824	-
	<hr/>	<hr/>	<hr/>	<hr/>
	127,147	3,673	123,824	11,778
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 Pensions

The company contributes either to the group personal pension plan or to the individuals personal pension plan. The group's personal pension plan operates on money purchase basis. The assets of the plan are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company (see note 3).

Park Royal Partnership Limited
(A Company Limited by Guarantee without a Share Capital)

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

17 Contingent liability

During the year ended 31 March 2000 the company received an invoice for design work on a project, a small part of which may have related to another scheme financed by SRB grant funds.

The directors strongly dispute that the company has any liability in respect of this project and, indeed, have obtained written confirmation from a third party that it has already settled the majority of the amount claimed. The amount remaining unpaid is £75,000 (2004 - £75,000).

No correspondence has been received on this matter since 31 March 2000. The directors remain confident that any amount that may ultimately be payable by the company in respect of the other scheme will not be in excess of £5,000 (2004 - £5,000). Accordingly, no provision has been made in these accounts.

18 Directors' interests in transactions

No director had a material interest in transactions of the company.

Abbate (Chair)