

**REGISTRAR OF
COMPANIES**

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

Report and Financial Statements

Year Ended

31 March 2002



BDO

**BDO Stoy Hayward
Chartered Accountants**

PARK ROYAL PARTNERSHIP LIMITED
(A Company Limited by Guarantee without a Share Capital)

Annual report and financial statements for the year ended 31 March 2002

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Directors

A Coates (Chairman)
J R Coombs
K Ferry
A Flatt
D Hoy
J Jones
R Mitton
C Pickering
P Pledger
P Portwood
S Powell
A Readshaw
P Sutcliffe
I Ward

Secretary and registered office

S Wild, Elliott House, Victoria Road, Park Royal, London, NW10 6NY.

Company number

2702122

Auditors

BDO Stoy Hayward, 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 2002

The directors present their report together with the audited financial statements for the year ended 31 March 2002.

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 Park Royal area of North West London.

Results and future developments

The pre-tax deficit for the year amounts to £3,109. This outcome is largely dependent on the SRB management fee that has been recognised in the company's income and expenditure account (£208,256). This figure included deferred income brought forward of £65,456 SRB 3 Western Gateway money which was released into the income and expenditure account. £50,700 of SRB 6 management fee collected from the LDA in 2001/02 was transferred to deferred income. This had the effect of eliminating any surplus in the accounts. These adjustments were made in accordance with the accounting policy set out in Note 1.

The directors anticipate a small surplus for the current financial year.

Directors

The directors of the company during the year were:

B Beanland	(resigned 7 August 2001)
A Coates (Chairman)	(appointed 11 September 2001)
M Allgood	(appointed 29 May 2001, resigned 11 October 2001)
J R Coombs	
K Ferry	
A Flatt	
A J Gray	(resigned 29 May 2001)
D Hoy	
J Jones	(appointed 29 May 2001)
R Mitton	(appointed 29 May 2001)
C Pickering	(appointed 29 May 2001)
P Pledger	(appointed 7 August 2001)
P Portwood	(appointed 29 May 2001)
S Powell	
A Readshaw	(appointed 29 May 2001)
P Sutcliffe	(appointed 7 August 2001)
I Ward	
P Woolliscroft	(resigned 7 August 2001)

PARK ROYAL PARTNERSHIP LIMITED
(A Company Limited by Guarantee without a Share Capital)

Report of the directors for the year ended 31 March 2002 (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 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

10 / 9 / 02

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 2002 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.

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.

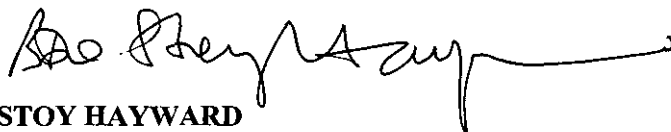
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2002 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

10 September 2002

PARK ROYAL PARTNERSHIP LIMITED
(A Company Limited by Guarantee without a Share Capital)

Income and expenditure account for the year ended 31 March 2002

	Note	2002 £	2001 £
Turnover	2	5,512,720	11,037,323
Administrative expenses - grants payable		711,122	585,644
- other		4,824,185	10,210,619
		<u>(22,587)</u>	<u>241,060</u>
Other operating income	5	11,411	13,333
		<u>(11,176)</u>	<u>254,393</u>
Operating (deficit)/surplus	5		
Interest receivable		8,067	11,951
		<u>(3,109)</u>	<u>266,344</u>
(Deficit)/surplus on ordinary activities before taxation			
Taxation on (deficit)/surplus on ordinary activities	6	(8,101)	51,047
		<u>4,992</u>	<u>215,297</u>
Retained surplus for the year	13		

All amounts relate to continuing activities.

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

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 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	7		116,561		8,967
Investment	8		100		100
			<hr/>		<hr/>
			116,661		9,067
Current assets					
Debtors	9	735,174		157,622	
Cash at bank and in hand	10	313,628		710,745	
		<hr/>		<hr/>	
		1,048,802		868,367	
Creditors: amounts falling due within one year	11	909,311		631,026	
		<hr/>		<hr/>	
Net current assets			139,491		237,341
			<hr/>		<hr/>
Total assets less current liabilities			256,152		246,408
Provision for liabilities and charges	12		4,752		-
			<hr/>		<hr/>
			251,400		246,408
			<hr/>		<hr/>
Reserves					
Accumulated fund	13		251,400		246,408
			<hr/>		<hr/>

The financial statements were approved by the Board on

A Coates
Chairman

A Coates 10/9/02

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 2002

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 North West London, and is exclusive of value added tax.

Funding income:

Funding income included in the income and expenditure account is the amount receivable in respect of the financial year. In the case of funded projects, 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.

Membership fees:

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

Other income:

Other income is included in the income and expenditure account on a receivable basis.

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.

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 2002 (Continued)

1 Accounting policies (Continued)

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	- over the term of lease
Office equipment	- 33 ¹ / ₃ % on cost per annum
Computer equipment	- 33 ¹ / ₃ % on cost per annum
Fixtures and fittings	- 33 ¹ / ₃ % on cost per annum

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 assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Previously, the company's accounting policy was only to provide for deferred tax to the extent that liabilities or assets were expected to be payable or receivable in the foreseeable future.

In accordance with Financial Reporting Standard 19 ('FRS 19'), deferred tax is now provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred tax balances are not discounted.

Pension costs

Contributions to defined contribution pension scheme 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 2002 (Continued)

2 Turnover and result

The turnover and result 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:

	2002 £	2001 £
Funding income:		
Inward investment and site development	3,728,444	9,626,136
Planning, transport and environment	404,000	49,000
Training and recruitment	624,179	660,800
SRB administration	208,256	507,700
	<hr/>	<hr/>
	4,964,879	10,843,636
Membership fees	91,413	89,112
Other income	456,428	104,575
	<hr/>	<hr/>
	5,512,720	11,037,323
	<hr/>	<hr/>

3 Employees

	2002 £	2001 £
Staff costs consist of:		
Wages and salaries	487,472	488,978
Social security costs	44,447	54,547
Other pension costs	27,684	27,429
	<hr/>	<hr/>
	559,603	570,954
	<hr/>	<hr/>
	Number	Number
The average number of employees (excluding directors) during the year was:	16	16
	<hr/>	<hr/>

4 Directors

During the year a director of the company received fees of £13,200 which was met in full by corresponding grant funding income. No other director received any emoluments in respect of the year. There were no directors' emoluments in the prior year.

PARK ROYAL PARTNERSHIP LIMITED
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Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

5 Operating (deficit)/surplus

	2002 £	2001 £
This is arrived at after charging/(crediting):		
Depreciation	20,239	36,510
Loss on disposal of tangible fixed assets	-	14,540
Auditors' remuneration	9,000	8,250
Operating lease charges - plant and machinery	16,139	17,325
Release of deferred government grant	(11,411)	(13,333)
Ex-gratia payment to an employee	44,020	-
	<u> </u>	<u> </u>

6 Taxation on (deficit)/surplus on ordinary activities

	2002 £	2001 £
<i>Current tax</i>		
UK corporation tax (credit)/charge on (deficit)/surplus for the year	(12,853)	51,047
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 12)	4,752	-
	<u> </u>	<u> </u>
Taxation on (deficit)/surplus on ordinary activities	(8,101)	51,047
	<u> </u>	<u> </u>
<i>Tax reconciliation:</i>		
(Deficit)/surplus on ordinary activities before tax	(3,109)	266,344
	<u> </u>	<u> </u>
(Deficit)/surplus on ordinary activities at the standard rate of corporation tax in the UK of 20% (2001 - 20%)	(622)	53,269
Effects of:		
Expenses not deductible for tax purposes	1,660	762
Excess (capital allowances)/depreciation for the year	(13,699)	2,908
Other	4,560	(5,892)
	<u> </u>	<u> </u>
Current tax (credit)/charge for the year	(8,101)	51,047
	<u> </u>	<u> </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 2002 (*Continued*)

7 Tangible assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Fixtures and fittings £	Total £
<i>Cost</i>					
At beginning of year	-	8,534	79,182	63,106	150,822
Additions	53,560	-	45,611	28,662	127,833
Disposals	-	(8,534)	-	-	(8,534)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	53,560	-	124,793	91,768	270,121
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>					
At beginning of year	-	8,534	71,593	61,728	141,855
Charge for the year	3,579	-	12,951	3,709	20,239
Disposals	-	(8,534)	-	-	(8,534)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	3,579	-	84,544	65,437	153,560
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 March 2002	49,981	-	40,249	26,331	116,561
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	-	-	7,589	1,378	8,967
	<hr/>	<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

	2002 £	2001 £
Other debtors	64,892	1,529
Corporation tax recoverable	12,853	-
Prepayments and accrued income	657,429	156,093
	<hr/>	<hr/>
	735,174	157,622
	<hr/>	<hr/>

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

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 2002 (Continued)

10 Cash at bank and in hand

The balance includes funds reserved for grant and loan schemes of £35,500 (2001 - £35,500).

11 Creditors: amounts falling due within one year

	2002 £	2001 £
Other creditors	396,766	152,330
Creditors for taxation and social security	33,584	26,447
Corporation tax	-	51,047
Accruals and deferred income	478,961	401,202
	<u>909,311</u>	<u>631,026</u>

12 Provision for liabilities and charges

	Deferred taxation £
Balance at 1 April 2001	-
Charged to profit and loss account (note 6)	4,752
	<u>4,752</u>
Balance at 31 March 2002	<u>4,752</u>
	<u>4,752</u>

	2002 £	2001 £
Accelerated capital allowances	5,510	-
Sundry timing differences	(758)	-
	<u>4,752</u>	<u>-</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 2002 *(Continued)*

13 Accumulated fund

	2002 £
At 1 April 2001	246,408
Retained surplus for the year	4,992
	<hr/>
At 31 March 2002	251,400
	<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 2002, there were 185 (2001 – 167) members.

15 Commitments under operating leases

As at 31 March 2002, the company had annual commitments under operating leases as set out below:

	2002 Land and buildings £	2002 Other £	2001 Land and buildings £	2001 Other £
Operating leases which expire:				
Within one year	-	-	-	7,970
In two to five years	120,211	20,574	-	2,820
	<hr/>	<hr/>	<hr/>	<hr/>
	120,211	20,574	-	10,790
	<hr/>	<hr/>	<hr/>	<hr/>

16 Pensions

The company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

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 2002 (*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 (2001 - £75,000).

No correspondence has been received on this matter since the last balance sheet date. 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 (2001 - £5,000). Accordingly, no provision has been made in these accounts.

18 Directors' interests in transactions

No director had material interest in transactions of the company.

19 Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1, "Cash flow statements", not to prepare a cash flow statement.