

**Birmingham Citywatch Limited (limited by
guarantee)**

**Directors' report and financial
statements**

**Registered number 3201873
For the year ended 31 December 2003**



Contents

Directors' report	1
Directors' responsibilities	2
Independent auditors' report to the members of Birmingham Citywatch Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The principal activity of the company is to provide and maintain a CCTV system for Birmingham City Centre.

Business review

The results for the year and the company's financial position are set out in the attached financial statements.

Proposed dividend

The directors do not propose the payment of a dividend (2002: £Nil).

Directors

The directors who served during the year were as follows:

RE Blyth FRICS (resigned 12 May 2003)

RJ Lee

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

Approved by the board of directors on 28 June 2004 and signed on its behalf by:



R Lee
Director

31a Colmore Row
Birmingham
B3 2BU

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 profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Birmingham Citywatch Limited

We have audited the financial statements on pages 4 to 8.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28 June 2004

Profit and loss account
for the year ended 31 December 2003

	<i>Note</i>	2003 £	2002 £
Operating income		57,166	52,869
Other operating charges		(41,191)	(47,323)
Administrative expenses		(16,896)	(6,577)
		<hr/>	<hr/>
Operating loss		(921)	(1,031)
Interest receivable and similar income	4	603	284
		<hr/>	<hr/>
Loss on ordinary activities before taxation	5	(318)	(747)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
Loss for the financial year		(318)	(747)
Retained profit brought forward		48,063	48,810
		<hr/>	<hr/>
Retained profit carried forward		47,745	48,063
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than the loss for the year.

All of the company's operations are classified as continuing.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003 £	2002 £
Current assets			
Debtors	7	7,261	42,098
Cash at bank and in hand		61,857	28,457
		<hr/>	<hr/>
		69,118	70,555
Creditors: Amounts falling due within one year	8	(21,373)	(22,492)
		<hr/>	<hr/>
Net assets		47,745	48,063
		<hr/>	<hr/>
Profit and loss account		47,745	48,063
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 28 June 2004 and were signed on its behalf by:



RJ Lee
Director

Notes

(forming part of the financial statements)

1 Status of the company

The company is limited by guarantee and does not have share capital.

The liability of members is limited and shall not exceed £1 per member.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules on a going concern basis and in accordance with applicable Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under Sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Government grants

Government grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	Number of employees	
	2003	2002
Administration	2	2

Staff costs incurred during the year amounted to £Nil (2002: £Nil).

4 Interest receivable and similar income

	2003	2002
	£	£
Bank interest	603	284

Notes (continued)

5 Loss on ordinary activities before taxation

	2003 £	2002 £
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration	1,500	1,200
	<u>1,500</u>	<u>1,200</u>

6 Tax on loss on ordinary activities

Analysis of charge in year

	2003 £	2002 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	-	-
	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2002: higher) than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below.

	2003 £	2002 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(318)	(747)
	<u>(318)</u>	<u>(747)</u>
Current tax at 30% (2002: 30%)	(95)	(224)
	<u>(95)</u>	<u>(224)</u>
<i>Effect of:</i>		
Disallowable expenses	352	309
Marginal rate relief	(257)	(85)
	<u>95</u>	<u>124</u>
Total current tax charge (see above)	-	-
	<u>-</u>	<u>-</u>

7 Debtors

	2003 £	2002 £
Other debtors	-	25,814
Prepayments	7,261	16,284
	<u>7,261</u>	<u>42,098</u>
	<u>7,261</u>	<u>42,098</u>

Notes *(continued)*

8 Creditors: Amounts falling due within one year

	2003 £	2002 £
VAT payable	1,495	1,612
Accruals and deferred income	19,878	20,880
	<u>21,373</u>	<u>22,492</u>

9 Related parties and control

The directors consider that no-one should be regarded as the company's controlling party.