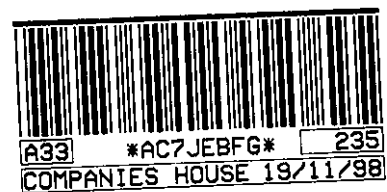


Preston Business Venture Limited
(Limited by guarantee)

Directors' report and financial statements
31 March 1998

Registered number 1783730



Preston Business Venture Limited
(Limited by guarantee)
Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1-2
Statement of directors' responsibilities	3
Auditors' report	4
Income and expenditure account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes	7-10

Preston Business Venture Limited

(Limited by guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1998.

Principal activity

The principal activity of the company in the year was the encouragement of the growth of businesses in the Preston area.

Business review

The fourteenth year of operation has seen continued growth in the provision of advice and practical assistance to new and existing businesses.

Transfer to reserves

The deficit of income over expenditure of the company after taxation for the year is £14,377 (1997: £19,735). The deficit would have been £5,000 less but for a change in the timing of a contribution to suit the donor from February to June. The June receipt of £5,000 will be reflected in 1998/99.

Significant changes in fixed assets

Movements in fixed assets are set out in note 8 to the financial statements.

Directors and directors' interests

The directors who held office during the year were as follows:

K McGavin (resigned 5 November 1997)	NatWest Bank plc (retired)
RK Sage	Barclays Bank plc
M Gibson	University of Central Lancashire
S Watkinson	Preston Business Venture Limited
M Livesey	Brabner Holden Banks Wilson, Solicitors, Preston
SR Adams	Moore & Smalley, Chartered Accountants, Preston
S Noble	Lancashire County Council
D Jones (resigned 2 May 1998)	
P Woodburn	Wallwork, Nelson & Johnson, Chartered Accountants, Preston
N Marshall	NatWest Bank plc
PA Graham	Midland Bank plc
C Saunders (appointed 5 November 1997)	

Preston Business Venture Limited
(Limited by guarantee)

Directors' report

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



S Watkinson
Executive Director

108 Deepdale Road
Preston
PR1 3BQ

7 October 1998

Preston Business Venture Limited

(Limited by guarantee)

Statement of 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 surplus or deficit 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;
- 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 a 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.



Edward VII Quay
Navigation Way
Ashton-on-Ribble
PRESTON
PR2 2YF

Report of the auditors to the members of Preston Business Venture Limited (Limited by Guarantee)

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

Basis of 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 at 31 March 1998 and of its deficit of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KIM L

KPMG
Chartered Accountants
Registered Auditors

22 October 1998

Preston Business Venture Limited

(Limited by guarantee)

Income and expenditure account

for the year ended 31 March 1998

	<i>Note</i>	1998	1997
		£	£
Income		96,480	70,402
Administrative expenses		(111,537)	(91,350)
Trading deficit		(15,057)	(20,948)
Other interest receivable and similar income	6	754	1,596
Deficit of income over expenditure on ordinary activities before taxation	3-5	(14,303)	(19,352)
Tax on deficit on ordinary activities	7	-	(383)
Deficit after taxation retained for the financial year		(14,303)	(19,735)
Retained surplus brought forward		34,783	54,518
Retained surplus carried forward		20,480	34,783

Statement of total recognised gains and losses

for the year ended 31 March 1998

The retained deficit for the financial year of £14,303 (1996:£19,735) is the only gain or loss recognised in the financial statements.

Preston Business Venture Limited

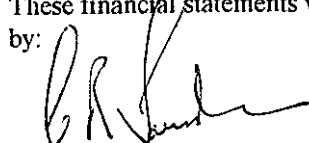
(Limited by guarantee)

Balance sheet

at 31 March 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	8		1,375		2,648
Current assets					
Debtors	9	14,100		6,160	
Cash at bank and in hand		11,482		29,971	
		<u>25,582</u>		<u>36,131</u>	
Creditors: amounts falling due within one year	10	<u>(6,477)</u>		<u>(3,996)</u>	
Net current assets			<u>19,105</u>		<u>32,135</u>
Net assets			<u>20,480</u>		<u>34,783</u>
Capital and reserves					
Retained reserves			<u>20,480</u>		<u>34,783</u>

These financial statements were approved by the board of directors on 7 October 1998 and were signed on its behalf by:



C. Saunders
Chairman

Preston Business Venture Limited

(Limited by guarantee)

Notes

(forming part of the financial statements)

1 Company status

The company is limited by guarantee and has no issued share capital. The liability of its members shall not exceed £1 each.

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 in accordance with applicable accounting standards and under the historical cost accounting rules.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office furniture - 20% straight line basis

Taxation

The charge for taxation is based upon the amount of gross interest received in the year at the current small companies rate of taxation.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Income

Income represents the amounts derived from the provision of services during the year. In the opinion of the directors the activity of the business constitutes one class of trade.

3 Deficit on ordinary activities before taxation

1998	1997
£	£

Deficit on ordinary activities before taxation is stated after charging

Auditors' remuneration	-	-
Depreciation of tangible fixed assets	1,378	1,400

Preston Business Venture Limited

(Limited by guarantee)

Notes (*continued*)

4 Remuneration of directors

	1998 £	1997 £
Directors' emoluments:		
Remuneration as directors	18,950	18,399
Pension costs	-	-
	<u>18,950</u>	<u>18,399</u>

5 Staff numbers and costs

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

	Number of employees	
	1998	1997
Administration	2	2

The aggregate payroll costs of these persons were as follows:

	1998 £	1997 £
Wages and salaries	32,342	29,626
Social security costs	3,158	3,879
	<u>35,500</u>	<u>33,505</u>

6 Other interest receivable and similar income

	1998 £	1997 £
Bank interest	754	1,596

7 Taxation

	1998 £	1997 £
UK Corporation tax at 21% (1997: 24%) on bank interest received	-	383

Preston Business Venture Limited

(Limited by guarantee)

Notes (continued)

8 Tangible fixed assets

Office furniture £

Cost

At beginning of year

16,320

Additions

462

Disposals

(1,939)

At end of year

14,843

Depreciation

At beginning of year

13,672

Charge for year

1,378

Disposals

(1,582)

At end of year

13,468

Net book value

At 31 March 1998

1,375

At 31 March 1997

2,648

9 Debtors

1998
£

1997
£

Prepayments and accrued income

14,100

6,160

All of the above amounts are due within one year.

Preston Business Venture Limited

(Limited by guarantee)

Notes (continued)

10 Creditors: amounts falling due within one year

	1998	1997
	£	£
Trade creditors	6,021	2,623
Corporation tax	-	383
Taxation and social security	-	880
Accruals and deferred income	456	110
	<u>6,477</u>	<u>3,996</u>

11 Capital commitments

There are no capital commitments at the beginning and end of the financial year.

12 Related party transactions

The sponsors of the company are in many instances represented within the company by their officers being appointed to the Board of Directors. The following is a list of sponsors (and officers representing them) together with donations made to the company in cash or kind although in no case does this involve a trading relationship.

Donations in cash	£
Boots	500
J W Smith Esq	300
Lloyds Bank	1,000
Mary Gaskell Associates	3,474
National Federation of Enterprise Agencies	500
Natwest Bank plc	250
Preston Borough Council	12,000
Royal Bank of Scotland	1,000
University of Central Lancashire	1,000

Donations in kind

Support in kind

Barclays Bank	R Sage	Director
Brabner Holden Bank Wilson	M Livesey	Director
Lancashire County Council	S Noble	Director
Moore & Smalley	SR Adams	Director & Co Sec
Natwest Bank plc	N Marshall	Director
Wallwork Nelson & Johnson	P Woodburn	Director

In addition to the above KPMG undertake the audit on an honorary basis