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# HACKNEY BUSINESS VENTURE LIMITED

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

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◆ *Year ended 30 June 1998* ◆

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COMPANY NO: 01825391



**HACKNEY BUSINESS VENTURE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

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**HACKNEY BUSINESS VENTURE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

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**COMPANY INFORMATION**

Directors	I S Anderson S J Evans M G M Haines (Chair) G Harwood (Vice Chair) S M Agass B N Marsh A K Stewart-Roberts J Tholstrup D Pyatt
Secretary	S M Pilling
Registered office	277 Mare Street London E8 1HB
Registered number	01825391
Auditors	Robson Rhodes Chartered Accountants 186 City Road London EC1V 2NU
Bankers	Barclays Bank Plc The Holloway & Kingland Branches PO Box No 3628 London E8 2JX

**HACKNEY BUSINESS VENTURE LIMITED**  
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**REPORT OF THE DIRECTORS**

The Board of Directors present their report and the audited financial statements for the year ended 30 June 1998.

**Principal activities**

The main aim of the group is to encourage the development of small businesses and employment opportunities in the London Borough of Hackney.

**Business review and future developments**

HBV has enjoyed a relatively successful year in terms of contracts secured and delivered. The main emphasis has been on start-up work, which has been re-focused in line with the age requirements specified by the national New Deal contract. All the work that has been delivered has been in line with HBV's core objectives of education and training for business. The approach this year has given scope for additional work over a 2/3 year period and would move HBV away from the position of year on year contracts.

Extended contracts will enable HBV to retain the good pool of staff that it has built up, which in turn will ensure our IIP accreditation.

HBV has laid good foundations this year from which to build especially if relocation become definite, as that would enable us to upgrade our outdated image and re-launch ourselves along modern lines.

**Results and dividends**

The surplus for the year was £2,611 (1997: deficit £61,436).

Each member of the company has guaranteed to contribute a sum not exceeding £1 to the assets of the company in the event of it being wound up and unable to pay its debts.

At 30 June 1998 the company had 9 members (1997 - 11).

**Directors**

The directors and secretary at the date of this report are set out on page 1.

Each director is also a member of the company.

**Millennium Compliance**

The Directors have been advised that the Company will be in a position to comply with the information technology requirements associated with the year 2000. The Company is not expected to incur any additional costs in meeting these compliance requirements.

**HACKNEY BUSINESS VENTURE LIMITED**  
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**REPORT OF THE DIRECTORS**

**(Continued)**

**Statement of directors' responsibilities for the financial statements**

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 of the company for that period. In preparing these financial statements, the directors have:

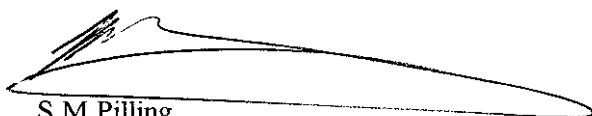
- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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**

Robson Rhodes have expressed their willingness to continue in office as auditors. A resolution for their reappointment will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on *2nd December 1998* and signed on its behalf by:



S M Pilling  
Secretary

**HACKNEY BUSINESS VENTURE LIMITED  
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**AUDITORS' REPORT TO THE MEMBERS  
OF HACKNEY BUSINESS VENTURE LIMITED**

We have audited the financial statements on pages 8 to 14 which have been prepared on the basis of the accounting policies set out on page 10.

**Respective responsibilities of directors and auditors**

As described on pages 2 and 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, on 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 judgments 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 affairs of the company as at 30 June 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes  
Chartered Accountants and Registered Auditor  
186 City Road  
London EC1V 2NU

3 December 1998

**HACKNEY BUSINESS VENTURE LIMITED**  
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**REPORT OF THE AUDITORS TO THE DIRECTORS**  
**OF HACKNEY BUSINESS VENTURE LIMITED PURSUANT TO**  
**SECTION 248 OF THE COMPANIES ACT 1985**

We have examined the financial statements of the company and each of its subsidiary undertakings for the year ended 30 June 1998. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemption conferred by section 248 from preparing group accounts.

In our opinion, for the year ended 30 June 1998, the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.



Robson Rhodes  
Chartered Accountants and Registered Auditor  
186 City Road  
London EC1V 2NU

3 December 1998

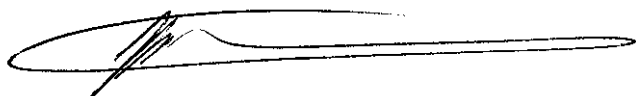
**HACKNEY BUSINESS VENTURE LIMITED**  
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**STATEMENT BY THE COMPANY TO THE DEPARTMENT OF EMPLOYMENT**

We confirm that there has been no change made or proposed in either the objectives for which approval has been given or to the Memorandum and Articles of Association in the year to 30 June 1998 or to the date of this statement.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'S M Pilling', written over a horizontal line.

S M Pilling  
Secretary



**HACKNEY BUSINESS VENTURE LIMITED**  
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**STATEMENT OF THE AUDITORS TO THE DEPARTMENT OF EMPLOYMENT**

We confirm that the funds raised by the Venture have been used to meet the objectives of the Agency in the year ended 30 June 1998.



Robson Rhodes  
Chartered Accountants and Registered Auditor  
186 City Road  
London EC1V 2NU

3 December 1998

**HACKNEY BUSINESS VENTURE LIMITED**  
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**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 30 June 1998**

	Note	1998 £	1997 £
Income	1	409,507	454,807
Less - Administrative expenses		(406,361)	(517,674)
<b>Operating surplus - continuing operations</b>	2	3,146	(62,867)
Interest receivable and similar income	5	187	1,431
Interest payable		(722)	-
<b>Surplus on ordinary activities before taxation</b>		2,611	(61,436)
Tax on ordinary activities	6	-	-
<b>Surplus on ordinary activities after taxation transferred to reserves</b>	12	2,611	(61,436)

There were no material recognised gains nor losses during the year ended 30 June 1998 other than as stated above.

**HACKNEY BUSINESS VENTURE LIMITED**  
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**BALANCE SHEET**  
**at 30 June 1998**

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	7	2,692	6,054
Investments	8	160,086	160,001
		<hr/>	<hr/>
		162,778	166,055
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	9	56,141	66,657
Cash at bank and in hand		951	8,864
		<hr/>	<hr/>
		57,092	75,521
		<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	10	(48,748)	(74,214)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		8,344	1,307
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		171,122	167,362
		<hr/>	<hr/>
<b>Net assets</b>		171,122	167,362
		<hr/>	<hr/>
<b>General funds</b>	11	9,392	6,781
<b>Restricted funds</b>	11	161,730	160,581
		<hr/>	<hr/>
	12	171,122	167,362
		<hr/>	<hr/>

The financial statements were approved by the Board on *Two December 1998* and signed on its behalf by:

*M G M Haines*

M G M Haines  
Chair of the Board of Management

**HACKNEY BUSINESS VENTURE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1998**

**1. ACCOUNTING POLICIES**

**Income**

Income comprises the invoiced value of goods and services supplied, net of value added tax and trade discounts together with donations received with respect to the general activities of the venture.

**Fixed assets**

Certain fixed asset donations-in-kind have been included in the accounts, at an estimate of market value.

**Depreciation**

Depreciation is provided on the straight line basis on cost, or valuation, so as to write off the cost of assets over their estimated useful lives as follows:

Office equipment	25% per annum
Computer equipment	33.3% per annum

**Taxation**

The company is a registered enterprise agency and is not subject to corporation tax on normal activities. The company does pay corporation tax on interest received at the current rate of tax.

**Funds**

The funds of the company are classified as follows:

General funds: where the funds may be used for operational purposes.

Restricted funds: where the funds are allocated for specific activities of the group

**Leased assets**

Where assets are financed by leasing agreements ("finance leases") the assets are included in the balance sheet at cost less depreciation in accordance with the group's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1998**

**2. OPERATING SURPLUS**

Operating surplus for the year is arrived at after charging:

	1998 £	1997 £
Depreciation	5,409	4,953
Hire charges	-	1,056
Auditors' remuneration	5,000	5,000

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**3. EMPLOYEES**

The Company employed on average 7 (1997 - 16) people during the period at a cost of:

	1998 £	1997 £
Wages and salaries	147,778	232,664
Social security costs	(462)	25,025
Other pension costs	7,980	11,937
Secondments	53,028	-

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	223,409	269,626
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**4. DIRECTORS**

Only one director received any remuneration during the year (1997 - 1). No remuneration was paid by related companies to directors of the company during the year (1997 - £nil).

**5. INTEREST RECEIVABLE**

	1998 £	1997 £
Bank interest	187	1,431

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**6. TAXATION**

There is no charge for corporation tax for the year (1997 -nil).

**HACKNEY BUSINESS VENTURE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1998**

**7. FIXED ASSETS**

	Computer equipment £	Office equipment £	Total £
<b>Cost</b>			
At 1 July 1997	36,673	14,319	50,992
Additions	2,047	-	2,047
	<hr/>	<hr/>	<hr/>
At 30 June 1998	38,720	14,319	53,039
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 July 1997	30,859	14,079	44,938
Charged in year	5,329	80	5,409
	<hr/>	<hr/>	<hr/>
At 30 June 1998	36,188	14,159	50,347
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 June 1998	2,532	160	2,692
	<hr/>	<hr/>	<hr/>
At 30 June 1997	5,814	240	6,054
	<hr/>	<hr/>	<hr/>

**8. INVESTMENTS**

As the company has developed it has set up or acquired separate companies to carry out certain distinct activities; in respect of these the Company has guaranteed to contribute a sum not exceeding the amount specified below to the assets of related companies in the event of being wound up and unable to pay their debts. All the companies are incorporated in England and Wales.

	£
Hackney Business Centre Limited (a property management company)	2
S G Warburg Enterprise Fund Limited (an investment company)	2
	<hr/>

**HACKNEY BUSINESS VENTURE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1998**

**8. INVESTMENTS (continued)**

In addition the company owns the whole of the issued share capital of Hackney Enterprise Fund Limited (an investment company), being 100 ordinary shares of £1 each, included at cost of £1 and the whole of the issued share capital of Business Solutions Ltd being 100 Ordinary shares of £1 each.

The results for each of these companies for the year ended 30 June 1998 are as follows:

	Surplus/ (deficit) 1998 £	Capital and Reserves £
Hackney Business Centre Limited	7,806	(66,244)
S G Warburg Enterprise Fund Limited	(25,003)	219,755
Hackney Enterprise Fund Limited	(14,783)	(253,303)
Business Solutions	nil	nil

Included in investments is an amount due from Hackney Business Centre of £160,000 (1997 - £160,000). The company has agreed that this be repayable upon demand, but not earlier than 30 November 1999 and has waived its rights to interest for the period.

The deficit on capital and reserves of Hackney Enterprise Fund Limited is arrived at after deducting an interest free loan of £350,000 (1997: £350,000) which is subordinated and is only repayable in the event of the company being wound up.

**9. DEBTORS**

	1998 £	1997 £
Trade debtors	11,125	31,128
Amounts owed by related company	964	4,436
Other debtors	450	29,402
Prepayments and accrued income	43,602	1,117
VAT liability	-	574
	<hr/>	<hr/>
	56,141	66,657

**HACKNEY BUSINESS VENTURE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1998**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Trade creditors	8,582	24,335
Amounts owed to related companies	28,150	30,610
Corporation tax	209	209
Other creditors including taxation and social security	6,712	8,217
Accruals and deferred income	3,540	5,163
Other creditor	-	5,680
Bank overdraft	1,555	-
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	48,748	74,214
	<hr/>	<hr/>

**11. RESERVES**

	<b>General fund - Accumulated surplus £</b>	<b>Funds for Hackney Business Centre £</b>	<b>Other restricted funds £</b>	<b>Total restricted funds £</b>
At 30 June 1997	6,781	160,000	581	160,581
Deficit on general activities for year	2,611	-	1,149	1,149
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1998	9,392	160,000	1,730	161,730
	<hr/>	<hr/>	<hr/>	<hr/>

**12. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Retained (deficit)/surplus for the year	2,611	(61,436)
(Repayments)/advances of restricted funds	1,149	(1,431)
	<hr/>	<hr/>
	3,760	(62,867)
Opening Members' funds	167,362	230,229
	<hr/>	<hr/>
Closing Members' funds	171,122	167,362
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