

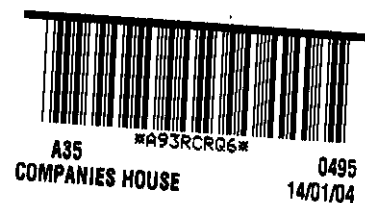
**REGISTRAR OF
COMPANIES**

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

Report and Financial Statements

Year Ended

31 March 2003



BDO

**BDO Stoy Hayward
Chartered Accountants**

02702122

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

Annual report and financial statements for the year ended 31 March 2003

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Directors

A Coates (Chairman)
J R Coombs
A Flatt
D Hoy
J Jones
R Mitton
C Pickering
P Pledger
P Portwood
S Powell
A Readshaw
A Shahzad
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 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

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 reduction in turnover is a result of SRB3 Western Gateway funding coming to an end in March 2002. This was a single large construction project delivered by a third party and did not affect the funding of projects delivered by the company. The lack of a management fee from this scheme was offset by the contribution made from winning new contracts from the LDA Single Programme and European Objective 2 Funding which resulted in a small pre-tax surplus for the year of £11,188.

The directors anticipate a small deficit for the current financial year. The LDA Single Programme for Wembley/Park Royal has an indicative budget amounting to £39M over 2004/07. The process by which funding will be distributed in the area is nearing completion and the directors are confident that the company is well placed to secure the level of funding it needs to oversee implementation of the Park Royal strategy.

Directors

The directors of the company during the year were:

A Coates (Chairman)	
J R Coombs	
K Ferry	(resigned 10 September 2002)
A Flatt	
D Hoy	
J Jones	
R Mitton	
C Pickering	
P Pledger	
P Portwood	
S Powell	
A Readshaw	
A Shahzad	(appointed 10 September 2002)
P Sutcliffe	
I Ward	

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

Report of the directors for the year ended 31 March 2003 (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 9 September 2003.

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 2003 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 2003 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

BDO Stoy Hayward

9 September 2003

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

Income and expenditure account for the year ended 31 March 2003

	Note	2003 £	2002 £
Turnover	2	3,312,286	5,512,720
Administrative expenses - grants payable		885,095	711,122
- other		2,452,403	4,824,185
		(25,212)	(22,587)
Other operating income		32,455	11,411
Operating surplus/(deficit)	5	7,243	(11,176)
Interest receivable		3,945	8,067
Surplus/(deficit) on ordinary activities before taxation		11,188	(3,109)
Taxation on surplus/(deficit) on ordinary activities	6	6,788	(8,101)
Retained surplus for the year	13	4,400	4,992

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 surplus/(deficit) 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 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	7		167,977		116,561
Investment	8		100		100
			<hr/>		<hr/>
			168,077		116,661
Current assets					
Debtors	9	251,015		735,174	
Cash at bank and in hand	10	487,114		313,628	
		<hr/>		<hr/>	
			738,129		1,048,802
Creditors: amounts falling due within one year	11	638,866		909,311	
		<hr/>		<hr/>	
Net current assets			99,263		139,491
			<hr/>		<hr/>
Total assets less current liabilities			267,340		256,152
Provision for liabilities and charges	12		11,540		4,752
			<hr/>		<hr/>
			255,800		251,400
			<hr/>		<hr/>
Reserves					
Accumulated fund	13		255,800		251,400
			<hr/>		<hr/>

The financial statements were approved by the Board on 9 September 2003

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 2003

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. 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.

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.

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 2003 (*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 2003 (*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:

	2003 £	2002 £
Regeneration programmes	3,032,514	5,174,714
SRB management and administration fee	96,878	208,256
Membership fees	132,217	91,413
Other income	50,677	38,337
	<u>3,312,286</u>	<u>5,512,720</u>

3 Employees

	2003 £	2002 £
Staff costs consist of:		
Wages and salaries	685,758	487,472
Social security costs	67,552	44,447
Other pension costs	28,454	27,684
	<u>781,764</u>	<u>559,603</u>
	Number	Number
The average number of employees (excluding directors) during the year was:	21	16

4 Directors

During the year a director of the company received fees of £30,000 (2002 - £13,200) which was met in part by corresponding grant funding income. No other director received any emoluments in respect of the year (2002 - £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 2003 (*Continued*)

5 Operating surplus/(deficit)

	2003 £	2002 £
This is arrived at after charging/(crediting):		
Depreciation	53,828	20,239
Auditors' remuneration	12,250	9,000
Hire of plant and machinery – operating leases	12,582	16,139
Hire of other assets – operating leases	112,687	110,112
Release of deferred government grant	(32,455)	(11,411)
Ex-gratia payments to employees	13,445	44,020
	<u> </u>	<u> </u>

6 Taxation on surplus/(deficit) on ordinary activities

	2003 £	2002 £
<i>Current tax</i>		
UK corporation tax charge/(credit) on surplus/(deficit) for the year	-	(12,853)
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 12)	6,788	4,752
	<u> </u>	<u> </u>
Taxation on surplus/(deficit) on ordinary activities	6,788	(8,101)
	<u> </u>	<u> </u>
<i>Tax reconciliation:</i>		
Surplus/(deficit) on ordinary activities before tax	11,188	(3,109)
	<u> </u>	<u> </u>
Surplus/(deficit) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2002 - 20%)	2,126	(622)
Effects of:		
Expenses not deductible for tax purposes	6,759	1,660
Excess capital allowances for the year	(8,219)	(13,699)
Effect of lower tax rate	(666)	-
Other	-	(192)
	<u> </u>	<u> </u>
Current tax charge/(credit) for the year	-	(12,853)
	<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 2003 (*Continued*)

7 Tangible assets

	Leasehold improvements £	Equipment £	Fixtures and fittings £	Total £
<i>Cost</i>				
At beginning of year	53,560	124,793	91,768	270,121
Additions	-	53,852	51,392	105,244
At end of year	53,560	178,645	143,160	375,365
<i>Accumulated depreciation</i>				
At beginning of year	3,579	84,544	65,437	153,560
Charge for the year	10,712	25,102	18,014	53,828
At end of year	14,291	109,646	83,451	207,388
<i>Net book value</i>				
At 31 March 2003	39,269	68,999	59,709	167,977
At 31 March 2002	49,981	40,249	26,331	116,561

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

	2003 £	2002 £
Trade debtors	20,346	59,892
Other debtors	2,400	5,000
Corporation tax recoverable	12,853	12,853
Prepayments and accrued income	215,416	657,429
	251,015	735,174

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 2003 *(Continued)*

10 Cash at bank and in hand

The balance includes funds reserved for grant and loan schemes of £35,500 (2002 - £35,500).

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Other creditors	69,682	396,766
Creditors for taxation and social security	28,529	33,584
Accruals	158,018	143,705
Grants payable	138,899	185,717
Deferred income	243,738	149,539
	<u>638,866</u>	<u>909,311</u>

12 Provision for liabilities and charges

		Deferred taxation £
Balance at 1 April 2002		4,752
Charged to profit and loss account (note 6)		6,788
		<u>11,540</u>
Balance at 31 March 2003		
	2003 £	2002 £
Accelerated capital allowances	13,667	5,510
Sundry timing differences	(2,127)	(758)
	<u>11,540</u>	<u>4,752</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 2003 (*Continued*)

13 Accumulated fund

	2003 £
At 1 April 2002	251,400
Retained surplus for the year	4,400
	<hr/>
At 31 March 2003	255,800
	<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 2003, there were 208 (2002 - 185) members.

15 Commitments under operating leases

As at 31 March 2003, the company had annual commitments under operating leases as set out below:

	2003 Land and buildings £	2003 Other £	2002 Land and buildings £	2002 Other £
Operating leases which expire:				
In two to five years	-	21,051	-	20,574
After five years	115,372	-	120,211	-
	<hr/>	<hr/>	<hr/>	<hr/>
	115,372	21,051	120,211	20,574
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 Pensions

The company contributes to a group personal pension plan which 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 to the plan (see note 3).

PARK ROYAL PARTNERSHIP LIMITED
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Notes forming part of the financial statements for the year ended 31 March 2003 (*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 (2002 - £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 (2002 - £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.