

---

# HBV ENTERPRISE

A Company Limited By Guarantee  
REPORT AND FINANCIAL STATEMENTS

---

*Year ended 30 June 2004*

---



**HBV ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**

---

**CONTENTS**

	<b>Page</b>
COMPANY INFORMATION	2
REPORT OF THE DIRECTORS	3
AUDITORS' REPORT TO THE MEMBERS	4
INCOME AND EXPENDITURE ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7-10

**HBV ENTERPRISE  
(A COMPANY LIMITED BY GUARANTEE)**

---

**COMPANY INFORMATION**

Directors	C Cox (Chair) M G M Haines (Chair - resigned 31 December 2003) G Harwood (Vice Chair - resigned 3 December 2003) M P Deutz (Resigned 8 September 2004) B N Marsh D Pyatt M S Siddiqui (Resigned 3 September 2003) A K Stewart-Roberts (Resigned 31 December 2003) A S Wilmot-Sitwell P J Wright (Resigned 8 September 2004) R Abbott ME Chadwick
Secretary	S M Pilling (Resigned 13 November 2003) D Pyatt (Appointed 13 November 2003)
Registered office	34 & 36 Daiston Lane London E8 3AZ
Registered number	01825391
Auditors	Moore Stephens Chartered Accountants 57 London Road Enfield Middlesex EN2 6SW
Bankers	Barclays Bank plc Holloway & Kingsland Group P O Box 3628 London E8 2JX  National Westminster Bank plc Kingsland 74 Kingsland High Street London E8 2QU

**HBV ENTERPRISE  
(A COMPANY LIMITED BY GUARANTEE)**

---

**REPORT OF THE DIRECTORS**

The Board of Directors present their report and the audited financial statements for the year ended 30 June 2004.

**Principal activities**

The principal aim of the company is to act as an urban regeneration support agency alleviating unemployment through enterprise means. Its activities since its inception in 1984 have achieved this through the provision of a mix of start up and micro business support services. Many of the beneficiaries are based in the London Borough of Hackney where the company operates an inclusive range of enterprise services including loan funds, but its loan fund activities now also provide complete geographic coverage across the London Boroughs of Barnet, Camden, Enfield, Haringey, Islington and Waltham Forest.

**Business review and future developments**

In addition to expanding loan fund coverage to seven London boroughs during the year, the company also achieved charitable status on 30 June 2004. The annual review for 2003-4, available in hard copy from the company's offices and electronically from its website ([www.hbv.org.uk](http://www.hbv.org.uk)) sets out some of its achievements and those of a small section of its clients; the staff team is once again congratulated on a successful year in business support, and the company gratefully acknowledges the support of its funders, sponsors and supporters. During 2004-5 the company will focus on increasing its services to existing businesses, further widening its geographical area of operations and consolidating its commitment to quality.

The Directors were saddened by the death of Michael Haines, our former Chair, in December 2004. He will be greatly missed.

The company does not declare a dividend.

**Directors**

The directors and secretary at the date of this report are set out on page 2. Each director is also a member of the company. 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 debtors.

**Statement of directors' responsibility**

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 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.

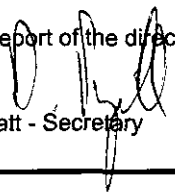
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

The auditors, Moore Stephens, have expressed a willingness to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The report of the directors was approved by the Board on 4 March 2005 and signed on its behalf by:

  
D Pyatt - Secretary

**HBV ENTERPRISE  
(A COMPANY LIMITED BY GUARANTEE)**

---

**Independent Auditors' Report to the Members of HBV Enterprise**

We have audited the financial statements of HBV Enterprise for the year ended 30 June 2004 set out on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

57 London Road  
Enfield  
Middlesex EN2 6SW

*Moore Stephens*  
Moore Stephens  
Chartered Accountants  
and Registered Auditors

18 APR 2005

**HBV ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**

---

**INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 30 June 2004

	Note	2004 £	2003 £
<b>Income</b>	1	721,701	677,307
Less - Administrative expenses		( 679,549)	( 653,993)
		<hr/>	<hr/>
<b>Operating Surplus - Continuing Operations</b>	2	42,152	23,314
Interest Receivable	5	510	132
Interest Payable		( 202)	( 2,210)
		<hr/>	<hr/>
<b>Surplus on Ordinary Activities Before Taxation</b>		42,460	21,236
Tax on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Surplus on ordinary activities after taxation transferred to reserves</b>	14	42,460	21,236
		<hr/> <hr/>	<hr/> <hr/>

There were no material recognised gains or losses during the year ended 30 June 2004 other than those stated above

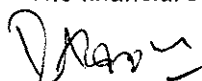
**HBV ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET**  
at 30 June 2004

	Note	2004 £	2003 £
<b>Fixed Assets</b>			
Tangible Assets	7	93,296	139,629
Investments	8	1	1
Other Investments	9	1,457,082	1,103,719
Loans	9	( 1,457,082)	( 1,103,719)
		93,297	139,630
<b>Current Assets</b>			
<i>Debtors</i>	10	115,922	211,229
Cash at bank and in hand		134,143	40,937
		250,065	252,166
<b>Creditors: Amounts falling due within one year</b>	11	( 148,283)	( 218,061)
<b>Net Current Assets</b>		101,782	34,105
<b>Total Assets less current liabilities</b>		195,079	173,735
Less: Amounts falling due after one year	12	( 75,502)	( 96,618)
<b>Net Assets</b>		119,577	77,117
Members Funds - General Funds	15	119,577	77,117

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 4 March 2005 and signed on its behalf by

  
R Abbott

**HBV ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
30 June 2004

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards under the historic cost convention. The company is not required to prepare group accounts because the group qualifies as small under section 249 of the Companies Act 1985.

**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. Grants related to premises improvements derived from Government and other bodies are included in deferred income and credited to the income and expenditure account at 20% per annum on a straight line basis commencing in the quarter of acquisition.

**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 commencing in the quarter of acquisition:

Improvements to leasehold property	20% per annum
Office equipment	25% per annum
Computer equipment	33.3% per annum

**Taxation**

The company was a registered enterprise agency during the year and was therefore not subject to corporation tax on normal activities. As of 30 June 2004 the company registered as a charity and therefore continues to be not subject to corporation tax on its 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 company.*

**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 income and expenditure 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 income and expenditure account as incurred.

**Pensions**

The company operates a defined contribution pension scheme for all full-time and part-time staff, including the CEO, but excluding non-executive directors. The assets of the scheme are invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the year.

**Group Accounts**

The Company has taken advantage of the exemptions available, under Section 248 of the Companies Act 1985, from preparing consolidated financial statements. The financial statements therefore present information about the company as an individual undertaking and not about its group.

**Other Investments**

These represent loans advanced by the company and monies held on deposit. These are financed by loans advanced by third parties.

The company administers the loans advanced by the third parties but is not obliged to support any loss or default arising thereon. These monies are repayable to the loan providers only to the extent of the individual loans recovered, being capital and interest. There is no recourse on any other assets of the company.

This disclosure is in accordance with the linked presentation provisions of FRS 5.

**2. OPERATING SURPLUS**

Operating surplus for the year is arrived at after charging/crediting:

	2004	2003
	£	£
Depreciation	51,627	48,062
Release of Government grants	( 40,519)	( 24,155)
Auditors' remuneration	8,000	7,000



**HBV ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 2004**

**3. EMPLOYEES**

The Company employed on average 13 (2003 : 10) people during the year at a cost of:

	2004 £	2003 £
Wages and salaries	353,557	313,438
Social security costs	37,348	26,507
Other pensions costs	10,238	13,464
	<u>401,143</u>	<u>353,409</u>

The pension cost charge for the year amounted to £10,238 (2003: £13,464). There were £nil outstanding contributions at the year end (2003: £nil).

**4. DIRECTORS**

The aggregate amount of emoluments paid to, or received by the directors during the year was £61,836 (2003: £84,061). No remuneration was paid by related companies to the directors of the company during the year (2003: £ nil).

	2004	2003
The number of directors to whom pension benefits are accruing under the money purchase schemes.	1	1

The pension contributions paid to money purchase schemes in respect of these directors was £3,791 (2003: £5,092).

**5. INTEREST RECEIVABLE**

	2004 £	2003 £
Bank interest	510	132
	<u>510</u>	<u>132</u>

**6. TAX ON ORDINARY ACTIVITIES**

There is no Corporation Tax charge in the year (2003 - £nil).

**7. FIXED ASSETS**

	Short Leasehold Premises £	Computer Equipment £	Office Equipment £	Total £
<b>Cost</b>				
At 1 July 2003	189,785	31,826	5,699	227,310
Additions	-	3,770	1,524	5,294
	<u>189,785</u>	<u>35,596</u>	<u>7,223</u>	<u>232,604</u>
At 30 June 2004	189,785	35,596	7,223	232,604
<b>Depreciation</b>				
At 1 July 2003	64,787	19,769	3,125	87,681
Charged in the year	37,957	11,864	1,806	51,627
Amount released on disposal	-	-	-	-
	<u>102,744</u>	<u>31,633</u>	<u>4,931</u>	<u>139,308</u>
At 30 June 2004	102,744	31,633	4,931	139,308
<b>Net Book Value</b>				
At 30 June 2004	<u>87,041</u>	<u>3,963</u>	<u>2,292</u>	<u>93,296</u>
At 30 June 2003	<u>124,998</u>	<u>12,057</u>	<u>2,574</u>	<u>139,629</u>

**HBV ENTERPRISE  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
30 June 2004**

**8. INVESTMENTS**

As the company has developed, it has set up or acquired separate companies to carry out 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.

UBS Warburg Enterprise Fund Limited (an investment company)	£
	2

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 a cost of £1.

The results for each of these companies for the year ended 30 June 2004 are as follows:

	Surplus/ (deficit)	Capital and Reserves
UBS Warburg Enterprise Fund Limited	( 11,477)	78,344
Hackney Enterprise Fund Limited	( 9,089)	2,154

**9. OTHER INVESTMENTS**

	2004 £	2003 £
<i>Investments</i>		
Cost		
At 1 July	1,103,719	824,163
Net Movement	353,363	279,556
At 30 June	<u>1,457,082</u>	<u>1,103,719</u>
Loans	<u>( 1,457,082)</u>	<u>( 1,103,719)</u>

These represent loans advanced by the Company and monies held on deposit. These are financed by loans advanced by third parties.

**10. DEBTORS**

	2004 £	2003 £
Trade Debtors	76,364	183,798
Inter Company	6,558	4,560
Prepayments	14,742	6,279
Other debtors	18,258	16,592
	<u>115,922</u>	<u>211,229</u>

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

	2004	2003
Bank Overdraft	7,886	18,527
Bank Loan	-	5,195
Trade Creditors	36,809	20,514
Amounts owed to related companies	1,364	11,517
Corporation Tax	-	-
Other Creditors including Tax and social security	10,021	16,601
Accruals and deferred income	92,203	145,707
	<u>148,283</u>	<u>218,061</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2004 £	2003 £
Accruals and deferred income	<u>75,502</u>	<u>96,618</u>

Excluded from creditors is the sum of £1,457,082 (2003: £1,103,719) which in the balance sheet has been linked with the related assets under the linked presentation provisions of FRS5.

**HBV ENTERPRISE  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
30 June 2004**

13. DEFERRED INCOME	Government Grants	Grants from other bodies	Total
	£	£	£
At 1 July 2003	115,858	4,915	120,773
Released to income for the Year	( 38,785)	( 1,734)	( 40,519)
	<hr/>	<hr/>	<hr/>
At 30 June 2004	77,073	3,181	80,254
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14. RESERVES	2004 £	2003 £
<i>General fund - Accumulated Surplus</i>		
At 1 July	77,117	55,881
Surplus on general activities for the year	42,460	21,236
	<hr/>	<hr/>
At 30 June	119,577	77,117
	<hr/> <hr/>	<hr/> <hr/>

15. RECONCILIATION OF MOVEMENTS IN MEMBERS FUNDS	2004 £	2003 £
Retained surplus for the year	42,460	21,236
Opening Members' funds	77,117	55,881
	<hr/>	<hr/>
Closing Members' funds	119,577	77,117
	<hr/> <hr/>	<hr/> <hr/>

16. CAPITAL COMMITMENTS  
Amounts contracted for, but not provided in the accounts amounted to £Nil (2003: £Nil).

17. OTHER FINANCIAL COMMITMENTS	2004 Land & Buildings £	2003 Land & Buildings £
Operating Leases which expire: Within 2-5 years	22,500	22,500
	<hr/>	<hr/>
	22,500	22,500
	<hr/> <hr/>	<hr/> <hr/>

18. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The company is under the ultimate control of its members.

The following balances owing/(owed) to related parties at the year end.

	2004 £	2003 £
Hackney Enterprise Fund Limited	1,364	10,846
UBS Warburg Enterprise Fund Limited	( 6,558)	( 4,560)

The company invoiced £9,450 (2003: £16,200) in respect of management fees to Hackney Enterprise Fund Ltd. Movement on the account relates to the repayment of loans advanced to HBV Enterprise and monies collected by HBV Enterprise on behalf of Hackney Enterprise Fund Ltd.

The company invoiced £15,000 (2003: £15,000) in respect of management fees to UBS Warburg Enterprise Fund Ltd. Movement on the account relates to monies collected by HBV Enterprise on behalf of UBS Warburg Enterprise Fund Ltd.

19. POST BALANCE SHEET EVENTS

The subsidiary companies, UBS Warburg Enterprise Fund Ltd and Hackney Enterprise Fund Ltd are in the process of being dissolved and any assets and liabilities of these companies will be taken over by HBV Enterprise.