

**REGISTRAR'S
COPY**

HBV ENTERPRISE

Formerly HACKNEY BUSINESS VENTURE LIMITED

A Company Limited By Guarantee

REPORT AND FINANCIAL STATEMENTS

Year ended 30th June 2001



HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)

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HBV ENTERPRISE
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COMPANY INFORMATION

Directors	M G M Haines (Chair) G Harwood (Vice Chair) S M Agass I S Anderson OBE (Resigned 6 December 2000) C Cox M P Deutz S J Evans B N Marsh D Pyatt M S Siddiqui A K Stewart-Roberts J M Sassoon (Appointed 7 September 2000)
Secretary	S M Pilling
Registered office	34 & 36 Dalston 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
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REPORT OF THE DIRECTORS

The Board of Directors present their report and the audited financial statements for the year ended 30th June 2001.

Principal activities

The principal aim of the group continues to be the support for urban regeneration through the provision of start up and micro business assistance. The beneficiaries are principally located within the London Boroughs of Hackney, Islington, Camden and Waltham Forest.

Business review and future developments

On 7 February 2001, the Company changed its name from Hackney Business Venture Limited to HBV Enterprise.

HBV has continued to develop its core business of delivering start-up and micro business support within the Borough of Hackney and surrounding Boroughs and has been successful in securing work to supplement the carry-over contracts. Contract value has increased by 17%, which is in line with the projections of the three-year business plan.

The major focus this year has been on fund raising to achieve the relocation of the business, which was successful completed in March 2001.

Results and dividends

The surplus for the year was £15,534 (2000: £1,118).

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 30th June 2001 the Company had 12 members (2000 - 12).

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.

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 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.

The report of the directors was approved by the Board on 6.3.2002 and signed on its behalf by:

S M Pilling - Secretary 

**HBV ENTERPRISE
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**AUDITORS' REPORT TO THE MEMBERS OF
HBV ENTERPRISE**

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on page 7.

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, 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 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 affairs of the Company as at 30th June 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens

Moore Stephens
Chartered Accountants and Registered Auditors
57 London Road
Enfield
Middlesex
EN2 6SW

Date *6 March 2002*

HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30th June 2001

	Note	2001 £	2000 £
Income	1	473,905	403,408
Less - Administrative expenses		(456,547)	(402,688)
		<hr/>	<hr/>
Operating surplus - continuing operations	2	17,358	720
Interest receivable	5	152	589
Interest payable		(1,976)	(191)
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		15,534	1,118
Tax on ordinary activities	6	-	-
Interest on taxation		-	-
		<hr/>	<hr/>
Surplus on ordinary activities after taxation transferred to reserves	14	15,534	1,118
		<hr/> <hr/>	<hr/> <hr/>

There were no material recognised gains nor losses during the year ended 30th June 2001 other than as stated above.

HBV ENTERPRISE
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BALANCE SHEET
at 30th June 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	7	125,488	2,152
Investments	8	3	3
Other Investments	9	463,155	315,450
		588,646	317,605
Current assets			
Debtors	10	177,440	120,212
Cash at bank and in hand		334	7,555
		177,774	127,767
Creditors: Amounts falling due within one year	11	(192,051)	(115,617)
Net current liabilities		(14,277)	12,150
Total assets less current liabilities		574,369	329,755
Less: Amounts falling due after one year	12	(544,530)	(315,450)
Net assets		29,839	14,305
General funds	14	28,109	12,575
Restricted funds	14	1,730	1,730
Members' Funds	15	29,839	14,305
		29,839	14,305

The financial statements were approved by the Board on 06.07.02 and signed on its behalf by:

S M Agass - Director

S. M. Agass

**HBV ENTERPRISE
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**NOTES TO THE FINANCIAL STATEMENTS
30th June 2001**

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 derived from Government and other bodies are capitalised and credited to the income and expenditure account at 20% per annum on a straight line basis commencing in the quarter of acquisition.

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 commencing in the quarter of acquisition:

Improvements to Leasehold Property	20% per annum
Office equipment	25% per annum
Computer equipment	33.3% per annum

Other Investments

The Company holds in trust, on behalf of clients, loan portfolios and monies held on deposit. These are recorded in the Balance Sheet as Other Investments with the corresponding liability being shown as Other Creditors.

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 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 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.

HBV ENTERPRISE
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NOTES TO THE FINANCIAL STATEMENTS
30th June 2001

2. OPERATING SURPLUS

Operating surplus for the year is arrived at after charging:

	2001	2000
	£	£
Depreciation	10,943	718
Auditors' Remuneration	13,265	5,000
	<u> </u>	<u> </u>

3. EMPLOYEES

The Company employed on average 8 (2000 -8) people during the year at a cost of:

	2001	2000
	£	£
Wages and salaries	193,683	196,362
Social security costs	19,449	19,346
Other pension costs	7,971	6,257
	<u> </u>	<u> </u>
	<u>221,103</u>	<u>221,965</u>

The pension cost charge for the year amounted to £7,971 (2000:£6,257). There were £1,446 outstanding contributions at the year end (2000: £Nil).

4. DIRECTORS

The aggregate amount of emoluments paid to, or received by the directors during the year was £56,947 (2000-£55,687). No remuneration was paid by related companies to directors of the company during the year (2000 - £ nil).

	2001	2000
The number of directors to whom pension benefits are accruing under money purchase schemes.	1	1

5. INTEREST RECEIVABLE

	2001	2000
	£	£
Bank Interest	152	589
	<u> </u>	<u> </u>

HBV ENTERPRISE
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NOTES TO THE FINANCIAL STATEMENTS
30th June 2001

6. TAX ON ORDINARY ACTIVITIES

Corporation tax of £Nil (2000: £Nil) is charged for the year at 21%.

7. FIXED ASSETS

	Leasehold Premises £	Computer equipment £	Office Equipment £	Total £
Cost				
At 1st July 2000	-	40,207	14,814	55,021
Additions	110,557	19,938	3,784	134,279
Disposals	-	(40,207)	(14,814)	(55,021)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2001	110,557	19,938	3,784	134,279
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st July 2000	-	38,393	14,476	52,869
Charged in year	5,527	4,782	634	10,943
Amount released on disposal		(40,207)	(14,814)	(55,021)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2001	5,527	2,968	296	8,791
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30th June 2001	105,030	16,970	3,488	125,488
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2000	-	1,814	338	2,152
	<hr/>	<hr/>	<hr/>	<hr/>

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.

	£
Hackney Business Centre Limited (a property management company)	1
UBS Warburg Enterprise Fund Limited (an investment company)	2
	<hr/>

**HBV ENTERPRISE
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**NOTES TO THE FINANCIAL STATEMENTS
30th June 2001**

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 a cost of £1 and the whole of the issued share capital of Business Solutions (London) Limited being 2 ordinary shares of £1 each.

The results for each of these companies for the year ended 30th June 2001 are as follows:

	Surplus/ (deficit)	Capital and Reserves
Hackney Business Centre Limited	-	(1,206)
UBS Warburg Enterprise Fund Limited	(48,879)	97,468
Hackney Enterprise Fund Limited	(14,874)	(306,090)
Business Solutions (London) Limited	-	43
	<u> </u>	<u> </u>

The deficit on capital and reserves of Hackney Enterprise Fund Limited is arrived at after deducting an interest free loan of £ 350,000 (2000 - £ 350,000) which is subordinated and is only repayable in the event of the Company being wound up.

9. OTHER INVESTMENTS

	2001 £	2000 £
Cost		
At 1 July 2000	315,450	268,110
Net Movement	147,705	47,340
	<u> </u>	<u> </u>
At 30 June 2001	463,155	315,450
	<u> </u>	<u> </u>

10. DEBTORS

	2001 £	2000 £
Trade debtors	75,858	90,318
Amounts owed by related company	511	1,448
Other debtors	145	17,796
Prepayments and accrued income	100,926	10,650
	<u> </u>	<u> </u>
	177,440	120,212
	<u> </u>	<u> </u>

HBV ENTERPRISE
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NOTES TO THE FINANCIAL STATEMENTS
30th June 2001

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank overdraft	40,693	-
Bank Loan	5,835	-
Trade creditors	36,538	41,921
Amounts owed to related companies	6,833	671
Corporation tax	51	166
Other creditors including taxation and social security	12,288	61,725
Accruals and deferred income	89,813	11,134
	<u>192,051</u>	<u>115,617</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Bank Loan	16,667	-
Accruals and deferred income	64,708	-
Other Creditors	463,155	315,450
	<u>544,530</u>	<u>315,450</u>

13. DEFERRED INCOME

	Government Grants £	Grants from other Bodies £	Total £
At 1 July 2000	-	-	-
Received during the year	78,188	8,085	86,273
Released to income for the year	(3,909)	(404)	(4,313)
	<u>74,279</u>	<u>7,681</u>	<u>81,960</u>

14. RESERVES

	General fund- Accumulated Surplus	Restricted funds
At 30th June 2000	12,575	1,730
Surplus on general activities for the year	15,534	-
	<u>28,109</u>	<u>1,730</u>

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NOTES TO THE FINANCIAL STATEMENTS
30th June 2001

15. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2001	2000
	£	£
Retained surplus for the year (Repayments)/advances of restricted funds	15,534 -	1,118 -
	<hr/>	<hr/>
Opening Members' funds	15,534 14,305	1,118 13,187
	<hr/>	<hr/>
Closing Members' funds	29,839	14,305
	<hr/> <hr/>	<hr/> <hr/>

16. OTHER FINANCIAL COMMITMENTS

	2001	2000
	Land & Buildings £	Land & Buildings £
Operating leases which expire: Within 2 - 5 years	17,900	20,540
	<hr/>	<hr/>
	17,900	20,540
	<hr/> <hr/>	<hr/> <hr/>

17. ULTIMATE CONTROLLING PARTY

The Company is under the ultimate control of its members.