

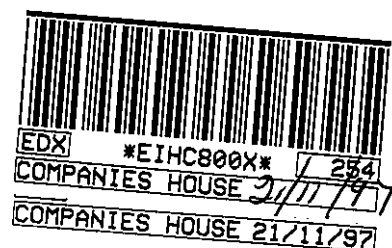
Bootstrap Company Limited  
(a charitable company limited by guarantee)

FINANCIAL STATEMENTS

For the year ended 31 March 1997

Company number: 1355222

Walters Evans  
Chartered Accountants  
Kings Avenue House  
New Malden  
Surrey



**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**  
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**For the year ended 31 March 1997**

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**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**

**Legal and Administrative Information**

**Charity Registration no**      275 489

**Company Registration no**      1355222

**Directors and Trustees**      A Power (Chair)  
                                     AR Campbell  
                                     E Taylor  
                                     B Wood  
                                     K Tunnard  
                                     R Ogundipe (resigned 6 June 1996)

**Secretary**                      H Evans

**Registered Office**              18 Ashwin Street, London E8 3DL

**Auditors**                        Walters Evans, Chartered Accountants  
                                     Kings Avenue House, New Malden, Surrey

**Bankers**                         National Westminster Bank PLC  
                                     74 Kingsland High Street, London E8

**Solicitors**                       Hodge, Jones and Allen  
                                     148-150 Camden High Street London NW1

**Bootstrap Company Limited**  
(a charitable company limited by guarantee)  
**Annual Report of the Trustees (Directors Report)**  
For the year ended 31 March 1997

The directors who are also the trustees for the purposes of charity law present the annual report and the audited financial statements of the company for the year ended 31 March 1997.

**DIRECTORS RESPONSIBILITIES**

The directors acknowledge their responsibility as detailed on page 10 for the preparation of the company's annual financial statements, upon which the auditors are obliged to report to the members of the company.

**REPORT ON OBJECTIVES OF THE CHARITY**

Bootstrap Company Limited's objective continues to be to help unemployed people to improve their job prospects. The charity works with those who are disadvantaged in the labour market, for example the long term unemployed, those facing discrimination and those who are unskilled.

The charity is based in Hackney and offers a range of services from employment and training advice and training, to work experience, joblink, project and business development and management.

We target these services at areas of acute poverty and high unemployment, in particular Hackney Council's five Comprehensive Estates Initiative areas, where the unemployment rate is as high as 45%. The Department of Employment claimant count for the whole borough in November 1996 was 20.7%.

There were no material changes in our policies to achieve our objectives this year.

The charity employed 17 full time equivalent staff to deliver the services. Three staff ran Waste Not Recycling /The Rubbish Dump, three covered finance and administration and eleven were involved with project delivery and management of the rest of the work.

The charity sublets the building it occupies (The Print House) to a subsidiary (Bootstrap Services Ltd), which lets the space to small businesses and voluntary organisations. The building was run by two full time equivalent staff.

Each project or business (or group of projects/businesses) has a manager. They are responsible to the Co-ordinator and ultimately, the Trustees/Directors.

The Trustees meet quarterly and receive detailed progress and finance reports for these meetings.

## REVIEW OF ACTIVITIES AND ACHIEVEMENTS IN 1996/97

### 1. THE ESTATES WORK

Much of our work is with unemployed residents on some of Hackney's housing estates undergoing refurbishment. Here we have developed a range of services which provide a pathway to employment.

All the activities described below are developed and managed in close co-operation with residents and other regeneration partners.

#### a. Employment and Training Advice

We offer this drop in service on four estates for one or two days a week. We started the service on the fourth estate - New Kingshold, in September 1996. Residents have access to information on training and job opportunities, help with CVs and application forms and access to resources for job search, such as phone, fax, computers, newspapers and stamps. Residents see the same Advisor and can return as often and for as long as they need. This year we trained four volunteer Advisors (themselves unemployed residents), to help deliver this service

All staff do substantial outreach to ensure residents are aware of our services. We target young people in particular, because almost half the young people on the estates are unemployed.

#### Achievements:

Over the year Advisors saw 662 residents and between seven and twelve people each day. Of these:

141 (22%) went into jobs or self employment

119 (19%) went on to training.

516 (78%) were black or from ethnic minority communities

265 (40%) were 16 - 24 years of age.

324 (49%) had been unemployed for over a year.

Funders for 1996/97: Bridge House Estates Trust Fund, Comprehensive Estates Initiative (CEI), The Esmee Fairbairn Charitable Trust, Objective 2 European Social Fund (ESF), Hackney Task Force, The Tudor Trust.

Unit cost: £382 per positive outcome ie into a job or training/education. Outputs and costings are calculated on a project, not financial year basis.

#### b. Pre-Vocational Training Courses

We have developed three pre-vocational courses in response to the needs of jobseekers on the estates. They are part time, three to four days per week, in term time and offer childcare and travel expenses. They run for three months and are designed to build confidence, provide direction, improve basic skills and lead to a computer qualification.

**Future Lives** - two courses for young people, designed to motivate and provide direction. They included residential outdoor activity training, computers, jobsearch, first aid, work on conflict resolution and personal development using drama therapy techniques and work experience.

**Foundation Skills** - two courses for residents who wanted to improve their maths and English skills. They included jobsearch, accredited computer training and first aid

as well as maths and English (leading to an NVQ in Key Skills) and transferable skills such as teamwork and time management.

**Women Returners Management Course** - two courses for residents who were keen to set up or manage a small business or project. They included producing a business plan, developing skills useful to run an organisation such as marketing, bookkeeping and financial management, teamwork, stress management, running meetings and accredited computer training.

**Courses Support** - we provide support to students before, during and after the training for as long as is needed - for example, with childcare, problems at home, job applications and references. We also organise quarterly reunions for ex-students, to reinforce support links and encourage networking. Fifteen to twenty usually attend.

**Achievements:**

68 people trained  
24 (35%) into employment or self employment  
23 (34%) into further training or education.  
2 (3%) into work experience  
54 (79%) got a level 1 or 2 qualification  
Over 100 ex-students received support.

51 (75%) were black or from ethnic minorities  
45 (66%) were unemployed for over one year, 34% for over 3 years  
24 (35%) were lone parents, over half were parents  
48 (71%) of all, and 90% of young people trained had very basic level or no qualifications at the start  
4 (6%) were disabled  
27 (40%) were under 25 years old

**Funders:** Comprehensive Estates Initiative, European Social Fund (ESF Objective 3), Hackney Council, Hackney Task Force, The Monument Trust, The Tudor Trust.

**Unit cost:** on average £2,900 per training place (this includes childcare and travel allowances, outreach, accreditation, work experience and post course support).

c. Customised/Vocational Training with Partners

We create training projects:

where we know employers have difficulty recruiting because of skill shortages,

to enable residents to compete more effectively for jobs on their estates or in the borough,

for residents with special needs.

This year we ran:

a Level 2 Information Technology Course for 13 residents

a Driving Course for 12 young residents

a Health and Social Care level 2 NVQ for 7 Holly Street estate residents (contracted training for the Comprehensive Estates Initiative - CEI). To be

completed in 1997/98.

a Business Administration level 2 NVQ for 3 Holly Street estate residents (contracted training for CEI). To be completed in 1997/98

a Volunteer Employment Advisor project for 4 residents

4 Coach driving (PCV) courses for 36 residents (contracted training with Hackney Community Transport)

We began self-build training for 10 residents and started to develop three self-build projects with Hackney Council, self-build consultants, residents and local Housing Associations. Together with Hackney Council, we also began to develop a training and employment project for 15 people with Sickle Cell Disorders. This will run during 1997/98.

#### Achievements:

Of the 77 people who completed in 1996/97:

38 (49%) went into jobs

11 (14%) went on to further training

8 (10%) went on to work experience

30 (39%) were women

61 (79%) were black or from ethnic minorities

47 (61%) unemployed for over one year, 31 (40%) over 3 years

16 (21%) under 25 years of age

Funders: the Baring Foundation, DCP, ESF Objective 3, Hackney Council, Hackney Task Force, The Monument Trust.

Unit Cost: the average cost per training place on non contracted projects was £1,368. The development cost of this work is largely staff time and in 1996/97, this took the equivalent of one fifth of a full time post at a cost of £8,087 (salary costs and overheads).

#### d. Work Experience

In 1996 we offered a three month work placement in the occupational area of their choice to 19 unemployed residents. The placements varied, ranging from a film location finding company to a Veterinary Surgery. We covered childcare and travel costs. We also found 2 week placements for 16 of our students on completing their courses (outputs are included under "pre-vocational training" above).

#### Achievements:

Of the 19 on 3 month placements -

11 (58%) got jobs

6 (32%) went on to a training course

15 (79%) were women

5 (26%) were under 25 years old

19 (100%) were black or from ethnic minorities

15 (62%) were unemployed over 1 year

Funders: ESF Objective 3, Hackney Task Force, The Tudor Trust

Unit Cost: £2,325 per placement

e. Employment Link

We began this free employment agency service for employers last year on behalf of residents of two of the estates on which we work. We get vacancies from employers by regular mail-outs to employers on our database. We then put forward several possible job ready residents who meet the selection criteria for the job. Jobs range from local car mechanic and West End retail to housing association administration.

Achievements:

50 residents on the project

40 (80%) into jobs

2 (4%) into training

30 (60%) were men

25 (50%) were unemployed over 1 year

21 (42%) were under 25 years old

42 (84%) were black or from ethnic minorities

Funders: ESF Objective 3, Hackney Task Force

Unit Cost: £1,001 per person into a job

2. MANAGED BUSINESSES

We set up businesses to provide useful local services and to create job and training opportunities. For most of 1995/96 we had three businesses managed by Bootstrap: The Paper Recycling Company (started in 1991), Waste Not Recycling (started in 1992) and Cybercycle (started in 1995).

The Green Door vegetarian cafe became independent in 1994 and continues to thrive, sustaining three jobs.

The Paper Recycling Company (PRC) is already legally independent from Bootstrap, although it still shares some directors. It recycles quality paper and toner cartridges from businesses all over the City and North London. In 1996/97, PRC collected 425 tonnes of paper from over 1,500 businesses. It employed two full time staff and provided work experience for two people. The company will merge with Waste Not Recycling in 1997/98 in order to create a larger, stronger recycling organisation.

The Waste Not Recycling/Rubbish Dump project is still part of the charity but will become legally independent in 1997/98. It aims to promote waste minimisation and recycling through practice and education. Waste Not Recycling is the operational side, set up in partnership with Hackney Council. It collected 72 tonnes of textiles and 8.5 tonnes of aluminium cans from street banks, schools and community groups throughout North London during the year.

The Rubbish Dump is an interactive education centre, opened in 1995. It grew out of the demand for information on recycling and waste from the schools and community groups from which Waste Not collected. 120 school classes, 20 playschemes and two arts groups visited during the year. Of these six were special needs groups.



In 1996/97 the project was funded by the Allen Lane Foundation, the Department of Environment's Environmental Action Fund, the Environment Agency, Hackney Council, Help a London Child and Thames Water.

**Cybercycle** is a not for profit division of the Paper Recycling Company (PRC). The aim is to collect old computers from businesses in the City of London, to recondition and sell the better ones and to reclaim plastics and other recyclables from the rest. After a successful pilot last year we were funded by the Environmental Action Fund to take this forward in 1996/97.

The project collected over 4,000 computers, 200 of which it reconditioned and sold on to local charities and individuals. It employed four people and provided work experience for six unemployed residents. In 1997/98 it will continue to trade but independently of The Paper Recycling Company, and should be self-financing within a few months.

Funders: Bootstrap Enterprises, Charity Logistics, The Department of Environment's Environmental Action Fund, The Peabody Fund, the Persula Foundation.

Unit cost: the main cost to Bootstrap is the development of these businesses and projects and overseeing their management. In 1996/97, this took the equivalent of a quarter of a full time post at a cost of £10,563 (salary costs and overheads). In 1996/97, this was met by the Baring Foundation, Hackney Council and consultancy income.

### 3. MANAGED WORKSPACE - THE PRINT HOUSE

The charity began converting this 30,000 square feet of fire damaged warehouse in 1980. Hackney Council owns the freehold but for most of our seventeen years here, we have subleased the building from a property company.

The costs of the initial renovation were approximately £815,000, met by the private sector, an Urban Programme grant and our own funds. It now houses 64 offices, workshops, shops and training rooms, between 150 and 2,500 square feet. These are occupied by small businesses, voluntary organisations and Hackney's Business Link, employing about 186 people.

This year, in addition to routine maintenance, redecoration and some changes to our training rooms, we installed a new passenger lift to improve access within the building. The cost of £57,486 was part funded through Objective 2 European funds (£28,680) and a loan from the Industrial Common Ownership Fund (£25,000).

Occupancy during the year was 99.33%. We budget on the basis of 90% occupancy to break even. This improvement generated a £51,033 surplus for Bootstrap Services Ltd, most of which was covenanted to the charity.

Over the year we were negotiating to take over the head lease from Hackney Council. At the year end, negotiations seemed to be nearing completion. We hope to be granted a twelve year lease on the building. This will give us the security we need to invest in further improvements.

### 4. HACKNEY CREDIT UNION DEVELOPMENT AGENCY

Credit Unions are community style banks with secure savings and low rates of interest on borrowing, fixed by law. In areas of acute poverty like Hackney, the cheap loans and the training for members are especially valuable in reducing debt and increasing employability.

Hackney Task Force asked us to get a Credit Union Development Agency up and running and legally independent after three years. They provided 25% of the funding for three years. In 1996/97, we got a steering group together which meets six weekly to monitor progress. We raised the balance of funds needed to run the Agency for three years and appointed a Development Worker in November to set up an office and start promoting and developing the work. By the end of March 1997, two groups with borough wide membership had started the training.

Funders: Dalston City Partnership, Hackney Parochial Charities, Hackney Task Force, National Lottery Charities Board

#### REVIEW OF TRANSACTIONS IN 1996/97

The charity is pleased to report an increase in activities over the year and acknowledge the increased grant support from statutory sources, Europe, trusts and charities.

Details of the movements in the charity are set out in the Statement of Financial Activities and notes thereto.

1. There were no material movements in the Statement of Financial Activities.
2. The £45,873 fixed assets break down into:  
  
£2,228 and £552 held as display boards, office furniture, security bars, blinds and sundry items for the building by the charity and Bootstrap Services respectively.  
  
£28,806 lift installation.  
  
£4,245 and £10,042 for computers held by the Charity and Bootstrap Services respectively.  
  
These are held to enable the organisation to carry out its work.
3. The charity has funds to meet its current obligations and commitments. We are confident that with the funding we receive from statutory sources, Europe and trusts and charities, we will be able to develop our plans and achieve our outputs.
4. The charity has one subsidiary, Bootstrap Services Ltd. This company's results are included in the Statement of Financial Activities for the charity.
5. Volunteers and donations in kind: the work of The Rubbish Dump relies on volunteers as well as paid staff. During 1995/96, 65 volunteers (24 of whom were professional volunteers) generously gave their time to this project. The professional volunteers gave a total of 234 days.
6. During 1996/97, the estates' employment and training advice service was fortunate to have offices available on a rent free basis on the four estates.
7. The charity is conscious of its obligations to staff and users and this year has augmented its designated fund to deal with contractual commitments to employees and likely delays in the receipt of funding.

Helen Evans  
Company Secretary

24th September, 1997



**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**  
**Financial Statements**  
**For the year ended 31 March 1997**

**Statement of Trustees/Directors Responsibilities**

For each financial year the directors, who are also the trustees for the purposes of charity law, are required to prepare financial statements giving a true and fair view of the state of affairs of the company, and of its incoming resources and application of resources, including income and expenditure, for the year.

In preparing the financial statements the directors are required to

- (a) select suitable accounting policies and apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed, and
- (d) prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which, at any time, disclose with reasonable accuracy the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors are also responsible for safeguarding the assets of the company, including taking reasonable steps for the prevention of fraud and other irregularities.

**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**

**Auditors Report to the Members of**  
**Bootstrap Company Limited**

We have audited the financial statements on pages 12 to 20 which have been prepared under the historical cost convention and the accounting policies set out on page 14.

**Respective responsibilities of directors and auditors**

As described on page 10 the company's directors who are also the trustees for the purposes of charity law, are responsible for the preparation of the 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 the company's affairs as at 31 March 1997 and of its incoming resources and application of resources, including income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Chartered Accountants  
Kings Avenue House, New Malden Surrey

*24th September* 1997

**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 March 1997**

**Income and Expenditure**

|   | Notes | Unrestricted<br>£ | Restricted<br>£  | Total<br>1997<br>£ | Total<br>1996<br>£ |
|---|-------|-------------------|------------------|--------------------|--------------------|
| <b>Incoming Resources</b>               |       |                   |                  |                    |                    |
| Statutory grants                        |       | -                 | 299,064          | 299,064            | 221,365            |
| European Social Fund grants             |       | -                 | 180,747          | 180,747            | 162,528            |
| Consultancy                             |       | 20,405            | -                | 20,405             | 12,954             |
| Donations from trusts/charities         |       | 556               | 141,797          | 142,353            | 128,583            |
| Interest receivable                     |       | 2,781             | -                | 2,781              | 2,511              |
| Other income                            |       | 7,028             | -                | 7,028              | (701)              |
| Net income of trading subsidiary        |       | 51,033            | -                | 51,033             | 34,141             |
|   |       | <u>81,803</u>     | <u>621,608</u>   | <u>703,411</u>     | <u>561,381</u>     |
| <b>Resources Expended</b>               |       |                   |                  |                    |                    |
| Direct charitable expenditure           |       | -                 | 587,901          | 587,901            | 422,433            |
| Management and administration           |       | 12,085            | 41,077           | 53,162             | 88,251             |
|   |       | <u>12,085</u>     | <u>628,978</u>   | <u>641,063</u>     | <u>510,684</u>     |
| Net incoming resources before transfers |       | 69,718            | (7,370)          | 62,348             | 50,697             |
| Transfers to designated funds           | 3     | (63,975)          | -                | (63,975)           | (63,701)           |
| Net movement in funds                   |       | 5,743             | (7,370)          | (1,627)            | (13,004)           |
| Fund balances b/fwd at 1 April 1996     |       | -                 | 1,792            | 1,792              | 14,796             |
| Fund balances c/fwd at 31 March 1997    |       | <u>£ 5,743</u>    | <u>£ (5,578)</u> | <u>£ 165</u>       | <u>£ 1,792</u>     |

There were no recognised gains or losses in the year other than the net movement for the year. No operations were either acquired or discontinued during the year.

Bootstrap Company Limited  
(a charitable company limited by guarantee)  
Balance Sheet  
As at 31 March 1997

|  | Notes | Group<br>1997<br>£ | 1996<br>£      | Company<br>1997<br>£ | 1996<br>£      |
|--|-------|--------------------|----------------|----------------------|----------------|
| <b>FIXED ASSETS</b>                          |       |                    |                |                      |                |
| Tangible assets                              | 8     | 45,873             | 2,743          | 35,279               | 2,168          |
| Investments                                  | 9     | -                  | -              | 1,000                | 1,000          |
|  |       | <u>45,873</u>      | <u>2,743</u>   | <u>36,279</u>        | <u>3,168</u>   |
| <b>CURRENT ASSETS</b>                        |       |                    |                |                      |                |
| Stocks                                       |       | 888                | 878            | 888                  | 878            |
| Debtors                                      | 10    | 204,194            | 135,515        | 190,382              | 110,401        |
| Cash at bank and in hand                     |       | 61,461             | 52,252         | 39,340               | 38,430         |
|  |       | <u>266,543</u>     | <u>188,645</u> | <u>230,610</u>       | <u>149,709</u> |
| <b>CREDITORS</b>                             |       |                    |                |                      |                |
| Amounts falling due within one year          | 11    | (176,185)          | (129,629)      | (126,690)            | (85,944)       |
| <b>NET CURRENT ASSETS</b>                    |       | <u>90,358</u>      | <u>59,016</u>  | <u>103,921</u>       | <u>63,765</u>  |
| <b>ASSETS LESS CURRENT LIABILITIES</b>       |       | 136,231            | 61,759         | 140,200              | 66,933         |
| <b>CREDITORS</b>                             |       |                    |                |                      |                |
| Amounts falling due after more than one year | 12    | (17,299)           | -              | (17,299)             | -              |
| <b>NET ASSETS</b>                            |       | <u>£118,932</u>    | <u>£61,759</u> | <u>£122,900</u>      | <u>£66,933</u> |
| <b>FUNDS</b>                                 |       |                    |                |                      |                |
| Restricted Funds                             |       | (5,578)            | 1,792          | (5,578)              | 1,792          |
| Unrestricted Funds                           |       |                    |                |                      |                |
| Business development fund                    |       | (8,909)            | (3,734)        | (8,909)              | (3,734)        |
| Designated funds                             |       | 127,676            | 63,701         | 127,676              | 63,701         |
| General fund                                 |       | 5,743              | -              | 9,711                | 5,174          |
|  |       | <u>£118,932</u>    | <u>£61,759</u> | <u>£122,900</u>      | <u>£66,933</u> |

Approved by the board of directors on 24 September 1997 and signed on its behalf. The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247, Companies Act 1985.

Kevin Tunnard  
Director

*K Tunnard*

**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**  
**Notes to the financial statements**

**1. ACCOUNTING POLICIES**

**1.1 Accounting conventions**

The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations in the Statement of Recommended Practice, Accounting by Charities.

Consolidated financial statements (group accounts) have been prepared in respect of Bootstrap Company Limited (the company) and its wholly owned subsidiary, Bootstrap Services Limited. The results of the subsidiary have been consolidated into the Statement of Financial Activities on the basis of the net profit before transfers to the company. In accordance with Section 230, Companies Act 1985, a separate Statement of Financial Activities for the company has not been presented.

**1.2 Revenue grants**

Revenue grants are credited to incoming resources on the earlier of, when they are received or, when they become receivable, unless they relate to a specified future period in which case they are deferred.

**1.3 Sales and consultancy**

Sales and consultancy receipts are credited to incoming resources when they are receivable, unless they relate to a specified future period in which case they are deferred.

**1.4 Donations and gifts**

Income received by way of donations and gifts to the charity is included in the Statement of Financial Activities when received, unless it relates to a specified future period in which case it is deferred.

**1.5 Restricted funds**

Restricted funds are to be used for specified purposes, as laid down by the grant-making body or donor. Expenditure which meets these criteria is allocated to those funds, together with a reasonable allocation of management and administration costs.

**1.6 Unrestricted funds**

Unrestricted funds include donations, consultancy income and other incoming resources received or generated for unspecified charitable purposes.

**1.7 Designated funds**

Designated funds are unrestricted funds set aside by the trustees for a particular purpose.

**1.8 Expense allocation**

Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

Bootstrap Company Limited  
(a charitable company limited by guarantee)  
Notes to the financial statements - continued

1. ACCOUNTING POLICIES - CONTINUED

1.9 Depreciation of tangible assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life.

1.10 Stock

Stocks of purchased goods are valued at the lower of cost and net realisable value. Stock with no cost (waste materials for resale) is not valued for accounting purposes.

1.11 Operating Lease

Rentals payable under operating leases are charged to the Statement of Financial Activities in the year in which they fall due.

1.12 Pensions

The company contributes to personal pension policies on behalf of its staff.

2. RESOURCES EXPENDED

| RESOURCES EXPENDED                      | 1997             | 1996            |                 |
|---|------------------|-----------------|-----------------|
|   | Staff costs<br>£ | Other<br>£      | £               |
| Direct charitable expenditure           |                  |                 |                 |
| European Social Fund funded work        | 194,671          | 193,143         | 354,594         |
| Other estates project work              | 71,554           | 40,284          | 27,876          |
| Waste Not / Rubbish Dump                | 41,847           | 14,850          | 39,963          |
| Credit Union development                | 14,391           | 7,693           | -               |
| Other projects                          | -                | 9,468           | -               |
|   | <u>£322,463</u>  | <u>£265,438</u> | <u>£422,433</u> |
| Other expenditure                       |                  |                 |                 |
| Salaries and consultancy (net of rechg) | 15,743           | -               | 28,156          |
| Accommodation costs                     |                  | 13,815          | 26,023          |
| Insurance                               |                  | 2,784           | 2,384           |
| Printing, postage and stationery        |                  | 734             | 5,733           |
| Computer costs                          |                  | 264             | 1,125           |
| Advertising and publicity               |                  | 3,074           | 13,066          |
| Telephone                               |                  | 801             | 997             |
| Travel and training                     |                  | -               | 641             |
| Accountancy                             |                  | 3,816           | 1,910           |
| Audit and accountancy                   |                  | 3,923           | 1,040           |
| Legal and professional fees             |                  | -               | 403             |
| Bank charges and interest               |                  | 2,369           | 962             |
| Bad debts                               |                  | 2,101           | -               |
| Sundry expenses                         |                  | 1,339           | 5,088           |
| Depreciation                            |                  | 2,399           | 723             |
|   | <u>£ 15,743</u>  | <u>£ 37,419</u> | <u>£ 88,251</u> |



Bootstrap Company Limited  
(a charitable company limited by guarantee)  
Notes to the financial statements - continued

|  |                 |                 |
|--|-----------------|-----------------|
| <b>3. DESIGNATED FUNDS</b>   | <b>1997</b>     | <b>1996</b>     |
| Designated funds have been set up to provide for contractual commitments to employees and cashflow support against funding delays. |                 |                 |
| Balance at 1 April 1996  | 63,701          | -               |
| Transfer for the year  | 63,975          | 63,701          |
| Balance at 31 March 1997   | <u>£127,676</u> | <u>£63,701</u>  |
| <b>4. OPERATING RESULTS</b>  | <b>1997</b>     | <b>1996</b>     |
|  | <b>£</b>        | <b>£</b>        |
| The surplus for the year is stated after charging  |                 |                 |
| Employees pension costs  | 24,576          | 19,845          |
| Auditors' remuneration   | 3,923           | 3,000           |
| Depreciation:  |                 |                 |
| Owned tangible fixed assets  | <u>2,399</u>    | <u>723</u>      |
| <b>5. EMPLOYEE INFORMATION (GROUP)</b>   | <b>1997</b>     | <b>1996</b>     |
|  | <b>£</b>        | <b>£</b>        |
| <b>5.1 Staff costs</b>   |                 |                 |
| Wages and salaries   | 333,841         | 242,841         |
| Social security costs  | 33,058          | 23,653          |
| Other pension costs  | 24,576          | 19,845          |
| Other costs  | -               | 1,895           |
|  | <u>£391,475</u> | <u>£288,234</u> |
| <b>5.2 Average number of staff employed by the charity during the year</b>   | <b>No.</b>      | <b>No.</b>      |
| Project workers  | 12              | 9               |
| Support and general administration   | 3               | 2               |
| Premises management  | <u>2</u>        | <u>2</u>        |
| No employee was paid over £30,000.   |                 |                 |
| <b>6. INTEREST PAYABLE</b>   | <b>1997</b>     | <b>1996</b>     |
|  | <b>£</b>        | <b>£</b>        |
| Mortgage loan repayable within 5 years   | <u>1,212</u>    | <u>-</u>        |

**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**  
**Notes to the financial statements - continued**

**7. TAXATION**

The whole of the company's income is applied for charitable purposes and as a result the company is exempt from corporation tax.

The company's trading subsidiary has no corporation tax liability as any taxable profit is covenanted to the company.

**8. TANGIBLE FIXED ASSETS**

|                          | Group<br>£     | Fixtures, fittings<br>Computers<br>Company<br>£ |
|--------------------------|----------------|---|
| <b>Cost or valuation</b> |                |   |
| At 1 April 1996          | 3,657          | 2,891   |
| Additions                | 74,457         | 64,190  |
| Capital grant            | (28,680)       | (28,680)  |
| At 31 March 1997         | <u>49,434</u>  | <u>38,401</u>                                   |
| <b>Depreciation</b>      |                |   |
| At 1 April 1996          | 914            | 723   |
| Charge for year          | 2,647          | 2,399   |
| At 31 March 1997         | <u>3,561</u>   | <u>3,122</u>                                    |
| <b>Net book value</b>    |                |   |
| At 31 March 1997         | <u>£45,873</u> | <u>£35,279</u>                                  |
| At 31 March 1996         | <u>£ 2,743</u> | <u>£ 2,168</u>                                  |

Bootstrap Company Limited  
(a charitable company limited by guarantee)  
Notes to the financial statements - continued

9. INVESTMENTS

|  | Group      |            | Company        |                |
|--|------------|------------|----------------|----------------|
|  | 1997       | 1996       | 1997           | 1996           |
|  | £          | £          | £              | £              |
| Investment in subsidiary undertaking at cost | <u>£ -</u> | <u>£ -</u> | <u>£ 1,000</u> | <u>£ 1,000</u> |

Net income from trading activities of subsidiary.

The charity holds 100% of the issued ordinary share capital of Bootstrap Services Limited, a company incorporated in England and Wales. Bootstrap Services Limited provides serviced office accommodation for small businesses.

| Relevant financial information regarding Bootstrap Services Limited is as follows. | 1997           | 1996          |
|--|----------------|---------------|
|  | £              | £             |
| Licence fees receivable  | 253,968        | 250,164       |
| Building costs   | (148,538)      | (163,858)     |
|  | <u>105,430</u> | <u>86,306</u> |
| Other costs  | (55,563)       | (53,947)      |
| Interest receivable  | 1,166          | 1,781         |
|  | <u>51,033</u>  | <u>34,140</u> |
| Covenanted to Bootstrap Co. Limited  | (49,826)       | (33,333)      |
|  | <u>1,207</u>   | <u>807</u>    |

The results of Bootstrap Services Limited have been consolidated on the basis of the net surplus before transfers to the company. The gross income of the group (including inter-company transactions) totals £907,512 (1996 £779,185) and the gross expenditure totals £845,161 (1996 £728,491).

10. DEBTORS

|                                 | Group           |                 | Company         |                 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                 | 1997            | 1996            | 1997            | 1996            |
|                                 | £               | £               | £               | £               |
| Grants receivable               | 137,972         | 98,126          | 137,972         | 61,415          |
| Trade debtors                   | 17,241          | 4,075           | 32,163          | 25,805          |
| Social security and other taxes | 13,200          | 8,333           | 13,200          | 10,288          |
| Other debtors                   | 8,577           | 71,122          | 300             | 4,247           |
| Prepayments                     | 27,204          | 31,640          | 6,747           | 10,601          |
|                                 | <u>£204,194</u> | <u>£135,515</u> | <u>£190,382</u> | <u>£110,401</u> |

**Bootstrap Company Limited**  
**(a charitable company limited by guarantee)**  
**Notes to the financial statements - continued**

|     |   |                               |                            |                 |                                |
|-----|---|-------------------------------|----------------------------|-----------------|--------------------------------|
| 11. | CREDITORS - amounts falling due within one year                         | 1997<br>£                     | Group<br>1996<br>£         | 1997            | Company<br>1996                |
|     | Amounts owed to subsidiary  | -                             | -                          | 6,467           | 20,000                         |
|     | Income tax  | -                             | 8,333                      |                 |                                |
|     | Other tax and social security costs                                     | 12,730                        | 10,418                     | 11,197          | 7,780                          |
|     | Other creditors   | 109,276                       | 43,377                     | 99,894          | 43,794                         |
|     | Accruals and deferred income  | 54,179                        | 67,501                     | 9,132           | 14,370                         |
|     |   | <u>£176,185</u>               | <u>£129,629</u>            | <u>£126,690</u> | <u>£85,944</u>                 |
|     | Included within creditors is a secured creditor of £7,701, (1996 £nil). |                               |                            |                 |                                |
| 12. | CREDITORS - amounts falling due after more than one year                |                               |                            | 1997<br>£       | 1996<br>£                      |
|     | Loan from ICOF Community Capital Limited                                |                               |                            | 17,299          | -                              |
|     | The maturity of this loan is as follows,                                |                               |                            |                 |                                |
|     | under one year  |                               |                            | 7,701           | -                              |
|     | in the second to fifth year inclusive.                                  |                               |                            | 17,299          | -                              |
|     | The loan is secured on the company's lift installation.                 |                               |                            |                 |                                |
| 13. | ANALYSIS OF GROUP NET ASSETS  |                               |                            | 1997            | 1996                           |
|     |   | Restricted<br>Funds<br>£      | Unrestricted<br>Funds<br>£ | Total<br>£      | Total<br>£                     |
|     | Fund balances at 31 March 1997 as represented by;                       |                               |                            |                 |                                |
|     | Tangible fixed assets   |                               | 45,873                     | 45,873          | 2,743                          |
|     | Current assets  |                               | 266,543                    | 266,543         | 188,645                        |
|     | Liabilities   | (5,578)                       | (187,906)                  | (193,484)       | (129,629)                      |
|     | Total net assets  | <u>(5,578)</u>                | <u>124,510</u>             | <u>118,932</u>  | <u>61,759</u>                  |
| 14. | RESTRICTED FUNDS  | As at<br>1 April<br>1996<br>£ | Incoming<br>£              | Outgoing<br>£   | As at<br>31 March<br>1997<br>£ |
|     | General   | 1,792                         | -                          | (7,370)         | (5,578)                        |
|     |   | <u>£ 1,792</u>                | <u>£ -</u>                 | <u>£(7,370)</u> | <u>£(5,578)</u>                |

Bootstrap Company Limited  
(a charitable company limited by guarantee)  
Notes to the financial statements - continued

|  |                   |                   |
|--|-------------------|-------------------|
| <b>15. OPERATING LEASES</b>  | <b>1997</b>       | <b>1996</b>       |
|  | £                 | £                 |
| At 31 March 1997, annual commitments under non-cancellable operating leases were as follows  |                   |                   |
| Expiry date  |                   |                   |
| within one year  | -                 | -                 |
| between two and five years   | 1,800             | 1,800             |
| after more than five years   | -                 | -                 |
|  | <u>          </u> | <u>          </u> |
| <b>16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES</b>  |                   |                   |
| There were no capital commitments or contingent liabilities of which the directors were aware as at the balance sheet date.  |                   |                   |
| <b>17. TRUSTEES REMUNERATION AND EXPENSES</b>  |                   |                   |
| The directors of the company, who are also the trustees for the purposes of charity law, received no remuneration from either the company or its trading subsidiary. |                   |                   |
| Three trustees received reimbursement for travelling expenses incurred in attending meetings, amounting to £77 (1996 £106).  |                   |                   |
| <b>18. AUDITORS REMUNERATION</b>   | <b>1997</b>       | <b>1996</b>       |
|  | £                 | £                 |
| The total amount paid to the group auditors was as follows.  |                   |                   |
| Audit  | 3,923             | 3,000             |
| Other accounting services  | 3,816             | 1,910             |
|  | <u>£7,739</u>     | <u>£4,910</u>     |