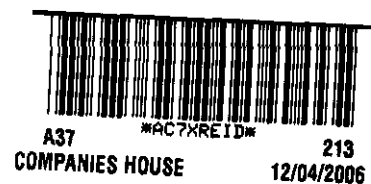


**BOOTSTRAP COMPANY LIMITED**  
(A company limited by guarantee)  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2004**

Charity Registration Number : 275489

Company Number: 01355222



**BOOTSTRAP COMPANY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

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**BOOTSTRAP COMPANY LIMITED**

**LEGAL & ADMINISTRATIVE INFORMATION**

**YEAR ENDED 31 MARCH 2004**

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**Trustees**

K Tunnard (resigned 3 February 2004)  
E Taylor (resigned October 2004)  
A Wallis (resigned March 2005)  
S Deshmukh (resigned 9 December 2003)  
D Newman (resigned October 2004)  
A Siddick (resigned March 2005)  
W Laryea (resigned March 2005)  
S Rauprich (resigned March 2005)  
P Ramsden (resigned March 2005)  
J Steele (resigned October 2004)  
M Blake (resigned October 2004)  
T Payne (resigned October 2004)  
Y Hatia (resigned March 2004))  
Mary Chadwick (appointed March 2005)  
Mary Doyle (appointed March 2005)  
Peter Kenyon (appointed March 2005)  
Lesley Rogers (appointed March 2005)

**Secretary**

A Djondo (resigned November 2005)  
Jon Aldenton (appointed November 2005)

**Bankers**

NatWest plc  
Kingsland Branch  
74 Kingsland High Street  
London, E8 2QU

HSBC  
Stratford Branch  
15 The Mall  
Stratford  
London E15 1XL

**Auditors**

haysmacintyre  
Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

**Solicitors**

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

Bates, Wells & Braithwaite  
138, Cheapside  
London  
EC2V 6BB

**Registered office**

The Print House  
18 Ashwin Street  
London  
E8 3DL

**Organisation**

Bootstrap Company Limited is a registered charity (number 275489) and company limited by guarantee (number: 01355222). The charity is governed by its Memorandum and Articles of Association.

# **THE BOOTSTRAP COMPANY LIMITED**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 MARCH 2004**

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The trustees who are also directors for the purposes of charity law present the annual report and the audited financial statements of the company for the year ended 31 March 2004 prepared in accordance with SORP 2000.

### **REPORT ON THE OBJECTIVES OF THE CHARITY**

The Company's charitable objects are to advance education and to relieve poverty.

The Bootstrap Company is an organisation committed to improving, enhancing and developing people's lives and the communities in which they live. Our vision is that of a strong community that is empowered to improve the quality of people's lives, where local people are enabled to take control of their lives, the communities and the environment in which they live. Bootstrap supports the development of the potential of individuals and groups so that they may achieve and succeed in employment, skills, learning and enterprise.

We offered a range of local services with this ultimate aim including; computer recycling, employment training, community finance initiatives, enterprise support, and estate based advice and guidance. In addition, we own and manage The Print House, which is 30,000 square feet of office, workshop, and shop space housing 40 voluntary, community organisations, and micro enterprises.

The Colourworks provides an additional 10,000 square feet of office spaces for 15 local businesses, voluntary and community groups.

In 2003/4 the charity employed 33 full time equivalent staff to deliver the services; 5 covered finance and administration and 28 were involved with project delivery and management of the rest of the work.

The charity sublet the building it occupies (The Print House and The Colourworks) to a subsidiary (Bootstrap Services Ltd) which let the space to voluntary, community organisations, and micro and social enterprises.

The operations of the organisation were managed by four Department Managers covering the areas of service delivery and finance. The Department Managers reported to, and were responsible to, the Executive Director who was also the Company Secretary and thence ultimately to the Trustees/Directors.

The organisation's senior management team met on a fortnightly basis to discuss and make decisions which fed into the Board's bi-monthly meetings for discussion and ratification.

The Trustees/Directors are appointed through external recruitment advertising and networks of the Trustees/Directors and senior management team. Each potential Trustee/Director is invited to attend Board meetings and is then formally appointed by the Board.

### **REVIEW OF ACTIVITIES AND ACHIEVEMENTS IN 2003/2004**

#### **1. ESTATE BASED EMPLOYMENT RESOURCE CENTRES**

Much of our work is with unemployed residents on four housing estates in Hackney, one in Camden, and one in Lambeth, which are undergoing or have undergone major community and economic regeneration. Here we have developed a range of services that provide a pathway to employment, skills, and enterprise.

Currently Bootstrap Enterprises advice and guidance centres are situated on the Nightingale, New Kingshold, Clapton Park and Northwold estates and the Stoke Newington UK Online centre in Hackney, the Angell Town Estate in Lambeth and the Camden Goods Yard estate in Camden.

All centres offer local people a comprehensive range of job search facilities; five days a week. 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. Clients see the same advisor and can return as often and for as long as they need. Advisors therefore develop a closer relationship with their clients, which serves to increase client's chances of moving from unemployment to employment.

## 2. THE TRAINING WORK

A number of accredited training programmes were delivered which focus on improving the employment prospects of our client group. These courses address core skills on motivation, confidence, assertiveness, and communication skills. The following courses were delivered during the year;

- ☐ Basic ICT-OCR Level 1 Certificate for ICT Users
- ☐ School Inclusion Programme
- ☐ European Computer Driving Licence
- ☐ ESOL
- ☐ Basic Skills – Numberwise and Wordwise
- ☐ ELLIS
- ☐ Learndirect
- ☐ A+ Supporting Computer Hardware Systems

### New Developments

#### Dyslexia Pilot Project

The Dyslexia Pilot Project was a project Bootstrap identified as an area we needed to explore and develop. An opportunity and support arose from Crime Concern as part of their Breaking Barriers SRB programme. With the introduction of our schools program the need for such a program became more eminent. The opportunity presented itself through the Crime Concern pilot working in conjunction with the Adult Dyslexia and Skills Development Agency. The entire pilot was a steep learning curve and confirmed our plans of developing these types of work with our clients. We realised it is a necessity and very beneficial to the work Bootstrap does.

## 3. MANAGED WORKSPACE – THE PRINT HOUSE AND THE COLOURWORKS

The last twelve months have been a period of consolidation of premises management of our current properties, combined with ever more detailed plans for the future. The tenant population has remained relatively steady, where the few losses have been balanced by the success of existing tenants; satisfying their need for more space took up most of the spaces that became available.

The process of incorporating management of the outreach offices both in Hackney and across London where so much of our work with clients takes place continues, and our management structures have been rationalised so that the premises management now incorporates all of the office services in Ashwin St.

We hope that this will help to create a simpler, and more client friendly structure for our work.

A considerable amount of effort has also gone into reviewing the financial side of the business, and putting in place better monitoring systems to ensure we work effectively. As part of the groundwork for future development, we are having the building surveyed to give us an economic base line for measuring benefits of future development plans.

### New Developments

Plans for developing our property based assets continue apace. We have had a feasibility study completed to define the various options for development in order to take advantage of the upsurge of activities we expect around the new tube line.

We want to ensure that there is a community gain from any redevelopments that take place in the area, and feel that we are well placed to facilitate that.

Plans for what we want from the first stage of work are well advanced, and we are considering the practical management of the premises, and its economic and physical impacts on Bootstrap in order to ensure that everything goes smoothly. Support for our proposals is considerable and funders have been making positive noises, so we hope to be making a major impact on the Dalston area within the next two to three years.

## **BOOTSTRAP COMPANY LIMITED**

### **TRUSTEES' REPORT**

**YEAR ENDED 31 MARCH 2004**

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The completed work will play a big part in ensuring that the revenues created by the building contribute towards supporting and expanding the capability of Bootstrap Enterprises to develop new and innovative ways of working with local communities.

#### **COMMUNITY ENTERPRISE**

Bootstrap's Community Enterprise team has continued to expand following last year's merging of enterprise support, community finance and credit union development activities into one department. This included the incorporation of reBoot into the community enterprise fold. Over the next 18 months, the department will apply its enterprise skills and experience to develop the computer-recycling project into a fund-generating activity. This is part of a drive to build long-term self-sufficiency into Bootstrap itself. We are researching other potentially self-sustaining projects including an office services facility and a childcare service for the staff of local employers.

##### **Credit Union Development**

Bootstrap continues to work with small local credit unions and borough-wide schemes in North and East London. The focus of our work over the next 12 months will be to develop initiatives that will help make credit unions more sustainable. We will examine ways for credit unions to work together and to involve themselves in the delivery of community finance initiatives such as debt advice and financial literacy. This would not only provide an additional income stream for credit unions, but also help more disadvantaged people access their services.

##### **Community Finance Learning Initiative (CFLI)**

The Bootstrap project was one of five national pilot programmes supported by the Department for Education & Skills. A major report – "Evaluation of the Community Finance and Learning Initiative and Saving Gateway Pilots" – has been submitted to the DfES and Treasury. We are using the recommendations from this report to develop longer-term community finance services.

#### **POST YEAR END REORGANISATION AND FUTURE PLANS**

Since March 2005, the Bootstrap Company has restructured its activities and finances. In the period to 31 March 2005 a substantial deficit accrued and the Company lost the confidence of its creditors and bankers.

The Environment Trust, a development trust and registered charity, was asked to assist in the necessary reorganisation. The training and enterprise activities of Bootstrap Company Limited were transferred to a newly incorporated charity, Bootstrap Enterprises Limited and a Chief Executive, Meena Varma, recruited for the new company.

Jon Aldenton, CEO of the Environment Trust was appointed as CEO of the Bootstrap Company Limited. New Trustees (Mary Chadwick, Mary Doyle, Lesley Rogers and Peter Kenyon) were recruited. Environment Trust Associates were appointed to manage and develop the Bootstrap's workspace at Dalston and to consult and improve the social, economic and physical environment at Dalston. The Company's former CEO, Anthony Djondo, joined the Environment Trust team.

The Company's assets were re-valued as part of the organisation by independent surveyors, who valued the properties at £2.34m. The new Trustees were able to refinance the Company and meet creditors' demands. Property management has been rationalised and additional space leased at Fitzroy House next door.

A "micro regeneration" strategy for Dalston has been approved by the new Board, and a partnership bid (with Hackney Council) for a town centre management scheme for Dalston submitted to the London Development Agency. Approval for a £1.2m capital contribution from European Regional Development Funds has been received and the work has commenced. The Board are working to establish the Company as an independent development trust for Dalston and has retained its membership of the Development Trust's Association.

The Charity are currently in negotiation with the Charity Commission to expand its objects to reflect the change of emphasis to that of a development trust in addition to its existing activities of education and the relief of poverty.

# **BOOTSTRAP COMPANY LIMITED**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 MARCH 2004**

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### **FINANCIAL REVIEW OF 2003/04**

The charity was pleased to report an increase in its activities over the year to 31 March 2004 and acknowledges the grant support from the statutory sources, Europe, trusts and charities.

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

1. The charity has one subsidiary, Bootstrap Services Ltd. This company's results are included in the Consolidated Statement of Financial Activities.
2. Volunteers and donations in kind:

During the year the reBoot project received IT equipment to enable it to undertake its work. In addition a total of 14 volunteers worked in the areas of computer recycling, employment training, and office administration.

The overall income for the year ended 31 March 2004 remained fairly constant at £1,549,597 (2003: £1,608,695). Income from statutory grants increased. Income from European funding, consultancy, and other income all fell. Overall expenditure rose from £1,581,703 to £1,775,704. Unlike the previous year, expenditure on sub-contracted services particularly with regards to our youth employment and skills programmes increased significantly. This was due to the inclusion of media and creative modules within the programmes that were sub-contracted to specialist agencies.

The operating income of the trading company, Bootstrap Services, showed a marginal increase from £330,805 to £336,331. Expenses, however, increased from £309,241 to £329,688, which reflected the first year's full occupancy of Colourworks.

Net assets at 31 March 2004 were £573,323 (2003: £799,433). The restricted funds held increased by £35,363 and unrestricted funds decreased by £261,473.

### **RISK ASSESSMENT**

The Trustees have assessed the major risks to which the organisation is exposed, and will introduce improvements to systems and controls wherever practicable. As a result of an entirely new Board of Trustees and a change of emphasis for the organisation, the risk assessment has been reconsidered and systems and controls appropriate to the new organisations' activities put in place. The Board will continue to monitor the risks to which it is exposed.

### **INVESTMENT POWERS, POLICY AND PERFORMANCE**

The charity's investment was the share capital in its wholly owned subsidiary Bootstrap Services Limited, the results of which are disclosed in note 5. As a result of the reorganisation the Trustees resolved to cease the trading company activities on 31 March 2005. A notice to dissolve the company was filed on 13 September 2005 and a proposal to strike the company off is currently in place.

# BOOTSTRAP COMPANY LIMITED

## TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2004

### RESERVES POLICY

The charity's free reserves as at 31 March 2004 stood at £(905,579). The trustees had reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The previous Board had agreed that, given the high value of fixed assets within its unrestricted funds, that a level of reserves equating to approximately 10% of annual income would be required. As a result of the reorganisation and a change of emphasis for the Charity, the reserves are being considered by the new Trustees and a revised policy will be put in place for their first full year in the charity's revised form, the year ending 31 March 2006.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

Charity law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the surplus or deficit of the Charity and the Group for that period. In preparing those financial statements, trustees are required to :

- Select suitable accounting policies and then apply them consistently ;
- Make judgements and estimates that are reasonable and prudent ;
- Follow applicable accounting standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

Approved by the Board on 21.03.06

and signed on their behalf by :



Trustee





**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BOOTSTRAP COMPANY LIMITED**

---

We have audited the financial statements of Bootstrap Company Limited for the year ended 31 March 2004 which comprise the consolidated Statement of Financial Activities, the Balance Sheets, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of Bootstrap Company Limited for the purposes of Company Law.

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 Trustees' Report is not consistent with the financial statements, if the charitable 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or apparent material inconsistencies with the financial statements.

**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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 charitable company's and of the group's affairs as at 31 March 2004 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*haysmacintyre*  
**haysmacintyre**  
**Chartered Accountants**  
**Registered Auditors**

*27<sup>th</sup> March 2006*

**Fairfax House**  
**15 Fulwood Place**  
**London, WC1V 6AY**

**BOOTSTRAP COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 MARCH 2004**

	Notes	Unrestricted Funds £	Restricted Funds £	2004 Total £	2003 Total £
<b>INCOMING RESOURCES</b>					
Donations		250	3,801	4,051	16,086
<b>Activities in furtherance of the charitable Objectives:</b>					
Grants		171,836	898,449	1,070,285	1,042,445
European Social Fund Grants		-	24,476	24,476	40,261
Consultancy		-	1,921	1,921	35,408
<b>Activities for generating funds:</b>					
Income of trading company	5	336,331	-	336,331	330,805
Interest receivable		18	-	18	468
Other income	3	112,293	219	112,512	143,222
<b>TOTAL INCOMING RESOURCES</b>		<u>620,728</u>	<u>928,866</u>	<u>1,549,594</u>	<u>1,608,695</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of activities to generate funds:</b>					
Expenses of trading company	5	329,688	-	329,688	321,240
<b>Charitable expenditure:</b>					
Direct charitable expenditure		217,478	961,889	1,179,367	1,162,914
Management and administration		49,171	217,478	266,649	97,549
<b>TOTAL RESOURCES EXPENDED</b>	4	<u>596,337</u>	<u>1,179,367</u>	<u>1,775,704</u>	<u>1,581,703</u>
<b>Net incoming resources before transfers</b>		<u>24,391</u>	<u>(250,501)</u>	<u>(226,110)</u>	<u>26,992</u>
Transfers	11	(285,864)	285,864	-	-
<b>Movement in funds for the year</b>		<u>(261,473)</u>	<u>35,363</u>	<u>(226,110)</u>	<u>26,992</u>
Funds brought forward		117,929	681,504	799,433	772,441
<b>FUNDS CARRIED FORWARD</b>		<u>£(143,544)</u>	<u>£716,867</u>	<u>£573,323</u>	<u>£799,433</u>

There were no recognised gains and losses other than those disclosed in the above Statement of Financial Activity.

The notes on pages 11 to 17 form part of these financial statements.


The activities of the trading company disclosed above ceased on 31 March 2005.

**BOOTSTRAP COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 MARCH 2004**

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	1,385,515	1,451,842
<b>CURRENT ASSETS</b>			
Debtors and prepayments	8	218,219	377,093
Cash at bank and in hand		3,629	12,053
		<u>221,848</u>	<u>389,146</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(464,198)</u>	<u>(407,132)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(242,350)</u>	<u>(17,986)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,143,165	1,433,856
<b>CREDITORS: amounts falling due after more One year</b>	10	<u>(569,842)</u>	<u>(634,423)</u>
<b>NET ASSETS</b>		<u><u>£573,323</u></u>	<u><u>£799,433</u></u>
<b>FUNDS</b>			
Restricted fund	11	716,867	681,504
Unrestricted funds:			
General	12	(143,544)	115,646
Trading subsidiary reserves	12	-	2,283
		<u><u>£573,323</u></u>	<u><u>£799,433</u></u>

The notes on pages 11 to 17 form part of these financial statements.

Approved by the board of directors on 21.03.06 and signed on their behalf by:

  
**Director**



**BOOTSTRAP COMPANY LIMITED**

**BALANCE SHEET**

**AT 31 MARCH 2004**

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	1,378,393	1,433,498
Investment in subsidiary at cost	7	1,000	1,000
		<u>1,379,393</u>	<u>1,434,498</u>
<b>CURRENT ASSETS</b>			
Debtors and prepayments	8	204,263	374,413
Cash at bank and in hand		644	130
		<u>204,907</u>	<u>374,543</u>
<b>CREDITORS : amounts falling due within one year</b>	9	<u>(441,135)</u>	<u>(377,468)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(236,228)</u>	<u>(2,925)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,143,165</u>	<u>1,431,573</u>
<b>CREDITORS : amounts falling due after more than one year</b>	10	<u>(569,842)</u>	<u>(634,423)</u>
<b>NET ASSETS</b>		<u><u>£573,323</u></u>	<u><u>£797,150</u></u>
<b>FUNDS</b>			
Restricted fund	11	716,867	681,504
Unrestricted funds:	12		
General		(143,544)	115,646
		<u><u>£573,323</u></u>	<u><u>£797,150</u></u>

The notes on pages 11 to 17 form part of these financial statements.

Approved by the board of directors on **21.03.06** and signed on their behalf by :

*AY Chaudhri*

Director

*R. J. J. J.*

# **BOOTSTRAP COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2004**

---

### **1. ACCOUNTING POLICIES**

#### **Accounting Basis**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The financial statements are prepared in accordance with the Statement of Recommended Practice (Accounting by Charities) SORP 2000, and Companies Act 1985.

#### *Going concern*

The accounts have been prepared on a going concern basis – see note 9.

#### **Consolidation Basis**

The consolidated financial statements include the financial statements of the Charity together with its wholly owned subsidiary undertaking, Bootstrap Services Limited, made up to the balance sheet date. The charity has taken advantage of Section 304 of SORP 2000 and has not prepared a separate Statement of Financial Activities.

The company has taken advantage of the exemption in Financial Reporting Standard 1, from presenting a cash-flow statement as it qualifies as a small company.

#### **Restricted Funds**

The 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 these funds, together with a reasonable allocation of management and administration costs.

#### **Unrestricted Funds**

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

#### **Donations and gifts**

Income received by way of donations and gifts is included in the Statement of Financial Activities when received.

#### **Revenue Grants**

Revenue grants are credited to incoming resources in the period for which they are received. Revenue grants are deferred where the income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

#### **Resources Expended**

All expenditure is accounted for on the accruals basis. Staff costs are allocated to activities on the basis of time spent on those activities.

Administration costs relate to expenditure incurred on the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

#### **Operating leases**

The costs of operating leases are charged to the Statement of Financial Activities in the period to which they relate.

**BOOTSTRAP COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 MARCH 2004****1. ACCOUNTING POLICIES (continued)****Depreciation and Amortisation**

The costs of fixed assets are written off on a straight line basis over their useful lives, as follows :

Lift installation	12 years
Computer equipment	3 years
Fixtures and fittings	4 years
Leasehold property	by equal instalments over the remaining period of the lease.

**Leasehold assets**

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

**Capital grants**

Capital grants are included within restricted funds.

**Pension scheme**

The charity contributes to personal pension policies set up by its employees. The costs are charged to the Statement of Financial Activities when they fall due.

**2. STAFF NUMBERS AND COSTS**

	<b>2004 Number</b>	<b>2003 Number</b>
(a) The number of employees during the year were as follows :	<u>33</u>	<u>29</u>
(b) No employee received remuneration exceeding £50,000 during the year (2003: Nil)		
	<b>2004 £</b>	<b>2003 £</b>
Wages and salaries	644,527	668,331
Social security costs	66,156	59,683
Pension costs	58,826	53,967
	<u>£769,509</u>	<u>£781,981</u>

The directors of the company, who are also the trustees, received no remuneration from the company in either year.

During the year reimbursable expenses of £Nil (2003: £Nil) was paid to trustees for travelling expenses.

**BOOTSTRAP COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2004**

**3. NET MOVEMENT IN FUNDS FOR THE YEAR**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditors' remuneration for audit	7,500	7,000
Auditors' remuneration for other services	18,336	22,546
Operating leases	21,848	17,465
Leasehold amortisation	40,709	50,661
Depreciation of fixed assets	82,712	67,213
	<u>          </u>	<u>          </u>
Other income consisted of:		
Rental and training income	96,000	99,859
ReBoot Sales	8,770	15,155
Room hire	6,495	26,085
Other income	1,247	2,123
	<u>          </u>	<u>          </u>
	<b>£112,512</b>	<b>£143,222</b>
	<u>          </u>	<u>          </u>

**4. ANALYSIS OF EXPENDITURE**

	<b>Salaries</b>	<b>Depreciation</b>	<b>Other</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Costs of activities to generate funds:				
Expense of trading company	48,424	11,222	270,042	329,688
Charitable expenditure:				
Direct charitable expenditure	586,409	94,951	498,007	1,179,367
Management and administration	134,675	17,248	114,726	266,649
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditure</b>	<b>£769,508</b>	<b>£123,421</b>	<b>£882,775</b>	<b>£1,775,704</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Other expenditure consists of:

	<b>£</b>
Rent, rates & insurance	113,630
Printing, publicity, annual review & 25 <sup>th</sup> anniversary event	33,520
Recruitment & other staff-related costs	48,632
Repairs & maintenance & other premises costs	110,039
Heat & light	28,207
Post, stationery, telephone, photocopier	67,915
Training & beneficiary related costs	382,500
Office equipment & other running costs	21,839
Audit, legal & other professional fees	31,930
Bank charges & loan interest	44,563
	<u>          </u>
	<b>£882,775</b>
	<u>          </u>

**BOOTSTRAP COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**YEAR ENDED 31 MARCH 2004**
**5. RESULTS FROM TRADING SUBSIDIARY**

Bootstrap Services Limited is a wholly owned trading subsidiary of Bootstrap Company Limited incorporated in the UK. The company covenants its taxable profits to Bootstrap Company Limited. See further note 15.

	2004 £	2003 £
<b>Sales</b>	336,331	330,805
Cost of sales	(210,778)	(228,601)
<b>Gross profit</b>	125,553	102,204
Admin expenses	(119,084)	(92,639)
Interest receivable	174	195
<b>Profit on ordinary activities</b>	6,643	9,760
Deed of Covenant	(8,926)	(9,760)
<b>Net result</b>	£(2,283)	£-

**6. FIXED ASSETS**

<b>GROUP</b>	<b>Leasehold Property £</b>	<b>Lift Installations £</b>	<b>Fixtures and Fittings £</b>	<b>Computers &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1st April 2003	1,481,700	60,486	122,035	112,578	1,776,799
Additions during the year	16,057	-	5,813	35,224	57,094
Disposals during the year	-	-	-	-	-
At 31 March 2004	1,497,757	60,486	127,848	147,802	1,833,893
<b>Depreciation</b>					
At 1st April 2003	110,812	30,243	87,753	96,149	324,957
Charged during the year	40,709	5,041	31,962	45,709	123,421
At 31 March 2004	151,521	35,284	119,715	141,858	448,378
<b>Net Book Value</b>					
At 31 March 2004	£1,346,236	£25,202	£8,133	£5,944	£1,385,515
At 31 March 2003	£1,370,888	£30,243	£34,282	£16,429	£1,451,842
<b>CHARITY</b>					
<b>Cost</b>					
At 1st April 2003	1,481,700	60,486	77,148	101,902	1,721,236
Additions during the year	16,057	-	5,813	35,224	57,094
Disposals during the year	-	-	-	-	-
At 31 March 2004	1,497,757	60,486	82,961	137,126	1,778,330
<b>Depreciation</b>					
At 1st April 2003	110,812	30,243	61,210	85,473	287,738
Charged during the year	40,709	5,041	20,740	45,709	112,199
At 31 March 2004	151,521	35,284	81,950	131,182	399,937
<b>Net Book Value</b>					
At 31 March 2004	£1,346,236	£25,202	£1,011	£5,944	£1,378,393
At 31 March 2003	£1,370,888	£30,243	£15,938	£16,429	£1,433,498

All tangible fixed assets are for the charity's own use.



**BOOTSTRAP COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2004**

<b>7. INVESTMENTS</b>	<b>2004 £</b>	<b>2003 £</b>
<b>Total Market Value</b>	<b>£1,000</b>	<b>£1,000</b>
<b>Investments in subsidiary undertaking at cost</b>	<b>£1,000</b>	<b>£1,000</b>

Bootstrap Company Limited owns 100% of the share capital of Bootstrap Services Limited. The net assets of the subsidiary at 31 March 2004 were £1,000.

<b>8. DEBTORS</b>	<b>Group</b>		<b>Charity</b>	
	<b>2004 £</b>	<b>2003 £</b>	<b>2004 £</b>	<b>2003 £</b>
Trade debtors	32,740	49,387	10,008	40,048
European Social Fund Grant Receivable	13,705	32,558	13,705	32,558
Grants receivable	155,238	270,771	155,238	270,771
Due from subsidiary undertaking	-	-	8,926	9,760
Prepayments and accrued income	16,536	24,377	16,386	21,276
	<b>£218,219</b>	<b>£377,093</b>	<b>£204,263</b>	<b>£374,413</b>

**9. CREDITORS : Amounts falling due with one year**

Bank overdraft	99,879	48,838	91,427	48,838
Bank loan	62,548	56,562	62,548	56,562
Accruals and deferred income	275,961	266,729	232,336	217,648
Other taxes and social security	25,810	35,003	17,525	54,420
Due to subsidiary undertaking	-	-	37,299	-
	<b>£464,198</b>	<b>£407,132</b>	<b>£441,135</b>	<b>£377,468</b>

The charity obtained an increase in its bank overdraft facility from £20,000 to £200,000 in July 2004 (secured on the charity's premises) repayable on demand to meet its day to day working capital requirements. Interest on the overdraft was charged at 2% over bank base rate. The charity expected to operate within the facility but it became apparent in early 2005 that this would not be possible. Further finance was declined. A re-organisation took place as disclosed in the Trustees report and in note 15. Following the revaluation of the properties and the assistance of the Environment Trust the charity was able to refinance and meet creditor's demands. The current facility of £1.45m is in place and based on the estimates of income and expenditure provided by the trustees, they believe that the charity is able to operate within the revised facility for a period of one year from the date of this report.

**BOOTSTRAP COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**YEAR ENDED 31 MARCH 2004**

10. CREDITORS : Amounts falling due in more than one year	Group		Charity	
	2004	2003	2004	2003
Bank loan	569,842	£634,423	569,842	£634,423
Analysis of loan repayments:				
Within one year	62,548	56,562	62,548	56,562
Between one and two years	63,461	59,774	63,461	59,774
Between two and five years	214,850	202,368	214,850	202,368
After five years	291,531	372,281	291,531	372,281
	632,390	690,985	632,390	690,985
Amounts falling due within one year	(62,548)	(56,562)	(62,548)	(56,562)
	£569,842	£634,423	£569,842	£634,423

The loan was secured on the company's leasehold property, and interest was charged at between 2% and 4% above the bank base rate. Per note 9 a refinancing was agreed with the bank in early 2005. The facility is currently £1.45m repayable at the end of the ten year term with interest payable at 1.7% over base.

**11. RESTRICTED FUNDS**

	Brought forward	Incoming resources	Resources Expended	Transfers	Carried forward
	£	£	£	£	£
Capital Fund	665,313	35,000	(11,107)	-	689,206
Project Funds:					
DFES/CFLI	-	83,469	(81,317)	-	2,152
Clapton Park Employment Skills	802	-	-	-	802
Youth Based Training (Changing Faces)	-	177,322	(294,052)	116,730	-
Keyworker	-	61,750	(80,714)	18,964	-
Woodbury Downs ESOL	-	15,035	(19,252)	4,217	-
ReBoot	-	47,000	(71,928)	24,928	-
Learning Trust	-	128,262	(190,147)	61,885	-
U25's Employment Advice	965	-	-	-	965
Belcuda (Inc. Lottery Funding) and Financial Literacy Skills Hackney	6,312	17,625	(40,130)	16,193	-
ESF Kickstart	-	24,476	(7,767)	-	16,709
CEDA	8,112	145,533	(191,227)	37,582	-
Lambeth/Learning skills council	-	149,223	(154,588)	5,365	-
Learn Direct	-	44,171	(37,138)	-	7,033
	£681,504	£928,866	£(1,179,367)	£285,864	£716,867

The Capital Fund represents capital grants and donations towards to cost of buildings and refurbishments. Depreciation is charged against the fund in accordance with the stated accounting policy for the assets concerned.

The transfer represents the overspend on projects met by unrestricted funds.

**BOOTSTRAP COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2004**

**12. UNRESTRICTED FUNDS**

	Brought forward £	Incoming resources £	Resources Expended £	Transfers £	Carried forward £
General fund	115,646	284,397	(257,723)	(285,864)	(143,544)
Trading Subsidiary	2,283	336,331	(338,614)		-
	<u>£117,929</u>	<u>£620,728</u>	<u>£(596,337)</u>	<u>£(285,864)</u>	<u>£(143,544)</u>

**13. FINANCIAL COMMITMENTS**

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
Expiring within one year	<u>21,848</u>	<u>17,565</u>

**14. ANALYSIS BY FUND**

	Unrestricted Total £	Restricted Funds £	Total Funds £
Fixed assets	762,034	623,481	1,385,515
Other net current assets	(335,736)	93,386	(242,350)
Long term liabilities	(569,842)	-	(569,842)
	<u>£(143,544)</u>	<u>£716,867</u>	<u>£573,323</u>

**15. POST BALANCE SHEET EVENTS**

Post year end as disclosed in the Trustees report the charity has re-organised. The training and enterprise activities of Bootstrap Company Limited were transferred to a newly incorporated charity, Bootstrap Enterprises Limited. Bootstrap Services Limited ceased operations and is currently in the process of being struck off.

The assets of the charity were re-valued at £2.34m and a refinancing package agreed with the bank as disclosed in notes 9 and 10. The Charity now has a new Board of Trustees and is currently in negotiation with the Charity Commission to expand its objects to reflect the change of emphasis to that of a development Trust in addition to its existing activities of education and the relief of poverty.