

HBV enterprise
starting, funding, growing business

HBV Enterprise
A Company Limited by Guarantee
REPORT AND FINANCIAL STATEMENTS

Year ended 30 June 2012

WEDNESDAY



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13/02/2013
COMPANIES HOUSE

Charity Registration No 1104655
Company Registration No 01825391

HBV Enterprise
(A Company Limited by Guarantee)
Contents

Co Number: 01825391

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HBV Enterprise
(A Company Limited by Guarantee)
Legal and Administrative Information

Co Number: 01825391

TRUSTEES

A Balgarnie
BN Marsh
R Abbott (Chief Executive)
AJ Haxby
G Parmar
D Santilale
R Luthra (appointed 22 March 2012)
T Kazempour (resigned 26 July 2011)

SECRETARY

V Abbott (appointed 1 January 2012)
A Fisher (resigned 1 January 2012)

REGISTERED OFFICE

HBV Enterprise Centre
34-38 Dalston Lane
London E8 3AZ

COMPANY REGISTERED NUMBER

01825391

CHARITY REGISTERED NUMBER

1104655

AUDITORS

Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street
London
EC1A 4AB

BANKERS

National Westminster Bank plc
Kingsland
7 Kingsland High Street
London
E8 2QU

The trustees, who are also the directors of the company for the purposes of the Companies Act, submit their report and the financial statements of HBV Enterprise (the company) for the year ended 30 June 2012. The trustees confirm that the report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005, The Charities Act 2011 and The Companies Act 2006. The Trustees are governed by the company's Memorandum and Articles of Association.

AIMS OF THE CHARITY

The principal aim of the charity is to act as an urban regeneration support agency which benefits the public by alleviating unemployment through enterprise means, helping people to change their lives by promoting the development of entrepreneurial thinking and business ideas, building confidence to become employed, self-employed or to start or grow their own business.

Its activities since its inception in 1984 have achieved this through the provision of a mix of start up and micro business support services. Many of the beneficiaries are based in the London Borough of Hackney, which by most measures is Britain's most deprived borough, where the company operates an inclusive range of enterprise services including loan funds. Some of the charity's enterprise support services are also available to businesses based elsewhere in London.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company achieved charitable status on 30 June 2004 and the directors are the trustees of the charity.

Following the decision to increase Board membership in order to enhance its composition and range of skills, new directors are being sought and appointed. All trustee appointments are made by the Board. The Board meets regularly, and reviews strategy at each meeting.

Management is delegated to the Chief Executive, who is also a trustee, who reports on the performance against budgets approved by trustees. The Board receives quarterly management accounts prior to meetings.

The Board regularly reviews an assessment of the risks to which the charity is exposed and the control and reporting procedures to manage and reduce the identified risks. The principal financial risk is the impact of the present uncertain climate for funding start up and micro business support services. This risk is being addressed by managing the business to operate within a suitable level of reserves necessary to provide sufficient flexibility.

New trustees are provided with an induction pack and given a full briefing of the company's operations. All trustees will also attend suitable training courses as required.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the net income or expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this report is approved confirms that

- (a) as far as each director is aware, there is no relevant audit information of which the auditors are unaware, and
- (b) to the best of their knowledge and belief, each director has taken all of the steps that ought to have reasonably been taken as a director, including making appropriate enquiries of fellow directors and of the charity's auditors for that purpose, in order to make themselves aware of any relevant audit information needed by the company's auditors in connection with preparing their report, and to establish that the company's auditors are aware of that information

TRUSTEES

The trustees and secretary at the date of this report and the period under review are set out on page 1. Each trustee is also a director and a member of the company. Each member of the company has guaranteed to contribute a sum not exceeding £1 to the assets of the company in the event of it being wound up and unable to pay its debtors.

PUBLIC BENEFIT

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and strategy and in planning our future activities. In addition to providing services to clients, HBV has maintained links with the community during the year. The review of activities referred to below highlights the achievements made.

BUSINESS REVIEW AND PRINCIPAL ACHIEVEMENTS OF THE YEAR

The company continued its long record of accomplishment in **Enterprise Education**, successfully managing and delivering enterprise support projects, assisting local residents to develop entrepreneurial thinking and business ideas, and entrepreneurs to **start, fund and grow businesses**. The need for support clearly remains very strong, with fewer resources during the year, we still handled almost 5,000 enquiries as the initial step in delivering our various forms of support.

We delivered 1,000 training days and over 1,300 advice sessions, and with virtually zero funding available, we used our own resources to continue to help local **business start-ups**, and in particular the creation of 49 new jobs

In support of our aims to help **fund** local enterprises, we handled over 800 enquiries about raising finance. However, the proportion of clients who went on to raise finance fell in the light of limited availability of commercial finance, coupled with a reduction in the volume of viable finance proposals eligible for support

In terms of stimulating **business growth**, by the end of the year, Hackney Enterprise Network had evidenced that it had helped 55 new business-to-business contracts to be initiated

More than half of the beneficiaries supported by HBV Enterprise during the year were Black, Asian or other Minority Ethnic (BAME)

We recognise the hard work of our staff and associates on a successful year supporting enterprise creation and growth that rose to the increasingly complex challenges of reduced funding for our work, and meeting the needs of our funders and entrepreneurs, which are often not the same. We also wish to acknowledge the continuing support of our funders, sponsors and partners. Further details are available from our website www.hbv.org.uk

PLANS FOR THE FUTURE

Although we have the capability to provide support services across London, our home borough of Hackney remains England's most deprived living environment (source: DCLG, 2008). While employment levels in the borough have risen, local unemployment has remained stubbornly high, and we continue to see enterprise education as a potential means of helping local people help themselves, because the expertise and experience that we have built over the years has helped us develop models for this which work

In the current environment, government spending cuts are increasingly impacting on our ability to win the funding we need to deliver services, so we are developing new models of delivery and funding in order to continue our work into the future. We are therefore drawing on some of our reserves during 2012-13 in order to continue to provide our important community support work while we seek new funders and sponsors

REVIEW OF FINANCIAL POSITION

Income reduced from £604k to £542k (2011 increased from £538k to £604k). Correspondingly, expenses reduced from £591K to £530K (2011 increased from £525k to £591k), resulting in a surplus of £11k (2011 £13k) for the year. The company continues to move towards the financial stability needed to finance operations and face the uncertainties in the funding environment for its services

RESERVES POLICY

The trustees have examined the company's requirements for free reserves in the light of the principal risk facing the organisation i.e. the uncertain funding climate for its services. They previously set a target of 30% to 45% of annual unrestricted income, the current level of free reserves, at £294k is just under 55%. Given the continuing uncertainty of the funding environment, and expected funding reductions outlined in 'Plans for the Future' above, the trustees will review this policy in the light of developments during the forthcoming year

HBV Enterprise
(A Company Limited by Guarantee)
Trustees' Report

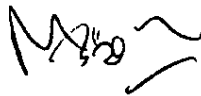
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TANGIBLE FIXED ASSETS

There were no movements in fixed assets during the year

This report has been prepared in accordance with the special provisions of Parts 15 and 16 of the Companies Act 2006 relating to small companies

This report was approved by the trustees on 13/12/2012 and signed on their behalf by



R Abbott

Independent auditors' report to the Members of HBV Enterprise
for the year ended 30 June 2012

We have audited the financial statements of HBV Enterprise for the year ended 30 June 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable 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 auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the report of the Trustees, the Trustees (who are also Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud and error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2012 and of its incoming resources and application of resources including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HBV Enterprise
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Co Number: 01825391

Independent auditors' report to the Members of HBV Enterprise
for the year ended 30 June 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


Stuart Markley, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

14th December, 2012

HBV Enterprise
(A Company Limited by Guarantee)
Statement of Financial Activities
for the year ended 30 June 2012

Co Number: 01825391

	Notes	2012 £	2011 £
Incoming resources			
<i>Incoming resources from generated funds</i>			
Voluntary income	2	5,000	5,000
Investment income	3	6,655	3,064
<i>Incoming resources from charitable activities</i>			
Start up and micro business support services		530,567	596,772
Total incoming resources		<u>542,222</u>	<u>604,836</u>
Resources expended			
Charitable activities			
Staff costs	6,7	373,922	401,508
Other costs		149,180	181,780
Governance costs		7,800	7,925
Total resources expended	4	<u>530,902</u>	<u>591,213</u>
Net incoming resources	5	11,320	13,623
Total funds brought forward		282,795	269,172
Total funds carried forward		<u>294,115</u>	<u>282,795</u>

All activity during the year relates to unrestricted funds

The notes on pages 10 to 15 form part of these financial statements

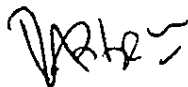
HBV Enterprise
(A Company Limited by Guarantee)
BALANCE SHEET
at 30 June 2012

Co Number 01825391

	Notes	2012 £	2011 £
Fixed Assets			
Tangible assets	8	-	-
Other investments	9	813,951	838,166
Loans	9	(813,951)	(838,166)
		<u>-</u>	<u>-</u>
Current Assets			
Debtors	10	210,573	195,662
Cash at bank and in hand		228,640	324,571
		<u>439,213</u>	<u>520,233</u>
Creditors. Amounts falling due within one year	11	(97,458)	(226,882)
Net Current Assets		<u>341,755</u>	<u>293,351</u>
Total Assets less Current Liabilities		341,755	293,351
Creditors: Amounts falling after more than one year	12	(47,640)	(10,556)
Net Assets		<u>294,115</u>	<u>282,795</u>
Unrestricted Funds		<u>294,115</u>	<u>282,795</u>

These financial statements have been prepared in accordance with the special provisions of Parts 15 and 16 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Trustees on 13/12/2012 and signed on its behalf by



R Abbott

The notes on pages 10 to 16 form part of these financial statements

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements

BASIS OF PREPARATION

These financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005)

FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of HBV Enterprise

Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements

INCOMING RESOURCES

All sources of income are recognised in the year in which entitlement to the income arises. Income (all of which arises in the UK) comprises the invoiced value of goods and services supplied and grants received, net of value added tax and trade discounts together with donations received with respect to the general activities of the venture. Income received in advance for spend in future periods is deferred and shown in creditors.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated on a basis consistent with the use of the resources. Governance costs are those incurred in connection with the management of HBV Enterprise's assets, organisation, administration and compliance with constitutional and statutory requirements.

FIXED ASSETS AND 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

Assets costing under £500 are written off in the year of acquisition.

OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

PENSIONS

The company operates a defined contribution pension scheme for all full-time and part-time staff, including the CEO, but excluding non-executive trustees. 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.

OTHER INVESTMENTS

These represent loans advanced by the company and monies held on deposit. These are financed by loans advanced by third parties. The company administers the loans advanced by the third parties but is not obliged to support any loss or default arising thereon. These monies are repayable to the loan providers only to the extent of the individual loans recovered, being capital and interest. There is no recourse on any other assets to the company. This disclosure is in accordance with the linked presentation provisions of FRS5.

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Co Number: 01825391

TAXATION

The company is an approved enterprise agency and therefore not subject to corporation tax on its normal activities, and registered as a charity and therefore not subject to corporation tax on its charitable activities

2 VOLUNTARY INCOME

	2012 £	2011 £
Donations	5,000	5,000

3 INVESTMENT INCOME

	2012 £	2011 £
Bank interest	6,655	3,064

4 TOTAL RESOURCES EXPENDED

(a) Analysis of total resources expended

	Staff Costs £	Other costs £	Total 2012 £	Total 2011 £
Charitable Activities				
Start up & micro business support services				
Advice and training	373,922	149,180	523,102	583,288
Governance costs	-	7,800	7,800	7,925
	373,922	156,980	530,902	591,213

(b) Analysis of costs

	Support Costs £	Governance £	Total 2012 £	Total 2011 £
Salaries & other staff costs	373,922	-	373,922	401,508
Direct project expenses	38,053	-	38,053	71,958
Occupancy costs	40,166	-	40,166	28,862
Legal & professional	23,111	7,800	30,911	34,265
Quality assurance	805	-	805	955
Other	47,045	-	47,045	53,665
	523,102	7,800	530,902	591,213

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Co Number: 01825391

5 NET INCOMING RESOURCES

	2012 £	2011 £
This is stated after charging		
Auditors' remuneration		
- audit fee	7,800	7,925
Operating leases		
- office rentals	32,500	32,500

6 TRUSTEES' REMUNERATION

As permitted by the Articles of Association, the Chief Executive received remuneration of £80,000 (2011 £93,000) in respect of his role as Chief Executive. None of the other trustees received remuneration (2011 £Nil)

	2012	2011
The number of trustees to whom pension benefits are accruing under money purchase schemes	1	1

The pension contributions paid to money purchase schemes in respect of these trustees was £5,912 (2011 £5,667)

During the year, no trustees received any reimbursement of expenses (2011 £Nil)

7 STAFF COSTS

	2012 £	2011 £
The company employed on average 10 (2011 12) people during the year at a cost of		
Wages and salaries	326,883	352,881
Social security costs	34,916	36,950
Other pension costs	12,123	11,677
	373,922	401,508

The pension costs during the year amounted to £12,123 (2011 £11,677). There were £811 outstanding contributions at the year end (2011 £Nil). One employee received remuneration between £70,001 and £80,000 (2011 one between £90,001 and £100,000).

HBV Enterprise
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Co Number: 01825391

8 TANGIBLE FIXED ASSETS

	<i>Short Leasehold Premises</i>	<i>Computer equipment</i>	<i>Office equipment</i>	<i>Total</i>
	£	£	£	£
Cost				
At 30 June 2011 and 2012	189,785	38,916	26,804	255,505
Depreciation				
At 30 June 2011 and 2012	189,785	38,916	26,804	255,505
Net book value				
At 30 June 2011 and 2012	-	-	-	-

9 OTHER INVESTMENTS

	<i>2012</i>	<i>2011</i>
	£	£
Investments		
Cost		
At 1 July	838,166	889,162
Net movement	(24,215)	(50,996)
At 30 June	813,951	838,166
Loans	813,951	838,166

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

10 DEBTORS

	<i>2012</i>	<i>2011</i>
	£	£
Trade debtors	35,987	20,993
Prepayments and accrued income	174,586	174,669
	210,573	195,662

HBV Enterprise
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Co Number: 01825391

11 (a) CREDITORS Amounts falling due within one year

	2012 £	2011 £
Trade creditors	211	9,069
Other creditors including taxation and social security	1,344	2,911
Accruals and deferred income	95,903	214,902
	<hr/>	<hr/>
	97,458	226,882

11 (b) DEFERRED INCOME

Deferred income brought forward	167,848	82,121
Released from prior years	(98,721)	(8,750)
Incoming resources deferred	-	94,477
	<hr/>	<hr/>
Deferred income carried forward	69,127	167,848

12 (a) CREDITORS Amounts falling due after one year

	2012 £	2011 £
Accruals and deferred income	47,640	10,556
	<hr/>	<hr/>
	47,640	10,556

12 (b) DEFERRED INCOME

Deferred income brought forward	10,556	10,556
Released from prior years	(10,556)	-
Incoming resources deferred	47,640	-
	<hr/>	<hr/>
Deferred income carried forward	47,640	10,556

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Co Number: 01825391

13 STATEMENT OF FUNDS

	<i>At 1 July 2011 £</i>	<i>Income £</i>	<i>Expenses £</i>	<i>At 30 June 2012 £</i>
Unrestricted Funds				
General funds				
Start Up & Micro Services	282,795	542,222	530,902	294,115
Total Unrestricted funds	282,795	542,222	530,902	294,115

14 OTHER FINANCIAL COMMITMENTS

At 30 June the company was not committed to making any payments under non-cancellable operating leases. The lease on the premises expired in January 2011. The company has the right to renew the lease and is renegotiating with the landlord. At present the company continues to pay rent under the previously agreed lease terms of £32,500 per annum.