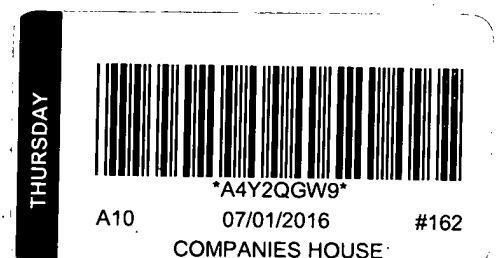


HBV enterprise
starting, funding, growing business

HBV Enterprise
A Company Limited by Guarantee
REPORT AND FINANCIAL STATEMENTS

Year ended 30 June 2015



Charity Registration No. 1104655 Company Registration No. 01825391

HBV Enterprise
(A Company Limited by Guarantee)
Contents

Co Number: 01825391

	Page
Legal and administrative information	1
Trustees' report	2
Auditors' report	6
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10

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

Co Number: 01825391

TRUSTEES

AJ Haxby
R Abbott (Chief Executive – resigned 31 August 2015)
A Baggins
BN Marsh
G Parmar (resigned 28 October 2014)
C Pollard
D Santilale
V Abbott (appointed 29 October 2015)

SECRETARY

V Abbott

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

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

Co Number: 01825391

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 2015. 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 disadvantage and 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 the country'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 to review both strategy and performance.

Management is delegated to the operations team, who report on the performance against budgets approved by Trustees. The Board receives the latest management accounts and performance data prior to its 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 achieve the minimum level of reserves necessary to provide sufficient flexibility and by seeking alternative sources of funding.

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;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 proper and 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 AUDITOR

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 auditor is 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 auditor for that purpose, in order to make themselves aware of any relevant audit information needed by the company's auditor in connection with preparing their report, and to establish that the company's auditor is 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 creditors.

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 charity continued its record of accomplishment in successfully managing and delivering enterprise support projects, specifically to educate local residents about enterprise, and assisting potential entrepreneurs to start, fund and grow businesses in the commercial, social, community and voluntary sectors. We handled over 3,000 enquiries as the initial step in delivering support. Because our home borough of Hackney remains England's 2nd most deprived local authority area overall, (source: DCLG, 2010) most of our clients are unable to pay for the costs we incur in delivering this support.

Due to the ongoing lack of adequate Government funding for the local, face to face, expert, quality assured support that most of our clients need, we have used a mix of our own resources and funding from trusts and foundations to provide a structured package of free support to our local residents. Building their confidence is a critical part of our work. During the year we added 'Moneywise' to our support offer; this key project helps service users to build their confidence with money matters, and tackle the causes of their financial exclusion. We also completed a pilot programme of support for young people and published a short report on it entitled 'Tomorrow's Entrepreneurs' which is available to download from our website.

Our Finance Service continued to provide loans to viable local enterprises; we have now levered a total of £14.2 million into local small enterprises, enabling them to create and preserve a total of 1,191 jobs.

55% of our service users during the year were Black, Asian or other Minority Ethnic (BAME), 42% were women, and 11% declared a disability or long-term health condition.

We hugely value the hard work of our staff, associates and volunteers in a busy and successful year supporting enterprise education and creation in an increasingly challenging environment which requires us to look for ways to operate even more effectively and broaden our sources of funding. We also wish to acknowledge the continuing support of our supporters, especially the trusts and foundations that have generously funded our work; Comic Relief, The Drapers' Charitable Fund and Lloyds Bank Foundation.

PLANS FOR THE FUTURE

We will concentrate on maintaining and continuing to seek further new and diversified sources of funding for our work, while developing and delivering the support that local people need to help them build the confidence to explore new ways of making positive changes in their lives, and finding routes out of disadvantage.

REVIEW OF FINANCIAL POSITION

Income decreased from £262k to £217k (2014: from £1,149k to £262k). However, 2013 included income of £814k arising from the recognition of funds under long-expired contracts and recorded as a restricted reserve, due to the intention to utilise these funds broadly for their original purpose. Expenditure reduced from £373k to £328k (2014: from £471k to £373k), resulting in a deficit of £111k (2014: £111k) for the year. The cost of managing funds held within the restricted reserve of £63k (2014: £74k) has been recorded as a transfer to unrestricted reserves, resulting in a net deficit on unrestricted funds of £41k for the period (2014: £26k)

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

Co Number: 01825391

RESERVES POLICY

The Trustees have examined the charity's requirements for free reserves in the light of the uncertain funding climate for its services, and set a target of three to six months operating expenditure. The current level of free reserves, at £177k is approximately 62% of current year expenditure. Given the continuing uncertainty of the funding environment, the Trustees consider this level to be appropriate, and will continue to review the level of reserves in the light of developments during the forthcoming year.

TANGIBLE FIXED ASSETS

Movements in tangible fixed assets during the year are shown in note 8.

AUDITORS

Moore Stephens LLP has expressed a willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

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

This report was approved by the Trustees on 11/11 2015 and signed on their behalf by:


V Abbott, Secretary

HBV Enterprise
(A Company Limited by Guarantee)

Co Number: 01825391

Independent auditor's report to the Members of HBV Enterprise
for the year ended 30 June 2015

We have audited the financial statements of HBV Enterprise for the year ended 30 June 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 applicable to Smaller Entities; and
- have been properly prepared in accordance with the Companies Act 2006.

HBV Enterprise
(A Company Limited by Guarantee)

Co Number: 01825391

Independent auditor's report to the Members of HBV Enterprise
for the year ended 30 June 2015

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.

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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Thomas Ward, Senior Statutory Auditor

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

10 December 2015

HBV Enterprise
(A Company Limited by Guarantee)
Statement of Financial Activities
for the year ended 30 June 2015

Co Number: 01825391

	Notes	Restricted Funds 2015 £	Unrestricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	-	-	-	5,044
Investment income	3	-	5,731	5,731	5,064
<i>Incoming resources from charitable activities:</i>					
Start up and micro business support services		40,000	170,843	210,843	252,293
Total incoming resources		40,000	176,574	216,574	262,401
Resources expended					
<i>Charitable activities</i>					
Staff costs	6,7	24,155	196,283	220,438	238,992
Other costs		22,776	79,272	102,048	130,642
Governance costs		-	5,100	5,100	3,600
Total resources expended	4	46,931	280,655	327,586	373,234
Net outgoing resources before transfers	5	(6,931)	(104,081)	(111,012)	(110,833)
Transfers	12	(63,276)	63,276	-	-
Net outgoing resources after transfers		(70,207)	(40,805)	(111,012)	(110,833)
Total funds brought forward		643,711	217,479	861,190	972,023
Total funds carried forward		573,504	176,674	750,178	861,190

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 2015

Co Number: 01825391

	Notes	2015 £	2014 £
Fixed Assets			
Tangible assets	8	2,696	-
Investments			
Programme related investments	9	416,188	443,094
Loans	9	(253,665)	(154,203)
		<u>165,219</u>	<u>288,891</u>
Current Assets			
Debtors	10	24,778	52,751
Cash at bank and in hand		579,592	591,540
		<u>604,370</u>	<u>644,291</u>
Creditors: Amounts falling due within one year	11	(19,411)	(71,992)
Net Current Assets		<u>584,959</u>	<u>572,299</u>
Net Assets	13	<u>750,178</u>	<u>861,190</u>
Restricted Funds	12	573,504	643,711
Unrestricted Funds	12	176,674	217,479
Total Funds		<u>750,178</u>	<u>861,190</u>

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

The financial statements were approved by the Board of Trustees on 11th Nov 2015 and signed on its behalf by

A Haxby 

The notes on pages 10 to 15 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 historical 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, the Trustees 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.

PROGRAMME RELATED INVESTMENTS

Programme related investments are stated at cost less provision for impairment.

Where the investment is supported by a loan advanced by a third party the loan is separately recorded at an amount equal to the investment within investments. The company is not obliged to support any loss or default arising thereon and these monies are repayable to the loan providers only to the extent of the individual loans recovered, being capital and interest. There is no recourse on any other assets of the company. This disclosure is in accordance with the linked presentation provisions of FRS 5.

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

	<i>Restricted 2015 £</i>	<i>Unrestricted 2015 £</i>	<i>Total 2015 £</i>	<i>2014 £</i>
Donations	-	-	-	5,044

3 INVESTMENT INCOME

	<i>Restricted 2015 £</i>	<i>Unrestricted 2015 £</i>	<i>Total 2015 £</i>	<i>2014 £</i>
Bank interest	-	5,731	5,731	5,064

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Co Number: 01825391

4 TOTAL RESOURCES EXPENDED

(a) Analysis of total resources expended

	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Total</i>	<i>Total</i>
	£	£	2015	2014
			£	£
Charitable Activities				
Start up & micro business support services				
Advice and training	220,438	102,048	322,486	369,634
Governance costs	-	5,100	5,100	3,600
	220,438	107,148	327,586	373,234

(b) Analysis of costs

	<i>Support Costs</i>	<i>Governance Costs</i>	<i>Total</i>	<i>Total</i>
	£	£	2015	2014
			£	£
Salaries & other staff costs	220,438	-	220,438	238,992
Direct project expenses	5,382	-	5,382	20,359
Occupancy costs	39,852	-	39,852	41,584
Legal & professional	13,749	5,100	18,849	30,490
Quality assurance	750	-	750	805
Other	42,315	-	42,315	41,004
	322,486	5,100	327,586	373,234

5 NET OUTGOING RESOURCES

	<i>2015</i>	<i>2014</i>
	£	£
This is stated after charging:		
Auditor's remuneration:		
- audit fee	5,100	3,600
Depreciation	300	-
Operating leases		
- office rentals	34,500	34,500

6 TRUSTEES' REMUNERATION

As permitted by the Articles of Association, the Chief Executive received remuneration of £72,550 (2014: £76,000) and a contribution to a money purchase pension scheme of £4,267 (2014: £4,477). None of the other Trustees received remuneration (2014: £Nil).

During the year, no Trustee received any reimbursement of expenses (2014: £Nil).

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Co Number: 01825391

7 STAFF COSTS

	2015 £	2014 £
The company employed on average 5 (2014: 6) people during the year at a cost of		
Wages and salaries	191,318	208,126
Social security costs	17,705	20,177
Other pension costs	11,415	10,689
	<u>220,438</u>	<u>238,992</u>

The pension costs during the year amounted to £11,415 (2014: £10,689). There were £1,436 outstanding contributions at the year end (2014: £589). One employee, who is also a trustee, received remuneration between £70,001 and £80,000 (2014: one between £70,001 and £80,000).

8 TANGIBLE FIXED ASSETS

	Short Leasehold Premises £	Computer equipment £	Office equipment £	Total £
Cost:				
At 1 July 2014	189,785	38,916	26,804	255,505
Additions	-	-	2,996	2,996
At 30 June 2015	<u>189,785</u>	<u>38,916</u>	<u>29,800</u>	<u>258,501</u>
Depreciation:				
Cost:				
At 1 July 2014	189,785	38,916	26,804	255,505
Charge for the year	-	-	300	300
At 30 June 2015	<u>189,785</u>	<u>38,916</u>	<u>27,104</u>	<u>255,805</u>
At 30 June 2015	<u>-</u>	<u>-</u>	<u>2,696</u>	<u>2,696</u>
At 30 June 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Co Number: 01825391

9 PROGRAMME RELATED INVESTMENTS

The company provides loans to fund local enterprises in support of its work in managing and delivering enterprise support projects. These funds are provided by third parties and for the period of the contract the loan provider indemnifies the company against any loss arising due to the non-recovery of the investment. In the previous year the company obtained agreement that the loans provided under contracts that have now expired need not be repaid. Income recognised from the non-repayment of these loans was recorded as restricted income in 2013.

Investments	£
At 1 July 2014	443,094
Movement	(26,906)
At 30 June 2015	416,188

Third party loans	£
At 1 July 2014	154,203
Additions	99,462
At 30 June 2015	253,665

10 DEBTORS

	2015 £	2014 £
Trade debtors	-	3,520
Prepayments and accrued income	24,778	48,675
Other debtors	-	556
	24,778	52,751

11 (a) CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	374	619
Other creditors including taxation and social security	401	-
Accruals and deferred income	18,636	71,373
	19,411	71,992

At the balance sheet date the Company was holding deferred income of £2,830 (2014: £63,616).

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Co Number: 01825391

11 (b) DEFERRED INCOME	2015	2014
	£	£
Deferred income brought forward	63,616	6,640
Released from prior years	(60,786)	(6,640)
Incoming resources deferred	-	63,616
Deferred income carried forward	2,830	63,616

12 STATEMENT OF FUNDS

	<i>At 30 June 2014 £</i>	<i>Income £</i>	<i>Expenses £</i>	<i>Transfer £</i>	<i>At 30 June 2015 £</i>
Restricted Funds					
- Comic Relief	-	40,000	(30,000)		10,000
- Other	643,711	-	(16,931)	(63,276)	563,504
	643,711	40,000	(46,931)	(63,276)	573,504
Unrestricted Funds	217,479	176,574	(280,655)	63,276	176,674
Total Funds	861,190	216,574	(327,586)	-	750,178

Included in restricted funds are amounts in relation to the Comic Relief grant that was not all spent in the year and other amounts relating to the recognition of funds under long-expired contracts. The transfer from the restricted fund to the unrestricted fund represents a management charge for managing programme related investments held as restricted funds following the expiry of the linked loan contracts.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Un- restricted Funds £	Total 2015 £	Total 2014 £
Fixed assets	162,523	2,696	165,219	288,891
Current assets	410,981	193,389	604,370	644,291
Creditors	-	(19,411)	(19,411)	(71,992)
	573,504	176,674	750,178	861,190

14 CAPITAL COMMITMENTS

Amounts contracted for, but not provided in the accounts, amount to £nil (2014: £nil).