



HBV enterprise
starting, funding, growing business

HBV Enterprise
A Company Limited by Guarantee
REPORT AND FINANCIAL STATEMENTS

Year ended 30 June 2017



A20 *A72CBGGH* 23/03/2018 #163
COMPANIES HOUSE

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
Independent Examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8

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

Co Number: 01825391

TRUSTEES

AJ Haxby
D Santilale
V Abbott (Operations Manager)
BN Marsh (resigned 1 July 2016)

SECRETARY

V Abbott

REGISTERED OFFICE

London Small Business Centre
206 Whitechapel Road
London E1 1AA

COMPANY REGISTERED NUMBER

01825391

CHARITY REGISTERED NUMBER

1104655

INDEPENDENT EXAMINER

Ann Mathias FCA
Moore Stephens (South) LLP
Chartered Accountants
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wilts SP1 2TJ

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 2017. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), The Charities Act 2011 and The Companies Act 2006.

AIMS OF THE CHARITABLE COMPANY (the company)

The principal aim of the company 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 has operated an inclusive range of enterprise services including loan funds. Some of the company'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.

All Trustee appointments are made by the Board. The Board meets regularly to review both strategy and performance.

Management is delegated to the Operations Manager, who is also a Trustee, who reports 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 company 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 reducing the level of business activity undertaken by the company.

No new trustees have been appointed during the year and, in the current environment within which the company is operating, it is unlikely induction of new trustees will be necessary and consequently require training. The current trustees continue to keep up to date with developments in the charity sector and focus this on ensuring their knowledge is geared towards the current operational requirements of the company.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of HBV Enterprise for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which 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 income and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

KEY MANAGEMENT

The key management comprise the Trustees and the Operations Manager. None of the trustees, other than the Operations Manager, received any remuneration or reimbursement of expenses. Remuneration of employees is reviewed annually by the group's management with regard to market rates, inflation and affordability.

BUSINESS REVIEW, PRINCIPAL RISKS, GOING CONCERN AND PLANS FOR THE FUTURE

The funding environment for the activities traditionally undertaken by HBV has deteriorated markedly in recent years. As a result, the Trustees have decided that the company can no longer fund its activities going forward and have resolved, once any remaining liabilities have been settled, to distribute the funds remaining on its balance sheet to other organisations whose activities are aligned with the charitable objects of HBV. A process has been undertaken by the Trustees to seek submissions from suitable organisations to apply for grants under the distribution. Following the distribution, the activities of the company will be terminated and appropriate steps taken to de-register with the Charities Commission and thereafter to wind up the company.

In order to facilitate the distribution of the remaining funds, the Trustees have resolved to reclassify the Restricted Reserves of the company to Distributable Reserves. Before taking this decision the Trustees have consulted or taken reasonable steps to consult with those parties who in their view might conceivably have a residual claim over such funds. As no objection to such a reclassification has been forthcoming and a reasonable period of time has elapsed since such enquiries were made, the Trustees consider it appropriate to proceed.

REVIEW OF FINANCIAL POSITION

Income decreased from £39k to £20k (2016 from £217k to £39k). Expenses reduced from £262k to £82k (2016 from £328k to £262k), resulting in a deficit of £62k (2016: £223k) for the year. In arriving at the expenditure for the year, £14k relates to a decrease in the loans provision on the restricted fund. This is the result of the company successfully recovering funds from certain loan debtors, whose debts had previously been provided against. This repayment of these funds to the company has therefore enabled a reversal of those provisions. The cost of managing funds held within the restricted reserve of £50k (2016: £50k) has been recorded as a transfer to unrestricted reserves and is included within the total funds transferred of £497,553.

RESERVES POLICY

The company has historically maintained a level of reserves sufficient to meet its obligations for a period of three to six months. In view of the circumstances referred to in the above paragraphs, the Trustees consider that the company no longer needs to maintain reserves beyond a relatively small amount to meet any contingencies which may arise in the future, pending the dissolution of the company.

TANGIBLE FIXED ASSETS

Movements in tangible fixed assets during the year are shown in note 7.

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 23/2/2018 and signed on their behalf by:

A Haxby, Director



**HBV Enterprise
(A Company Limited by Guarantee)**

Co Number: 01825391

**Independent Examiner's report to the Trustees on the
unaudited accounts of HBV Enterprise
for the year ended 30 June 2017**

I report to the charitable company's trustees on my examination of the accounts of HBV Enterprise for the year ended 30 June 2017.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. My examination has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the Trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with my examination giving me cause to believe that:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the Act 2006; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ann Mathias.....

21 March 2018.....

Ann Mathias FCA,
Moore Stephens (South) LLP, Chartered Accountants
33 The Clarendon Centre, Salisbury Business Park, Dairy Meadow Lane, Salisbury, Wilts SP1 2TJ

Date

HBV Enterprise
(A Company Limited by Guarantee)
Statement of Financial Activities
for the year ended 30 June 2017

Co Number: 01825391

	Notes	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Income					
Investment income	2	-	2,210	2,210	5,225
<i>Income from charitable activities:</i>					
Start up and micro business support services		-	17,469	17,469	33,548
Total income		-	19,679	19,679	38,773
Expenditure					
Expenditure on charitable activities		(13,841)	95,461	81,620	262,160
Total expenditure	3	(13,841)	95,461	81,620	262,160
Net income/(expenditure) and movement in funds before transfers	4	13,841	(75,782)	(61,941)	(223,387)
Transfers	11	(497,553)	497,553	-	-
Net expenditure and movement in funds after transfers		(483,712)	421,771	(61,941)	(223,387)
Total funds brought forward		483,712	43,079	526,791	750,178
Total funds carried forward		-	464,850	464,850	526,791

The notes on pages 8 to 14 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses in the year.

HBV Enterprise
(A Company Limited by Guarantee)
BALANCE SHEET
at 30 June 2017

Co Number: 01825391

	Notes	2017 £	2016 £
Fixed Assets			
Tangible assets	7	-	2,096
Investments			
Programme related investments	8	-	45,550
Loans	8	-	-
		<u>-</u>	<u>47,646</u>
Current Assets			
Investments	8	17,119	-
Programme related investments			
Debtors	9	-	440
Cash at bank and in hand		463,413	496,785
		<u>480,532</u>	<u>497,225</u>
Creditors: Amounts falling due within one year	10	(15,682)	(18,080)
Net Current Assets		<u>464,850</u>	<u>479,145</u>
Net Assets	11/12	<u>464,850</u>	<u>526,791</u>
Restricted Funds	11/12	-	483,712
Unrestricted Funds	11/12	464,850	43,079
Total Funds		<u>464,850</u>	<u>526,791</u>

For the year ended 30 June 2017 the company was entitled to exemption from audit under S477 of the Companies Act 2006 (the Act) relating to small companies. The members have not required the company to obtain an audit of its accounts for the year under S476. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on
and signed on its behalf by

A Haxby



27th February, 2018

The notes on pages 8 to 14 form part of these financial statements.

1. ACCOUNTING POLICIES INCLUDING STATUS OF COMPANY

STATUS OF COMPANY

The company is registered under the Companies Act as a company limited by guarantee and not having share capital. The company is a registered charity (number 1104655). Each member of the company, in the event of it being wound up, has limited liability not exceeding £1 to the assets of the company in the event of it being wound up and unable to pay its creditors. The company meets the definition of a public benefit entity under FRS102.

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

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 (Charities SORP (FRS102)) and the Companies Act 2006.

GOING CONCERN

The Trustees assess whether the use of the going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

As indicated in the Trustees' Report, the funding environment for the activities traditionally undertaken by HBV has deteriorated markedly in recent years. Whilst the restructuring that has taken place in recent years has secured the sustainability of the charity to date, the Trustees have decided that the company can no longer fund its activities going forward. They have resolved, once any remaining liabilities have been settled, to distribute the funds remaining on its balance sheet to other organisations whose activities are aligned with the charitable objects of HBV. A process has been undertaken by the Trustees to seek submissions from suitable organisations to apply for grants under the distribution. Following the distribution, the activities of the company will be terminated and appropriate steps taken to de-register with the Charities Commission and thereafter to wind up the company.

In view of the anticipated closure, consideration has also been given to the carrying values of the assets and liabilities. Due to the simplicity of transactions, within these financial statements and its subsequent period, the Trustees have determined that the carrying values of the assets and liabilities reported remain unchanged other than reclassifying the programme related investments from fixed assets to current assets.

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 an appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements.

ACCOUNTING POLICIES (continued)

INCOME

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.

EXPENDITURE

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered, and recognised when there is a legal or constructive obligation to pay for expenditure. It has been listed under headings that aggregate all the costs related to that activity.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

FINANCIAL INSTRUMENTS

The only financial instruments held by the company are debtors and creditors. These are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at their transaction price less any impairment.

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 Operations Manager, 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.

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Co Number: 01825391

1 ACCOUNTING POLICIES (continued)

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 102. During the year being reported, there were no such loans.

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.

CRITICAL JUDGEMENTS AND ESTIMATES

Since the company is winding down its activities, the Trustees have considered the impact of the carrying values and classification of all assets and liabilities and their effect on the balances carried forward to the year ended 30 June 2018. No significant changes have been required.

2 INVESTMENT INCOME

	<i>Restricted 2017 £</i>	<i>Unrestricted 2017 £</i>	<i>Total 2017 £</i>	<i>2016 £</i>
Bank interest	-	2,210	2,210	5,225

Total unrestricted income including investment income for 2017 is £19,679. For 2016 total income was £38,773, all of which was unrestricted.

3 EXPENDITURE

	<i>Total 2017 £</i>	<i>Total 2016 £</i>
Salaries & other staff costs	71,172	150,681
Direct project expenses	-	3,513
Occupancy costs	10,849	43,202
Legal & professional	5,944	11,626
Other	(6,345)	53,138
	81,620	262,160

Of the 2017 expenditure £95,461 is unrestricted and there is also a credit on restricted expenditure of £(13,841) as a result of a recovery of loans previously provided for. Of the £262,160 expenditure in 2016, £39,792 was charged to restricted funds and £222,368 charged to unrestricted funds.

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Co Number: 01825391

4 NET INCOME/(EXPENDITURE) AND MOVEMENT IN FUNDS

	2017 £	2016 £
This is stated after charging:		
Independent Examiner's fees	3,000	3,000
Depreciation/Disposal of fixed assets	2,097	599
Operating leases		
- office rentals	2,250	26,625

5 TRUSTEES' REMUNERATION

As permitted by the Articles of Association, the Operations Manager, who was appointed a trustee on 29 October 2015, received remuneration of £62,500 in the year to 30 June 2017 (2016: period from 29 October 2015 to 30 June 2016: £41,667) and a contribution to a money purchase pension scheme of £4,167 (2016: £2,778).

No other trustee received remuneration (2016: £Nil).

During the year, no trustee received any reimbursement of expenses (2016: £Nil) for their role as trustee.

6 STAFF COSTS

	2017 £	2016 £
The company employed on average 1 (2016: 3) people during the year at a cost of		
Wages and salaries	62,500	132,902
Social security costs	4,505	11,045
Other pension costs	4,167	6,734
	71,172	150,681

The pension costs during the year amounted to £4,167 (2016: £6,734). There were £486 outstanding contributions at the year end (2016: £486). One employee, who was also a trustee, received remuneration between £60,001 and £70,000 (one employee between £60,001 and £70,000 in 2016).

The company considers its key personnel comprise the Trustees and the Operations Manager. The total employment benefits (including pension and social security costs) paid to the key management personnel were £71,172 (2016: £94,690).

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Co Number: 01825391

7 TANGIBLE FIXED ASSETS

	Short Leasehold Premises	Computer equipment	Office equipment	Total
	£	£	£	£
Cost:				
At 1 July 2016	-	-	2,995	2,995
Written off	-	-	(2,995)	(2,995)
At 30 June 2017	-	-	-	-
Depreciation:				
At 1 July 2016	-	-	899	899
Written back	-	-	(899)	(899)
At 30 June 2017	-	-	-	-
At 30 June 2017	-	-	-	-
At 30 June 2016	-	-	2,096	2,096

8 PROGRAMME RELATED INVESTMENTS

The company provides loans to fund local enterprises in support of its work in managing and delivering enterprise support projects. Third parties had previously provided these funds to the company and, for the period of the contract, the loan provider indemnified the company against any loss arising due to the non-recovery of the investment. In a 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 2016	45,550
Movement	(28,431)
At 30 June 2017	17,119

In view that the loans are to be assigned to a third party in the foreseeable future, they are now shown as current assets.

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Co Number: 01825391

9 DEBTORS

	2017 £	2016 £
Prepayments and accrued income	-	440
	-	440

10 CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	196	1,256
Accruals and deferred income	15,486	16,824
	15,682	18,080

At the balance sheet date the company was holding deferred income of £Nil (2016: £Nil)

11 STATEMENT OF FUNDS

	At 30 June 2016 £	Income £	Expenses £	Transfer £	At 30 June 2017 £
Restricted Funds	483,712	-	13,841	(497,553)	-
Unrestricted Funds	43,079	19,679	(95,461)	497,553	464,850
Total Funds	526,791	19,679	(81,620)	-	464,850

The restricted funds were originally designated as such by resolution of the Trustees in recognition of the purpose to which they were originally received. Since that purpose no longer exists, the Trustees have resolved to reclassify the funds from restricted to unrestricted funds.

HBV Enterprise
(A Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Co Number: 01825391

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Un- restricted Funds £	Total 2017 £	Total 2016 £
Fixed assets	-	-	-	47,646
Current assets	-	480,532	480,532	497,225
Creditors	-	(15,682)	(15,682)	(18,080)
	-	464,850	464,850	526,791

13 CAPITAL COMMITMENTS

Amounts contracted for, but not provided in the accounts, amount to £nil (2016: £nil).