

IEA TRADING LIMITED
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1998

Company Number: 2422882



IEA TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 1998

The directors present their report and the audited financial statements for the year ended 31 March 1998.

Activities and Review

Board Structure

IEA Trading Ltd is a registered company limited by guarantee. It is managed by a voluntary Board with members representing the business community, local authority, voluntary sector and other support organisations. IEA Trading Ltd operates alongside the Islington Enterprise Agency (charitable company) and provides a range of services that fall outside the scope of that company.

IEA Trading Ltd as the Leaseholder

The company holds the head lease of the premises at 64 Essex Road N1. It consists of 7,300 square feet and includes the first floor, ground floor and basement. The planned rent review was completed and the new rent is now £34,900 per annum, fixed for the duration of the current lease, that is until 31 December 2000.

Premises / Utilities management

The company uses the building to provide office accommodation and utilities to agencies working in the social economic development. The current list of tenants is as follows:

- Islington Enterprise Agency Ltd
- Business Link London City Partners
- Islington Chamber of Commerce
- Local Economic Consortium and Capacity Unlimited
- Hackney & Islington Training Partnership
- Cetra-Filef (Italian) Project
- Fashionworks Enterprise Partnership
- Prometheus Consulting
- JSA Consultancy

To support the tenants' daily operations, the company also provides a photocopying service and is responsible for the maintenance of premises. Quarterly tenants' meetings are held to discuss issues concerning the tenants and actions for improvements.

Contracts Management

To provide consultancy work to the University of North London's EDU (Networking for Growth) and support services to Fonthill Road Traders Association (FRTA). It also organises events and seminars.

Future Services

IEA Trading Ltd will explore the possibility of offering computerised payroll and accounts to tenants and other clients. This will require proper training on the current SAGE Sterling. The current Projects Manager is to engage in such training.

IEA TRADING LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

Activities and Review (Continued)

Staffing

Although the current Projects Manager covers the operations of both the trading company and the charitable company, his employment remains with IEA Trading Ltd. Similarly, the Islington Enterprise Agency provides management support to the trading arm by using its core team/ administration.

On-Going Service

All the transactions and operations of IEA Trading Ltd are regarded as continuing during the current year and will remain so in years ahead.

Directors' Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 assume that the company will continue on that basis.

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

Directors and Directors' Interests

The directors during the year and at the date of this report were:

Geoffrey Culverhouse (resigned 12 November 1997)
Armando Pardo
Lynne Burdon
Jennette Golding
Julie Calleux (appointed 19 June 1997)

Sushil Das-Gupta
Derek Sawyer
Sue Bagwell
Peter Gotham
Kevin Campbell (appointed 19 June 1997)

All directors are members of the company and guarantee to contribute a sum not exceeding £1 to the assets of the company in the event of it being wound up or within one year of ceasing to be members. At 31 March 1998 there were 9 members (1997-8). The directors had no beneficial interest in the company.

IEA TRADING LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 1998

Auditors

Sayer Vincent have expressed their willingness to continue as the company's auditors.

This report has been prepared in accordance with the special provisions in part VII of the Companies Act 1985 relating to small companies.

Approved by the directors on 8 July 1998

and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Carlos Benevides', with a large, stylized initial 'C'.

Carlos Benevides - Secretary

AUDITORS' REPORT

TO THE MEMBERS OF

IEA TRADING LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared on the basis of the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an opinion, based on our audit, on those statements and report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

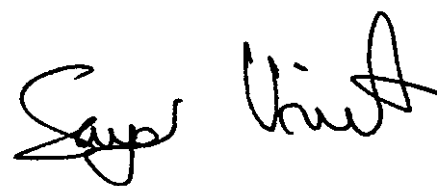
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

14 September 1998

23 Angel Gate
City Road
London EC1V 2SJ



SAYER VINCENT
Chartered Accountants
Registered Auditors

IEA TRADING LIMITED**INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 1998**

		<u>1998</u>	<u>1997</u>
	<u>Notes</u>	£	£
Income			
Rent and Service Charges		90,949	73,186
Bank Interest		1,032	387
Sundry Income		15,929	20,326
Networking Income		<u>4,026</u>	<u>16,293</u>
Total Income	2	<u>111,936</u>	<u>110,192</u>
Expenditure			
Management and Administration		<u>(110,330)</u>	<u>(107,671)</u>
Operating Surplus/(Deficit) for the Year	4	1,606	(2,521)
Taxation	5	<u>1,044</u>	<u>(2,343)</u>
Surplus for the Year		2,650	178
Reserves at 1 April 1997		<u>39,592</u>	<u>39,414</u>
Reserves at 31 March 1998		<u>42,242</u>	<u>39,592</u>

All of the above results are derived from continuing activities.

The company had no recognised gains or losses other than the deficit for the year.

The movement on reserves is shown above.

IEA TRADING LIMITED (Limited by Guarantee)**BALANCE SHEET****AS AT 31 MARCH 1998**

			<u>1998</u>	<u>1997</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible Fixed Assets	6		1,806	<u>7,307</u>
Current Assets				
Debtors	7	19,367		13,380
Cash at Bank and in Hand		<u>26,559</u>		<u>28,584</u>
		45,926		41,964
Creditors: Amounts Falling Due Within One Year	8	(5,490)		(4,576)
Net Current Assets			40,436	<u>37,388</u>
Total Assets Less Current Liabilities			42,242	44,695
Deferred Capital Income	9		-	(5,103)
			<u>42,242</u>	<u>39,592</u>
Reserves				
General Funds			<u>42,242</u>	<u>39,592</u>

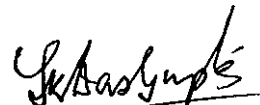
The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the directors

on 8 July 1998 and signed on their behalf by



Peter Gotham - Director



Sushil Das-Gupta - Treasurer

IEA TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

1. Accounting Policies

- a) The financial statements have been prepared in accordance with applicable accounting standards.
- b) Fixed assets costing over £200 are capitalised. Depreciation is provided on fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life as follows:

Leasehold Improvements	- period of lease being 4 years
Office Furniture and Equipment	- 4 years
- c) Capital grants received for the purchase of fixed assets are deferred, and transferred to the income and expenditure account evenly over the lives of the assets.
- d) Revenue grants are included in the income and expenditure account in the period in which they are receivable.
- e) All equipment leases are considered to be operating leases and rentals are charged against revenue when incurred. No assets are held under hire purchase agreements.

2. Income

Income is shown net of VAT.

3. Staff Costs and Numbers

The average weekly number of persons employed by the company during the year was 1 (1997- 1).

	<u>1998</u>	<u>1997</u>
The aggregate payroll costs were as follows:	<u>£</u>	<u>£</u>
Wages	27,012	26,226
Social Security Costs	<u>2,701</u>	<u>2,674</u>
	<u>29,713</u>	<u>28,900</u>

IEA TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

4. Operating Surplus/(Deficit) for the Year

The surplus/(deficit) is shown after charging:	£	£
Operating Leases		
- Equipment	2,925	3,674
- Property	18,060	18,060
Auditors' Remuneration	1,900	2,233
Fees Paid to Directors	NIL	NIL
Depreciation	<u>7,464</u>	<u>15,238</u>

5. Taxation

	£	£
UK Corporation Tax on surplus for the year at 21% (1997 - 24%)	554	2,343
Over Provision in previous year	<u>(1,598)</u>	<u>-</u>
Taxation (credit)/Charge for the year	<u>(1,044)</u>	<u>2,343</u>

6. Tangible Fixed Assets

	Leasehold Improvements	Office Furniture & Equipment	Total
	£	£	£
COST			
At 1 April 1997	54,615	31,457	86,072
Additions	<u>-</u>	<u>1,963</u>	<u>1,963</u>
At 31 March 1998	<u>54,615</u>	<u>33,420</u>	<u>88,035</u>
DEPRECIATION			
At 1 April 1997	47,754	31,011	78,765
Charge for the Year	<u>6,861</u>	<u>603</u>	<u>7,464</u>
At 31 March 1998	<u>54,615</u>	<u>31,614</u>	<u>86,229</u>
NET BOOK VALUE			
At 31 March 1998	<u>-</u>	<u>1,806</u>	<u>1,806</u>
At 31 March 1997	<u>6,861</u>	<u>446</u>	<u>7,307</u>

IEA TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

	<u>1998</u>	<u>1997</u>
7. Debtors	<u>£</u>	<u>£</u>
Trade Debtors	17,592	10,899
Corporation Tax	908	-
Prepayments	867	-
Other Debtors	-	2,481
	<u>19,367</u>	<u>13,380</u>

8. Creditors: Amounts Falling Due Within One Year	<u>£</u>	<u>£</u>
Corporation Tax	-	2,343
Accruals	5,490	2,233
	<u>5,490</u>	<u>4,576</u>

	<u>1998</u>	<u>1997</u>
9. Deferred Capital Income	<u>£</u>	<u>£</u>
Balance at 1 April 1997	5,103	15,308
Transferred to Income and Expenditure Account	(5,103)	(10,205)
Balance at 31 March 1998	-	5,103

10. Commitments Under Operating Leases

The company is committed to annual payments under operating leases which are due to expire:

	<u>1998</u>		<u>1997</u>	
	<u>Equipment</u>	<u>Property</u>	<u>Equipment</u>	<u>Property</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Within 2-5 Years	<u>3,164</u>	<u>18,060</u>	<u>3,674</u>	<u>18,060</u>

IEA TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

11 Related Party Transactions

- (a) Islington Enterprise Agency Limited (IEA), a registered charity and company limited by guarantee is a related party as the two companies have several directors in common.

Material transactions during the year were as follows:

	£
Rent and Office Services Charged to IEA	33,781
Photocopying Charges	1,825
STEP Programme	441
Clothing Programme	<u>5,500</u>
	<u>41,547</u>