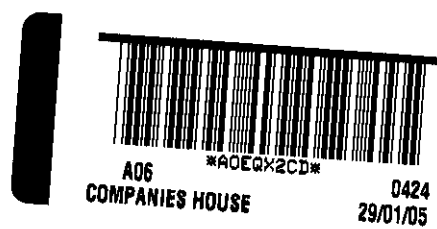


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004
FOR
IEA TRADING LTD**



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004**

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IEA TRADING LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2004**

DIRECTORS:

PG Gotham
L Burdon
H Asmal
J Arnold (resigned 19/05/03)
J Calleux
P M Kalton
A Pardo (resigned 24/03/04)
D Sawyer
B Volland

SECRETARY:

A Pardo (resigned 24/03/04)
M Harris (appointed 15/09/04)

REGISTERED OFFICE:

64 Essex Road
London
N1 8LR

REGISTERED NUMBER:

2422882 (England and Wales)

AUDITORS:

Trustient
Chartered Accountants & Registered Auditors
Buckingham House East
The Broadway
Stanmore
Middlesex
HA7 4EB

IEA TRADING LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report with the financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing managed workspace and office accommodation to agencies working in a social economic development.

BOARD STRUCTURE

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

IEA TRADING LTD AS THE LEASEHOLDER

The company holds the head lease of the premises at 64 Essex road, N1, until 31 December 2006. It consists of 7,000 square feet approximately and includes the first floor, ground floor and basement. The current rent is £87,300 per annum from January 2004, with a rent review on 1 January 2005.

PREMISE/UTILITIES MANAGEMENT

IEA Trading Ltd provides managed workspace and office accommodation to agencies working in social economic development. The list of tenants as at 31 March 2004 is as follows:

Islington Enterprise Agency Limited
Islington Chamber of Commerce
Capacity Unlimited
Cetra-Filef (Italian) Project
Fashionworks Enterprise Partnership
Inxarts
Prometheus Limited
School Governors' One –stop-shop
Tomorrows People T/A Getting London Working

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

FUTURE SERVICES

IEA Trading Ltd will explore the possibility of offering computerized payroll and accounts to tenants and other clients. The current project manager is being trained on Sage Line 50. This will improve the recording of the company's daily transactions and production of regular financial reports.

STAFFING

Although the current deputy 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 Limited (Charity) provides management support to the trading arm by using its core team/administration.

DIRECTORS

The directors during the year under review were:

PG Gotham	
L Burdon	
H Asmal	
J Arnold	- resigned 19.5.03
J Calleux	
P M Kalton	
A Pardo	- resigned 24.3.04
D Sawyer	
B Volland	

IEA TRADING LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2004**

DIRECTORS' INTERESTS

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 within one year of ceasing to be members. At 31 March 2004 there were 7 members (9 during 2003). The directors have no beneficial interest in the company and are not remunerated.

STATEMENT OF 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 affairs of the company and of the profit or loss 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 judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, Trustient, Chartered Accountants & Registered Auditors, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

This report was approved by the directors on 29.01.05 and signed on its behalf by:


.....
Peter Gofham - Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IEA TRADING LTD

We have audited the financial statements of IEA Trading Ltd for the year ended 31 March 2004 on pages five to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the 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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Trustent

Trustent
Chartered Accountants & Registered Auditors
Buckingham House East
The Broadway
Stanmore
Middlesex
HA7 4EB

Date: 28.01.05

IEA TRADING LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004**

		<u>2004</u>	<u>2003</u>
	Notes	£	£
TURNOVER	1	191,957	182,194
Cost of sales		<u>150,228</u>	<u>137,784</u>
GROSS PROFIT		41,729	44,410
Administrative expenses		<u>46,626</u>	<u>41,653</u>
		(4,897)	2,757
Other operating income		<u>86</u>	<u>68</u>
OPERATING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(4,811)	2,825
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(4,811)	2,825
Retained profit brought forward		<u>24,806</u>	<u>21,981</u>
RETAINED PROFIT CARRIED FORWARD		<u>£19,995</u>	<u>£24,806</u>

The notes form part of these financial statements

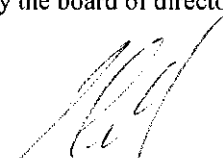
IEA TRADING LTD

**BALANCE SHEET
31 MARCH 2004**

		<u>2004</u>		<u>2003</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		2,044		3,064
CURRENT ASSETS:					
Debtors	5	8,458		26,068	
Cash at bank		<u>23,971</u>		<u>1,732</u>	
		32,429		27,800	
CREDITORS: Amounts falling due within one year	6	<u>(14,478)</u>		<u>(6,058)</u>	
NET CURRENT ASSETS:			<u>17,951</u>		<u>21,742</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£19,995</u>		<u>£24,806</u>
RESERVES:					
Profit and loss account			<u>19,995</u>		<u>24,806</u>
			<u>£19,995</u>		<u>£24,806</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the board of directors on 28.3.04 and signed on its behalf by:


.....
Peter Gotham - Director

The notes form part of these financial statements

IEA TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents amounts receivable for services net of VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- over the term of the lease
Fixtures, fittings and equipment	- 3 years

Leasing

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

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2004 £	2003 £
Depreciation - owned assets	1,020	1,139
Auditors' remuneration-audit services	<u>1,250</u>	<u>1,856</u>
Directors' emoluments	<u>-</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2004 nor for the year ended 31 March 2003.

4. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures, fittings and equipment £	Totals £
COST:			
At 1 April 2003 and 31 March 2004	<u>59,376</u>	<u>6,802</u>	<u>66,178</u>
DEPRECIATION:			
At 1 April 2003	56,313	6,801	63,114
Charge for year	<u>1,020</u>	<u>-</u>	<u>1,020</u>
At 31 March 2004	<u>57,333</u>	<u>6,801</u>	<u>64,134</u>
NET BOOK VALUE:			
At 31 March 2004	<u>2,043</u>	<u>1</u>	<u>2,044</u>
At 31 March 2003	<u>3,063</u>	<u>1</u>	<u>3,064</u>

IEA TRADING LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004****5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade debtors	6803	12,012
Other debtors	1,383	1,813
Amt owed by group undertakings	<u>272</u>	<u>12,243</u>
	<u>8,458</u>	<u>26,068</u>

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade creditors	182	1,086
Other creditors	13,126	3,978
V.A.T.	<u>1,170</u>	<u>994</u>
	<u>14,478</u>	<u>6,058</u>

7. FINANCIAL COMMITMENTS

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

	2004 £	2003 £
Expiry date:		
Within one year	704	576
Between one and two years	89,556	
Between two and five years	<u>-</u>	<u>84,160</u>
	<u>90,260</u>	<u>84,736</u>

8. CONTROL

Islington Enterprise Agency Limited, a registered charity and company limited by guarantee is the ultimate controlling party of IEA Trading Ltd. The two companies have directors in common and are managed on a unified basis.

9. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standards for Smaller Entities (Effective June 2002) from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate controlling company.

10. SHARE CAPITAL

IEA Trading Ltd is a company limited by guarantee. In the event of it being wound up all directors who are also members of the company is liable to a maximum contribution of £1 each.

IEA TRADING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004**

11. STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	Profit & loss account £
Balance at 1 April 2003	24,806
Retained loss for the year	(4,811)
	<hr/>
Balance at 31 March 2004	<u>19,995</u>

IEA TRADING LTD

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004**

	2004		2003	
	£	£	£	£
Sales		191,957		182,194
Cost of sales:				
Postage & stationery	15,381		14,544	
Cleaning & water	13,887		13,099	
Repairs & maintenance	7,033		7,454	
Rent & service charges	<u>113,927</u>		<u>102,687</u>	
		<u>150,228</u>		<u>137,784</u>
GROSS PROFIT		41,729		44,410
Other income:				
Bank interest received		<u>86</u>		<u>68</u>
		41,815		44,478
Expenditure:				
Wages	31,633		29,991	
Social security	3,458		3,123	
Telephone	-		1,424	
Subsistence/traveling	112		-	
Motor expenses	520		-	
Subscription	47		52	
Training, seminar & courses	40		-	
Hire of equipment	-		296	
Auditors remuneration	497		1,856	
Accountancy	-		390	
Legal fees	805		1,999	
Bad debts	7,013		-	
Insurance	545		966	
Sundry expenses	<u>611</u>		<u>246</u>	
		<u>45,281</u>		<u>40,343</u>
		(3,466)		4,135
Finance costs:				
Bank charges		<u>325</u>		<u>171</u>
		(3,791)		3,964
Depreciation:				
Leasehold property	1,020		1,020	
Fixtures, fittings & equipment	<u>-</u>		<u>119</u>	
		<u>1,020</u>		<u>1,139</u>
NET (LOSS)/PROFIT		<u>£(4,811)</u>		<u>£2,825</u>

This page does not form part of the statutory financial statements