

IEA TRADING LIMITED
(Limited by Guarantee)

(formerly The Islington Enterprise Centre Limited)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1996



Company Number: 2422882

IEA TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 1996

The directors present their report and the audited financial statements for the year ended 31 March 1996.

Activities and Review

IEA Trading Ltd (formerly The Islington Enterprise Centre Limited) is a business support organisation for small businesses in Islington. During the first half of the accounting year 1995-96, the company continued with a "One Stop" business support organisation attracting a large number of enquiries. Complete and quick responses were given over the phone and/or by handing over information packs tailored to client's needs. The company's information, referral and signposting services were transferred in September 1995 to the newly established Business Link London & City Partners (BLLCP), whose Islington branch was collocated at the same address as the company.

The transfer of business services to BLLCP was prompted by the Islington Council's decision to divert most of the current "core" grant to BLLCP with effect from 1 September 1995.

Since October, the company has concentrated its efforts to consolidate and develop the Enterprise Centre as a genuine managed workspace facility. Current tenants include Islington Chamber of Commerce, The Local Economic Consortium, Fashionworks, Islington Business Development Agency (IBDA) and BLLCP.

The company holds the lease of the building until September 1997 and is negotiating with the landlord to extend the current lease until December 2000. The landlord has agreed to extend the lease (subject to contract) and a new lease is now being drafted.

Future Developments

During the year, steps were taken to rationalise the operations of the company and IBDA to bring their activities together under common management. The members of IBDA agreed to transfer its operations, assets and liabilities to Islington Enterprise Agency, a registered charity and company limited by guarantee, on 25 March 1996.

On the same date, the company changed its name to IEA Trading Limited. IEA Trading Limited will continue to develop and manage workspaces within the Borough of Islington and undertake consultancy work. The charity will undertake training and development work with Islington based organisations.

Both organisations have the same board of directors.

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;

IEA TRADING LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 1996

Directors' Responsibilities (continued)

- 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 Director's Interests

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

Geoffrey Culverhouse	Janet Wilson	(resigned 25 March 1996)
Charles Flattery	Talal Karim	
Sushil Das-Gupta	Jennette Golding	(resigned 11 May 1995)
Armando Pardo	Derek Sawyer	

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 1996 there were 7 members (1995: 10). The directors had no beneficial interest in the company.

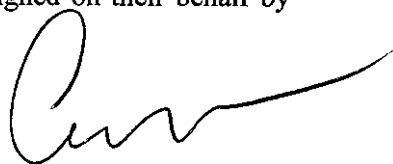
Auditors

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

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

Approved by the directors on 12 September 1996

and signed on their behalf by



Carlos Benavides - Secretary

AUDITORS' REPORT
TO THE MEMBERS OF
IEA TRADING LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared on the basis of the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on pages 1 and 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 1996 and of its deficit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



SAYER VINCENT
Chartered Accountants
Registered Auditors

23 Angel Gate
City Road
London EC1V 2PT

8 October 1996

IEA TRADING LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1996

		Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	1995
	Notes	£	£	£	£	£	£
Income							
Grants	2	32,874	-	32,874	63,628	300	63,928
Rent and Service Charges		87,103	-	87,103	55,955	-	55,955
Advertising Income		-	10,491	10,491	-	10,068	10,068
Bank Interest		1,124	-	1,124	1,427	-	1,427
Sundry Income		<u>2,027</u>	<u>677</u>	<u>2,704</u>	<u>8,038</u>	<u>830</u>	<u>8,868</u>
Total Income	3	123,128	11,168	134,296	129,048	11,198	140,246
Expenditure							
Management and Administration		(119,659)	(34,038)	(153,697)	(131,013)	(35,555)	(166,568)
Operating Surplus/(Deficit) for the Year	5	3,469	(22,870)	(19,401)	(1,965)	(24,357)	(26,322)
Taxation	6	(281)	-	(281)	(357)	-	(357)
Deficit for the Year before Transfers		3,188	(22,870)	(19,682)	(2,322)	(24,357)	(26,679)
Transfers Between Funds		(29)	29	-	12,213	(12,213)	-
Deficit for the Year		3,159	(22,841)	(19,682)	9,891	(36,570)	(26,679)
Reserves at 1 April 1995		<u>26,230</u>	<u>32,866</u>	<u>59,096</u>	<u>16,339</u>	<u>69,436</u>	<u>85,775</u>
Reserves at 31 March 1996		<u>29,389</u>	<u>10,025</u>	<u>39,414</u>	<u>26,230</u>	<u>32,866</u>	<u>59,096</u>

The company had no recognised gains or losses other than the deficit for the year. The movement on reserves is shown above and in note 13.

IEA TRADING LIMITED (Limited by Guarantee)**BALANCE SHEET****AS AT 31 MARCH 1996**

			<u>1996</u>	<u>1995</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible Fixed Assets	7		22,545	<u>40,672</u>
Current Assets				
Debtors	8	20,772		16,335
Cash at Bank and in Hand		<u>14,775</u>		<u>36,775</u>
		35,547		53,110
Creditors: Amounts Falling Due Within One Year	9	<u>3,370</u>		<u>9,173</u>
Net Current Assets			<u>32,177</u>	<u>43,937</u>
Total Assets Less Current Liabilities			54,722	84,609
Deferred Capital Income	10		(15,308)	(25,513)
			<u>39,414</u>	<u>59,096</u>
Reserves	13			
Designated Funds			10,025	32,866
General Funds			<u>29,389</u>	<u>26,230</u>
			<u>39,414</u>	<u>59,096</u>

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that in their opinion the company is entitled to those exemptions.

These financial statements were approved by the Management Committee

on 12 September 1996 and signed on their behalf by


G Culverhouse - Director


S Das-Gupta - Treasurer

IEA TRADING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996

1. Accounting Policies

- a) The accounts have been prepared in accordance with applicable accounting standards.
- b) Designated funds are to be discontinued prior to the merger with IBDA and consequently they have been treated as such in line with Financial Reporting Standard 3: Reporting Financial Performance.
- c) 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 (4 years)
 - Furniture and Fittings - 4 years
 - Office Furniture and Equipment - 4 years
- d) 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.
- e) Revenue grants are included in the income and expenditure account in the period in which they are receivable.
- f) Designated funds are funds which have been earmarked by the directors for particular purposes. Expenditure incurred for each purpose during the life of the project is matched against the fund.
- g) 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.

	<u>1996</u>	<u>1995</u>
2. Revenue Grant	<u>£</u>	<u>£</u>
General Funds		
London Borough of Islington	32,874	63,628
Designated Funds		
The Midland Bank plc	-	300
	<u>32,874</u>	<u>63,928</u>

IEA TRADING LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 1996**

3. Income

Income is shown net of VAT.

4. Staff Costs and Numbers

The average weekly number of persons employed by the company during the year was 1 (1995 - 2).

	<u>1996</u>	<u>1995</u>
The aggregate payroll costs were as follows:	<u>£</u>	<u>£</u>
Wages	32,855	43,102
Social Security Costs	<u>3,333</u>	<u>4,244</u>
	<u>36,188</u>	<u>47,346</u>

5. Operating Deficit

The deficit is shown after charging:	<u>£</u>	<u>£</u>
Other Operating Lease Rentals	5,132	5,141
Auditors' Remuneration	2,850	1,500
Fees Paid to Directors	NIL	2,150
Depreciation	<u>18,804</u>	<u>19,478</u>
and crediting:		
Interest Receivable	<u>1,124</u>	<u>1,427</u>

6. Taxation

	<u>£</u>	<u>£</u>
UK Corporation Tax on profits for the year at 25% (1995 - 25%)	<u>281</u>	<u>357</u>

IEA TRADING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996

7. Tangible Fixed Assets

	<u>Leasehold Improvements</u>	<u>Office Furniture & Equipment</u>	<u>Total</u>
	£	£	£
COST			
At 1 April 1995	54,615	30,780	85,395
Additions	<u>-</u>	<u>677</u>	<u>677</u>
At 31 March 1996	<u>54,615</u>	<u>31,457</u>	<u>86,070</u>
DEPRECIATION			
At 1 April 1995	20,300	24,423	44,723
Charge for the Year	<u>13,727</u>	<u>5,077</u>	<u>18,804</u>
At 31 March 1996	<u>34,027</u>	<u>29,500</u>	<u>63,527</u>
NET BOOK VALUE			
At 31 March 1996	<u>20,568</u>	<u>1,957</u>	<u>22,545</u>
At 31 March 1995	<u>34,515</u>	<u>6,357</u>	<u>40,672</u>

8. Debtors

	<u>1996</u>	<u>1995</u>
	£	£
Trade Debtors	20,035	16,335
Prepayments	<u>737</u>	<u>-</u>
	<u>20,772</u>	<u>16,335</u>

9. Creditors: Amounts Falling Due Within One Year

	<u>£</u>	<u>£</u>
Corporation Tax	281	357
Other Taxes and Social Security Costs	739	2,792
Other Creditors	-	3,324
Accruals	<u>2,350</u>	<u>2,700</u>
	<u>3,370</u>	<u>9,173</u>

IEA TRADING LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 1996**

	<u>1996</u>	<u>1995</u>
10. Deferred Capital Income	<u>£</u>	<u>£</u>
Balance at 1 April 1995	25,513	36,406
Transferred to Income and Expenditure Account	(10,205)	(10,893)
Balance at 31 March 1996	<u>15,308</u>	<u>25,513</u>

11. Commitments Under Operating Leases

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

	<u>£</u>	<u>£</u>
Within One Year	5,674	-
Within 2-5 Years	<u>-</u>	<u>5,674</u>

12. Related Party Transactions

- (a) Islington Enterprise Agency (a registered charity and company limited by guarantee) is a related party as the companies have common directors. There were no material transactions with the company during the year.
- (b) Islington Business Development (IBDA) is a related party as the companies have 2 common directors and IBDA transferred its assets and liabilities to Islington Enterprise Agency (see (a) above) on 25 March 1996.

Material transactions during the year were as follows:

	<u>£</u>
Rent and Office Service Charges charged to IBDA	<u>46,271</u>

IEA TRADING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996

13. Reserves

	At 1 April 1995	Grants Receivable	Other Income Receivable	Management and Administrative Expenditure	Taxation	Transfer Between Funds	At 31 March 1996
	£	£	£	£	£	£	£
<u>Designated Funds</u>							
To Launch and Run Business Magazine	6,492	-	10,491	(19,838)	-	2,855	-
To Provide a Business Database	16,349	-	677	(14,200)	-	(2,826)	-
To Provide a Business Information Point	<u>10,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,025</u>
	32,866	-	11,168	(34,038)	-	29	10,025
<u>General Funds</u>	<u>26,230</u>	<u>32,874</u>	<u>90,254</u>	<u>(119,659)</u>	<u>(281)</u>	<u>(29)</u>	<u>29,389</u>
	<u>59,096</u>	<u>32,874</u>	<u>101,422</u>	<u>(153,697)</u>	<u>(281)</u>	<u>-</u>	<u>39,414</u>