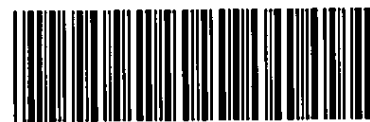


**INNOVATIVE ENTERPRISE ACTION LIMITED**  
**(formerly Islington Enterprise Agency Limited)**  
**(A Company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

THURSDAY



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COMPANIES HOUSE

**Company No: 3169990**  
**Charity No: 1053819**

# **INNOVATIVE ENTERPRISE ACTION LIMITED**

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## INNOVATIVE ENTERPRISE ACTION LIMITED

### LEGAL AND ADMINISTRATIVE INFORMATION

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**Legal status**

The organisation is a charitable company limited by guarantee and as such is governed by its Memorandum and Articles of Association. The company was incorporated on 8 March 1996 and registered as a charity on 19 March 1996.

**Directors and trustees**

Ian Lush	Appointed 27 September 2006
Dee Patton	Appointed 27 September 2006
Peter Gotham	Chair/Treasurer, Resigned 27 September 2006
Lynne Burdon	Resigned 28 September 2005
Hassan Asmal	Resigned 6 March 2006
Peter Matland Kalton	Resigned 21 June 2006
Brigitte Voland	Chair
Daniel Brown	Appointed 6 April 2005, Resigned 27 September 2006

**Company Secretary**

Marcia Harris

Appointed September 2004

**Company Number**

3169990 (England and Wales)

**Charity Number**

1053819

**Registered Office**

64 Essex Road  
London  
N1 8LR

**Auditors**

haysmacintyre  
Chartered Accountants & Registered Auditors  
Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

**Bankers**

Co-operative Bank  
1 Islington High Street  
London  
N1 9TR

## **INNOVATIVE ENTERPRISE ACTION LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006**

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The trustees present their report and the audited financial statements for the year ended 31 March 2006

#### **STRUCTURE AND GOVERNANCE**

Innovative Enterprise Action Limited (IEA) is managed by a Board of Trustees (The Board) made up of up to 9 members, who meet quarterly (On 28 September 2005, the Members of the Company passed a resolution revising Clause 26 of the Articles of Association to read as follows Unless otherwise determined by a General Meeting, the number of members of the Board shall be not less than three nor more than nine ) The Board appoints a Chief Executive who, together with a team of professionals, manages the day-to-day operations of the charity

#### **RELATED PARTIES**

The charity has a very close relationship with its trading subsidiary - IEA Trading Ltd - which is a company limited by guarantee wholly controlled by the charity The results of the IEA Trading Ltd have been consolidated into the Statement of Financial Activities on a line-by-line basis A summary of the IEA Trading Ltd results has also been included in note 14 to the financial statements

In September 2005, the Members of IEA (charity) at the Exceptional General Meeting of 28 September 2005 set up a new trading subsidiary, called IEA Social Enterprises, for the purpose of operating various social enterprises to be used for hands-on training in enterprise skills and to bring in new sources of revenue to IEA (charity)

#### **RECRUITMENT AND APPOINTMENT OF TRUSTEES**

New trustees are recruited by existing trustees and the Chief Executive to represent various aspects of the organisation's work The Board then votes on the appointment of new candidates for trustees

New trustees receive an induction pack, and ongoing training as appropriate, offered by various organisations providing training to charity sector trustees

#### **RISK MANAGEMENT**

The trustees have carried out an analysis of the major risks that the organisation faces The charity has developed systems to monitor and control these risks and to mitigate any impact that they may have on the agency in the future

#### **CHARITABLE OBJECTS**

Innovative Enterprise Action (IEA) provides enterprise and related enterprise development support in order to achieve social and economic outcomes of inclusion and regeneration In brief, its broad mission is regeneration through strategic enterprise development, with a more narrowly defined mission of enabling individuals and groups from various disadvantaged population groups to acquire the skills to develop and run enterprises

##### **Summary of Objectives**

IEA received confirmation from the Charity Commission on 14<sup>th</sup> June 2005 to expand its objects and its area of service, in response to a recommendation from the Charity Commission that it do so. In March 2005, the Board passed a resolution revising the Memorandum of Association to read as follows, subject to the written consent of the Charity Commissions for England and Wales

All or any of the following means establishes the Association for the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation in the Greater London area

- 1 the advancement of education, training or retraining, particularly by the provision of vocational training and courses in literacy and numeracy and particularly among unemployed people, and providing unemployed people with work experience,
- 2 the relief of poverty and the provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed and other disadvantaged people in cases of financial or other charitable need through help (i) in setting up their own business, or (ii) in running existing businesses,
- 3 the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms,

## **INNOVATIVE ENTERPRISE ACTION LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006**

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- 4 improvement of the efficient application of resources for charitable purposes by the provision of advice to community groups and the development of social enterprises, and
- 5 such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales

#### **Aims**

In order to achieve its objectives, IEA aims to deliver funded projects that support enterprise development in strategically identified market sectors, reducing social and economic exclusion among disadvantaged populations, primarily women, black, Asian and minority ethnic groups including refugees (BAME) and regenerating deteriorated neighbourhoods of London through providing enterprise training, support & area development

IEA has targeted related to three primary industry sectors of focus, as well as focus on social enterprise development. The three target sectors are

- 1 Retail, including restaurants & pubs
  - 2 Creative industries
  - 3 'Sustainability' industries (such as sustainable construction, alternative energy and various 'green' enterprises) and to improving access to
    - ☐ business advice
    - ☐ finance
    - ☐ assets
- for start-up and trading SMEs developed by the disadvantaged population groups listed above

IEA is also increasingly involved in the development and management of social enterprises that deliver market-competitive services in strategically identified market sectors while training and employing members of disadvantaged populations and supporting the regeneration of deteriorated areas

#### **Sample Charity Services (Current and Planned)**

- Enterprise skills training including hands-on social enterprise management
- Access to training and enterprise development in media, construction & other enterprise - sectors in which women and BME groups are under-represented
- Loan fund, borrower support
- New models for providing business advice

The trading company controlled by the charity delivers funded and fee-for-service general business advice and training to pre-start, start-up and trading SMEs, social and community enterprises in Islington and provides serviced, managed business space to not-for-profit organisations

The activities of IEA have been grouped into two major categories

- 1 Community Development, which includes the work with voluntary sector organisations around the development of consortia to design and deliver collaborative projects like SIED, PRESTO and WHAM, as well as our internal internship programme, in which university students, graduates and postgraduates volunteer as interns in our community development projects
- 2 Small Business Support, which includes projects offering general business advice and business training, and our industry sector focused business advice and training for the retail, creative industries and 'sustainability' sectors, support for social enterprises and STEP (a scheme placing university students in small businesses)

#### **Main objectives for the year and strategies for achieving objectives**

- To expand into the construction sector through effective delivery of the BuildUP programme
- To expand services for women, refugees and asylum seekers through the EASI, PRESTO and WHAM programmes
- To increase services to small businesses through the development of a loan fund
- To continue effective delivery and project management of various programmes

**COMMUNITY DEVELOPMENT**

**EASI (Empowering Asylum Seekers to Integrate)**

The EASI partnership, led by Islington Training Network and funded by the European Social Fund (ESF) EQUAL programme involves collaboration with 12 other voluntary organisations and educational institutions in England, as well as with comparable partnerships from the France and Hungary EASI aims to improve the conditions of asylum seekers and provide them with a meaningful existence during the asylum seeking process EASI enables asylum seekers to improve their employment opportunities by delivering support and bespoke pre-vocational training to equip them with key and specialised skills if they get a positive decision on their asylum claim This programme is also designed to build the capacity of refugee community organisations strengthening them to give more support to asylum seekers (through volunteering opportunities) and improve their access to mainstream services

In the EASI project in 2005-6, IEA developed volunteering opportunities and related skills training for asylum seekers within its social enterprises

**PRESTO (Professional Refugees into Employment Through Support, Training and On-Line Learning)**

The PRESTO partnership, funded by the European Social Fund (ESF) EQUAL programme involves collaboration with 12 other organisations in the UK, as well as with comparable partnerships from the Czech Republic, Germany and Italy, in order to provide employment support and training to highly skilled refugees with professional qualifications primarily in the medical, engineering and education sectors During 2005-6, IEA's role in the UK partnership was to research the services available to refugee entrepreneurs in various regions of the UK, to explore the development of social enterprises building on the skills of the professional sectors targeted by the partnership and to explore enterprise and related training for the programme participants PRESTO funding is supporting the development of three social enterprises within IEA Hybridlab, a multi-media web channel showcasing creative enterprise (described further under WHAM) which will focus on refugee engineers, the mobile crèche described elsewhere) which will focus on refugee teachers, and a social enterprise that builds on the skills of refugee medical professionals

**REP (Refugee Enterprise Partnership)**

This partnership is led by the British Refugee Council with the goal of coordinating and improving the support for refugee entrepreneurs across the UK with funding from the Department of Trade and Industry (DTI)/Phoenix Fund IEA's role in this partnership was to conduct research in several regions of the UK about the existing business support services that target refugee entrepreneurs as well as the location of refugees in these regions, and their need for services

**SIED (Supporting Integration through Enterprise Development)**

SIED, led by the London Borough of Islington, involves collaboration with a variety of local authority, voluntary organisation, higher education and other partners as well as collaborative work with national partnerships in Denmark, Hungary, Poland and Spain SIED, funded through the ESF EQUAL programme, promote new means of opening up the business creation process through supporting community organisations to provide enterprise support IEA's role is in providing training leading to SFEDI accreditation as well as mentoring support and resource tools for community-based business advisors

**WHAM (Women Helped to Advance in Media)**

IEA is lead partner on the WHAM (Women Helped to Advance in Media) project, from the Central London Learning and Skills Council (LSC) ESF funds WHAM provides video skills and Management and Leadership training as well as work placement opportunities for unemployed women, many from BAME backgrounds, in a range of traditional and new media, primarily in high tech media where the percentage of women employed in this field in London ranges between 0 and 4% IEA's role is in managing the project, delivering the Management and Leadership training and the work placements

WHAM has facilitated the development of IEA's social enterprise, Hybridlab, a multi-media web channel showcasing and supporting creative enterprise Hybridlab has begun by showcasing unsigned independent bands It provides work placement opportunities for women in photography (still and video), journalism, web design and marketing

## **INNOVATIVE ENTERPRISE ACTION LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006**

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The WHAM project has also helped support the development of IEA's social enterprise, Streetwise Productions Live, by providing work placement opportunities and an NVQ unit in management and leadership to participants in the enterprise

#### **SMALL BUSINESS SUPPORT**

##### **Start-up Programme**

This programme offers a package of support services to people interested in setting up in business, including business advice on a one-to-one basis, access to workshops and the option of joining one of the Business Management Training programmes leading to a recognised higher level qualification in management and leadership. The start-up programme incorporates several strands, including the business support project for Islington residents funded by the Islington Strategic Partnership (which targets unemployed individuals and members of disadvantaged communities in Islington to explore the opportunities for self-employment) and Business Link start-up support services in Islington under a partnership arrangement with Prevista who hold the BL4L contract for Islington. To stimulate interest in enterprise and to focus such interest to meet market demands, IEA provides regular seminars in 'Exploring Enterprise'.

##### **Social Enterprise Support**

IEA's Chief Executive has continued writing a monthly column, The Social Capitalist, for Social Enterprise Magazine, providing ongoing visibility for IEA in the sector.

The Community Enterprise (COMET) project has supported community groups engaged in self-help through the creation of community businesses, co-operatives, micro businesses, credit unions, and other such initiatives, primarily in Finsbury Park, Islington North. The community business advisor, supported by other staff from the IEA, works closely with local residents and community groups with the aim of developing local solutions, including the setting up joint initiatives at grass root level.

Hybridlab, IEA's multi-media web channel showcasing creative enterprise, was launched this year, after development of the website platform. Hybridlab has begun by showcasing unsigned independent bands. It provides work placement opportunities for women in photography (still and video), journalism, web design and marketing.

The London Borough of Islington and the EC1 New Deal for Communities have funded IEA to develop and manage a pan-Islington 'mobile' crèche service, i.e., crèche services that can be offered in short-term locations throughout the borough developing a bank of local employed and under-employed childcare workers, and helping these individuals to develop networks to provide both commercial and community based crèche provision in different parts of the borough. The Mobile Creche began actual delivery of services by the end of the year.

Streetwise Productions Live, IEA's street theatre social enterprise, continued operation this year, and provided training and hands-on experience on a Shakespeare-focused street theatre walking tour at various locations along the South Bank. IEA received performance licenses from Southwark for these venues. The enterprise also produced or collaborated in other productions at indoor venues, particularly during the winter.

##### **Industry Specific Programmes - Creative Industries**

IEA continued delivery as lead partner on the Government Office for London/ESF funded Creative Skills Design project. This project involved various types of support to creative enterprises.

Hybridlab, IEA's multi-media web channel showcasing creative enterprise, was launched this year, after development of the website platform. Hybridlab has begun by showcasing unsigned independent bands, and it will be developing services and showcase opportunities for other creative sector enterprises.

##### **Industry Specific Programmes - Sustainability Industries**

IEA continued delivery as lead partner on the Pan-London LSC ESF funded project BuildON (formerly called New Perspectives for SMEs in Construction). This project has provided a range of support and training for SMEs and employees of SMEs in the construction industry. The project promotes sustainable site management among construction sector SMEs on large and smaller construction sites (with the development of training and delivery mechanisms specifically targeted to the two types of sites through collaboration by voluntary and private sector partners CITB-Construction Skills, FaberMaunsell, Kotuku and WilsonJames) and to develop

## **INNOVATIVE ENTERPRISE ACTION LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006**

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and support women and BME-owned SMEs and SME employees in this sector, particularly in the development of enterprise and heritage conservation skills (the latter involving the development and delivery of a new multi-skills conservation skills programme to be delivered by the highly acclaimed sector specialist colleges, Business Crafts College and Lambeth College) and through one-to-one support involving voluntary sector partner Agenda in collaboration with IEA

#### **Industry Specific Programmes - Retail**

There was no specific funding for this area, however IEA provided support to the Essex Road Traders Association through its general business support and community enterprise funding, and is looking to increase funding for this sector

#### **General Support including Loan Funding for Existing Businesses**

IEA has an active programme of support services targeted at existing small businesses, funded through Business Link programmes under our sub-contracts with Prevista. These services include the Up and Running Initiative, undertaking diagnostics with start-up businesses, trading under 24 months. The Start Up and New Businesses Initiative focuses upon developing mentoring agreements with pre-start businesses, with the aim of facilitating their progress to business start-up stage.

IEA was successful in receiving revenue and capital funding from the DTI Phoenix Fund to roll over a pan-London loan fund to IEA from an organisation that has gone into liquidation.

The Shell Training & Enterprise Programme (STEP), an ongoing project in the portfolio of IEA services, offers companies an opportunity to recruit a university student to carry out a business project, normally related to marketing or computing. For students it is an opportunity to gain first hand experience of small businesses and sharpen their skills and knowledge. IEA acts as the STEP agent for the London Central area.

#### **USE OF VOLUNTEERS**

IEA has developed an internship programme of mentored work placements for recent graduates and international students. The volunteering of these interns also provides the 'match' funding for the EQUAL/ESF-funded programmes.

#### **REVIEW OF PERFORMANCE AGAINST OBJECTIVES**

In 2005-6, IEA successfully achieved its objectives. Programmes were effectively delivered, and received praise from funding bodies. The amount of grant money raised to achieve objectives increased by 33.4% over 2004-5.

#### **FUTURE PLANS**

We look to 2006-7 as a year of consolidation and expansion of our existing programmes, in particular the development of our social enterprises under the PRESTO programme and the development of our presence in the built environment sector through the BUILD UP programme.

In addition, through our transnational partnerships in the EQUAL-funded programmes, we are developing relationships with voluntary organisations in western and eastern/central Europe which will both inform our delivery in London and enable us to share our expertise with these colleagues.

#### **SPECIAL ACKNOWLEDGEMENTS**

The Board wishes to record its appreciation of the support received from clients, partners and funding bodies whose contribution has been a vital ingredient of the work of the agency.

#### **TRUSTEES**

Trustees are appointed according to the company's articles of association. The number of trustees should be between three and nine. New trustees may be appointed any member as a member of the trustee board provided the maximum number is not exceeded. Such appointed trustees will remain in office until the Annual General Meeting where they will be eligible for re-election.

Trustees have no beneficial interest in the company and are not remunerated.



## **INNOVATIVE ENTERPRISE ACTION LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006**

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The trustees who have served during the year and after the year-end are set out on page 1

#### **MEMBERS' LIABILITY**

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2006 was 3 (2005 – 8)

#### **RESERVES POLICY**

The principal aim of our Reserves Policy is to achieve a reasonable degree of financial stability so that we can provide reliable services to our beneficiaries over the longer term. We aim for free reserves to cover at least two months' basic overhead costs, plus staff costs. This amounts to £87,833 at current operating levels. Current reserves are £96,189.

#### **RESPONSIBILITY OF THE TRUSTEES**

The Trustees are responsible for preparing the Annual 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 Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to,

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved

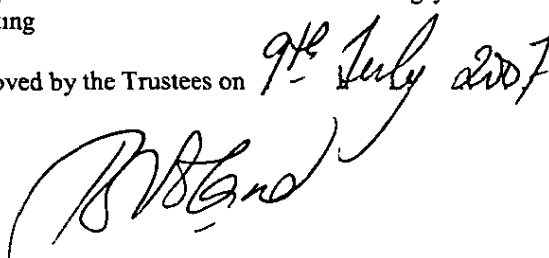
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

A proposal regarding selection of auditors for the following year will be put forward at the coming Annual General Meeting.

This report was approved by the Trustees on 9<sup>th</sup> July 2007 and signed on its behalf by

-----  
**Brigitte Voland**  
Chair



## **INNOVATIVE ENTERPRISE ACTION LIMITED**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INNOVATIVE ENTERPRISE ACTION LIMITED**

---

We have audited the financial statements of Innovative Enterprise Action Limited for the year ended 31 March 2006 which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account), the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities.

This report is made solely to the charitable 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 charitable 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 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 auditors**

The responsibilities of the Trustees (who are also the directors of Innovative Enterprise Action Limited for the purposes of Company Law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable 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.

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INNOVATIVE  
ENTERPRISE ACTION LIMITED**

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**Opinion**

**In our opinion**

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and charitable company's affairs at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the financial Statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Trustees' report is consistent with the financial statements



haysmacintyre  
Fairfax House  
Registered Auditors  
15 Fulwood Place  
London  
WC1V 6AY

Date 9 July 2007.

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)**

**FOR THE YEAR ENDED 31 MARCH 2006**

	Notes	2006 Restricted funds £	2006 Unrestricted funds £	2006 Total funds £	2005 Total funds £
<b>Incoming resources</b>					
Grants receivable	2	664,538	115,574	780,112	584,762
<b>Incoming resources from generated funds:</b>					
Income from trading subsidiary		-	263,363	263,363	134,800
Investment income	3	-	709	709	772
Miscellaneous Income		-	4,774	4,774	-
Consultancy Fees		5,580	25,233	30,813	32,176
<b>Total incoming resources</b>		<u>670,118</u>	<u>409,653</u>	<u>1,079,771</u>	<u>752,510</u>
<b>Cost of generating funds:</b>					
Trading subsidiary costs		-	257,629	257,629	135,744
Fundraising costs		-	49,523	49,523	37,630
Cost of Investments		-	856	856	517
<b>Costs of activities in furtherance of the charity's objects:</b>					
Community Development		165,321	102,291	267,612	457,404
Small Business Support		526,724	58,049	584,773	109,080
<b>Governance</b>		-	25,138	25,138	26,090
<b>Total resources expended</b>	4	<u>692,045</u>	<u>493,486</u>	<u>1,185,531</u>	<u>766,464</u>
<b>Net Expenditure for the year</b>		(21,927)	(83,833)	(105,760)	(13,954)
<b>Fund balances brought forward at 01-Apr-05</b>		79,463	180,022	259,485	273,439
<b>Fund balances carried forward at 31-Mar-06</b>	11	<u>57,536</u>	<u>96,189</u>	<u>153,725</u>	<u>259,485</u>

There were no recognised gains or losses for 2006 or 2005 other than those included in the Statement of Financial Activities

The notes on pages 13 to 21 form part of these accounts

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 MARCH 2006**

		31 March 2006	31 March 2005
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	8	47,139	15,829
<b>Current assets</b>			
Debtors	9	222,286	302,935
Cash at bank and in hand		<u>96,149</u>	<u>79,308</u>
		318,435	382,243
<b>Creditors: amounts falling due within one year</b>			
	10	<u>(211,849)</u>	<u>(138,587)</u>
<b>Net current assets</b>		106,586	243,656
<b>Net assets</b>			
	12	<u>153,725</u>	<u>259,485</u>
<b>Funds</b>			
Restricted funds	11	57,536	79,463
Unrestricted funds – general reserves	11	96,189	180,022
		<u>153,725</u>	<u>259,485</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 January 2005)

Approved by the board of directors and trustees on 9th July 2007 and signed on its behalf by



**Brigitte Volland**  
Chair

The notes on pages 13 to 21 form part of these accounts

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**BALANCE SHEET - CHARITY**

**AS AT 31 MARCH 2006**

		31 March 2006		31 March 2005	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		39,139		14,805
<b>Current assets</b>					
Debtors	9	163,679		280,031	
Cash at bank and in hand		<u>89,400</u>		<u>72,423</u>	
		253,079		352,454	
<b>Creditors: amounts falling due within one year</b>					
	10	<u>(163,278)</u>		<u>(126,825)</u>	
<b>Net current assets</b>			89,801		225,629
<b>Net assets</b>			<u>128,940</u>		<u>240,434</u>
<b>Funds</b>					
Restricted funds			57,536		79,463
Unrestricted funds – general reserves			71,404		160,971
			<u>128,940</u>		<u>240,434</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 January 2005)

Approved by the board of directors and trustees on *9th July 2007* and signed on its behalf by



**Brigitte Volland**  
**Chair**

The notes on pages 13 to 21 form part of these accounts

# ISLINGTON ENTERPRISE AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

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### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and are in accordance with the Statement of Recommended Practice – “Accounting and Reporting by Charities” published in 2005, with the Financial Reporting Standard for Smaller Entities (effective January 2005) and with the Companies Act 1985

Consolidated financial statements “group accounts” have been prepared in respect of the charitable company and its wholly controlled subsidiary, IEA Trading Ltd. The results of IEA Trading Ltd have been consolidated into the Statement of Financial Activities on a line-by-line basis. In accordance with Section 230 of the Companies Act 1985 a separate Income and Expenditure Account for the charitable company has not been presented.

#### 1.2 Company status

The charity is a company limited by guarantee. The members of the company are trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### 1.3 Funds accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with the specific restriction imposed by the donors.

#### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants are credited to incoming resources in the year in which they are received or are receivable whichever is the earlier, unless they relate to a specified future period, in which case they are deferred.

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and inclusive of VAT which cannot be recovered.

Charitable expenditure comprises all expenditure directly relating to the objects of the charity.

Support costs comprise costs incurred directly in support of expenditure on the objects of the charity.

Governance costs are those costs associated with the governance arrangements of the charity which relate to the general running of the charity.

Costs are allocated to the functional expenditure categories as far as possible. The remaining costs are then apportioned on the basis of staff time spent.

The group makes payments to staff personal pension schemes on behalf of its employees. The contributions are recognised in the Statement of Financial Activities as they fall due.

# **INNOVATIVE ENTERPRISE ACTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

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### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £200 are capitalised. The incidental costs of installing and incidental costs of acquisition are not capitalised.

Depreciation is provided on all tangible 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	-over the lease term
Computer equipment	-3 years
Office equipment	-3 years
Fixtures and fittings	-3 years

### **1.7 Leasing costs**

Rentals payable under operating leases where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the lease duration.



**INNOVATIVE ENTERPRISE ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**2. GRANTS RECEIVABLE**

	2006 £	2005 £
Grants Receivable for Community Development		
EQUAL – ESF		
SIED Project	69,656	9,990
EASI Project	10,979	-
PRESTO Project	59,686	33,683
REFLEX Project	-	94,846
DTI/Phoenix Fund		
REP Project	25,000	-
Grants Receivable for Small Business Support		
Finsbury Park SRB		
Community Enterprise (COMET)	29,910	35,000
London Borough of Islington and EC1 New Deal		
Mobile crèche	104,586	27,611
London Borough of Islington		
Business Jobs and Training programme *	-	28,338
Streetwise Productions Live	-	9,874
Caledonia & Holloway Rds/Arsenal Project	-	24,000
Trusts and Foundations		
Streetwise Productions Live	1,000	-
GOL / ESF –		
Creative Skills Challenge	119,830	118,610
DTI/Phoenix Fund		
REP Project	25,000	-
Loan Fund	12,916	-
LSC Pan London –		
BUILD UP	230,975	31,200
LSC Central London		
WHAM	115,574	-
ESF/LDA/Job Centre Plus		
FREE – Refugee Project	-	86,825
B2B	-	84,785
* included as part of trading subsidiary income		
Total	<u>780,112</u>	<u>584,762</u>

**3. INVESTMENT INCOME**

	2006 £	2005 £
Interest receivable	<u>709</u>	<u>772</u>

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

<b>4 ANALYSIS OF COSTS</b>	<b>Direct Costs £</b>	<b>Direct Salaries £</b>	<b>Support Costs £</b>	<b>Total 2006 £</b>	<b>Total 2005 £</b>
Fundraising costs	-	36,684	12,839	49,523	37,630
Cost of Investment	856	-	-	856	517
Trading Subs Costs	234,916	22,713	-	257,629	135,744
	<u>235,772</u>	<u>59,397</u>	<u>12,839</u>	<u>308,008</u>	<u>173,891</u>
Community Development	105,117	93,036	69,459	267,612	457,404
Small Business Support	287,559	145,601	151,613	584,773	109,080
Governance costs	3,616	15,006	6,516	25,138	26,090
	<u>632,064</u>	<u>313,040</u>	<u>240,427</u>	<u>1,185,531</u>	<u>766,464</u>
<b>5 BREAKDOWN OF SUPPORT COSTS</b>				<b>2006 £</b>	<b>2005 £</b>
Staff costs				72,014	35,752
Training and other staff costs				21,336	17,730
Office Costs				33,628	32,784
Premises costs				75,095	67,430
Marketing & Professional memberships				5,188	4,107
Computer maintenance & software				10,500	10,011
Professional fees Legal & other				15,453	6,398
Insurance				4,681	3,231
Other costs				2,532	21,433
				<u>240,427</u>	<u>198,876</u>
<b>GOVERNANCE COSTS</b>				<b>2006 £</b>	<b>2005 £</b>
Salaries				12,622	11,940
Support costs allocation				6,516	8,536
Audit fees				6,000	5,614
				<u>25,138</u>	<u>26,090</u>
<b>Net expenditure for the year is stated after charging:</b>				<b>2006 £</b>	<b>2005 £</b>
Audit fees				6,000	5,614
Other fees payable to the auditor				-	1,500
Operating lease –land and buildings				87,300	87,300
Depreciation				19,813	23,742

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**STAFF COSTS**

Staff costs were as follows

	2006 £	2005 £
Wages and Salaries	350,182	268,032
Social security costs	34,873	23,197
	<u>385,055</u>	<u>291,229</u>

The average number of full-time equivalent employees during the year was

	2006	2005
Charitable activities	14	8
Management and administration of charity	1	1
Trading subsidiary	1	1
Fundraising	1	1
	<u>17</u>	<u>11</u>

No employee earned over £60,000 in the year (2005-nil)

**7 TRUSTEES REMUNERATION**

The trustees neither received nor waived any emoluments during the year (2005 Nil)

**8. TANGIBLE FIXED ASSETS**

**Group and Charity**

	Leasehold Improvements		Computer Equipment		Office Equipment		Total	
	Group £	Charity £	Group £	Charity £	Group £	Charity £	Group £	Charity £
<b>Cost</b>								
At 1 April	61,876	2,500	61,211	61,211	8,275	1,474	124,560	65,185
2005	-	-	19,628	19,628	36,518	24,518	56,147	44,146
Additions								
At 31 March	<u>61,876</u>	<u>2,500</u>	<u>80,839</u>	<u>80,839</u>	<u>44,793</u>	<u>25,992</u>	<u>187,508</u>	<u>109,331</u>
2006								
<b>Depreciation</b>								
At 1 April	59,603	1,250	48,638	48,638	7,292	491	108,732	50,379
2005								
Charge for the year	2,273	1,250	9,899	9,899	12,664	8,664	24,836	19,813
At 31 March	<u>61,876</u>	<u>2,500</u>	<u>58,537</u>	<u>58,537</u>	<u>19,956</u>	<u>9,155</u>	<u>140,369</u>	<u>70,192</u>
2006								
<b>Net Book Value</b>								
At 31 March								
2006	-	-	22,302	22,302	24,837	16,837	47,139	39,139
At 31 March								
2005	<u>2,273</u>	<u>1,250</u>	<u>12,573</u>	<u>12,573</u>	<u>983</u>	<u>982</u>	<u>15,829</u>	<u>14,805</u>

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**9. DEBTORS**

	<b>Group 2006 £</b>	<b>Group 2005 £</b>	<b>Charity 2006 £</b>	<b>Charity 2005 £</b>
Grants receivable	80,199	276,961	80,199	276,961
Trade debtors	137,618	22,511	67,531	-
Prepayments & other debtors	4,469	3,463	4,469	3,070
Due from Subsidiary	-	-	11,480	-
	<u>222,286</u>	<u>302,935</u>	<u>163,679</u>	<u>280,031</u>

**10. CREDITORS. amounts falling due within one year**

	<b>Group 2006 £</b>	<b>Group 2005 £</b>	<b>Charity 2006 £</b>	<b>Charity 2005 £</b>
Social security and other taxes	4732	2,063	-	2,063
Other creditors	122,042	119,214	100,728	93,397
Accruals	32,078	17,310	9,553	17,310
Due to Subsidiary Undertaking	-	-	-	14,055
Loan fund	52,997	-	52,997	-
	<u>211,849</u>	<u>138,587</u>	<u>163,278</u>	<u>126,825</u>

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**11. MOVEMENTS IN FUNDS**

	Balance at 1 April 2005 £	Incoming resources £	Resources expended £	Balance at 31 March 2006 £
<b>Restricted Funds:</b>				
Finsbury Park SRB				
Community Enterprise (COMET)	-	29,910	29,910	-
London Borough of Islington & EC1				
Mobile crèche	-	104,586	104,586	-
Trusts and Foundations				
Streetwise Productions Live	-	1,000	1,000	-
GOL / ESF –				
Creative Skills Challenge	49,751	119,830	137,548	32,033
EQUAL-ESF				
SIED Project	-	69,656	69,656	-
EASI Project	-	10,979	10,979	-
PRESTO Project	-	59,686	59,686	-
DTI/Phoenix Fund				
REP	-	25,000	25,000	-
Loan Fund	-	12,916	12,916	-
LSC Pan London –				
BUILD UP	29,712	230,975	235,184	25,503
STEP				
Company Contribution	-	5,580	5,580	-
<b>Total</b>	<u>79,463</u>	<u>670,118</u>	<u>692,045</u>	<u>57,536</u>
<b>Unrestricted Funds:</b>				
General Funds	180,022	409,653	493,486	96,189
<b>Total Funds</b>	<u>259,485</u>	<u>1,079,771</u>	<u>1,185,531</u>	<u>153,725</u>

**Purpose of Restricted Funds**

LBI Community Enterprise (COMET) project supports community groups engaged in self-help through the creation of community businesses, co-operatives, micro businesses, credit unions and other such initiatives

Mobile crèche – funds were received from the London Borough of Islington and the EC1 New Deal for Communities to run a mobile crèche in the borough

London Borough of Islington (LBI) – Jobs and Training Project – the project is aimed at providing an integrated portfolio of business training and advice services for unemployed Islington residents aged 25 and under

GOL/ESF-funded Creative Skills Challenge project provides training and business support to promote creative enterprise

## INNOVATIVE ENTERPRISE ACTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2006

The SIED (Supporting Integration Through Enterprise Development) programme is a multi-member partnership funded through the European Social Fund Equal Programme that supports community organisations in delivering business advice services. IEA's role is in providing training leading to SFEDI accreditation as well as mentoring support and resource tools for community-based business advisors.

The EASI (Empowering Asylum Seekers to Integrate) partnership, led by Islington Training Network and funded by the European Social Fund (ESF) EQUAL programme involves collaboration with 12 other voluntary organisations and educational institutions in England, as well as with comparable partnerships from the France and Hungary. IEA's role in 2005-6 was to develop volunteering opportunities and related skills training for asylum seekers within its social enterprises.

PRESTO (Professional Refugees into Employment through Support, Training, and On-line Learning) is funded by the European Social Fund Equal Programme, which involves collaboration with other organisations in the UK and in Europe. The programme aims to provide employment support and training to highly skilled refugees with professional qualifications primarily in the medical, engineering and education sectors, and IEA's role is to research available support and the potential for developing social enterprises.

REP (Refugee Enterprise Partnership) was funded by DTI/Phoenix Fund and led by the British Refugee Council. IEA's role was the conducting of a research project to look into the needs of, and services for, refugee entrepreneurs in three regions in the UK.

The DTI/Phoenix Fund Loan Fund support was revenue funding to get the loan fund up and running within IEA. This funding was as a result of rolling over pan-London loan fund to IEA from an organisation that has gone into liquidation.

BUILD UP is funded by LSC-Pan London and delivers training and support to built environment sector businesses and groups that do not normally participate in training, supports increased economic participation by Women's SMEs and black and ethnic minorities, raises awareness of environmental issues and action that can be taken by SMEs and SME employees, and aims to address skill shortages highlighted by local businesses through training and restoration skills.

#### 12. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £
Tangible fixed assets	-	47,139	47,139
Current assets	57,536	260,899	318,435
Current liabilities	-	(211,849)	(211,849)
Net Assets at 31 March 2006	<u>57,536</u>	<u>96,189</u>	<u>153,725</u>

#### 13. TRADING SUBSIDIARY

The results of the charitable company have been consolidated with those of its trading subsidiary, IEA Trading Ltd, a company limited by guarantee in England and Wales (company number 2422882).

IEA Trading Ltd holds the head lease of the premises at 64 Essex Road, London, N1. IEA Trading Ltd provides managed workspace and office accommodation to agencies working in the Social Economic Development field.

The result of IEA Trading Ltd for the financial year are summarised below.

**INNOVATIVE ENTERPRISE ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

	2006 £	2005 £
Turnover	263,363	205,510
Total costs	<u>257,629</u>	<u>(206,739)</u>
	5,734	(1,229)
Interest receivable	-	285
Taxation	-	-
(Loss)/profit for the year after taxation	5,734	(944)
Profit brought forward at 1 April 2005	19,051	19,995
Profit carried forward at 31 March 2006	<u>24,785</u>	<u>19,051</u>

Included in turnover above is an amount of £75,095 (2005 £70,995) representing rental and service charges paid by Islington Enterprise Agency Limited

**14. CORPORATION TAX**

The charitable company is exempt from corporation tax as all its income is applied for charitable purposes. There is no provision for corporation tax by the trading subsidiary in respect of its taxable activities as its income is covered by its trading loss for the year (2005 Nil)

**15. COMMITMENTS**

	2006	2005
The charity has the following commitments in respect of its property leases		
	£	£
Within one year	87,300	-
Between one and two years	-	87,300
	<u>87,300</u>	<u>87,300</u>