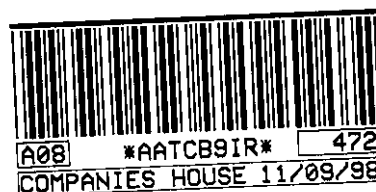


ISLINGTON ENTERPRISE AGENCY LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998



Company Number: 3169990

Registered Charity Number: 1053819

ISLINGTON ENTERPRISE AGENCY LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

AT 31 MARCH 1998

Status: Company limited by guarantee without share capital incorporated on 8 March 1996. Registered as a charity on 19 March 1996. The charity started trading on 25 March 1996.

Company Number: 3169990

Charity Number: 1053819

Registered Office: 64 Essex Road
London
N1 8LR

Operational Address: 64 Essex Road
London
N1 8LR

Honorary Officers: Armando Pardo (Secretary)
Peter Gotham (Chair and Treasurer)
Sue Bagnell (Vice Chair)

Principal Staff: Armando Pardo

Bankers: The Co-Operative Bank
1 Islington High Street
London N1 9TR

Auditors: Sayer Vincent
Chartered Accountants
Registered Auditors
23 Angel Gate
City Road
London EC1V 2PT

ISLINGTON ENTERPRISE AGENCY LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 1998

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

1. OBJECTS

The Islington Enterprise Agency (IEA) is established to advance education, to relieve poverty amongst the unemployed and to improve the efficient application of resources for charitable purposes by the provision of advice to community groups in the local area.

The IEA undertakes to:

- Promote, encourage and develop links and networks with other businesses and other support organisations;
- Promote classes, meetings, study groups, conferences, lectures and other such activities designed to advance education and training;
- Promote, and encourage or undertake organised research to increase the knowledge of key social and economic issues affecting the local area.

2. REVIEW OF DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

2.1 EDUCATION AND TRAINING FOR THE UNEMPLOYED

Business Administration Training

Offered twice a year, our business administration courses provide a solid foundation to those seeking to establish in business for the first time. Fourteen participants per course receive intensive training in the areas of finance, marketing, management, business planning and information technology. The courses attract funding from Islington Council and the European Social Fund. Local firms make an important contribution to the course providing speakers and participating in assessment activities.

The first course which started April 1997 was expanded to 28 weeks to incorporate three new features: an induction programme to build confidence, work experience, and workshops and guidance activities on employment and further training. The second course started in September 1997 and marked the beginning of a new higher level qualification at IEA – the NVQ level 4 in Business Administration.

Refugee Foundation Programme

Delivered between December 1996 and June 1997, the programme comprised 14 weeks of training and pre-exam tuition. It was designed to enable men and women refugees living around the Kings Cross area to learn and improve their English and also gain confidence and ability to cope with life in Britain. IEA is an accredited City & Guilds and RSA Centre and trainees had the opportunity to work towards the following certificates: Wordpower, Numberpower, NVQ level 1 Administration, and Information Technology (Wordprocessing). The programme also offered guidance, counselling and information on training and employment issues. Fifty candidates attended one-to-one interviews to assess training needs and suitability resulting in 34 students enrolling, well in excess of the 25 target figure for the course.

ISLINGTON ENTERPRISE AGENCY LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 1998

2.2 THE WORK WITH SMALL BUSINESSES

Co-operative Development

Eight co-operative businesses participated in the staff development programme funded by the London Co-operative Training (LCT), an organisation promoting social enterprises. A total of £8,500 was raised towards the costs of the co-operatives' training plans. The Agency continues to play an active role in the sector and regularly receives referrals from national and local co-operative support organisations.

Fashion & Clothing Sector

This business sector is an important source of jobs and economic activity in the area. Over the last three years we have been supporting the work of the Fonthill Road Traders Association (FRTA), an independent association set up by fashion traders operating in an area with a high concentration of ethnic minority businesses.

Multimedia Sector

Most of the Agency's work in this sector has formed part of joint ventures involving partner organisations such as the University of North London, Islington Chamber of Commerce, and the local authority. Currently we are involved in a European funded initiative designed to provide awareness, training and or support to local small firms in the area of Information and Communication Technologies.

2.3 THE WORK WITH VOLUNTARY AND COMMUNITY ORGANISATIONS

The IEA maintains links with a number of local voluntary groups including the Islington Voluntary Association Council and the Islington & Hackney Refugee Training Partnership. During the year we participated in Migranet, a joint project targeted to refugee and migrant communities. An internet site with information on training and employment opportunities has been put together as part of the project which also offers internet training to refugees.

2.4 NETWORK ACTIVITIES

Economic Forum

During the year we organised three forum meetings designed to keep colleagues up-to-date with economic research. The Forum was launched in June 1997 with a presentation about poverty and exclusion in London. The second forum in October dealt with the labour market in Central London. The 97/98 programme closed with a presentation by the Council on their vision and plans for regenerating Islington's economy as we approach the new millennium.

Shell Technology & Enterprise Programme (STEP)

This is a very successful programme now in its fourth year. Sponsored by Focus Central London and Shell UK, STEP offers university students work placement opportunities with small businesses. Students spend eight weeks carrying out a business project defined by the host company. In 1997 we placed 21 students in 19 companies, representing a 100% increase on the previous year.

ISLINGTON ENTERPRISE AGENCY LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 1998

3. NEW PROJECTS AND FUTURE PLANS

We were very pleased to learn that our application to the National Lottery Charities Board was approved. This means that in the new financial year we will be able to launch a three year outreach project designed to support community initiatives in some of the most deprived areas of Islington. The project will be a critical component of our strategy to become the leading agency for Social Enterprise Development in the area.

Special Acknowledgements

The Board wishes to record its appreciation of the support received from Islington Council, European Social Fund, the National Lottery Charities Board, local businesses, universities, voluntary organisations and individuals, whose contribution has been a vital ingredient of the work of the Agency.

Reserves

The trustees are in the process of developing a reserves policy for the coming year.

Funds

The Agency has a number of funds whose purpose are detailed in note 11 to the financial statements.

Changes in Fixed Assets

The movements in fixed assets during the period are set out in note 8 to the financial statements.

Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those 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;
- 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 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.

ISLINGTON ENTERPRISE AGENCY LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 1998

Trustees

The following served as company directors and charity trustees during the year and up to the date of this report:

Armando Pardo
Geoff Culverhouse (resigned 12 November 1997)
Sue Bagwell
Cllr Derek Sawyer
Peter Gotham

Cllr Jennette Arnold
Sushil Das Gupta
Liza Fior (resigned 12 November 1997)
Kevin Campbell (appointed 2 June 1997)
Lynne Burdon

All Trustees are members of the company and guarantee to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1. The number of guarantees at 31 March 1998 was 8 (1997 - 9)

Approved by the Trustees
On 8 July 1998 and signed on their behalf by



Peter Gotham - Chair

AUDITORS' REPORT

TO THE MEMBERS OF

ISLINGTON ENTERPRISE AGENCY LIMITED

We have audited the financial statements on pages 7 to 14, which have been prepared on the basis of the accounting policies, set out on page 9.

Respective Responsibilities of Trustees and Auditors

As set out on page 4, the Trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 judgements made by the Trustees in their preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.


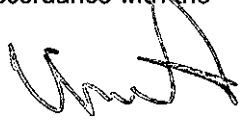
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 March 1998 and of its incoming resources and application of resources, including income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

10 September 1998

23 Angel Gate
City Road
London EC1V 2PT



SAYER VINCENT
Chartered Accountants
Registered Auditors

ISLINGTON ENTERPRISE AGENCY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 1998

		<u>Unrestricted</u>	<u>Restricted</u>	<u>1998</u> <u>Total</u>	<u>1997</u> <u>Total</u>
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Incoming Resources					
Grants	2	97,200	91,173	188,373	206,296
STEP Contributions		-	45,690	45,690	29,447
Deferred STEP Contributions	3	-	(18,000)	(18,000)	(18,000)
Sundry Income		968	-	968	1,338
Consultancy Fees		4,360	-	4,360	11,200
Investment Income		<u>1,940</u>	<u>-</u>	<u>1,940</u>	<u>2,558</u>
Total Incoming Resources		<u>104,468</u>	<u>118,863</u>	<u>223,331</u>	<u>232,839</u>
Resources Expended					
<i>Direct Charitable Expenditure</i>					
Somali Foundation Programme		-	-	-	42,564
Co-operative Dev Programme		-	8,331	8,331	7,618
STEP Programme		-	24,000	24,000	15,087
Business Admin Integrated		-	-	-	5,366
Support for Voluntary Groups		-	5,100	5,100	-
Business Admin Training		-	111,808	111,808	69,715
Training and Support for Refugees		-	19,741	19,741	-
Local Authority Support Project		31,406	-	31,406	34,532
Support Costs		<u>1,562</u>	<u>2,628</u>	<u>4,190</u>	<u>28,628</u>
		32,968	171,608	204,576	222,754
<i>Other Expenditure</i>					
Management and Administration		<u>2,784</u>	<u>-</u>	<u>2,784</u>	<u>2,283</u>
Total Resources Expended	5	<u>35,572</u>	<u>171,608</u>	<u>207,360</u>	<u>225,037</u>
Net Incoming/(Outgoing)					
Resources Before Transfers	6	68,716	(52,745)	15,971	7,802
Transfers Between Funds		<u>(57,776)</u>	<u>57,776</u>	<u>-</u>	<u>-</u>
Net Incoming		10,940	5,031	15,971	7,802
Resources for the Year					
Transfer of Assets	15	-	-	-	54,817
Funds at 1 April 1997		<u>59,953</u>	<u>2,666</u>	<u>62,619</u>	<u>-</u>
Funds at 31 March 1998		<u>70,893</u>	<u>7,697</u>	<u>78,590</u>	<u>62,619</u>

All of the above activities are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

Movements on funds are shown above and in Note 11.

ISLINGTON ENTERPRISE AGENCY LIMITED (A company limited by guarantee)

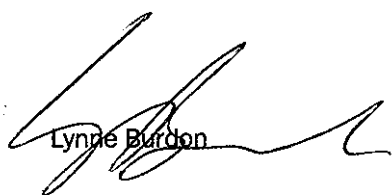
BALANCE SHEET

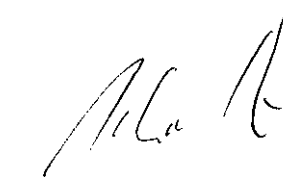
AS AT 31 MARCH 1998

		<u>1998</u>	<u>1997</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Fixed Assets			
Tangible Assets	8	-	<u>2,266</u>
Current Assets			
Debtors and Prepayments	9	<u>36,056</u>	56,373
Cash at Bank and in Hand		<u>68,747</u>	<u>32,163</u>
		104,803	88,536
Creditors: Amounts Falling Due Within One Year	10	<u>(26,213)</u>	(28,183)
Net Current Assets		<u>78,590</u>	<u>62,619</u>
Net Assets	12	<u>78,590</u>	<u>62,619</u>
Funds			
Unrestricted Funds:			
General Funds	11	70,893	59,953
Restricted Funds	11	<u>7,697</u>	<u>2,666</u>
Total Funds		<u>78,590</u>	<u>62,619</u>

These financial statements were approved by the Trustees

on 8 July 1998 and signed on their behalf by


Lynne Burdon


Peter Gotham - Chair

ISLINGTON ENTERPRISE AGENCY 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, and follow the recommendations of *Statement of Recommended Practice: (SORP) "Accounting by Charities"*.
- b) Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when received.
- c) 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.
- d) Direct charitable expenditure comprises all expenditure directly relating to the objects of the charity including support costs.
- e) Support costs comprise costs incurred directly in support of expenditure on the objects of the charity.
- f) Management and administration costs comprise compliance costs such as the cost of the audit.
- g) 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.
- h) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure, which meets these criteria, is identified to the fund.
- i) Unrestricted funds are donations and other income received or generated for the charitable purposes.
- j) Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Computer equipment	-	3 years
Office equipment	-	3 years
Fixtures and Fittings	-	3 years
- k) The company makes payments to defined contribution pension schemes on behalf of employees. The contributions are recognised in the Statement of Financial Activities as they fall due.

ISLINGTON ENTERPRISE AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

2. Grants	<u>Unrestricted</u> £	<u>Restricted</u> £	1998 <u>Total</u> £	1997 <u>Total</u> £
London Borough of Islington				
- Somali Foundation Programme	-	-	-	23,257
- Business Admin BTEC Women	-	-	-	34,196
- Business Admin BTEC Ethnic	-	-	-	42,631
- CORE Grant	97,200	-	97,200	45,200
- Refugee and Ethnic Minority Population	-	-	-	13,270
- Single Regeneration Budget	-	6,741	6,741	-
European Social Fund	-	54,032	54,032	38,467
LCT	-	10,687	10,687	6,337
UNL	-	4,731	4,731	-
EMG	-	-	-	2,938
Commission of the European Communities	-	<u>14,982</u>	<u>14,982</u>	-
	<u>97,200</u>	<u>91,173</u>	<u>188,373</u>	<u>206,296</u>

3. Deferred STEP Contributions	£	£
Focus Central London TEC	<u>18,000</u>	<u>18,000</u>

4. Staff Costs and Numbers	£	£
Salaries	68,710	105,065
Social Security Costs	6,535	9,897
Pension	<u>1,593</u>	<u>2,298</u>
	<u>76,838</u>	<u>117,260</u>

No employee was paid more than £40,000 in the year.

The average number of employees and the allocation of their time during the year was: -

	Nos.	Nos.
Somali Foundation Programme	-	3
Business Admin BTEC Women/ Business Admin BTEC Ethnic	2	1½
Co-Operative Development Programme/ STEP Programme/ Business Admin Integrated/ Local Authority Refugee Programme	3 <u>1</u>	- <u>3</u>
	<u>5</u>	<u>7½</u>

ISLINGTON ENTERPRISE AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

5. Total Resources Expended

Resources expended represent the following direct and apportioned costs:

	Co-operative Development Programme	STEP Programme	Support For Voluntary Groups	Business Admin Training	Training Support For Refugees	Local Authority Support Project	Support Costs	Management and Administration	1998 Total	Period To 31-Mar 1997 Restated Total
	£	£	£	£	£	£	£	£	£	£
Staff Costs	2,283	4,800	1,537	53,565	1,638	11,478	1,537	-	76,838	117,260
Training Materials	30	-	15	212	15	30	-	-	302	1,664
Training Communication Costs	647	-	37	2,657	37	2,047	-	-	5,425	7,574
Child Care	-	-	-	10,823	5,034	-	-	-	15,857	16,546
Travel	-	-	-	3,117	928	186	-	-	4,231	6,970
Premises	-	1,756	1,756	25,502	-	8,090	-	-	37,104	32,191
Accreditation Fees	5,016	17,218	1,075	15,547	12,086	2,778	-	-	53,720	30,786
Advertisement and Publicity	-	-	-	-	-	1,384	-	-	1,384	804
Sundry Costs	-	-	-	-	3	1,445	25	-	1,473	706
Office Equipment	-	-	-	-	-	-	-	-	-	446
Equipment Maintenance	240	-	-	160	-	1,200	-	-	1,600	2,318
Hospitality	-	-	-	-	-	1,451	-	-	1,451	645
Library	-	-	-	-	-	31	-	-	31	321
Audit and Accountancy	-	-	-	-	-	-	-	2,784	2,784	2,283
Professional / Legal	-	-	-	225	-	-	-	-	225	-
Bank Charges	-	-	-	-	-	41	-	-	41	105
Depreciation	115	226	680	-	-	1,245	-	-	2,266	4,418
Grants for Training	-	-	-	-	-	-	2,628	-	2,628	-
	8,331	24,000	5,100	111,808	19,741	31,406	4,190	2,784	207,360	225,037

ISLINGTON ENTERPRISE AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

6. Net Incoming Resources for the Year before Transfers

	1998 £	1997 £
Net Incoming Resources for the Year is stated after charging:		
Trustees' Expenses	-	-
Trustees' Emoluments	33,190	37,749
Auditors' Remuneration: For Audit Services	2,703	2,183
For Other Services	235	100
Trustees' Indemnity Insurance	1,300	-
Depreciation	<u>2,266</u>	<u>4,419</u>

One Trustee, who acts in an executive capacity received emoluments of £33,190 (1997 - £37,749).
None of the other trustees received any emoluments.

7. Taxation

All income is applied for charitable purposes and is therefore exempt from Corporation Tax.

8. Tangible Fixed Assets

	Computer Equipment £	Office Equipment £	Fixtures and Fittings £	Total £
COST				
As at 1 April 1997 and 31 March 1998	<u>51,399</u>	<u>2,086</u>	<u>6,228</u>	<u>59,713</u>
DEPRECIATION				
As at 1 April 1997	49,146	2,073	6,228	57,447
Charge for the Year	<u>2,253</u>	<u>13</u>	<u>-</u>	<u>2,266</u>
As at 31 March 1998	<u>51,399</u>	<u>2,086</u>	<u>6,228</u>	<u>59,713</u>
NET BOOK VALUE				
As at 31 March 1998	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 March 1997	<u>2,253</u>	<u>13</u>	<u>-</u>	<u>2,266</u>

ISLINGTON ENTERPRISE AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

9. Debtors and Prepayments

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Grants Receivable	36,056	54,233
Prepayments	-	2,140
	<u>36,056</u>	<u>56,373</u>

10. Creditors: Amounts Falling Due Within One Year

	<u>£</u>	<u>£</u>
Deferred Income	18,000	18,000
Other Taxation and Social Security Costs	2,011	4,112
Other Creditors and Accruals	<u>6,202</u>	<u>6,071</u>
	<u>26,213</u>	<u>28,183</u>

11. Total Funds

	At 1 April <u>1997</u> <u>£</u>	Incoming Resources <u>£</u>	Outgoing Resources <u>£</u>	Transfers <u>£</u>	At 31 March <u>1998</u> <u>£</u>
Restricted Funds					
Fixed Assets Fund	2,666	-	(2,666)	-	-
STEP Programme	-	27,690	(24,000)	-	3,690
Training Programme	-	54,032	(111,808)	57,776	-
Business Support	-	15,418	(13,393)	-	2,025
Refugee Programme	-	<u>21,723</u>	<u>(19,741)</u>	-	<u>1,982</u>
Total Restricted Funds	<u>2,666</u>	<u>118,863</u>	<u>(171,608)</u>	<u>57,776</u>	<u>7,697</u>
General Funds	<u>59,953</u>	<u>104,468</u>	<u>(35,752)</u>	<u>(57,776)</u>	<u>70,893</u>
Total Funds	<u>62,619</u>	<u>223,331</u>	<u>(207,360)</u>	<u>-</u>	<u>78,590</u>

The balance on the STEP programme and the Business Support fund will be used to fund the respective programmes in the coming year.

A portion of the monies held on the general fund will be used to provide training for businesses in the local area.

A transfer was made from unrestricted to restricted funds to meet any shortfall of incoming resources over resources expended and to allocate additional funds for specific programmes.

ISLINGTON ENTERPRISE AGENCY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1998**

12. Analysis of Net Assets Between Funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fund Balances at 31 March 1998 are represented by:			
Tangible Fixed Assets	-	-	-
Current Assets	25,697	79,106	104,803
Creditors: Amounts Falling Due Within One Year	(18,000)	(8,213)	(26,213)
Total Net Assets	<u>7,697</u>	<u>70,893</u>	<u>78,590</u>

13. Related Party Transactions

- a) IEA Trading Limited, a company limited by guarantee is a related party of this company as the two companies have 8 directors in common. Islington Enterprise Agency Limited has no influence over the operating and decision making policies of IEA Trading Limited.

Material transactions during the year were as follows:	£
Rent and Office services charged by IEA Trading Limited	33,781
Photocopying Charges	1,825
STEP Programme	441
Clothing Programme	<u>5,500</u>
	<u>41,547</u>

14. Indemnity Insurance

The company paid for the insurance premium to indemnify the directors and senior staff from any loss arising from the neglect or defaults of Trustees or staff and any consequent loss.

15. Transfer of Assets

The members of IBDA agreed to transfer its operations and liabilities to Islington Enterprise Agency on 25 March 1996. Assets with a value of £54,817 were transferred.