

ISLINGTON ENTERPRISE AGENCY
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1997

Company Number: 3169990

Registered Charity Number: 1053819



ISLINGTON ENTERPRISE AGENCY

LEGAL AND ADMINISTRATIVE DETAILS¹

AS AT 31 MARCH 1997

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) Lynne Burdon Peter Gotham (Treasurer)
Principal Staff:	Armando Pardo
Bankers:	The Co-Operative Bank 1 Islington High Street London N1 9TR
Auditors:	Sayer Vincent Chartered Accountants 23 Angel Gate City Road London EC1V 2PT

ISLINGTON ENTERPRISE AGENCY

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 1997

The Trustees present their report and the audited financial statements for the period ended 31 March 1997.

Activities and Review

Objects

The Islington Enterprise Agency (IEA) is established to advance education, particularly by the provision of vocational training in business management and foundation courses in literacy and numeracy; to relieve poverty amongst the unemployed by the provision of information, advice and training to enable such persons to establish and run their own businesses; and to improve the efficient application of resources for charitable purposes by the provision of advice to community groups in the local area.

In furtherance of our objects, the IEA undertake to:

- Promote, encourage and develop links and networks with other business support organisations locally and London wide for the benefit of the public at large;
- Promote classes, meetings, study groups, conferences, lectures and other such activities designed to advance education and training;
- Provide centres for the supply of advice, guidance and support services;
- Promote, and encourage or undertake organised research to increase the knowledge of key social and economic issues affecting the local area and;
- Promote and develop links between local businesses, educational establishments, public and voluntary sector organisations.

Review of Development, Activities and Achievements

Whilst the primary purpose of this section of the Annual Report is to highlight the work carried out during the period to 31 March 1997, the trustees have taken the view that it is also important to provide an indication of current activities.

Education and Training for the Unemployed

BTEC Certificate in Business Administration – incorporating the RSA CLAIT

Offered twice a year, our course on business administration provides a solid foundation in enterprise, and small businesses management to those seeking to establish in business for the first time. Participants receive, over a period of 15 weeks, intensive training in the areas of finance, marketing, management, business planning and information technology.

ISLINGTON ENTERPRISE AGENCY

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 1997

Activities and Review (Continued)

Somali Training & Enterprise Development Programme

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 within the Islington, former Cilntec and King's Cross areas, learn and improve their English and also gain confidence and ability to cope with life in Britain.

The Work with Small Businesses

Co-operative Development

At the beginning of the 1996/97 year we carried out five business reviews/training needs analysis which formed the basis for an application for training grants to London Co-Operative Training (LCT), a London wide organisation promoting cooperative development. This resulted in a total of £8,000 being raised to support the implementation of five company training plans.

Fashion & Clothing Sector

This business sector is an important source of jobs and economic activity in the area. Over the last two years we have been supporting through our associated company IEA Trading Limited, the work of the Fonthill Road Traders Association (FRTA), an independent association set up by fashion traders with the aim of promoting the Fonthill Road area as the premier location for fashion distribution and manufacture.

Multimedia Sector

This is another business sector of strategic importance to Islington. There is a relatively large number of businesses working in multimedia, either as producers or service providers such as graphic designers and IT specialists.

The work with Voluntary and Community Organisations

During the 96-97 year we continued to provide project management support to the Local Economic Consortium, an organisation which attracts resources for improving the quality and scope of services available from community groups. The IEA has conducted a detailed business review of a local publicity group which specialises in human rights issues. Work on a new corporate plan is due to start shortly and the IEA has been asked to provide a major input in this process.

Shell Technology & Enterprise Programme (STEP)

This is a very successful programme now in its third year. Sponsored by Focus Central London and Shell UK, STEP offers small businesses an opportunity to recruit a university undergraduate for 8 weeks during July and August to carry out a business project defined by the host company. In 1996 we placed ten students in nine companies. Following the merger of two local tecs the programme has now doubled. STEP 1997 has just finished with a presentation at Focus; it involved 21 students and 19 companies.

This is the first IEA programme sponsored by the new tec. IEA believes the programme fits well with the Business-Education theme – an area of mutual interest – and hopes this first experience will lead to a long-lasting relationship with Focus Central London.

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 1997

Activities and Review (Continued)

IEA is determined to play a prominent role in the new schemes to put unemployed people in jobs. Stemming from our experience of running the STEP programme, we are planning to offer induction training to unemployed people before they are sent to employers, as a way of maximising the benefit of the placement both for the unemployed person and the host organisation. We are also introducing a more flexible, modular delivery of our Business Administration courses, and new more widely sought qualifications; National Vocational Qualifications.

We believe the success of the new employment schemes will require the establishment of a solid relationship with private and public sector employers. This is both a challenge and an opportunity for IEA to become pivotal in the implementation of the new schemes in the local area. STEP, our own work experience programme, our co-operation with the Chamber of Commerce and the FRTA, are all essential components of our strategy to maintain and increase the links with local businesses. It is only through these practical programmes that we can sustain a positive dialogue with employers.

In the medium term, and in response to enquirers from local businesses, we are also planning to introduce an NVQ qualification for Owner/Managers of small firms.

In the short term we are planning a software upgrade primarily to give our trainees a chance to learn to use the most popular software packages, which will make them more attractive to employers. However, our computers are rapidly becoming outdated and will not be able to support future applications. This concern will have to be translated into a fully fledged IT project designed to raise funds to purchase new computers.

Auditors

Sayer Vincent were appointed as auditors during the period. In accordance with Section 384 of the Companies Act 1985 resolutions proposing the re-appointment of Sayer Vincent as auditors of the Company and to authorise the Board to fix their remuneration, will be made to the Members at the Annual General Meeting.

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

Special Acknowledgements

The trustees wishes to record their appreciation of the support received from Islington Council, 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 company 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.

ISLINGTON ENTERPRISE AGENCY

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 1997

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 the affairs of the company and of the surplus or deficit of the 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 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.

Trustees

The following served as company directors and charity trustees during the period and up to the date of this report except where indicated the directors were appointed on incorporation:

Armando Pardo	(appointed 2 May 1996)	Cllr Jennette Arnold	(appointed 25 August 1996)
Geoff Culverhouse		Sushil Das Gupta	
Sue Bagwell		Liza Fior	
Cllr Derek Sawyer		Kevin Campbell	(appointed 2 June 1997)
Peter Gotham		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 1997 were 9. Trustees have no beneficial interest in the company.

Approved by the Trustees
on 12 November 1997 and signed on their behalf by



Peter Gotham - Treasurer

AUDITORS' REPORT

TO THE MEMBERS OF

ISLINGTON ENTERPRISE AGENCY

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 5, the directors of the charitable company, who are also the trustees for the purposes of charity law, are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial 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 an 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 the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and properly disclosed.

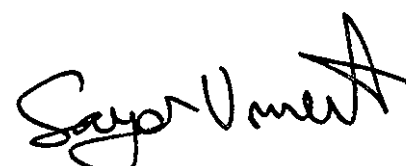
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the statements are free from material misstatement, whether caused by fraud or other irregularity or error. 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 1997 and of its incoming resources and application of resources, including income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

20 November 1997

23 Angel Gate
City Road
London EC1V 2PT


SAYER VINCENT
Chartered Accountants
Registered Auditors

ISLINGTON ENTERPRISE AGENCY
**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)**
FOR THE PERIOD ENDED 31 MARCH 1997

		<u>Restricted</u>	<u>Unrestricted</u>	<u>1997</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>Total</u>
Incoming Resources				<u>£</u>
Grants	2	161,096	45,200	206,296
STEP Contributions		29,447	-	29,447
Deferred STEP Contributions	3	(18,000)	-	(18,000)
Sundry Income		-	1,338	1,338
Consultancy Fees		-	11,200	11,200
Investment Income		-	2,558	2,558
Total Incoming Resources		<u>172,543</u>	<u>60,296</u>	<u>232,839</u>
Resources Expended				
<i>Direct Charitable Expenditure</i>				
Somali Foundation Programme		42,564	-	42,564
Refugee Foundation Programme		34,532	-	34,532
Business Admin BTEC Women		33,314	-	33,314
Business Admin BTEC Ethnic		36,401	-	36,401
Co-Operative Dev Programme		7,618	-	7,618
STEP Programme		15,087	-	15,087
Business Admin Integrated		5,366	-	5,366
Local Authority Support Project		458	18,786	19,244
Support Costs		<u>19,135</u>	<u>9,493</u>	<u>28,628</u>
		194,475	28,279	222,754
<i>Other Expenditure</i>				
Management and Administration		-	<u>2,283</u>	<u>2,283</u>
Total Resources Expended	5	<u>194,475</u>	<u>30,562</u>	<u>225,037</u>
Net (Outgoing)/Incoming Resources Before Transfers	6	(21,932)	29,734	7,802
Transfer Between Funds		<u>17,514</u>	<u>(17,514)</u>	<u>-</u>
Net (Outgoing)/Incoming Resources for the Year		<u>(4,418)</u>	<u>12,220</u>	<u>7,802</u>
Transfer of Assets	14	7,084	47,733	54,817
Funds at 25 March 1996		-	-	-
Funds at 31 March 1997		<u>2,666</u>	<u>59,953</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 (A company limited by guarantee)

BALANCE SHEET

AS AT 31 MARCH 1997

			<u>1997</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Fixed Assets			
Tangible Fixed Assets	8		2,266
Current Assets			
Debtors and Prepayments	9	56,373	
Cash at Bank and in Hand		<u>32,163</u>	
		88,536	
Creditors: Amounts Falling Due Within One Year	10	<u>28,183</u>	
Net Current Assets			<u>60,353</u>
Net Assets	12		<u>62,619</u>
Funds			
Unrestricted Funds:			
General Funds	11		59,953
Restricted Funds	11		<u>2,666</u>
Total Funds			<u>62,619</u>

These financial statements were approved by the Trustees
on 12 November 1997 and signed on their behalf by


Lyne Burdon


Peter Gotham - Treasurer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1997

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 gifts and is included in full in the Statement of Financial Activities when received.
- c) Grants are credited to incoming resources in the year to 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 of charitable activities comprise costs incurred directly in support of expenditure on the objects of the charity.
- f) Management and administration costs comprise compliance costs.
- 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.
- l) No comparative figures are shown in the financial statements as this is the first period since incorporation.

ISLINGTON ENTERPRISE AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 1997

2.	Grants	<u>Restricted</u>	<u>Unrestricted</u>	1997 <u>Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>
	London Borough of Islington			
	- Somali Foundation Programme	23,257	-	23,257
	- Business Admin BTEC Women	34,196	-	34,196
	- Business Admin BTEC Ethnic	42,631	-	42,631
	- CORE Grant	-	45,200	45,200
	- Refugee and Ethnic Minority Population	13,270	-	13,270
	European Social Fund	38,467	-	38,467
	LCT	6,337	-	6,337
	EMG	<u>2,938</u>	<u>-</u>	<u>2,938</u>
		<u>161,096</u>	<u>45,200</u>	<u>206,296</u>
3.	Deferred STEP Contributions			<u>£</u>
	Cilntec			<u>(18,000)</u>
4.	Staff Costs and Numbers			<u>£</u>
	Salaries			105,065
	Social Security Costs			9,897
	Pension			<u>2,298</u>
				<u>117,260</u>

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

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

	<u>No.</u>
Somali Foundation Programme	3
Business Admin BTEC Women/ Business Admin BTEC Ethnic	1½
Co-Operative Development Programme/ STEP Programme/ Business Admin Integrated/ Local Authority	<u>3</u>
	<u>7½</u>

ISLINGTON ENTERPRISE AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1997

5. Total Resources Expended

Resources expended represent the following direct and apportioned costs:

	Somali Foundation Programme	Refugee Foundation Programme	Business Admin BTEC Women	Business Admin BTEC Ethnic	Co-Operative Development Programme	STEP Programme	Business Admin Integrated	Local Authority Support Project	Support Costs	Management and Administration	1997 Total
	£	£	£	£	£	£	£	£	£	£	£
Staff Costs	23,882	9,157	12,866	20,568	3,391	5,485	2,624	16,329	22,958	-	117,260
Freelance Costs	-	6,340	1,166	2,545	3,204	247	300	551	-	-	14,353
Training Materials	(89)	1,065	321	153	-	-	44	-	170	-	1,664
Training Communication Costs	1,924	1,009	1,407	1,407	320	320	467	720	-	-	7,574
Child Care	3,459	5,215	6,162	1,710	-	-	-	-	-	-	16,546
Travel	1,539	1,404	1,946	1,879	41	41	28	92	-	-	6,970
Premises	9,089	8,862	5,489	5,489	322	572	1,581	787	-	-	32,191
Accreditation Fees	370	156	1,972	635	-	-	-	-	-	-	3,133
Student Fees	-	-	-	-	-	7,800	-	-	-	-	7,800
Advertisement and Publicity	126	55	190	320	23	23	16	51	-	-	804
Sundry Costs	78	34	171	71	13	295	12	32	-	-	706
Office Equipment	114	50	90	90	21	21	14	46	-	-	446
Equipment Maintenance	667	574	423	423	30	30	104	67	-	-	2,318
Hospitality	165	72	130	130	30	30	21	67	-	-	645
Library	82	36	65	65	15	15	10	33	-	-	321
Audit and Accountancy	-	-	-	-	-	-	-	-	-	2,283	2,283
Bank Charges	27	12	21	21	5	5	3	11	-	-	105
Depreciation	1,131	491	895	895	203	203	142	458	-	-	4,418
Fonthill Road Traders Association	-	-	-	-	-	-	-	-	5,500	-	5,500
	42,564	34,532	33,314	36,401	7,618	15,087	5,366	19,244	28,628	2,283	225,037

ISLINGTON ENTERPRISE AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1997

1997

6. **Net (Outgoing)/Incoming Resources for the Period before Transfers**

Net (Outgoing)/Incoming Resources for the period is stated after charging: £

Directors' Expenses	-
Directors' Emoluments	37,749
Auditors' Remuneration:	
- Audit	2,183
- Other	100
Depreciation	<u>4,419</u>

One trustee, who acts in an executive capacity received emoluments of £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**

	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
	£	£	£	£
COST				
Transfer of assets	51,799	2,086	6,228	60,113
Write Back of Creditor	(400)	-	-	(400)
At 31 March 1997	<u>51,399</u>	<u>2,086</u>	<u>6,228</u>	<u>59,713</u>
DEPRECIATION				
Transfer of assets	44,741	2,059	6,228	53,028
Charge for Period	<u>4,405</u>	<u>14</u>	-	<u>4,419</u>
At 31 March 1997	<u>49,146</u>	<u>2,073</u>	<u>6,228</u>	<u>57,447</u>
NET BOOK VALUE				
At 31 March 1997	<u>2,253</u>	<u>13</u>	-	<u>2,266</u>

9. **Debtors and Prepayments**

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

ISLINGTON ENTERPRISE AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1997

					<u>1997</u>
10.	Creditors: Amounts Falling Due Within One Year				<u>£</u>
	Deferred Income				18,000
	Other Taxation and Social Security Costs				4,112
	Other Creditors and Accruals				<u>6,071</u>
					<u>28,183</u>
11.	Total Funds	Transferred At 25 March 1996	Incoming Resources	Outgoing Resources	At 31 March 1997
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
	Restricted Funds				
	Fixed Assets Fund	7,084	-	(4,418)	2,666
	STEP Programme	-	11,447	(15,087)	-
	Training Programme	-	154,759	(165,437)	-
	Business Support	<u>-</u>	<u>6,337</u>	<u>(9,533)</u>	<u>-</u>
	Total Restricted Funds	<u>7,084</u>	<u>172,543</u>	<u>(194,475)</u>	<u>2,666</u>
	General Funds	<u>47,733</u>	<u>60,296</u>	<u>(30,562)</u>	<u>59,953</u>
	Total Funds	<u>54,817</u>	<u>232,839</u>	<u>(225,037)</u>	<u>62,619</u>

The balance on the fixed assets fund will be used to meet future depreciation charges.

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 only shortfall of incoming resources over resources expended and to allocate additional funds for specific programmes.

12. **Analysis of Net Assets Between Funds**

	<u>Restricted Funds</u> <u>£</u>	<u>Unrestricted Funds</u> <u>£</u>	<u>Total Funds</u> <u>£</u>
Fund Balances at 31 March 1997 are represented by:			
Tangible Fixed Assets	2,266	-	2,266
Current Assets	400	88,136	88,536
Creditors: Amounts Falling Due Within One Year	<u>-</u>	<u>(28,183)</u>	<u>(28,183)</u>
Total Net Assets	<u>2,666</u>	<u>59,953</u>	<u>62,619</u>

ISLINGTON ENTERPRISE AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1997

13. Related Party Transactions

- a) Islington Business Development Agency (IBDA) is a related party as the companies have 5 directors in common. The company was dormant during the year.
- b) Islington Enterprise Agency Trading (IEA Trading), a company limited by guarantee is a related party as the companies have 8 directors in common. Islington Enterprise Agency has no influence over the operating and decision making policies of IEA Trading.

Material transactions during the year were as follows:	£
Rent and Office services charged by IEA Trading	30,625
Photocopying Charges	1,719
BTEC Fees	1,838
Clothing Programme	<u>5,500</u>
	<u><u>39,682</u></u>

14. Transfer of Assets

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