

Company Registration No. 04138032 (England and Wales)

**EAST LONDON BUSINESS ALLIANCE**  
**(LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**



**EAST LONDON BUSINESS ALLIANCE**  
**(LIMITED BY GUARANTEE)**  
**COMPANY INFORMATION**

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<b>Directors</b>	H McGrath (Chair) M Cooper-Mitchell R Gooding (Resigned 7 December 2004)
<b>Secretary</b>	L Kane
<b>Company number</b>	04138032
<b>Registered office</b>	3rd Floor City Reach 5 Greenwich View Place London E14 9NN
<b>Auditors</b>	CLB Littlejohn Frazer Chartered Accountants & Registered Auditors 1 Park Place Canary Wharf London E14 4HJ
<b>Business address</b>	3rd Floor City Reach 5 Greenwich View Place London E14 9NN
<b>Bankers</b>	HSBC Bank Plc 15 The Mall Stratford London E15 1XL
<b>Accountancy consultants</b>	Strategic Consultancy Solutions Limited Middle House, 3 Hemnall Street, Epping Essex CM16 4LN

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**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
CONTENTS**

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3
Income and expenditure account	4
Balance sheet	5
Notes to the financial statements	6 - 11

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**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2005**

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The directors present their report and financial statements for the year ended 31 March 2005.

**Principal activities and review of the business**

The Company is established to encourage private and public sector co-operation; to act as a focus for other economic and social improvement and development of the North East quadrant of London; to facilitate the improvement and development of the physical and cultural environment of the North East quadrant of London; to identify opportunities for investment in the area and to play a leading role in the training, educational and enterprise requirements with and through the appropriate local and national government agencies.

In order to fulfill this purpose, the Company is authorised to receive donations or contributions and to make grants to or receive grants from other organisations.

The Company is limited by guarantee and has no share capital.

The Company supported a number of Projects in the North East quadrant of London and received appropriations totalling £907,705 (2004 - £919,707) from the East London Business Alliance Charity, a Company limited by guarantee and a registered charity.

**Results**

The result for the year before tax was breakeven (2004 - breakeven). No tax charge arises for the year (2004 - £nil).

The result for the year after tax was breakeven (2004 - breakeven).

**Directors**

The following directors have held office since 1 April 2004:

H McGrath (Chair)

R Gooding

(Resigned 7 December 2004)

M Cooper-Mitchell

**Charitable donations**

**2005**

**2004**

£

£

During the year the company made the following payments:

Charitable donations

2,000

9,942

**Auditors**

Since the previous Annual General Meeting, our auditors, Littlejohn Frazer, have changed their name to CLB Littlejohn Frazer. A resolution to reappoint CLB Littlejohn Frazer will be proposed at the next Annual General Meeting.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

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**Directors' responsibilities**

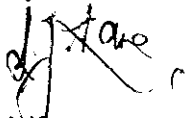
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for ensuring the Directors' Report is prepared in accordance with company law in the United Kingdom.

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

By order of the board



L Kane

**Secretary**

14 December 2005

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF EAST LONDON BUSINESS ALLIANCE**

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We have audited the financial statements of East London Business Alliance for the year ended 31 March 2005 which comprise the Income and Expenditure Account, the Balance Sheet, the accounting policies and related notes 2 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

**Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Dated: 20 December 2005  
*CLB Littlejohn Frazer*  
CLB Littlejohn Frazer

Chartered Accountants and Registered Auditor

1 Park Place, Canary Wharf, London, E14 4HJ

**EAST LONDON BUSINESS ALLIANCE**  
**(LIMITED BY GUARANTEE)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	2005 £	2004 £
Turnover	2	907,705	919,707
Administrative expenses		(907,705)	(919,703)
<b>Operating Surplus</b>	3	-	4
Interest payable and similar charges	4	-	(4)
<b>Result on ordinary activities before taxation</b>		-	-
Tax on result on ordinary activities	5	-	-
<b>Result on ordinary activities after taxation</b>	11	-	-

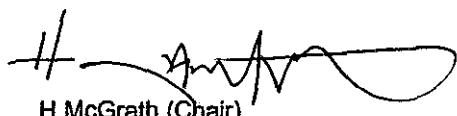
The income and expenditure account has been prepared on the basis that all operations are continuing.

There are no recognised gains and losses other than those passing through the income and expenditure account.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
BALANCE SHEET  
AS AT 31 MARCH 2005**

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	6		4,436		296
<b>Current assets</b>					
Debtors	7	63,403		20,542	
Cash at bank and in hand		10,830		26,434	
		<u>74,233</u>		<u>46,976</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(75,506)</u>		<u>(44,109)</u>	
<b>Net current (liabilities)/assets</b>			<u>(1,273)</u>		<u>2,867</u>
<b>Total assets less current liabilities</b>			<u>3,163</u>		<u>3,163</u>
<b>Capital and reserves</b>					
Income and expenditure account	11		<u>3,163</u>		<u>3,163</u>
<b>Members' funds</b>	12		<u>3,163</u>		<u>3,163</u>

The financial statements were approved by the Board on 14 December 2005 and signed on its behalf by

  
H McGrath (Chair)  
Director

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**

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**1 Accounting policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting and Financial Reporting Standards.

**1.3 Turnover**

Turnover comprises appropriations made to the company by the East London Business Alliance Charity.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% straight line
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Purchases of capital equipment for Projects are charged to the Income and Expenditure account as the expenditure is incurred. The Company has a policy of offering capital equipment back to the funders of the relevant Project at the time of the Project's completion.

No value is attributed to capital assets which have been donated to the company.

**1.5 Leasing**

Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on the straight line basis over the lease term.

**1.6 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.7 Taxation**

The Company's activities are not undertaken with a view to profit. As the Company is not a trading company it is therefore only liable to Corporation Tax on its non trade loan relationship credits.

The Company does not make taxable supplies of goods or services and therefore cannot be registered for VAT. The Company is therefore unable to recover input tax which where applicable is included as part of the relevant expenditure.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

**2 Turnover**

The whole of the turnover is attributable to appropriations received totalling £907,705 (2004 - £919,707) from the East London Business Alliance Charity in respect of the Company's support of a number of projects in the North East quadrant of London.

All turnover arose within the United Kingdom.

<b>3 Operating surplus</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging:		
Depreciation of tangible assets	2,514	2,591
Loss on disposal of tangible assets	-	1,932
Operating lease rentals	12,202	14,838
Auditors' remuneration	2,500	5,000
	<u>          </u>	<u>          </u>

<b>4 Interest payable</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	-	4
	<u>          </u>	<u>          </u>

<b>5 Taxation</b>		
<b>Current tax charge</b>	-	-
	<u>          </u>	<u>          </u>
<b>Factors affecting the tax charge for the year</b>		
Results on ordinary activities before taxation	-	-
	<u>          </u>	<u>          </u>
Results on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0% (2004: 0%)	-	-
Effects of:		
<b>Current tax charge</b>	-	-
	<u>          </u>	<u>          </u>

The Company's activities are not undertaken with a view to a profit. The Company is not a trading company and is therefore only liable to Corporation Tax on its bank interest received.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

**6 Tangible fixed assets**

	Computer equipment £
<b>Cost</b>	
At 1 April 2004	8,211
Additions	6,654
	<u>14,865</u>
At 31 March 2005	<u>14,865</u>
<b>Depreciation</b>	
At 1 April 2004	7,915
Charge for the year	2,514
	<u>10,429</u>
At 31 March 2005	<u>10,429</u>
<b>Net book value</b>	
At 31 March 2005	<u>4,436</u>
At 31 March 2004	<u>296</u>

**7 Debtors**

	2005 £	2004 £
Other debtors	63,403	16,519
Prepayments and accrued income	-	4,023
	<u>63,403</u>	<u>20,542</u>

**8 Creditors: amounts falling due within one year**

	2005 £	2004 £
Taxes and social security costs	19,087	-
Other creditors	38,719	6,214
Accruals and deferred income	17,700	37,895
	<u>75,506</u>	<u>44,109</u>

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

**9 Pension costs**

**Defined contribution**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £4,160 (2004-£6,214) were payable to the fund at the year end and are included in creditors.

	2005 £	2004 £
Contributions payable by the company for the year	33,027	43,976

**10 Company status**

The Company is a private company limited by guarantee and consequently does not have share capital.

Each of the members is liable to contribute a sum not exceeding £100 towards the assets of the company in the event of liquidation.

**11 Statement of movements on income and expenditure account**

	Income and Expenditure account £
Balance at 1 April 2004 and at 31 March 2005	3,163

**12 Reconciliation of movements in members' funds**

	2005 £	2004 £
Result for the financial year	-	-
Opening members' funds	3,163	3,163
Closing members' funds	3,163	3,163

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

**13 Financial commitments**

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
Expiry date:		
Within one year	-	653
Between two and five years	14,732	20,928
	<u>14,732</u>	<u>21,581</u>

**14 Directors' emoluments**

None of the directors received any remuneration during the year (2004 - £Nil).

**15 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
General administration	5	5
Programme managers	4	4
Project managers	10	9
	<u>19</u>	<u>18</u>

**Employment costs**

	£	£
Wages and salaries	582,186	543,915
Social security costs	63,769	61,995
Other pension costs	33,027	43,976
	<u>678,982</u>	<u>649,886</u>

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

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**16 Related party transactions**

Appropriations of £907,705 (2004 - £919,707) were made from the East London Business Alliance Charity in respect of the Company's support of a number of projects in the North East quadrant of London. At the balance sheet date the amount of appropriations to be made amounted to £61,076 (2004 - £15,712) and is included in other debtors.

H Mc Grath a Director of the East London Business Alliance is also a trustee of the East London Business Alliance Charity.

L Kane, Company Secretary and Chief Executive is also the Company Secretary and Chief Executive of the East London Business Alliance Charity.

The offices used by ELBA during the year were provided by Marsh Plc, a contributor to ELBA Charity, at a rate lower than market value.