

Charity Registration No.1122173

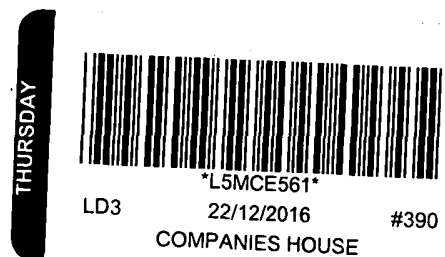
Company Registration No. 04138032 (England and Wales)

**EAST LONDON BUSINESS ALLIANCE**

**(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**



**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
LEGAL AND ADMINISTRATIVE INFORMATION**

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Trustees	C I Watson (Chairman) J Baskerville (appointed 11/02/2016) M Byrne M W Cooper-Mitchell (resigned 23/09/2015) M Gabriel L Hollins (appointed 11/02/2016) M Stanley R H Reid (resigned 03/06/2015) E J Taylor T Waldron
Chief Executive	I Parkes (appointed 01/04/2016) LJ Kane (resigned 31/03/2016)
Secretary	M S Alom (appointed 30/03/2016) LJ Kane (resigned 30/03/2016)
Charity Number	1122173
Company Number	04138032
Principal address & Registered office	3rd Floor City Reach 5 Greenwich View Place London E14 9NN
Auditors	PKF Littlejohn LLP Statutory Auditors 1 Westferry Circus Canary Wharf London E14 4HD
Bankers	HSBC Bank plc 59-61 The Mall Stratford London E15 1XL

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
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**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
CHAIRMAN'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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These statutory accounts mark the end of my first full year as ELBA Chairman. It has been a time of great change all around, with the General Election bringing in a new Government, leading to changes in the external policy environment; while internally we have continued to consolidate ELBA's revised strategic approach, focusing on our three strands of education, employment and community development. Our trading company, London Works, is performing well, and our joint project with Canary Wharf Group – East London Business Place – has been successful in winning new European funding for its work with small businesses.

However, the most significant change in the period was the retirement of Liam Kane, ELBA's Chief Executive of 14 years. Liam shaped and guided ELBA through some very exciting times, including the London Olympic and Paralympic Games, cementing and extending our reputation and activities across east London, to the point where we are now active in ten London boroughs. As can be seen from these financial statements, he left the organisation in good financial order, with the overall level of unrestricted reserves now approaching the target set by the Trustees. I was delighted that Liam's leadership was recognised in the Queen's Birthday Honours List in June 2016 when he was awarded an MBE.

We were delighted to welcome Marie Gabriel of East London Foundation Health Trust and Lisa Hollins of Barts Trust to our Board, reflecting the growing interest of ELBA members in the wider health and wellbeing agenda. We continue our longstanding relationship with KPMG and welcomed Jenny Baskerville to the Board.

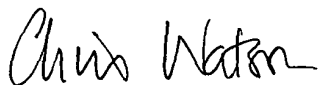
With our new Chief Executive Ian Parkes now in post, we will be reviewing ELBA's activities and priorities to ensure we remain relevant to, and ahead of, the issues which are facing our members and the communities we serve. It is clear that there will be a continuing need for our services and that we will face significant challenges and opportunities.

In April 2016 the House of Lords Select Committee for Social Mobility published its report "Overlooked and Left Behind" which highlighted the poorer life chances of young people who do not follow the well-trodden road to higher education, and also that a young person's origins and family background continue to influence their employment chances much more than their own talent and drive. These long-standing barriers to social mobility were further highlighted by a report by the Institute of Fiscal Studies, showing that family background and name of University attended have more influence over post-graduation earnings and prospects than the calibre of the degree attained and the attributes of the young person themselves.

These findings are an indication of continuing challenge to social mobility, a cause to which our new Prime Minister is attached. I was delighted to see that London Works, our ethical recruitment agency, is getting bright young people from non-traditional backgrounds into graduate level jobs – over 450 since we set the business up in 2014. ELBA members continue to provide skills, energy and manpower into the community and schools via employer-supported volunteering – with over 16,000 volunteers in this period. A new report by Accenture, looking at the future of employer supported volunteering, predicts that the volumes will continue to rise, and that it will become the default for all employers as their workers increasingly seek to work for organisations that can show wider contributions to society. Our goal is that as the volume of volunteering rises, the quality must be maintained and improved, and we must get better at measuring the collective impact of what we do.

As we look forward, it is apparent that the recent Brexit vote will have consequences for ELBA, with many businesses in our sectors postponing decisions about community engagement funding and also about employment. ELBA has enjoyed EU funding for its programmes over the years and we wait to see what the Government decision will be about the current funding programme and what may or may not replace it.

However, despite the challenges we face, the mood is one of opportunity and optimism. As we celebrate the anniversary of the London Olympic and Paralympic Games, we are awed by the regeneration in east London triggered by the Games and the examples shown by the young people who the Games were meant to inspire. London continues to be a major world city, with a wealth of opportunity and diversity of talent that cannot be equalled. ELBA, our members and community partners will be working to make sure that east London continues to play a full part.



**C I Watson  
Chairman and Trustee  
24 November 2016**

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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The Trustees present their report and audited consolidated financial statements for the year ended 31 March 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities ("FRS102 SORP")", effective from January 2015.

**Reference and Administrative Details of the Charity**

Full legal and administrative details can be found on the page preceding the contents page, including the list of Trustees (who are also directors for the purposes of company law) who served during the year.

New Trustees in the form of Lisa Hollins, Barts Health, and Jenny Baskerville, KPMG, were welcomed to the Board during the year. Mike Cooper-Mitchell and Richard Reid, both former chairmen of the Trustees resigned as directors during the period. Together they had served ELBA for 18 years and we thank them for their very valuable contribution. Samsul Alom was appointed as Company Secretary in March 2016.

In March 2016 we said farewell to our long standing Chief Executive, Liam Kane. Liam led ELBA for 14 years and was the architect and driver of our many successes and achievements. He leaves the organisation in excellent shape and we cannot thank him enough for all his energy and commitment. He will be greatly missed in ELBA and in east London. We welcome our new Chief Executive Ian Parkes, who joined in April 2016. Ian joins us after a career spanning the public, private and not-for-profit sectors, most recently running his own business.

Justine McGuinness of Village PR and Melanie Eusebe joined as Directors of London Works, our wholly owned trading subsidiary. Liam Kane resigned as director of London Works in March 2016 and Ian Parkes was appointed as a Director. Samsul Alom was appointed as Company Secretary.

**Governance, Structure and Management**

**Governance**

The ELBA Charity is a company limited by guarantee with no share capital. None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute such amount as may be required (not exceeding £100) to the company's assets in the event of a winding up. ELBA's Charity business is conducted under the framework of its governing Memorandum and Articles of Association, prepared under Company law.

Trustees are usually selected from our corporate partners in east London. Generally senior business people with wide experience and knowledge of Corporate Social Responsibility (CSR), Trustees will usually have had several years' experience of ELBA's involvement in the community and will have served on Forum or Board committees from time to time.

Being already familiar with the organisation, further induction and training of Trustees is done by providing them with copies of the Memorandum and Articles of Association, the last available annual report and accounts, current management accounts, budgets and relevant sector Forum reports as well as a copy of the Charity Commission's Charitable Purposes and Public Benefits documents together with the guide to the role and responsibilities of Charity trustees. The Chief Executive provides introductions to other Trustees, ELBA and London Works staff and members, policies and procedures as required.

In addition to the Board of Trustees, ELBA has three sector Forums/Boards which supervise the work of the Community Works, Education Works and Employment Works teams. The Employment Works board meets quarterly and the others meet on at least two occasions each year to review ELBA's volunteering and other activities carried out through the executive team of programme directors and project managers.

**Organisational Structure**

Setting the overall strategy and monitoring of the Charity's overall performance is the responsibility of the Board of Trustees, which is led by Chris Watson, a partner at CMS London. He is supported by Terry Waldron of Barclays Bank who chairs the Employment Works board and Mike Byrne of Accenture who looks after the Education Works board. Deputy Chair, Martin Stanley, chairs the ELBA Finance & General Purposes committee (Finco) which is a committee of the main Board and is charged with monitoring and reviewing the Charity's performance, in particular its financial outcomes on a regular quarterly basis.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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Membership of Finco is set at a minimum of five people currently comprising of Martin Stanley (Chair), two further Board members or co-opted members with a financial background, the company's internal auditor, the Chief Executive and the Group Finance Director. Finco meets quarterly to review operating and management accounts, annual audited financial statements and policies related to financial management, including risk.

The Board delegates day-to-day running of the organisation and the achievement of its strategic interventions to the Chief Executive, the senior management team and the experienced team of programme directors and project managers. The senior management team comprises the Chief Executive, two Managing Directors, Group Finance Director and HR/IT Director. Pay and remuneration for the Chief Executive is set by the Board. Pay and remuneration for the other members of the team is set by the Chief Executive who directly line manages them.

In 2014 the Board authorised the setting up of a new, not for profit trading subsidiary to be known as London Works (LW). LW has operated as a key part of ELBA's employment and employability efforts providing temporary and permanent recruits for member and non-member companies drawn mainly from the academic output of east London's universities. LW, which launched in January 2014, was funded in its initial stages by Barclays Bank, the Greater London Authority, the City of London Corporation, the University of East London and the Royal Borough of Greenwich. It has placed more than 400 young people in its first full year of operations and managed to break even financially in the last quarter of the financial year. The target for 2016/17 is that the company places trades at breakeven. In future years, any operating surpluses may be Gift Aided to ELBA to provide additional funding for any or all of ELBA's community, education or employment projects. There was a small amount in Gift Aid in 2015/16 (£11,770), compared to £127,636 in 2014/15.

London Works also has a Finance & General Purposes committee (Finco), chaired by Board Director Bill Carr and with one further Board director, plus the ELBA CEO (also a London Works Director) the Group Finance Director and the London Works Managing Director. Finco meets quarterly to review operating and management accounts, annual audited financial statements and policies related to financial management, including risk.

In this current period the Board authorised the setting up of a further not-for-profit subsidiary trading company – ELBA Works. In future years this will be used to deliver contracts for service. However, the new company was not active in 2015/16.

### **Risk Management**

The Trustees have a risk management strategy which comprises:

- an annual review by the Trustees of the risks the Charity may face;
- annual review by Finco of the Charity's business continuity plan;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Particular attention has focused on non-financial risks arising from safeguarding of children and young people, and from governance and regulatory compliance. A key element in the management of financial risk is the setting of a reserves policy and its regular review by Trustees. The Trustees have an ambition to continue to accumulate unrestricted reserves until these reserves represent at least 6 months' worth of core operating costs, which would amount to £600,000. The Charity's unrestricted reserves at year end amounted to £556,126, together with designated reserves for reorganisation and dilapidations amounting to £109,815 making a total £665,941.

The main risk to the Charity would be failure by members to make contributions and, consequently, the member payment records are submitted for detailed review to all Finco meetings.

London Works Board and Finco also review risks on a regular basis. They 'key' financial risks for London Works relate to the ability to meet trading targets and cashflow. The main non-financial risks relate to key personnel and regulatory compliance.

In addition the Group Finance Director pursues a rigorous automated monthly credit control procedure which has proven successful in minimising bad debt.

### **Objectives and Activities**

The Charity's main objectives are to promote social mobility and to build community capacity and resilience, improving the efficiency of charities and community organisations in London, particularly those active in the boroughs of Hackney, Newham,

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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Tower Hamlets, Greenwich, Barking and Dagenham, Waltham Forest and Islington as well as the wider east London area, and to support them in the direct furtherance of their respective charitable and other objectives.

ELBA works in the most deprived boroughs. With 26 years' experience, ELBA facilitates corporate involvement in community organisations, education and employment across the east London boroughs and Islington. Working with over 100 City and Canary Wharf companies, ELBA enables successful cross-sector partnerships between companies and the community, placing more than 13,000 business volunteers into more than 300 local organisations, schools, colleges and universities every year, and helping several hundred local people into work. ELBA is also supporting 20,000 direct beneficiaries gain new skills, 500 people into employment each year and support over 2,500 gained information and guidance on employability. From our recent community impact report 95% of beneficiaries reported they had developed new skills or personal effectiveness and 91% reported improved existing services or products as a result of intervention.

The work with our corporate partners is across three themes:

**Community**

We work across East London with local charities, social enterprises and not for profit organisations. Charities are under increasing pressure with the significant decrease in local authority funding and the drive towards service level agreements, contracts and tendering. We take a holistic approach and support organisations at leadership and governance level, with management and systems expertise and the beneficiaries of the organisation through volunteering activity. The types of volunteering include Board Builders, Executive Coaching, Business Skills volunteering, interactive volunteering and we also help develop places and spaces through team challenge volunteering.

**Education**

ELBA partners with secondary schools and further and higher education institutions to deliver a range of activities and innovative responses that meet the needs of the education sector and ELBA's key stakeholders. All support is delivered creatively through employee engagement. These include working with:

- Secondary school students, staff and governors, via Business Action Groups for Schools
- Students from east London universities that have some of the lowest levels of graduate employment in the UK, via mentoring, mock interviews and Career Capital training and networking clubs.

**Employment**

*Employability skills*

ELBA engages young jobseekers to raise aspirations and promote career paths and to raise aspirations. Activities with corporate volunteers include CV and interview skills workshops which focus on the soft skills that local jobseekers need to perform well.

ELBA influences social mobility through both temporary and permanent employment engaging young people, and supporting jobseekers to raise their aspirations, promote career paths and develop employability skills.

*Graduate employment*

London Works, ELBA's not-for-profit recruitment agency provides temporary and permanent recruits of the highest order, drawn from the growing and improving east London graduate pool.

**Financial review**

As a general rule, around half of the main ELBA core operating costs are covered and provided by the annual charitable contributions made by its member companies. The other half has derived mainly from charitable corporate grants and donations as well as various third party charitable trusts such as the **Esme Fairbairn Foundation**, **Cripplegate Foundation**, **Islington Giving**, the **Commercial Education Trust**, the **L&Q Foundation** and a number of City Livery companies as well as some of the local boroughs including **Newham** and **Waltham Forest**, all of whom have been substantial supporters as have the **Greater London Authority** and the **London Legacy Development Corporation**. This year has seen continuing reductions in public sector funding availability, which has necessitated changes to the funding structure of a number of ELBA projects and we see no prospect of that changing in the near future. The private sector has responded well to this need so far and we are confident of continuing to derive corporate support for the community needs of east London through expanding and improving the nature of ELBA's interventions.

Member companies support the many projects implemented by the East London Business Alliance, mainly through the provision of volunteers although some, including **Accenture**, **Barclays**, **British Land/Broadgate Estates**, **Canary Wharf Group**, **Catlin**, **City of London Corporation**, **Credit Suisse**, **Deutsche Bank**, **KPMG**, **Linklaters**, **Macquarie**, **Morgan Stanley**, **Nomura**,

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Societe Generale, State Street Bank and UBS** have all made additional contributions in the year under review to specific projects. Member contributions totalled £867,409, up from £824,423 in 2014/15.

Total main Charity income before adding London Works fee income was the same as the previous year at £2.8m. Underlying income from corporate members rose slightly overall allowing the delivery of just over 20 discrete projects. During the year we received a one-off donation of £200,000 from a private donor.

At an operating level, before transfers to designated reserve funds and excluding Gift Aid, the Charity earned a surplus of almost £131,612, a significant increase on the £15,997 of the previous year. The main reason for the increase was the private donation mentioned above. Costs continued to be strictly controlled and were in line with the previous year excluding the cost of the new automatic enrolment pension scheme for all employees.

The expenditure on restricted fund projects totalled £1.7m and this was fully funded from the £433,428 of restricted funds bought forward from last year plus newly incoming restricted funds of £1.6m. Accounting for restricted projects is undertaken mainly on a cash flow basis, unlike unrestricted or CORE funding, which is accounted for on a full prepaid and accruals basis.

#### **Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning our future activities.

#### **Reserves Policy**

The Trustees have expressed a desire to hold unrestricted reserves equal to at least six months' purchase of core operating costs (£600,000). They are aware that this target may take a little longer to reach from the current level of £556,126 but believe that this is achievable over the medium term. They have taken the opportunity to establish a Designated Reorganisation Reserve and a Dilapidations Reserve, currently £79,815 and £30,000 respectively, which will be used for certain specific, but as yet unquantifiable, expenditure in the future. A charge of £3,000 in respect of re-branding and website upgrade costs was effected against the Reorganisation Reserve during the year.

#### **Plans for the future period**

Indices of relative deprivation and inequality in East London remain stubbornly fixed among the worst in the UK. Despite the expansion of Canary Wharf and The City, young people and residents from East London struggle to access the jobs created. Recent reports from the House of Lords Select Committee on Social Mobility (April 2016) and from the Institute of Fiscal Studies (April 2016) show that despite improvements in educational achievement and numbers of young people attaining a degree, access to employment and higher earnings is still more likely to be determined by the family background and home location of a person rather than their qualifications, talent or hunger to get on.

Working with our members ELBA will continue to address the barriers to social mobility, addressing issues of educational attainment, employability, enterprise, and community capacity and resilience. We will seek to be thought leaders on how the world of business can both lead and provide the solutions to these intractable problems.

We are developing new approaches that bring concentrated focus on the issues, drawing in our expertise and delivery capacity from education at all levels, employment, recruitment, supply chain development and community development. Our priorities are driven by the CSR and ESG objectives of our members. Our key role will be to act as a broker and delivery agent, linking the world of business to the community.

ELBA underwent a significant restructuring process in 2014 from a borough to a thematic approach and have since developed with the formation of London Works our Social Enterprise recruitment Agency and with the establishment of a programme in Islington, The Big Alliance.

In April we appointed a new Chief Executive and the direction of the organisation will for the time being, remain constant with a drive to:

- Secure and grow the ELBA membership.
- Secure new funding streams through trusts and foundations.
- Develop stronger strategic partnerships
- Grow our geographic remit

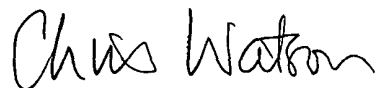


**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Auditors**

The auditor, PKF Littlejohn LLP, will be proposed for re-appointment at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.



**C I Watson  
Chairman and Trustee  
24 November 2016**

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 MARCH 2016**

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The Trustees (who are directors for the purpose of company law) are responsible for preparing the Report of the Trustees 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). Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the charitable Company for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

**Disclosure of Information to Auditors**

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

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

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**Independent auditor's report to the members of East London Business Alliance**

We have audited the financial statements of East London Business Alliance for the year 31 March 2016 which comprise Consolidated Statement of Financial Activities, the Parent Company Statement of Financial Activities, incorporating Income and Expenditure Accounts, the Consolidated and Parent Company Balance Sheets and the related notes.. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 Auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent charitable company's affairs as at 31 March 2016 and of the Group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Trustee's Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



**Alastair Duke  
(Senior Statutory Auditor)**

For and on behalf of  
**PKF Littlejohn LLP**  
Statutory Auditors  
1 Westferry Circus  
Canary Wharf  
London E14 4HD

21 December  
November 2016

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2016**

Company Number 04138032

		Unrestricted Funds			Total	Total
	Notes	General funds £	Designated funds £	Restricted funds £	2016 £	2015 £
<b>Income from:</b>						
Donations	2	1,087,409	-	-	1,087,409	824,423
Charitable activities	3	-	-	1,631,763	1,631,763	1,648,726
Other trading activities	4	1,239,574	-	-	1,239,574	478,736
Investments	5	3,158	-	-	3,158	5,739
Other income	6	52,892	-	-	52,892	61,816
<b>Total income</b>		<b>2,383,033</b>	<b>-</b>	<b>1,631,763</b>	<b>4,014,796</b>	<b>3,019,440</b>
<b>Expenditure on:</b>						
Raising funds		36,732	-	-	36,732	32,542
Raising funds - trading activities		1,241,613	-	-	1,241,613	381,339
Charitable activities	7	929,641	3,000	1,682,917	2,615,558	2,756,432
<b>Total expenditure</b>		<b>2,207,986</b>	<b>3,000</b>	<b>1,682,917</b>	<b>3,893,903</b>	<b>3,170,313</b>
<b>Net income / (expenditure)</b>		<b>175,047</b>	<b>(3,000)</b>	<b>(51,154)</b>	<b>120,893</b>	<b>(150,873)</b>
Transfers between funds	16c	(55,665)	24,000	31,665	-	-
<b>Net movement in funds</b>		<b>119,382</b>	<b>21,000</b>	<b>(19,489)</b>	<b>120,893</b>	<b>(150,873)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		436,744	88,815	433,428	958,987	1,109,860
<b>Total funds carried forward</b>		<b>556,126</b>	<b>109,815</b>	<b>413,939</b>	<b>1,079,880</b>	<b>958,987</b>

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006 and has been prepared on the basis that all operations are continuing. The company has no gain or losses other than those shown above.

The notes on pages 16 to 23 form part of these financial statements.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2016**

Company Number 04138032

	Unrestricted Funds General funds £	Designated funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>Income from:</b>					
Donations	1,099,179	-	-	1,099,179	952,059
Charitable activities	-	-	1,648,589	1,648,589	1,802,608
Investments	3,158	-	-	3,158	5,739
Other income	39,083	-	-	39,083	31,577
<b>Total income</b>	<b>1,141,420</b>	<b>-</b>	<b>1,648,589</b>	<b>2,790,009</b>	<b>2,791,983</b>
<b>Expenditure on:</b>					
Raising funds	36,732	-	-	36,732	32,542
Charitable activities	929,641	3,000	1,699,743	2,632,384	2,910,314
<b>Total expenditure</b>	<b>966,373</b>	<b>3,000</b>	<b>1,699,743</b>	<b>2,669,116</b>	<b>2,942,856</b>
<b>Net income / (expenditure)</b>	<b>175,047</b>	<b>(3,000)</b>	<b>(51,154)</b>	<b>120,893</b>	<b>(150,873)</b>
Transfers between funds	(55,665)	24,000	31,665	-	-
<b>Net movement in funds</b>	<b>119,382</b>	<b>21,000</b>	<b>(19,489)</b>	<b>120,893</b>	<b>(150,873)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	436,744	88,815	433,428	958,987	1,109,860
<b>Total funds carried forward</b>	<b>556,126</b>	<b>109,815</b>	<b>413,939</b>	<b>1,079,880</b>	<b>958,987</b>

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006 and has been prepared on the basis that all operations are continuing. The company has no gain or losses other than those shown above.

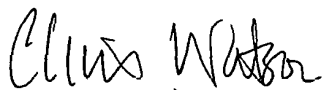
The notes on pages 16 to 23 form part of these financial statements.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2016**

Company Number 04138032

	Notes	2016		2015	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	12		17,326		20,732
<b>Current assets</b>					
Debtors	13	827,406		848,469	
Cash at bank and in hand		783,512		607,312	
		<u>1,610,918</u>		<u>1,455,781</u>	
<b>Creditors: amounts falling due within one year</b>	14a	<u>(448,364)</u>		<u>(517,526)</u>	
Net current assets			1,162,554		938,255
<b>Creditors: amounts falling due after more than one year</b>	14b		<u>(100,000)</u>		-
<b>Net assets</b>			<u>1,079,880</u>		<u>958,987</u>
<b>Charity Funds</b>					
Restricted funds	16a		413,939		433,428
Unrestricted funds			556,126		436,744
Designated Funds	16b		109,815		88,815
<b>Total charity funds</b>			<u>1,079,880</u>		<u>958,987</u>

The financial statements were approved by the Board on 24 November 2016 and signed on its behalf by:



C I Watson  
Chairman & Trustee



M Stanley  
Trustee

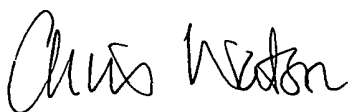
The notes on pages 16 to 23 form part of these financial statements.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
COMPANY BALANCE SHEET  
AS AT 31 MARCH 2016**

Company Number 04138032

	Notes	£	2016	£	2015	£
<b>Fixed Assets</b>						
Tangible assets	6			17,326		20,732
<b>Current assets</b>						
Debtors	7	542,236		746,255		
Cash at bank and in hand		634,339		385,287		
		<u>1,176,575</u>		<u>1,131,542</u>		
<b>Creditors: amounts falling due within one year</b>	8	<u>(114,021)</u>		<u>(193,287)</u>		
Net current assets			<u>1,062,554</u>			938,255
<b>Net assets</b>			<u>1,079,880</u>			<u>958,987</u>
<b>Charity Funds</b>						
Restricted funds	10a		413,939			433,428
Unrestricted funds			556,126			436,744
Designated Funds	10b		109,815			88,815
<b>Total charity funds</b>			<u>1,079,880</u>			<u>958,987</u>

The financial statements were approved by the Board on 24 November 2016 and signed on its behalf by:



C I Watson  
Chairman & Trustee



M Stanley  
Trustee

The notes on pages 16 to 23 form part of these financial statements.



**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
CONSOLIDATED STATEMENT OF CASH FLOWS  
AS AT 31 MARCH 2016**

Company Number 04138032

	Notes	<b>2016</b> £	2015 £
<b>Cash flow from operating activities</b>	17	185,272	(301,924)
<b>Net cash flow provided by / (used in) operating activities</b>		<b>185,272</b>	<b>(301,924)</b>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets	12	(12,230)	(20,010)
Interest received from investment		3,158	5,739
<b>Net cash flow provided by / (used in) investing activities</b>		<b>(9,072)</b>	<b>(14,271)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>176,200</b>	<b>(316,195)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>607,312</b>	<b>923,507</b>
<b>Cash and cash equivalents at 31 March</b>		<b>783,512</b>	<b>607,312</b>

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
COMPANY STATEMENT OF CASH FLOWS  
AS AT 31 MARCH 2016**

Company Number 04138032

	Notes	<b>2016</b> £	<b>2015</b> £
<b>Cash flow from operating activities</b>	17	258,124	(507,050)
<b>Net cash flow provided by / (used in) operating activities</b>		<b>258,124</b>	<b>(507,050)</b>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets	12	(12,230)	(20,010)
Interest received from investment		3,158	5,739
<b>Net cash flow provided by / (used in) investing activities</b>		<b>(9,072)</b>	<b>(14,271)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>249,052</b>	<b>(521,321)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>385,287</b>	<b>906,608</b>
<b>Cash and cash equivalents at 31 March</b>		<b>634,339</b>	<b>385,287</b>

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1 Accounting policies**

**1.1 General information and basis of preparation**

East London Business Alliance is a Charity and a company limited by guarantee with no share capital in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £100 per member of the charity. The address of the registered office is given in the legal and administrative information page of these financial statements. The nature of the charity's operations and principal activities are detailed under objectives and activities on pages 3 and 4 of the Trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The consolidated financial statements consolidate the financial statements of East London Business Alliance and its subsidiary undertaking, London Works Agency Limited for the period ending 31 March 2016. During the year ELBA registered a new not for profit, trading subsidiary to be known as ELBA Works. The new company will be the delivery vehicle for Community Works and Education Works although to date the company has been dormant.

**1.2 Income recognition**

Income from membership contributions and grants is credited to the SOFA at the time the commitment is agreed and an invoice issued by ELBA. Contributions and income received in advance, which is wholly attributable to future periods, is deferred to the Balance sheet and transferred to the SOFA in the period to which it relates.

Trading income is invoiced on an accruals basis.

**1.3 Expenditure recognition**

Expenditure has been included in the Financial Statements on the accruals basis and is stated inclusive of VAT for ELBA. LW is VAT registered and the expenditure is therefore included net of VAT.

Support costs represent staff and office costs and are apportioned to charitable activities and fundraising activities on the basis of estimated time spent on those activities.

The company benefits from contributed resources including premises and staff time. This is often very difficult to quantify in financial terms and where it is not considered to be material is not reported upon.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets over £1,000 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
Motor vehicle	25% Straight line
Fixtures & Fittings	25% Straight line

**1.5 Leasing and hire purchase commitments**

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

**1.6 Pensions**

The charity operates a defined contributions pension scheme which is open to all members of staff and the pension charge represents the amount payable by the charitable company to the fund in respect of the year.

**1.7 Funds**

Unrestricted funds 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.8 Taxation**

As a registered charity, the company is generally exempt from Corporation Tax in respect of its charitable activities. The company is not registered for VAT and items in the Financial Statements are stated inclusive of VAT, where applicable.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**2 Income from donations**

	2016 £	2015 £
Member contributions	867,409	824,423
Donations	220,000	-
	<u>1,087,409</u>	<u>824,423</u>

Income from donations was £1,087,409 (2015 - £824,423) all of which was attributable to unrestricted funds for both years.

**3 Income from charitable activities**

	2016 £	2015 £
Community Works	350,236	353,935
Education Works	474,307	370,448
Employment Works	452,807	485,450
Other	354,413	438,893
	<u>1,631,763</u>	<u>1,648,726</u>

Income from charitable activities was £1,631,763 (2015 - £1,648,726) all of which was attributable to restricted funds for both years.

**4 Income from other trading activities**

	2016 £	2015 £
Bureau agency fees receivable - London Works	<u>1,239,574</u>	<u>478,736</u>

Income from other trading activities was £1,239,574 (2015 - £478,736) all of which was attributable to unrestricted funds for both years.

**5 Income from investments**

	2016 £	2015 £
Interest receivable	<u>3,158</u>	<u>5,739</u>

Income from other investments was £3,158 (2015 - £5,739) all of which was attributable to unrestricted funds for both years.

**6 Other income**

	2016 £	2015 £
Services provided and other	<u>52,892</u>	<u>61,816</u>

Other income was £52,892 (2015 - £61,816) all of which was attributable to unrestricted funds for both years.

**7 Analysis of expenditure on charitable activities**

	Direct Costs	Support Costs	2016 £	2015 £
Community Works Projects	256,923	102,588	359,511	437,379
Education Works Projects	309,299	169,085	478,384	386,966
Employment Works Projects	322,085	168,023	490,108	691,625
Other Projects	346,914	8,000	354,914	526,537
CORE	932,641	-	932,641	713,925
	<u>2,167,862</u>	<u>447,696</u>	<u>2,615,558</u>	<u>2,756,432</u>

**EAST LONDON BUSINESS ALLIANCE**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

Expenditure on charitable activities was £2,615,558 (2015 - £2,756,432) of which £929,641 was attributable to unrestricted funds (2015 - £697,040), £3,000 was attributable to designated funds (2015 - £16,885) and £1,682,917 was attributable to restricted funds (2015 - £2,042,507).

**8 Allocation of support costs**

	Community Works Projects £	Education Works Projects £	Employment Works Projects £	Other Projects £	2016 Total £	2015 £
Governance (see note 9)	1,550	2,392	1,867	-	5,809	3,452
Finance & Management	28,758	44,586	34,808	-	108,152	106,092
HR & Admin	12,815	29,858	30,203	-	72,876	81,878
Other Staffing	29,104	34,204	45,269	8,000	116,577	130,176
Office and Other Costs	30,361	58,045	55,876	-	144,282	156,438
<b>Total</b>	<b>102,588</b>	<b>169,085</b>	<b>168,023</b>	<b>8,000</b>	<b>447,696</b>	<b>478,036</b>

**9 Governance costs**

	Core	Projects	2016 £	2015 £
Accountancy	2,511	2,489	5,000	5,100
Audit	3,850	3,320	7,170	7,380
	<b>6,361</b>	<b>5,809</b>	<b>12,170</b>	<b>12,480</b>

**10 Trustees**

None of the Trustees (or any person connected with them) received any remuneration or benefits from the charity during the year.

**11 Employees**

Number of employees

The average number of employees during the year was:

	2016 Number	2015 Number
Chief Executive	1	1
Administration	4	4
Project delivery	35	35
East London Business Place	5	6
EaGLES	17	16
London Works (Temporary Staff)	22	8
London Works (Establishment Staff)	5	5
	<b>89</b>	<b>75</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,760,653	2,349,734
Social security costs	270,661	234,066
Other pension costs	62,808	60,315
Redundancy costs and ex-gratia	(1,268)	30,933
	<b>3,092,854</b>	<b>2,675,048</b>

The total amount of employee benefits received by key management personnel during the year was £395,828 (2015 - £368,239). The Charity considers its key management personnel to comprise the Chief Executive, two Managing Directors, Group Finance Director and HR/IT Director.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

The number of employees whose annual emoluments were £60,000 or more were:

	2016 Number	2015 Number
£60,000 to £69,999	2	-
£70,000 to £79,999	1	1
£140,000 to £149,999	-	1
£160,000 to £169,999	1	-

The employees whose emoluments (including annual bonus, car allowance and pension contributions) exceeded £60,000, had retirement benefits accruing under a defined contribution pension scheme. The contribution payable by the company for these employees for the year was £21,276 (2015 - £24,480).

**12 Group and Company Tangible Fixed Assets**

	Fixtures & Fittings £	Motor Vehicle £	Computer Equipment £	2016 Total £
Cost				
At 1 April 2015	3,484	15,000	111,049	129,533
Additions	-	-	12,230	12,230
Disposals	-	-	-	-
Disposals	(3,484)	-	(75,047)	(78,531)
At 31 March 2016	-	15,000	48,232	63,232
Depreciation				
At 1 April 2015	3,484	3,750	101,567	108,801
Charge for the year	-	3,750	11,886	15,636
On disposals	-	-	-	-
On disposals	(3,484)	-	(75,047)	(78,531)
At 31 March 2016	-	7,500	38,406	45,906
Net book value				
At 31 March 2016	-	7,500	9,826	17,326
At 31 March 2015	-	11,250	9,482	20,732

**13 Debtors**

Group	2016 £	2015 £
Grants and donations receivable	752,069	781,728
Other debtors	25,139	42,594
Prepayments and accrued income	50,198	24,147
	<b>827,406</b>	<b>848,469</b>
Company	2016 £	2015 £
Grants and donations receivable	457,543	531,537
Amounts owed by group undertaking	11,770	151,903
Other debtors	24,789	24,147
Prepayments and accrued income	48,134	38,668
	<b>542,236</b>	<b>746,255</b>

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

Included within Other debtors of both Group and Company is an amount of £16,319 which is receivable after more than one year (2015 - £16,306) being the office rent deposit. There were no staff loans receivable after more than one year (2015 - £1,051).

**14a Creditors: amounts falling due within one year**

<b>Group</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Purchase ledger balances	55,965	75,435
Other creditors	12,577	5,386
Accruals	42,418	56,835
VAT	74,074	71,209
Grants received in advance	263,330	308,661
	<u>448,364</u>	<u>517,526</u>
<b>Company</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Purchase ledger balances	30,572	49,818
Amounts owed to group undertaking	-	71,767
Other creditors	6,261	4,389
Accruals	23,188	42,463
Grants received in advance	54,000	24,850
	<u>114,021</u>	<u>193,287</u>

**14b Creditors: amounts falling due after more than one year**

<b>Group</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Loan repayable to Greater London Authority	100,000	-
	<u>100,000</u>	<u>-</u>

**15 Liability of members**

The company has no share capital, being limited by guarantee. Each member of the company undertakes to contribute such amount as may be required (not exceeding £100) to the company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member. In the event of the company being wound up or dissolved, any surplus property shall be given or transferred to some other charitable institution having similar charitable objects to the company. The property cannot be paid to or distributed among members of the company.

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**16a Restricted funds**

**Group**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2016 £
Community Works	34,234	350,236	359,512	55,865	80,823
Education Works	203,025	474,307	478,385	5,450	204,397
Employment Works	172,133	452,807	524,736	3,000	103,204
Other	24,036	354,413	320,284	(32,650)	25,515
	<u>433,428</u>	<u>1,631,763</u>	<u>1,682,917</u>	<u>31,665</u>	<u>413,939</u>

**Company**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2016 £
Community Works	34,234	350,236	359,512	55,865	80,823
Education Works	203,025	474,307	478,385	5,450	204,397
Employment Works	172,133	409,877	481,806	3,000	103,204
Other	24,036	414,169	380,040	(32,650)	25,515
	<u>433,428</u>	<u>1,648,589</u>	<u>1,699,743</u>	<u>31,665</u>	<u>413,939</u>

**16b Unrestricted designated funds**

**Group and company**

	Balance at 1 April 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2016 £
Reorganisation Reserve	64,815	-	3,000	18,000	79,815
Dilapidations reserve	24,000	-	-	6,000	30,000
	<u>88,815</u>	<u>-</u>	<u>3,000</u>	<u>24,000</u>	<u>109,815</u>

The Directors have agreed to create funds for the future reorganisation of the charitable company as well as lease dilapidations. A charge of £3,000 during the year in connection with rebrand and website was effected against the Reorganisation Reserve during the year.

**16c Transfers**

Transfers between funds comprise transfers from unrestricted funds to the Reorganisation and Dilapidations Reserves, transfers to Restricted Funds to cover small shortfalls in certain Project funding and transfers to unrestricted funds (Core) where the charity is entitled to any surpluses arising on those funds as detailed above.



**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**17 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

<b>Group</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for year	120,893	(150,873)
Interest from investments	(3,158)	(5,739)
Depreciation of tangible fixed assets	15,636	15,751
(Increase) / decrease in debtors	21,063	(173,452)
Increase / (decrease) in creditors	30,838	12,389
<b>Net cash flow from operating activities</b>	<b>185,272</b>	<b>(301,924)</b>

<b>Company</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for year	120,893	(150,873)
Interest from investments	(3,158)	(5,739)
Depreciation of tangible fixed assets	15,636	15,751
(Increase) / decrease in debtors	204,019	(137,435)
Increase / (decrease) in creditors	(79,266)	(228,754)
<b>Net cash flow from operating activities</b>	<b>258,124</b>	<b>(507,050)</b>

**18 Analysis of net assets between funds**

<b>Group</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total</b>
Tangible fixed assets	17,326	-	-	17,326
Net Current assets	638,800	109,815	413,939	1,162,554
Creditors falling due after more than one year	(100,000)	-	-	(100,000)
	<b>556,126</b>	<b>109,815</b>	<b>413,939</b>	<b>1,079,880</b>

<b>Company</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total</b>
Tangible fixed assets	17,326	-	-	17,326
Net Current assets	538,800	109,815	413,939	1,062,554
	<b>556,126</b>	<b>109,815</b>	<b>413,939</b>	<b>1,079,880</b>

**19 Contingent liabilities**

There were no contingent liabilities at 31 March 2016 (2015 - None).

**20 Group commitments under operating leases**

At 31 March 2016 the group had commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiry date				
Not later than one year	57,398	21,440	40,380	40,244
Later than one and not later than five years	205,772	-	89,225	115,385
	<b>263,170</b>	<b>21,440</b>	<b>129,605</b>	<b>155,629</b>

**EAST LONDON BUSINESS ALLIANCE  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**21 Capital commitments**

There were no capital commitments at 31 March 2016 (2015 - None).

**22 Related parties**

The following trustees of the company are directors or representatives of the companies as shown below that made contributions or donations to the company during the year:

C I Watson, Partner CMS London  
M Stanley, Representative of Macquarie  
J Baskerville, Representative of KPMG  
M Byrne, Representative of Accenture  
M Gabriel, Representative of East London Foundation Trust  
R H Reid, London Chairman, KPMG  
E J Taylor, Representative of Deutsche Bank  
T Waldron, Representative of Barclays  
W Carr, Representative of CMS London

**23 Subsidiary undertaking**

These consolidated financial statements include the financial statements of the subsidiary company London Works Agency Limited. London Works Agency Limited is a private company limited by guarantee registered in England & Wales (Company No. 08525614). The company was set up as a staff recruitment agency to provide pathways to work in the City and Canary Wharf for local graduates and A Level school leavers.

Its trading results, extracted from its audited financial statements, which are included in the unrestricted funds column in the SOFA, were:

	2016	2015
<b>Turnover</b>	<b>1,356,069</b>	<b>885,049</b>
Administrative expenses	<u>(1,344,299)</u>	<u>(757,413)</u>
<b>Profit on ordinary activities before taxation</b>	<b>11,770</b>	<b>127,636</b>
Tax on profit on ordinary activities	-	-
<b>Profit for the financial year</b>	<b>11,770</b>	<b>127,636</b>
<b>Gift Aid donation to ELBA</b>	<b>(11,770)</b>	<b>(127,636)</b>
	<u>-</u>	<u>-</u>

**24 Post balance sheet event**

On 1 July 2016, East London Business Alliance and London Works Agency Limited entered into a 'Facility Agreement: Intra-Group' for a period to 31 March 2019.

The lender (ELBA) agrees to grant to the borrower (LW) an unsecured sterling term loan facility of a total principal amount not exceeding £100,000. The initial loan of £70,000 was granted on 1 August 2016.

The purpose of the facility is to assist LW to meet its working capital needs.

The terms of the agreement require LW to pay interest on the facility at the rate of 5% above the base rate of HSBC as varied from time to time.