

EAST LONDON BUSINESS ALLIANCE LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2004



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EAST LONDON BUSINESS ALLIANCE LIMITED
(Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS	H McGrath (Chair) R Gooding M Cooper-Mitchell (appointed 16 October 2003)
SECRETARY	L Kane (appointed 16 October 2003)
COMPANY NUMBER	04138032
REGISTERED OFFICE	Anchorage House 2 Clove Crescent East India Dock Leamouth London E14 2BE
AUDITORS	Littlejohn Frazer Chartered Accountants & Registered Auditors 1 Park Place Canary Wharf London E14 4HJ
BANKERS	HSBC Bank Plc 15 The Mall Stratford London E15 1XL

EAST LONDON BUSINESS ALLIANCE LIMITED
(Limited by Guarantee)

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EAST LONDON BUSINESS ALLIANCE LIMITED

(Limited by Guarantee)

DIRECTORS' REPORT

For the year ended 31 March 2004

The directors present their report and the Financial Statements for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF 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 donations totalling £919,707 (2003 - £729,715) 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 (2003 - deficit £43). No tax charge arises for the year (2003 - charge £243).

The result for the year after tax was breakeven (2003 - deficit £286).

DIRECTORS

The directors who served during the year were:

H McGrath (Chair)

R Gooding

Robert John (resigned 6 May 2004)

John Reeve (resigned 16 September 2003)

David Robins (resigned 16 September 2003)

M Cooper-Mitchell (appointed 16 October 2003)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Company made various charitable contributions totalling £9,942 (2003 - 6,950).

STATEMENT OF 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 surplus or deficit 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;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures 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.

EAST LONDON BUSINESS ALLIANCE LIMITED

(Limited by Guarantee)

DIRECTORS' REPORT

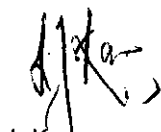
For the year ended 31 March 2004

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.

AUDITORS

The auditors, Littlejohn Frazer, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on *20th DECEMBER 2004* and signed on its behalf.



L Kane
Secretary

EAST LONDON BUSINESS ALLIANCE LIMITED

(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST LONDON BUSINESS ALLIANCE LIMITED

We have audited the financial statements of East London Business Alliance Limited for the year ended 31 March 2004 set out on pages 5 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities 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 within it.

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.

EAST LONDON BUSINESS ALLIANCE LIMITED

(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST LONDON BUSINESS ALLIANCE LIMITED

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 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Littlejohn Frazer

Chartered Accountants
Registered Auditors

1 Park Place
Canary Wharf
London
E14 4HJ

Date: 6 January 2005

EAST LONDON BUSINESS ALLIANCE LIMITED
(Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2004

	Note	2004 £	2003 £
TURNOVER	1	919,707	729,715
Administrative expenses		(919,703)	(731,010)
Other operating income	2	-	150
OPERATING SURPLUS/(DEFICIT)	3	4	(1,145)
Interest receivable		-	1,102
Interest payable	5	(4)	-
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(43)
TAX ON SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES	6	-	(243)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION		£ -	£ (286)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2004 or 2003 other than those included in the income and expenditure account.

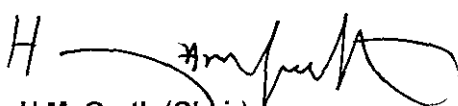
The Accounting Policies and Notes on pages 7 to 12 form part of these Financial Statements.

EAST LONDON BUSINESS ALLIANCE LIMITED
(Limited by Guarantee)

BALANCE SHEET
As at 31 March 2004

	Note	£	2004	£	£	2003	£
FIXED ASSETS							
Tangible fixed assets	7			296			4,819
CURRENT ASSETS							
Debtors	8	20,542			112,391		
Cash at bank and in hand		26,434			15,149		
		<u>46,976</u>			<u>127,540</u>		
CREDITORS: amounts falling due within one year	9	(44,109)			(129,196)		
NET CURRENT ASSETS/(LIABILITIES)				<u>2,867</u>			<u>(1,656)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>£ 3,163</u>			<u>£ 3,163</u>
CAPITAL AND RESERVES							
Income and expenditure account	11			3,163			3,163
	12			<u>£ 3,163</u>			<u>£ 3,163</u>

The Financial Statements were approved by the board on 20 Dec 2004 and signed on its behalf.


H McGrath (Chair)
 Director

The Accounting Policies and Notes on pages 7 to 12 form part of these Financial Statements.

EAST LONDON BUSINESS ALLIANCE LIMITED
(Limited by Guarantee)

ACCOUNTING POLICIES
For the year ended 31 March 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and are prepared in accordance with applicable United Kingdom Accounting Standards.

1.2 Turnover

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

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line

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.

1.4 Operating leases

Rentals applicable to 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.

1.5 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.

1.6 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
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

1. TURNOVER

The whole of the turnover is attributable to donations received totalling £919,707 (2003 - £729,715) 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.

2. OTHER OPERATING INCOME

	2004 £	2003 £
Contribution to support team costs	-	150

3. OPERATING SURPLUS/(DEFICIT)

The operating surplus/(deficit) is stated after charging:

	2004 £	2003 £
Depreciation of tangible fixed assets:		
- owned by the company	2,591	2,798
Audit fees	5,000	3,543
Operating lease rentals:		
- plant and machinery	14,838	9,482

During the year, no director received any emoluments (2003 - £nil).

4. STAFF COSTS

Staff costs were as follows:

	2004 £	2003 £
Wages and salaries	543,915	456,792
Social security costs	61,995	46,476
Other pension costs	43,976	31,565
	£ 649,886	£ 534,833

The average monthly number of employees, including directors, during the year was as follows:

	2004 No.	2003 No.
General administration	5	4
Programme managers	4	3
Project managers	9	8
	18	15

EAST LONDON BUSINESS ALLIANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

5. INTEREST PAYABLE

	2004	2003
	£	£
Other interest payable	£ 4	£ -
	<u> </u>	<u> </u>

6. TAXATION

	2004	2003
	£	£
Adjustments in respect of prior periods	£ -	£ 243
	<u> </u>	<u> </u>

Factors affecting tax charge for 2003

The tax assessed for 2003 is higher than the standard rate of corporation tax in the UK applicable to the company (0%). The differences are explained below

	2004	2003
	£	£
Results on ordinary activities before tax	-	(43)
	<u> </u>	<u> </u>
Results on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 0 % (2003 - 0)	-	-
Effects of:		
Adjustments to tax charge in respect of prior periods	-	243
	<u> </u>	<u> </u>
Current tax charge for year (see note above)	£ -	£ 243
	<u> </u>	<u> </u>

Factors that may affect future tax charges

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
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

7. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2003	935	9,943	10,878
Disposals	(935)	(1,732)	(2,667)
At 31 March 2004	-	8,211	8,211
Depreciation			
At 1 April 2003	140	5,919	6,059
Charge for the year	-	2,591	2,591
On disposals	(140)	(595)	(735)
At 31 March 2004	-	7,915	7,915
Net book value			
At 31 March 2004	£ -	£ 296	£ 296
At 31 March 2003	£ 795	£ 4,024	£ 4,819

8. DEBTORS

	2004 £	2003 £
Due within one year		
Other debtors	16,519	107,606
Prepayments and accrued income	4,023	4,785
	£ 20,542	£ 112,391

9. CREDITORS:
Amounts falling due within one year

	2004 £	2003 £
Social security and other taxes	-	14,925
Amounts owing to East London Business Alliance	-	62,780
Accruals and deferred income	37,895	51,491
Pension creditor	6,214	-
	£ 44,109	£ 129,196

EAST LONDON BUSINESS ALLIANCE LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

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 an amount not exceeding £100 towards the assets of the company in the event of liquidation.

11. RESERVES

Income and expenditure account	£
At 1 April 2003	3,163
Result for the year	-
	<hr/>
At 31 March 2004	£ 3,163
	<hr/>

12. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2004	2003
	£	£
Result for the year	-	(286)
	<hr/>	<hr/>
	-	(286)
Opening Members' funds	3,163	3,449
	<hr/>	<hr/>
Closing Members' funds	£ 3,163	£ 3,163
	<hr/>	<hr/>

13. PENSION COMMITMENTS

The company operates a defined contributions 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 and amounted to £43,976 (2003 - £31,565). Contributions totalling £6,214 (2003 - £4,237) were payable to the fund at the balance sheet date and are included in creditors. During 2003 contribution overpayments were made totalling £1,030 and were included in debtors.

14. OPERATING LEASE COMMITMENTS

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Expiry date:		
Within 1 year	653	1,650
Between 2 and 5 years	20,928	7,832
	<hr/>	<hr/>

EAST LONDON BUSINESS ALLIANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

15. RELATED PARTY TRANSACTIONS

Appropriations of £919,707 (2003 - £729,715) 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 £15,712 (2003 - £104,023) and is included in other debtors.

H McGrath a Director of the East London Business Alliance is also a Trustee of the East London Business Alliance Charity.

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