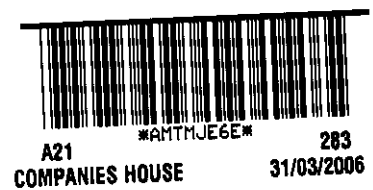


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**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JULY 2005**



**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**COMPANY INFORMATION**

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<b>DIRECTOR</b>	Dermot O'Brien (Chair) Ian Tower (Vice-Chair) Kathy Carson Jenny Wilkins Paul Poulter Mark Geday Sue Hunter Marion Faust Robert Garton Sarah Kent David Pack
<b>SECRETARY</b>	Sally Prentice
<b>COMPANY NUMBER</b>	04189203
<b>REGISTERED OFFICE</b>	Friendly House 52-58 Tabernacle Street London EC2A 4NJ
<b>AUDITORS</b>	Gotham Erskine Chartered Accountants & Registered Auditors Friendly House 52-58 Tabernacle Street London EC2A 4NJ
<b>BANKERS</b>	Cater Allen Sovereign House 16-22 Western Road Romford RM1 3SP

**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**DIRECTORS' REPORT**  
**For the year ended 31 July 2005**

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

**PRINCIPAL ACTIVITIES**

BE (Business Education) London East is a consortium of nine Education Business Partnerships and education business link organisations such as Young Enterprise and the Trident Trust. The consortium members work with employers to provide a range of services to schools to prepare young people for future employment opportunities and to increase teachers' understanding of business and industry. The programmes include face-to-face and e-mentoring, work experience, enterprise programmes, work-related learning opportunities and professional development placements for teachers. BE employs a team of Enterprise Advisors to provide advice and practical support to develop enterprise learning in schools across East and North London.

In 2004-05, the members of BE delivered the following well established programmes to schools: mentoring, work experience, professional development placements for teachers and work-related learning. Education Business Partnerships also recruited new employers, from major corporate firms to SMEs and micro businesses. BE was successful in securing funding for two ESF projects from London East LSC to work with schools to improve employability skills of young people who are at risk of disengaging from learning and involving employers in the delivery of case studies for vocational GCSEs. BE is also a partner in a pan London ESF Project Cre8 Your Future which involves working with the creative and media sector to re-engage young people in learning and thinking about their future.

The Enterprise Advisor Service had a productive first year of operation, providing advice and support to 114 schools in London East and London North. Two seminars for teachers were held at the Financial Services Authority and the Service ran a successful Enterprise Challenge competition in which over 80 schools took part in borough heats. The final was held on the fiftieth floor of Canary Wharf and was judged by Alan Sugar. The Service has now been rolled out to all schools in the thirteen boroughs.

**DIRECTORS**

The directors who served during the year were:

Sally Arscott (resigned 30/9/05)  
Dermot O'Brien (appointed 1/10/05)  
Kathy Carson (appointed 28/2/06)  
Tanya Edwards (resigned 13/1/05)  
Marion Faust (appointed 28/7/05)  
Robert Garton (appointed 2/2/05)  
Mark Geday  
Sue Hunter (appointed 28/2/06)  
David Lister (resigned 31/8/05)  
Sarah Kent (appointed 1/2/06)  
Stephen Nelson (resigned 30/6/05)  
David Pack (appointed 1/12/05)  
Brenda Parsons (resigned 19/12/05)  
Paul Poulter  
Mike Richardson (resigned 31/12/05)  
David Shelley (resigned 25/1/06)  
Ian Tower  
Jenny Wilkins  
Joscelin Waters (resigned 13/1/05)

**DIRECTORS' REPORT**  
For the year ended 31 July 2005

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**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;
- 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.

**AUDITORS**

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

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

This report was approved by the board on 15 March 2006 and signed on its behalf.



**Dermot O'Brien**  
Director

**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BE (LONDON EAST)**

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We have audited the financial statements of BE (London East) for the year ended 31 July 2005 set out on pages 4 to 9. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on page 6.

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.

**OPINION**

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



**Gotham Erskine**  
Chartered Accountants  
Registered Auditors

Date: 28 Nov 2006

Friendly House  
52-58 Tabernacle Street  
London  
EC2A 4NJ

**BE (LONDON EAST)**  
**(Limited by Guarantee)**

**INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 July 2005**

	Note	2005 £	2004 £
<b>GRANT INCOME</b>	2	<b>2,168,393</b>	<b>2,294,803</b>
Direct costs		<u>(1,877,556)</u>	<u>(2,017,457)</u>
<b>CONTRIBUTION TO OVERHEADS</b>		<b>290,837</b>	<b>277,346</b>
Administrative expenses		<u>(154,116)</u>	<u>(193,334)</u>
<b>OPERATING SURPLUS</b>	3	<b>136,721</b>	<b>84,012</b>
Bank interest receivable		<u>34,763</u>	<u>25,592</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>171,484</b>	<b>109,604</b>
<b>TAX ON SURPLUS ON ORDINARY ACTIVITIES</b>	5	<u>(5,819)</u>	<u>(3,696)</u>
<b>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>165,665</b>	<b>105,908</b>
<b>RETAINED SURPLUS BROUGHT FORWARD</b>		<u>262,051</u>	<u>156,143</u>
<b>RETAINED SURPLUS CARRIED FORWARD</b>		<u><b>£ 427,716</b></u>	<u><b>£ 262,051</b></u>

The notes on pages 6 to 9 form part of these financial statements.

**BE (LONDON EAST)**  
**(Limited by Guarantee)**

**BALANCE SHEET**  
**As at 31 July 2005**

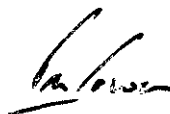
	Note	£	2005	£	£	2004	£
<b>FIXED ASSETS</b>							
Tangible fixed assets	6			3,594			5,981
<b>CURRENT ASSETS</b>							
Debtors	7	259,176			565,082		
Cash at bank		668,015			927,983		
				<u>927,191</u>		<u>1,493,065</u>	
<b>CREDITORS:</b> amounts falling due within one year	8	(503,069)			(1,236,995)		
<b>NET CURRENT ASSETS</b>				<u>424,122</u>			<u>256,070</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>£ 427,716</u>			<u>£ 262,051</u>
<b>CAPITAL AND RESERVES</b>							
Income and expenditure account				<u>£ 427,716</u>			<u>£ 262,051</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 15 March 2006 and signed on its behalf.



**Dermot O'Brien**  
Director



**Ian Tower**  
Director

The notes on pages 6 to 9 form part of these financial statements.



**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 July 2005**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**1.2 Cash flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

**1.3 Income**

Grant income is recognised in full only when conditions for receipt have been met and, in the case of grants for specific projects, associated project expenditure has been incurred.

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

Office equipment	-	25% straight line
Computer equipment	-	33% straight line

**1.5 Grants payable**

Grants payable by the company out of income received for this purpose are reflected as a cost in the accounts to the extent to which funds have become due from the main funder.

**2. GRANTS & DONATIONS RECEIVABLE**

	£	£
LSC (Education Business Links)	1,107,921	1,694,020
LSC (Local Initiative Fund)	64,057	-
LSC (MA - Implementation)	-	196,926
LSC (Enterprise Advisors)	963,868	252,878
European Social Fund	32,547	150,979
	<u>£ 2,168,393</u>	<u>£ 2,294,803</u>

**3. OPERATING SURPLUS**

The operating surplus is stated after charging:

	£	£
Depreciation of tangible fixed assets:	5,195	7,302
Auditors' remuneration	5,875	4,465
Auditors' remuneration - non-audit	2,404	1,290
	<u>          </u>	<u>          </u>

**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 July 2005**

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**4. STAFF AND DIRECTORS' REMUNERATION**

	£	£
Directors' remuneration	-	14,625
Staff salaries	475,835	255,095
National insurance	48,199	29,245
Ex-gratia payment to director	-	14,900
	<u>£ 524,034</u>	<u>£ 313,865</u>

The payments shown above in respect of a director, relates to the former general manager who was also a Board member.

**5. TAXATION**

	£	£
<b>Analysis of tax charge in year</b>		
UK corporation tax on bank interest of the year	5,881	3,703
Adjustments in respect of prior periods	(62)	(7)
	<u>£ 5,819</u>	<u>£ 3,696</u>

There were no factors that affected the tax charge for the year which has been calculated on bank interest at the small companies rate of corporation tax in the UK.

There are no factors that may affect future tax charges.

**BE (LONDON EAST)**  
**(Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 July 2005**

**6. TANGIBLE FIXED ASSETS**

	<b>Office &amp; Computer Equipment £</b>
<b>Cost</b>	
At 1 August 2004	22,204
Additions	2,808
Disposals	(7,733)
	<u>17,279</u>
<b>At 31 July 2005</b>	<u>17,279</u>
<b>Depreciation</b>	
At 1 August 2004	16,223
Charge for the year	5,195
On disposals	(7,733)
	<u>13,685</u>
<b>At 31 July 2005</b>	<u>13,685</u>
<b>Net book value</b>	
At 31 July 2005	£ 3,594
	<u>£ 3,594</u>
At 31 July 2004	£ 5,981
	<u>£ 5,981</u>

**7. DEBTORS**

	<b>2005 £</b>	<b>2004 £</b>
<b>Due within one year</b>		
Trade debtors	248,066	565,082
Other debtors and prepayments	11,110	-
	<u>£ 259,176</u>	<u>£ 565,082</u>

**8. CREDITORS:**  
**Amounts falling due within one year**

	<b>2005 £</b>	<b>2004 £</b>
Trade creditors	350,869	998,633
Corporation tax	5,881	3,703
Accruals and other creditors	146,319	234,659
	<u>£ 503,069</u>	<u>£ 1,236,995</u>

**BE (LONDON EAST)**  
**(Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 July 2005**

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**9. 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 £1 towards the assets of the company in the event of liquidation.

**10. OPERATING LEASE COMMITMENTS - LAND AND BUILDINGS**

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

	2005 £	2004 £
<b>Expiry date:</b>		
Within 1 year	<u>1,763</u>	<u>1,500</u>

**11. RELATED PARTY TRANSACTIONS**

The company was set up as a partnership of education business organisations. In the year to 31 July 2005 most of the service delivery was carried out by 'not for profit' entities in some of which the company directors had executive positions. In none of these cases did the directors have a personal financial interest.