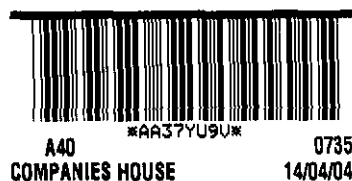


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**BE (LONDON EAST)**  
(Limited by Guarantee)

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JULY 2003**



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

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**COMPANY INFORMATION**

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<b>DIRECTOR</b>	Brenda Parsons Mike Richardson David Lister Michele McKendry Jonathan Jenkins Bob Timms Ian Tower Gary Reading Tanya Edwards Paul Poulter Kathy Carson Joscelin Walters Richard Epps Jenny Wilkins
<b>SECRETARY</b>	David Lister
<b>COMPANY NUMBER</b>	04189203
<b>REGISTERED OFFICE</b>	Kidbrooke School House Corelli Road Blackheath SE3 8EP
<b>AUDITORS</b>	Gotham Erskine Chartered Accountants & Registered Auditors <i>Friendly House</i> 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 2003**

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The directors present their report and the financial statements for the year ended 31 July 2003.

**PRINCIPAL ACTIVITIES**

BE (London East) was formed to bring together business and education for the benefit of young people across the ten East London boroughs. The consortium, consisting of Education Business Link Providers in East London, will ensure the delivery of consistent and high quality programmes aimed at working with local businesses and their employees to help schools improve the basic and work related skills of their pupils.

**DIRECTORS**

The directors who served during the year were:

Mike Tyler (resigned November 2003)  
Nairn Norman (resigned August 2002)  
Brenda Parsons  
Dave Butler (resigned November 2003)  
Bernie Holloway (resigned November 2003)  
Paul Poulter  
Lynne Ramsey (resigned November 2003)  
Louise Slater (resigned November 2003)  
Karen Swift (resigned November 2003)  
Mike Richardson  
David Lister (appointed August 2002)  
Kelly Sims (resigned November 2003)  
Michele McKendry  
Bob Timms (appointed November 2003)  
Ian Tower (appointed November 2003)  
Gary Reading (appointed November 2003)  
Tanya Edwards (appointed November 2003)  
Kathy Carson (appointed November 2003)  
Joscelin Walters (appointed November 2003)  
Richard Epps (appointed November 2003)  
Jenny Wilkins (appointed November 2003)

**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.*

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

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**DIRECTORS' REPORT**  
**For the year ended 31 July 2003**

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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 11 March 2004 and signed on its behalf.

  
Director  
SENNY WILKINS

**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 2003 set out on pages 4 to 8. 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 2003 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: 11/3/04

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 2003

	Note	Year ended 31 July 2003 £	28 March 2001 to 31 July 2002 £
<b>GRANT INCOME</b>	2	<b>2,274,023</b>	1,969,262
Activity expenses		<u>(1,988,310)</u>	<u>(1,699,242)</u>
<b>CONTRIBUTION TO OVERHEADS</b>		<b>285,713</b>	270,020
Administrative expenses		<u>(248,809)</u>	<u>(175,419)</u>
Other income		<u>150</u>	<u>50</u>
<b>OPERATING SURPLUS</b>	3	<b>37,054</b>	94,651
Interest receivable		<u>18,516</u>	<u>8,593</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>55,570</b>	103,244
<b>TAX ON SURPLUS ON ORDINARY ACTIVITIES</b>	5	<b>(2,029)</b>	(644)
<b>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>53,541</b>	102,600
<b>RETAINED SURPLUS BROUGHT FORWARD</b>		<u>102,600</u>	<u>-</u>
<b>RETAINED SURPLUS CARRIED FORWARD</b>		<u><u>£ 156,141</u></u>	<u><u>£ 102,600</u></u>

The notes on pages 6 to 8 form part of these financial statements.

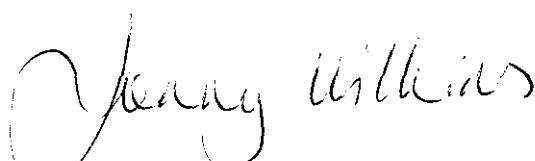
**BE (LONDON EAST)**  
(Limited by Guarantee)


**BALANCE SHEET**  
As at 31 July 2003

	Note	31 July 2003 £	31 July 2002 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	6,201	7,981
<b>CURRENT ASSETS</b>			
Debtors	7	567,761	325,227
Cash at bank		512,603	233,650
		<u>1,080,364</u>	<u>558,877</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(930,424)</u>	<u>(464,258)</u>
<b>NET CURRENT ASSETS</b>		<u>149,940</u>	<u>94,619</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 156,141</u>	<u>£ 102,600</u>
<b>CAPITAL AND RESERVES</b>			
Income and expenditure account		<u>156,141</u>	<u>102,600</u>
		<u>£ 156,141</u>	<u>£ 102,600</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 11 March 2004 and signed on its behalf.

  
Director **SENNY WILKINS**

  
**BOB TIMMS**

The notes on pages 6 to 8 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 2003**

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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:

Computer equipment	-	33% straight line
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**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)	1,045,064	1,237,140
LSC (Local Initiative Fund)	777,638	653,000
LSC (MA - Implementation)	100,000	-
European Social Fund	351,321	45,922
Start up donations (HBEP & Tower Hamlets EBP)	-	33,200
	<u>£ 2,274,023</u>	<u>£ 1,969,262</u>

**3. OPERATING SURPLUS**

The operating surplus is stated after charging:

	£	£
Depreciation of tangible fixed assets:		
- owned by the company	4,990	3,931
Auditors' remuneration	4,160	2,891
Auditors' remuneration - non-audit	4,465	1,011
	<u>          </u>	<u>          </u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 July 2003

**4. DIRECTORS' REMUNERATION**

	£	£
Aggregate emoluments	£ 42,000	£ 23,000

**5. TAXATION**

	£	£
<b>Analysis of tax charge in year</b>		
UK corporation tax on bank interest of the year	2,023	644
Adjustments in respect of prior periods	6	-
	£ 2,029	£ 644

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

There are no factors that may affect future tax charges.

**6. TANGIBLE FIXED ASSETS**

	Computer Equipment £
<b>Cost</b>	
At 1 August 2002	11,912
Additions	3,210
At 31 July 2003	15,122
<b>Depreciation</b>	
At 1 August 2002	3,931
Charge for the year	4,990
At 31 July 2003	8,921
<b>Net book value</b>	
At 31 July 2003	£ 6,201
At 31 July 2002	£ 7,981

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 July 2003

**7. DEBTORS**

	2003 £	2002 £
<b>Due within one year</b>		
Trade debtors	559,761	325,227
Other debtors	8,000	-
	<u>£ 567,761</u>	<u>£ 325,227</u>

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

	2003 £	2002 £
Trade creditors	842,783	382,633
Corporation tax	2,023	644
Other creditors	85,618	80,981
	<u>£ 930,424</u>	<u>£ 464,258</u>

**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 2003 the company had annual commitments under non-cancellable operating leases on premises as follows:

	2003 £	2002 £
<b>Expiry date:</b>		
Within 1 year	<u>1,500</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 2003 most of the service delivery was carried out by 'not for profit' entities in which some of the then company directors had executive positions. In the case of one organisation a major supplier was a partnership of which a director is a partner. The new Board that was elected in November 2003 is largely comprised of Directors that have no direct relationship with suppliers of goods or services to the company.

A payment was also made to Tower Hamlets Education Business Partnership for £3,000 for the services of Mike Tyler in the year. Mike Tyler was a director until November 2003.