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Registered number: 04189203

BE (LONDON EAST)
(Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 28 MARCH 2001
TO 31 JULY 2002



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COMPANIES HOUSE 13/02/03
COMPANIES HOUSE 27/01/03

BE (LONDON EAST)
(Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

Mike Tyler
Brenda Parsons
Dave Butler
Bernie Holloway
Paul Poulter
Lynne Ramsay
Louise Slater
Karen Swift
Mike Richardson
David Lister
Kelly Sims

SECRETARY

Mike Tyler

COMPANY NUMBER

04189203

REGISTERED OFFICE

Kidbrooke School House
Corelli Road
Blackheath
SE3 8EP

AUDITORS

Gotham Erskine
Chartered Accountants & Registered Auditors
Friendly House
52-58 Tabernacle Street
London
EC2A 4NJ

BANKERS

Cater Allen
Sovereign House
16-22 Western Road
Romford
RM1 3SP

BE (LONDON EAST)
(Limited by Guarantee)

DIRECTORS' REPORT
For the period ended 31 July 2002

The directors present their report and the financial statements for the period ended 31 July 2002.

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.

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 period from incorporation to the date of signing the accounts were:

Mike Tyler (appointed March 01)
Naim Norman (appointed March 01 & resigned August 02)
Brenda Parsons (appointed March 01)
Terry Higgins (appointed March 01 & resigned December 01)
Dave Butler (appointed March 01)
Bernie Holloway (appointed March 01)
Dave Newson (appointed March 01 & resigned July 01)
Faith Muir (appointed March 01 & resigned July 01)
Paul Poulter (appointed November 01)
Lynne Ramsay (appointed December 01)
Louise Slater (appointed April 02)
Karen Swift (appointed April 02)
Mike Richardson (appointed April 02)
David Lister (appointed August 02)
Kelly Sims (appointed August 02)

INCORPORATION

The Company was incorporated on the 28 March 2001 and started trading on that date.

BE (LONDON EAST)
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DIRECTORS' REPORT
For the period ended 31 July 2002

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 23 January 2003 and signed on its behalf.

Mike Tyler

Director

A handwritten signature in black ink, appearing to be 'Mike Tyler', written over a horizontal line.

BE (LONDON EAST)
(Limited by Guarantee)

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

We have audited the financial statements of BE (London East) for the period ended 31 July 2002 set out in the income and expenditure account, balance sheet and related notes. 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.

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 2002 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors
Friendly House
52-58 Tabernacle Street
London
EC2A 4NJ

Date: 27 January 2003

BE (LONDON EAST)
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INCOME AND EXPENDITURE ACCOUNT
For the period ended 31 July 2002

	Note	28 March 2001 to 31 July 2002 £
TURNOVER		
Grant income	2	1,969,262
Other income		50
		<u>1,969,312</u>
Activity expenses		<u>(1,699,242)</u>
CONTRIBUTION TO OVERHEADS		270,070
Administrative expenses		<u>(175,419)</u>
OPERATING SURPLUS		94,651
Interest receivable		<u>8,593</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		103,244
TAX ON SURPLUS ON ORDINARY ACTIVITIES	5	<u>(644)</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>£ 102,600</u></u>

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

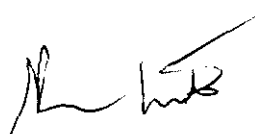
BE (LONDON EAST)
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BALANCE SHEET
As at 31 July 2002

		31 July 2002	
	Note	£	£
FIXED ASSETS			
Tangible fixed assets	6		7,981
CURRENT ASSETS			
Debtors	7	325,227	
Cash at bank		233,650	
		<u>558,877</u>	
CREDITORS: amounts falling due within one year	8	<u>(464,258)</u>	
NET CURRENT ASSETS			<u>94,619</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>£ 102,600</u></u>
CAPITAL AND RESERVES			
Income and expenditure account			102,600
			<u><u>£ 102,600</u></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 23 January 2003 and signed on its behalf.



Director - **David Lister**

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

BE (LONDON EAST)
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NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 July 2002

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)	1,237,140
LSC (Local Initiative Fund)	653,000
Start up donations (HBEP & Tower Hamlets EBP)	33,200
European Social Fund	45,922
	<hr/>
	£ 1,969,262
	<hr/>

3. OPERATING SURPLUS

The operating surplus is stated after charging:

	£
Depreciation of tangible fixed assets:	
- owned by the company	3,931
Auditors' remuneration	2,891
Auditors' remuneration - non-audit	1,011
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BE (LONDON EAST)
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NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 July 2002

4. DIRECTORS' REMUNERATION

	£
Aggregate emoluments	£ 23,000
	<u> </u>

5. TAXATION

	£
UK corporation tax on bank interest of the period	£ 644
	<u> </u>

Factors affecting tax charge for period

The directors consider that the Company is only liable to Corporation tax on its bank interest except for a potential contingent liability, note 10.

There were no factors that may affect future tax charges.

6. TANGIBLE FIXED ASSETS

	Computer Equipment
	£
Cost	
Additions	11,912
At 31 July 2002	<u>11,912</u>
Depreciation	
Charge for the period	3,931
At 31 July 2002	<u>3,931</u>
Net book value	
At 31 July 2002	£ 7,981
	<u> </u>

7. DEBTORS

	31 July 2002
	£
Due within one year	
Trade debtors	£ 325,227
	<u> </u>

BE (LONDON EAST)
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NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 July 2002

8. CREDITORS:
Amounts falling due within one year

	31 July 2002 £
Trade creditors	382,633
Corporation tax	644
Other creditors	80,981
	<hr/> £ 464,258 <hr/>

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. CONTINGENT LIABILITIES

The Directors consider that any surpluses accruing to the Company, except for interest earnings, are not subject to Corporation Tax by virtue of the provisions of its Memorandum and Articles of Association. The Articles of Association state that the Company's profits (if any) or other income are to be applied in promoting the Objects and that payment of dividends is prohibited. At the date of the Directors' Report, formal agreement on the Company's Corporation Tax status had not been secured from the Inland Revenue. Pending formal agreement, the Directors advise that Corporation Tax on the year's surplus would, if assessable, amount to £18,408 excluding what has already been provided for on bank interest.

11. OPERATING LEASE COMMITMENTS - LAND AND BUILDINGS

At 31 July 2002 the company had annual commitments under non-cancellable operating leases as follows:

	31 July 2002 £
Expiry date:	
Within 1 year	6,000
	<hr/> 6,000 <hr/>

12. RELATED PARTY TRANSACTIONS

The company was set up as a partnership of education business organisations. Most of the service delivery is carried out by not for profit entities in which some company directors have executive positions.