

EAST LONDON BUSINESS ALLIANCE
(Limited by Guarantee)

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



EAST LONDON BUSINESS ALLIANCE

(Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

Harvey McGrath (Chair)
Richard Gooding
Robert John
John Reeve
David Robins

SECRETARY

S Devitt

COMPANY NUMBER

04138032

REGISTERED OFFICE

Superintendent's House
Abbey Mills Pumping Station
Abbey Lane
London
E15 2RW

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 by Guarantee)

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EAST LONDON BUSINESS ALLIANCE

(Limited by Guarantee)

DIRECTORS' REPORT

For the year ended 31 March 2003

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

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 £729,715 (2002 - £431,461) from the East London Business Alliance Charity, a Company limited by guarantee and a registered charity.

RESULTS AND DIVIDENDS

The loss for the year before tax was £43 (2002 - loss £7,542) . A tax charge of £243 arises in respect of a prior year (2002 - charge £nil) .

The loss for the year, after tax, amounted to £286 (2002 - loss £7,542) .

DIRECTORS

The directors who served during the year were:

Harvey McGrath (Chair)

Richard Gooding

Robert John

John Reeve

David Robins

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 profit or loss 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.

EAST LONDON BUSINESS ALLIANCE

(Limited by Guarantee)

DIRECTORS' REPORT

For the year ended 31 March 2003

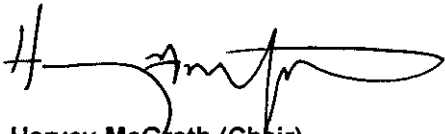
POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Company made various charitable contributions to a toy appeal totalling £4,950.

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 16 October 2003 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Harvey McGrath', with a long horizontal flourish extending to the right.

Harvey McGrath (Chair)
Director

EAST LONDON BUSINESS ALLIANCE

(Limited by Guarantee)

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

We have audited the financial statements of East London Business Alliance for the year ended 31 March 2003 set out on pages 4 to 11. These financial statements have been prepared 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 March 2003 and of its loss 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

19 November 2003

EAST LONDON BUSINESS ALLIANCE
(Limited by Guarantee)

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2003

	Note	Year 31 March 2003 £	Period 31 March 2002 £
TURNOVER	1, 2	729,715	431,461
Project and core expenditure		(731,010)	(441,504)
Other operating income	3	150	1,751
OPERATING LOSS	4	(1,145)	(8,292)
Interest receivable		1,102	750
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(43)	(7,542)
TAX ON LOSS ON ORDINARY ACTIVITIES	6	(243)	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		£ (286)	£ (7,542)

All amounts relate to continuing operations.

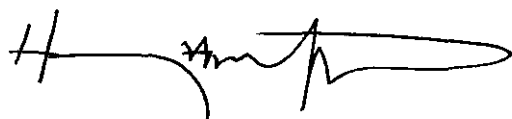
There were no recognised gains and losses for 2003 or 2002 other than those included in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

EAST LONDON BUSINESS ALLIANCE**(Limited by Guarantee)****BALANCE SHEET****As at 31 March 2003**

		31 March 2003		31 March 2002	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	7		4,819		4,185
CURRENT ASSETS					
Debtors	8	112,391		2,893	
Cash at bank and in hand		15,149		181,387	
		<u>127,540</u>		<u>184,280</u>	
CREDITORS: amounts falling due within one year	9	<u>(129,197)</u>		<u>(185,017)</u>	
NET CURRENT LIABILITIES			<u>(1,657)</u>		<u>(737)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 3,162</u>		<u>£ 3,448</u>
CAPITAL AND RESERVES					
Profit and loss account	11		3,162		3,448
	12		<u>£ 3,162</u>		<u>£ 3,448</u>

The financial statements were approved by the board on 16 October 2003 and signed on its behalf.



Harvey McGrath (Chair)
Director

The notes on pages 6 to 11 form part of these financial statements.

EAST LONDON BUSINESS ALLIANCE

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

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 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 Turnover

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

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:

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

1.5 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 profit and loss account on the straight line basis over the lease term.

1.6 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.

1.7 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.

1.8 Comparatives

The comparative figures cover the period from incorporation on 9 January 2001 to 31 March 2002.

2. TURNOVER

The whole of the turnover is attributable as an agent to donations received totalling £729,715 (2002 - £431,461) 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.

During the year the Company received donations totalling £35,793 in respect of First Source Limited. The income was subsequently paid directly to First Source Limited and both transactions have been removed from the financial statements.

All turnover arose within the United Kingdom.

EAST LONDON BUSINESS ALLIANCE**(Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2003****3. OTHER OPERATING INCOME**

	Year 31 March 2003 £	Period 31 March 2002 £
Sundry income	150	1,751

4. OPERATING LOSS

The operating loss is stated after charging:

	Year 31 March 2003 £	Period 31 March 2002 £
Depreciation of tangible fixed assets:		
- owned by the company	2,798	3,296
Audit fees	3,543	6,933
Operating lease rentals:		
- plant and machinery	9,482	12,601

During the year, no director received any emoluments (2002 - £nil).

5. STAFF COSTS

Staff costs were as follows:

	Year 31 March 2003 £	Period 31 March 2002 £
Wages and salaries	456,792	295,937
Social security costs	46,476	29,127
Other pension costs	31,565	33,575
	£ 534,833	£ 358,639

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

	Year 31 March 2003 No.	Period 31 March 2002 No.
General administration	4	5
Programme managers	3	3
Project managers	8	-
	15	8

EAST LONDON BUSINESS ALLIANCE**(Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2003****6. TAXATION**

	Year 31 March 2003 £	Period 31 March 2002 £
Adjustments in respect of prior periods	<u>£ 243</u>	<u>£ -</u>
Factors affecting tax charge for year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK (0%). The differences are explained below:		
	Year 31 March 2003 £	Period 31 March 2002 £
Loss on ordinary activities before tax	<u>(43)</u>	<u>(7,542)</u>
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 0 % (2002 - 10%)	-	(754)
Effects of:		
Adjustments to tax charge in respect of prior periods	243	-
Under provision of Corporation Tax	-	(243)
Company not subject to Corporation tax on non trade profits (see note below "Factors that may affect future tax charges")	-	997
Current tax charge for year (see note above)	<u>£ 243</u>	<u>£ -</u>

Factors that may affect future tax charges

The Company's activities are not undertaken with a view to profit. The Company is not a trading company and is therefore only liable to Corporation Tax on its non trade loan relationship credits.

EAST LONDON BUSINESS ALLIANCE*(Limited by Guarantee)***NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2003

7. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2002	-	7,481	7,481
Additions	935	2,497	3,432
At 31 March 2003	935	9,978	10,913
Depreciation			
At 1 April 2002	-	3,296	3,296
Charge for the year	140	2,658	2,798
At 31 March 2003	140	5,954	6,094
Net book value			
At 31 March 2003	£ 795	£ 4,024	£ 4,819
At 31 March 2002	£ -	£ 4,185	£ 4,185

8. DEBTORS

	2003 £	2002 £
Due within one year		
Other debtors	107,606	672
Prepayments and accrued income	4,785	2,221
	£ 112,391	£ 2,893

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

	2003 £	2002 £
Social security and other taxes	14,925	-
Amounts owing to East London Business Alliance	62,779	134,053
Accruals and deferred income	51,493	50,964
	£ 129,197	£ 185,017

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.

EAST LONDON BUSINESS ALLIANCE
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2003

11. RESERVES

Profit and loss account	£
At 1 April 2002	3,448
Loss retained for the year	(286)
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At 31 March 2003	£ 3,162
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12. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2003	2002
	£	£
Loss for the year	(286)	(7,542)
	<hr/>	<hr/>
	(286)	(7,542)
Opening Members' funds	3,448	10,990
	<hr/>	<hr/>
Closing Members' funds	£ 3,162	£ 3,448
	<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 £31,565 (2002 - £33,575). Contributions totalling £4,237 (2002 - £Nil) were payable to the fund at the balance sheet date and are included in creditors. During the year contribution overpayments were made totalling £1,030 (2002 - £Nil) and are included in debtors.

14. OPERATING LEASE COMMITMENTS

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Within 1 year	-	-	1,650	4,769
Between 2 and 5 years	-	-	7,832	7,832
	<hr/>	<hr/>	<hr/>	<hr/>

EAST LONDON BUSINESS ALLIANCE

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

15. RELATED PARTY TRANSACTIONS

Appropriations of £729,715 (2002 - £431,461) 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.

The following Directors of the East London Alliance are also Trustees of the East London Business Alliance Charity:

H McGrath
J Reeve
D Robins

Mr S Devitt, Company Secretary, is also a Director, Trustee and Company Secretary of the East London Business Alliance Charity. Mr L Kane is the Chief Executive of both organisations.