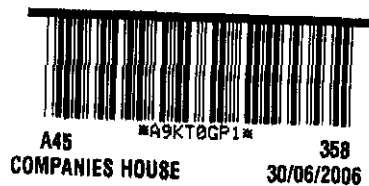


**BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31ST AUGUST 2005**



REGISTERED COMPANY NUMBER: 01469352

REGISTERED CHARITY NUMBER: 1088282

4169551

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

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BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	Lord Ramsbotham
Trustees	Peter Runacres Stephen Alcock Brigadier David Wills Canon Keith Pound Sue Nelson Christine Vereker Eoin McLennan – Murray
Secretary	Michael Allen
Registered Office	207 Lewisham High Street London SE13 6LY
Reporting Accountants	Hillyates Chartered Accountants and Registered Auditors Hill House 27 Meadowford Newport Saffron Walden Essex CB11 3QL
Bankers	HSBC Bank plc 16 High Street Maidstone Kent ME14 1HX
Solicitors	Stone King 39 Cloth Fair London EC1A 7JQ

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

TRUSTEES REPORT

The Trustees present their annual report and financial statements for the year ended 31st August 2005.

AIMS AND OBJECTIVES OF THE CHARITY

For the relief of unemployment in such a manner as may be seen fit.

PATRON

Lord Ramsbotham continued as our Patron for which we are grateful.

TRUSTEES

The Trustees who served during the year were as follows:

Peter Runacres
Stephen Alcock
Brigadier David Wills
Canon Keith Pound
Sue Nelson
Christine Vereker
Eoin McLennan – Murray

The Trustees have continued to devote time and effort to supervising the work of the charity under the chairmanship of Mr Peter Runacres.

The Board of Trustees must comprise a minimum of three but no maximum is prescribed. One third of the Trustees retires annually and is eligible for re-election. This year the retiring members were re-elected.

REVIEW OF ACTIVITIES

At the beginning of the financial year we were running enterprise programmes in the Eastern, South Eastern and Greater London Regions. The programmes were unquestionably successful with 600+ participants, all disadvantaged individuals and mainly serving prisoners, producing 250 business plans and 56 new businesses. Many of the new businesses have become well established and grown. Our business advisers continue to provide ongoing support as the fledgling business seeks to establish itself through its early years of trading.

For those who do not go on to their own business, the skills learned, e.g. budgeting, marketing, planning, customer service and financial planning, all give advantage in competition for jobs. BEAT has also provided work experience in its London office where over the past four years, six ladies on day release from HMPs Holloway and Downview have provided excellent administrative support. On release, all of these ladies have established themselves in jobs with developing progressive careers.

This year we have developed a partnership with Essex, Southend and Thurrock Connexions, Thurrock Unitary Authority, Essex Police, Essex Probation Service, Thurrock College, the Princes Trust and others to run a pilot scheme for young people ages 15-19 not in education, employment or training. The scheme was designed to give a taster of construction skills and teach independent living. 20 young people completed the construction taster and in the process refurbished 3 council dwellings which were returned to the housing stock for re-letting. The participants were rewarded with £100+ tools each which were presented by the Mayor in the Council chamber with their parents and friends as guests. Two of the participants obtained apprenticeships with the Council, while one obtained a place at the College and another obtained a part-time place. All expressed their appreciation of the programme and the majority attended the presentation.

It was intended to complete the life skills element and to provide an extended skills programme, but unfortunately the Council was undertaking a review of its commitments with a view to reducing its costs and decided to discontinue help for this programme. As a result we lost access to the housing stock and housing craftsmen who had provided supervision and training. Although EST Connexions were prepared to provide further funding, we were unable to overcome the loss of the Council's commitment and the funding paid to us for this programme has been repaid after the year end.

BUSINESS ENTERPRISE ADVICE AND TRAINING (Limited by Guarantee)

TRUSTEES' REPORT

REVIEW OF ACTIVITIES - continued

We have had difficulties in renewing our insurance cover for the trainees because of the lower age ranges we accepted. We are still seeking suitable arrangements which can be put in place to enable us to offer this valuable work experience to young people.

Our enterprise programmes had been financed from various charitable trusts which we knew would cease in the last quarter of 2004. Strenuous efforts have been made to obtain new funding, including linking with other voluntary organisations to obtain work on various European Social Programmes. However, with our funds draining fast we had no choice but to terminate the contracts of all our staff. The one pleasing feature of this is that all former employees obtained new and improved jobs. Many of the European programmes have not yet been implemented and we are still endeavouring to obtain a share of this work and related funding.

We are now reviewing what the charity should do in the future. We are certain that we have achieved a great deal for our client groups and compare favourably with the services offered by our competitors. We have achieved low re-offending rates with the participants of our programmes with benefits to the community generally in cost savings and productive citizens. We are determined to re-launch our services incorporating the lessons we have learned. A new business plan is being developed and we are in discussions with other complementary parties about the way forward. We believe our well tried enterprise programmes are needed and also that our expertise in social enterprise will be invaluable in providing employment and training opportunities at all levels.

We have been looking at the training and development of staff to ensure that they and volunteers are properly qualified to deliver our programmes to the recommended national standards. Funding was obtained by way of the Phoenix Bursary project and discussions held with Social Enterprise for London regarding a suitable programme and trainers. However, because of the problems with staff redundancy and sickness, we have been unable to finalise a programme and it is likely that we will be unable to deliver this training and as a result the bursary was repaid after the year end.

STAFFING

Michael Allen has continued to act as Chief Executive and Secretary of BEAT on a voluntary basis providing business start up advice with the help of volunteers.

As a cost saving measure, the termination of all staff contracts was put into effect from October 2004. Contact has been maintained with John Cobbold and John Tyler, who have offered help since that time on a non contractual basis.

FUNDING

In the main our fundraising is undertaken by Charity Fundraising and we are grateful for the work they have undertaken on our behalf. We also wish to place on record our appreciation of those who have supported our work by grants.

However funding remains extremely difficult. The funds available from Trusts are becoming increasingly tight with more and more charities seeking help. We endeavour to offer excellent value for money keeping our cost as low as possible but like most other charities, the most difficult area to keep adequately funded is core costs. We are continually seeking new sources of funding to ensure we can maintain and even expand our services to meet the needs of those we seek to help to ensure continuity and dependability.

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

TRUSTEES' REPORT

RESERVES POLICY

The Trustees believe the appropriate level of unrestricted reserves should be funds equivalent to approximately six months core funding. For the forthcoming year this continues to be approximately £25,000. During the year the charity has been unable to generate sufficient reserves, and current negative unrestricted reserves are being financed by restricted reserves, creditors and a long term loan. The Trustees are taking steps to increase income and have reduced staffing costs to be in a position to have general positive unrestricted reserves at some time in the future.

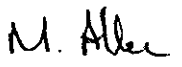
TRUSTEES RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees 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.

Approved by the Trustees on 20th June 2006 and signed on its behalf by:



Michael Allen
Secretary

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

ACCOUNTANT'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF
BUSINESS ENTERPRISE ADVICE AND TRAINING (Limited by Guarantee)

We report on the financial statements for the year ended 31st August 2005 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the company's Members, as a body, in accordance with Section 249 of the Companies Act 1985. Our work as Reporting Accountants has been undertaken so that we might state to the company's Members those matters we are required to state to them in an Accountant'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 work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4 the company's Trustees (who are also directors of Business Enterprise Advice and Training for the purpose of company law) are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedure consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- a) the financial statements are in agreement with the accounting records kept by the company under s221 of the Companies Act 1985;
- b) having regard only to , and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Hill House
27 Meadowford
Newport
Saffron Walden
Essex CB11 3QL
20th June 2006


Hillyates
Reporting Accountants

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2005
(Incorporating the Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
INCOMING RESOURCES					
Services in kind	2	750	-	750	49,850
Grants and donations		12,700	54,025	66,725	164,540
Membership scheme		-	-	-	4,800
Investment income		240	-	240	198
Other income		1,375	-	1,375	2,081
		<hr/>	<hr/>	<hr/>	<hr/>
		15,065	54,025	69,090	172,369
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Cost of generating funds					
Fundraising costs and public relations		1,100	-	1,100	11,695
		<hr/>	<hr/>	<hr/>	<hr/>
Charitable expenditure					
Grants payable			4,150	4,150	-
Training		-	-	-	846
Subsistence		580	-	580	906
Legal and professional fees		-	-	-	221
Bank charges and interest		276	-	276	281
Travel and motor expenses		-	2,689	2,689	17,214
Other operating costs		2,685	1,701	4,386	10,213
Consultancy fees and expenses		-	6,341	6,341	-
Accountancy fees		1,173	-	1,173	1,705
Salaries and NI	3	2,885	11,010	13,895	122,286
Interest payable		2,187	-	2,187	2,187
Office accommodation and services		750	-	750	16,128
		<hr/>	<hr/>	<hr/>	<hr/>
		10,536	25,891	36,427	171,897
		<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended		11,636	25,891	37,527	183,592
		<hr/>	<hr/>	<hr/>	<hr/>
		3,429	28,134	31,563	(11,223)
		<hr/>	<hr/>	<hr/>	<hr/>
Transfers between funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		3,429	28,134	31,563	(11,223)
		<hr/>	<hr/>	<hr/>	<hr/>
Balance brought forward at 1 st September 2004		(75,371)	29,140	(46,231)	(35,008)
		<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES CARRIED FORWARD AT 31ST AUGUST 2005		(71,942)	57,274	(14,668)	(46,231)
		<hr/>	<hr/>	<hr/>	<hr/>

- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 8 to 11 form part of these financial statements

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

BALANCE SHEET
AS AT 31ST AUGUST 2005

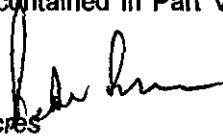
	Notes	2005 £	2004 £
Current assets			
Debtors	6	2,180	310
Cash at bank and in hand		21,584	11,036
		<hr/>	<hr/>
		23,764	11,346
Creditors: amounts falling due within one year	7	(2,586)	(23,919)
		<hr/>	<hr/>
Net current assets/(liabilities)		21,178	(12,573)
		<hr/>	<hr/>
Total assets less current liabilities		21,178	(12,573)
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	8	(35,846)	(33,658)
		<hr/>	<hr/>
Net liabilities		(14,668)	(46,231)
		<hr/>	<hr/>
FUNDS			
Unrestricted funds		(71,942)	(75,371)
Restricted funds	9	57,274	29,140
		<hr/>	<hr/>
	10	(14,668)	(46,231)
		<hr/>	<hr/>

The company was entitled to exemptions from audit conferred by section 249A(1) Companies Act 1985 for the period ended 31st August 2005. No notice has been deposited from the Members requiring an audit under section 249B(2) in relation to these financial statements.

The Trustees acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit, in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the financial statements, so far as applicable to the company.

These financial statements have been prepared taking advantage of the exemptions applicable to small companies contained in Part VII of the Companies Act 1985 and were approved by the Trustees on 20th June 2006.


Peter Runacres
Chairman of Trustees

The notes on pages 8 to 11 form part of these financial statements

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP 2000), Accounting and Reporting by Charities, issued in October 2000, applicable Accounting Standards and the Companies Act 1985 taking the small charity exemption.

Cash flow statement

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 Financial Reporting Standard 1 "Cash flow statements".

Going concern

The Trustees reviewed the charity's financial position in June 2006 and its forecast income and expenditure for the next twelve months. On the basis of these forecasts and discussions with potential funders, the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund. They are available for use at the discretion of the Council in furtherance of the general charitable objects.

Restricted funds are funds subject to specific restrictions by the donors.

Incoming resources

Income from donations is included in incoming resources when these are receivable.

Donated services and facilities are included as services in kind and are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Interest is included on a receivable basis.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which can not be recovered.

2. SERVICES IN KIND

	2005	2004
	£	£
Office accommodation	750	750

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

3. STAFF COSTS

	2005 £	2004 £
Salaries	12,350	110,712
Social security costs	1,545	11,574
	<u>13,895</u>	<u>122,286</u>

The average monthly number of employees during the year was ? (2003: 5). No employee received emoluments of more than £50,000.

4. TRUSTEE'S REMUNERATION AND REIMBURSED EXPENSES

None of the Trustees received remuneration during the year. During the year ended 31st August 2004 one Trustee was reimbursed £27 for travel, motor and subsistence expenses in the year. Note 12 provides details of related party transactions.

5. TAXATION

The Company is a registered charity and is not liable to taxation under current UK legislation.

6. DEBTORS

	2005 £	2004 £
Other debtors	2,180	310
	<u>2,180</u>	<u>310</u>

Other debtors at 31st August 2005 include the company's investment of 100 ordinary shares of £1 each in its wholly owned dormant subsidiary, BEAT Enterprises Limited, a company incorporated in England.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank overdraft	141	-
Accruals	1,175	8,054
Other creditors	1,270	5,829
Other taxes and social security costs	-	10,036
	<u>2,586</u>	<u>23,919</u>

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005	2004
	£	£
Loan	25,000	25,000
Accrued interest	10,846	8,659
	<u>35,846</u>	<u>33,846</u>

The loan is repayable in more than one year but within 5 years. Interest is charged at 8.75% APR.

9. RESTRICTED FUNDS

	Balance at 1st September 2004	Incoming resources	Movement in funds Resources Expended	Transfers	Balance at 31st August 2005
	£	£	£	£	£
East of England	26,157	36,377	(15,973)	-	46,561
London	2,983	8,750	(5,768)	-	5,695
Phoenix	-	4,748	-	-	4,748
William Goulden	-	4,150	(4,150)	-	-
	<u>29,140</u>	<u>54,025</u>	<u>(25,891)</u>	<u>-</u>	<u>57,274</u>

The East of England project supports offenders, ex-offenders and those at risk of offending in the East of England and now embraces the original project which merely related to the Thurrock area. A number of fund providers finance the salary, travel and related support costs of the advisers. The fund will continue to be applied during 2005/2006, although £13,640 was returned after the balance sheet date.

The London project provides support for the self employment of young people and adults about to be released from prison. The City Parochial Foundation has financed the salary, travel and related support costs of an advisor. The fund will continue to be applied during 2005/2006.

Funding received for the Phoenix Bursary Project intended for Social Enterprise training was returned after the balance sheet date due to the unfortunate inability to deliver the programme.

The fund relating to William Goulden comprised a number of grants from small trusts and military related charities to support the financing of a business plan for a mobile fast food unit of an ex-offender who was formerly a chef in the army.

BUSINESS ENTERPRISE ADVICE AND TRAINING
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	General funds £	Total 2005 £	Total 2004 £
Fund balances at 31 st August 2005 are represented by:				
Current assets	23,764	-	23,764	11,346
Current liabilities	33,510	(36,096)	(2,586)	(23,919)
Long term liabilities	-	(35,846)	(35,846)	(33,658)
	<u>57,274</u>	<u>(71,942)</u>	<u>(14,668)</u>	<u>(46,231)</u>

11. LIABILITY OF MEMBERS

The charitable company is limited by guarantee and has no share capital. In the event of the charity being wound-up, the liability in respect of the guarantee is limited to £1 per member of the charity during the time they are a member or within one year of ceasing to be a member, as stated in the Memorandum and Articles of Association.

12. RELATED PARTY TRANSACTIONS

Peter Runacres, the Chair of the Trustees, is a partner in Conradi Morrison and during 2005 Conradi Morrison supported the Charity by providing office accommodation on a pro-bono basis totalling £750 (2004:£750). These costs have been included as services in kind (note 2).

13. CONTROL

There is no ultimate controlling party.