

COMPANY NO: 01825391
CHARITY NO: 1104655

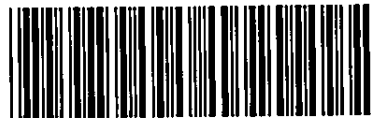
REGISTRAR'S COPY

HBV ENTERPRISE

A Company Limited By Guarantee
REPORT AND FINANCIAL STATEMENTS

Year ended 30 June 2008

WEDNESDAY



APRRQ7V9

A05

04/03/2009

400

COMPANIES HOUSE

**HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
LEGAL AND ADMINISTRATIVE INFORMATION	2
REPORT OF THE TRUSTEES	3
AUDITORS' REPORT	6
STATEMENT OF FINANCIAL ACTIVITIES	7
INCOME AND EXPENDITURE ACCOUNT	8
BALANCE SHEET	9
NOTES TO THE FINANCIAL STATEMENTS	10-13

**HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Cox (Chair) B N Marsh D Pyatt R Abbott (Chief Executive) ME Chadwick H Kamaie (resigned 26 March 2008) A J Haxby G Parmar (appointed 19 March 2008) G Mistlin (appointed 19 March 2008) I Tonge (appointed 19 March 2008) D Santilale (appointed 19 March 2008) T Kazempour (appointed 24 September 2008)
Secretary	D Pyatt
Registered office	HBV Enterprise Centre 34-38 Dalston Lane London E8 3AZ
Company registered number	01825391
Charity registered number	1104655
Auditors	Moore Stephens LLP Chartered Accountants 57 London Road Enfield Middlesex EN2 6SW
Bankers	Barclays Bank plc Holloway & Kingsland Group P O Box 3628 London E8 2JX National Westminster Bank plc Kingsland 74 Kingsland High Street London E8 2QU

HBV ENTERPRISE (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES

The trustees, who are also the directors of the company for the purposes of the Companies Act, submit their report and the financial statements of HBV Enterprise (the company) for the year ended 30 June 2008. The trustees confirm that the report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005, The Charities Act 1993 and The Companies Act 1985. The Trustees are governed by the company's Memorandum and Articles of Association.

Aims of the charity

The principal aim of the charity is to act as an urban regeneration support agency alleviating unemployment through enterprise means. Its activities since its inception in 1984 have achieved this through the provision of a mix of start up and micro business support services. Many of the beneficiaries are based in the London Borough of Hackney where the company operates an inclusive range of enterprise services including loan funds, however its Enterprise Finance Services are also available to small businesses in the London Boroughs of Barnet, The City, Brent, Camden, Enfield, Haringey, Harrow, Islington and Waltham Forest.

Structure, governance, and management

The company achieved charitable status on 30 June 2004 and the directors are the trustees of the charity.

Following the decision to increase Board membership in order to enhance its composition and range of skills, new directors have been sought and appointed. All trustee appointments are made by the Board. The Board meets at least five times a year; in one of these meetings strategy is reviewed.

Management is delegated to the Chief Executive, who is also a trustee, who reports on the performance against budgets approved by trustees. The Board receives the latest management accounts prior to its meetings.

The Board regularly reviews an assessment of the risks to which the charity is exposed and the control and reporting procedures to manage and reduce the identified risks. The principal financial risk is the impact of the present uncertain climate for funding start up and micro business support services. This risk is being addressed by managing the business to achieve the minimum level of reserves necessary to provide sufficient flexibility.

New trustees are provided with an induction pack and given a full briefing of the company's operations. All trustees will also attend suitable training courses as required.

Statement of trustees' responsibility

Company law requires the directors to prepare financial statements for each financial year that 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

**HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE TRUSTEES (CONTINUED)

Disclosure of information to auditors

Each of the persons who are directors at the time when this report is approved confirms that (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and (b) to the best of their knowledge and belief, each director has taken all the steps that ought to have reasonably been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to make themselves aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Trustees

The trustees and secretary at the date of this report and the period under review are set out on page 2. Each trustee is also a director and a member of the company. Each member of the company has guaranteed to contribute a sum not exceeding £1 to the assets of the company in the event of it being wound up and unable to pay its debtors.

Public Benefit

HBV's links with the community have continued throughout the year. Activities and events promoting the awareness of business amongst various social groups continued to be developed. The review of activities referred to below highlights the achievements made.

Business review and principal achievements of the year

The company continued with its track record for the successful management and delivery of regeneration projects assisting local residents to develop entrepreneurial thinking and business ideas, and entrepreneurs to start, fund and grow businesses in the commercial, social, community and voluntary sectors. Over 5,000 enquiries were handled in order to deliver this support.

In accordance with planned increases in activity to stimulate local enterprise creation and development, principal achievements during the year were the creation of 118 viable new local enterprises and 164 full time jobs in enterprises managed by our clients.

Our staff and associates are once again congratulated on a successful year supporting enterprise creation and development. The continuing support of our funders, sponsors and partners is also gratefully acknowledged. Further details are available from our website www.hbv.org.uk.

Plans for the future

During 2008-9, the company aims to continue to develop and deliver services that address worklessness by stimulating viable enterprise creation and development.

In particular, we will aim to maintain the levels of enterprise and job creation achieved during 2007-8, and also to expand our Finance Service activities by increasing the numbers of enterprises provided with finance readiness support and enterprise loans.

Review of financial position

Income reduced marginally to £569k from £582k. Resources expended were also reduced resulting in a surplus that has enabled the company to move towards the financial stability that will be needed to finance operations and face the uncertainties in the funding environment for its services.

Reserves policy

The trustees have examined the company's requirements for free reserves in the light of the principal risk facing the organization i.e. the uncertain funding climate for its services. They have set a target of 30% to 45% of annual unrestricted income; at the current income level of £569k, the target is £171k to £256k. The free reserves are needed to meet the working capital requirements of the company and provide a buffer against significant changes in funding. The current level of free reserves, at £229k (unrestricted reserves of £236k less £7k tied up in fixed assets) is just over midway of the target range. Our policy is therefore to continue to build up our free reserves by means of planned operating surpluses.

**HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE TRUSTEES (CONTINUED)

Tangible fixed assets

The movements in tangible fixed assets are set out in note 8 to the financial statements.

Auditors

Having expressed its willingness to continue in office, a resolution was proposed to reappoint Moore Stephens LLP at the Annual General Meeting.

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

The report of the trustees was approved on *21 January* 2009 and signed on its behalf by:



D Pyatt - Secretary

**HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)**

Independent Auditors' Report to the Members of HBV Enterprise

We have audited the financial statements of HBV Enterprise for the year ended 30 June 2008 set out on pages 7 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's trustees 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 charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The responsibilities of the trustees (who are also directors of HBV Enterprise for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Trustees' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' 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 International Standards on Auditing (UK and Ireland) 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: (i) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 30 June 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; (ii) the financial statements have been properly prepared in accordance with the Companies Act 1985 and (iii) the information given in the Trustees' Report is consistent with the financial statements.

57 London Road
Enfield
Middlesex EN2 6SW

Moore Stephens LLP

Moore Stephens LLP
Chartered Accountants
and Registered Auditors

19th February 2009

HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2008

	Note	2008 £	2007 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income	2	10,020	5,224
Investment income	3	11,195	7,951
Incoming resources from charitable activities			
Start up and micro business support services		548,218	569,587
Total incoming resources		<u>569,433</u>	<u>582,762</u>
Resources expended			
Charitable activities			
Depreciation	5	4,925	22,175
Staff costs	6,7	357,248	371,235
Other costs		189,158	187,177
Governance costs		8,000	8,000
Total resources expended	4	<u>559,331</u>	<u>588,587</u>
Net incoming resources	5	<u>10,102</u>	<u>(5,825)</u>
Reconciliation of funds			
Total funds brought forward		<u>226,382</u>	<u>232,207</u>
Total funds carried forward		<u>236,484</u>	<u>226,382</u>

All activity during the year relates to unrestricted funds.

Since 30 June 2004, the company has been a charity. The Statement of Financial Activities has been drawn up to comply with SORP 2005. As a result, capital grant income for 2007 was shown as restricted funds. This income ceased in 2007. The surplus for the year for Companies Act purposes in 2007 was £10,850 and details are shown on page 8, the difference in results being the release of the grant on a yearly basis to the income and expenditure account of £16,675.

The notes on pages 10 to 13 form part of these financial statements.

HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT FOR COMPANIES ACT PURPOSES
for the year ended 30 June 2008

	Note	2008 £	2007 £
Income	1	558,238	591,486
Less - Administrative Expenses		(559,322)	(588,587)
		<hr/>	<hr/>
Operating (Deficit)/Surplus - Continuing Operations		(1,084)	2,899
Interest Receivable	3	11,195	7,951
Interest Payable		(9)	-
		<hr/>	<hr/>
Surplus on Ordinary Activities Before Taxation	5	10,102	10,850
Tax on Ordinary Activities		-	-
		<hr/>	<hr/>
Surplus on Ordinary Activities After Taxation Transferred to Reserves		10,102	10,850
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 10 to 13 form part of these financial statements.

HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
at 30 June 2008

	Note	2008	2007
		£	£
Fixed Assets			
Tangible Assets	8	7,032	11,957
Investments	9	-	-
Other Investments	10	957,678	943,610
Loans	10	(957,678)	(943,610)
		<u>7,032</u>	<u>11,957</u>
Current Assets			
Debtors	11	164,907	208,882
Cash at bank and in hand		266,919	300,354
		<u>431,826</u>	<u>509,236</u>
Creditors: Amounts falling due within one year	12	(179,074)	(282,066)
Net Current Assets		<u>252,752</u>	<u>227,170</u>
Total Assets less current liabilities		<u>259,784</u>	<u>239,127</u>
Less: Amounts falling due after one year	13	(23,300)	(12,745)
Net Assets		<u><u>236,484</u></u>	<u><u>226,382</u></u>
Unrestricted Funds	14	<u><u>236,484</u></u>	<u><u>226,382</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Trustees on 21/11/2009 and signed on its behalf by

C Cox

R Abbott

The notes on pages 10 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2008

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historic cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting for Charities" published in March 2005.

Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of HBV Enterprise. Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements.

Incoming Resources

All sources of income are recognised in the year in which entitlement to the income arises. Income (all of which arises in the UK) comprises the invoiced value of goods and services supplied, net of value added tax and trade discounts together with donations received with respect to the general activities of the venture. For Companies Act purposes, grants relating to premises improvements derived from Government and other bodies are included in deferred income and credited to the income and expenditure account at 20% per annum on a straight line basis commencing in the quarter of acquisition.

Resources Expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated on a basis consistent with the use of the resources. Governance costs are those incurred in connection with the management of HBV Enterprise's assets, organisation administration and compliance with constitutional and statutory requirements.

Fixed assets and depreciation

Depreciation is provided on the straight line basis on cost, or valuation, so as to write off the cost of assets over their estimated useful lives commencing in the quarter of acquisition:

Improvements to leasehold property	20% per annum
Office equipment	25% per annum
Computer equipment	33.3% per annum

Assets costing under £500 are written off in the year of acquisition.

Pensions

The company operates a defined contribution pension scheme for all full-time and part-time staff, including the CEO, but excluding non-executive trustees. The assets of the scheme are invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the year.

Other Investments

These represent loans advanced by the company and monies held on deposit. These are financed by loans advanced by third parties.

The company administers the loans advanced by the third parties but is not obliged to support any loss or default arising thereon. These monies are repayable to the loan providers only to the extent of the individual loans recovered, being capital and interest. There is no recourse on any other assets of the company. This disclosure is in accordance with the linked presentation provisions of FRS 5.

Taxation

The company was a registered enterprise agency until 30 June 2004 and was therefore not subject to corporation tax on its normal activities. From 30 June 2004, the company has been registered as a charity and therefore continues to be not subject to corporation tax on its charitable activities.

2. VOLUNTARY INCOME

	Total 2008 £	Total 2007 £
Donations	10,020	5,224

3. INVESTMENT INCOME

	Total 2008 £	Total 2007 £
Bank interest	11,195	7,951

HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
30 June 2008

4. TOTAL RESOURCES EXPENDED

a) Analysis of total resources expended	Staff costs	Other costs	Total 2008	Total 2007
Charitable activities				
Start up & micro business support services				
Advice and training	357,248	194,083	551,331	580,587
Governance costs	-	8,000	8,000	8,000
Total resources expended	357,248	202,083	559,331	588,587

b) Analysis of costs	Advice & training £	Governance costs £	Total 2008 £	Total 2007 £
Salaries and other staff costs	357,248	-	357,248	371,235
Direct project expenses	55,917	-	55,917	80,609
Occupancy costs	39,919	-	39,919	31,921
Depreciation	4,925	-	4,925	22,175
Legal and professional	34,384	8,000	42,384	41,001
Quality Assurance	978	-	978	5,638
Other	57,960	-	57,960	36,008
	551,331	8,000	559,331	588,587

5. NET INCOMING RESOURCES

	2008 £	2007 £
This is stated after charging/(crediting)		
Depreciation	4,925	22,175
Release of government grants from deferred income (for Companies Act Purposes Only)	-	(16,675)
Auditors' fee	8,000	8,000

6. TRUSTEES' REMUNERATION

As permitted by the Articles of Association, the Chief Executive, Richard Abbott, who is also a trustee, received remuneration of £83,160 (2007: £78,134). None of the other trustees received remuneration (2007: £Nil).

	2008	2007
The number of trustees to whom pension benefits are accruing under the money purchase schemes.	1	1

The pension contributions paid to money purchase schemes in respect of these trustees was £5,198 (2007: £4,884).

One trustee received reimbursement of necessary travelling expenses of £884 (2007: £735).

7. STAFF COSTS

The company employed on average 10 (2007: 11) people during the year at a cost of:

	2008 £	2007 £
Wages and salaries	313,432	326,471
Social security costs	33,327	34,805
Other pension costs	10,489	9,959
	357,248	371,235

The pensions costs during the year amounted to £10,489 (2007: £9,959). There were £1,202 outstanding contributions at the year end (2007: £Nil). One employee, who is also a trustee, received remuneration between £80,000 and £90,000 (2007: one between £70,000 and £80,000).

NOTES TO THE FINANCIAL STATEMENTS
30 June 2008

8. FIXED ASSETS	Short Leasehold Premises £	Computer Equipment £	Office Equipment £	Total £
Cost				
At 30 June 2007 and 2008	189,785	38,916	26,804	255,505
Depreciation				
At 1 July 2007	189,785	38,916	14,847	243,548
Charged in the year	-	-	4,925	4,925
At 30 June 2008	189,785	38,916	19,772	248,473
Net Book Value				
At 30 June 2008	-	-	7,032	7,032
At 30 June 2007	-	-	11,957	11,957

9. INVESTMENTS

As the company has developed, it has set up or acquired separate companies to carry out distinct activities; in respect of these the company has guaranteed to contribute a sum not exceeding the amount specified below to the assets of related companies in the event of being wound up and unable to pay their debts.

	£
Enfuntemp Limited (an investment company formerly known as UBS Warburg Enterprise Fund Limited)	2
Disposal	(2)
	<u>-</u>

This company was dissolved on 4 July 2007.

10. OTHER INVESTMENTS	2008 £	2007 £
Investments		
Cost		
At 1 July	943,610	1,279,905
Net Movement	14,608	(336,295)
At 30 June	<u>957,678</u>	<u>943,610</u>
Loans	<u>(957,678)</u>	<u>(943,610)</u>

Investments represent loans advanced by the company and monies held on deposit. These are financed by loans advanced by third parties.

11. DEBTORS	2008 £	2007 £
Trade debtors	154,746	165,178
Prepayments	8,125	40,020
Other debtors	2,036	3,684
	<u>164,907</u>	<u>208,882</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2008 £	2007 £
Trade creditors	39,202	16,721
Amounts owed to related companies	-	50,411
Other creditors including taxation and social security	705	-
Accruals and deferred income	139,167	214,934
	<u>179,074</u>	<u>282,066</u>

**HBV ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS
30 June 2008

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2008	2007
	£	£
Accruals and deferred income	23,300	12,745
	<u>23,300</u>	<u>12,745</u>

Excluded from creditors is the sum of £957,678 (2007: £943,610) which in the balance sheet has been linked with the related assets under the linked presentation provisions of FRS 5.

14. STATEMENT OF FUNDS	At 1 July			At 30 June
	2007	Income	Expenses	2008
Unrestricted funds	£	£	£	£
General Funds				
Start Up & Micro Services	226,382	569,433	(559,331)	236,484
Total unrestricted	<u>226,382</u>	<u>569,433</u>	<u>(559,331)</u>	<u>236,484</u>

15. OTHER FINANCIAL COMMITMENTS	2008	2007
	Land & Buildings	Land & Buildings
	£	£
Operating Leases which expire: Within two to five years	32,500	32,500
	<u>32,500</u>	<u>32,500</u>

16. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The company is under the ultimate control of its members.

The following balances were owing to/(owed by) related parties at the year end.

	2008	2007
	£	£
Enfuntemp Ltd (formerly known as UBS Warburg Enterprise Fund Limited)	<u>-</u>	<u>50,411</u>

The company was dissolved on 4 July 2007.