

**HBV enterprise**  
starting, funding, growing business

**HBV Enterprise**  
**A Company Limited by Guarantee**  
**REPORT AND FINANCIAL STATEMENTS**

**Year ended 30 June 2018**



Charity Registration No. 1104655 Company Registration No. 01825391

**HBV Enterprise**  
**(A Company Limited by Guarantee)**  
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**Co Number: 01825391**

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**HBV Enterprise**  
**(A Company Limited by Guarantee)**  
**Legal and Administrative Information**

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**Co Number: 01825391**

**TRUSTEES**

AJ Haxby  
D Santilale  
V Abbott (Operations Manager – until 28 February 2018)

**SECRETARY**

V Abbott

**REGISTERED OFFICE**

The London Small Business Centre  
206 Whitechapel Road  
London E1 1AA

**COMPANY REGISTERED NUMBER**

01825391

**CHARITY REGISTERED NUMBER**

1104655

**INDEPENDENT EXAMINER**

Ann Mathias  
Moore Stephens (South) LLP  
Chartered Accountants  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wilts SP1 2TJ

**BANKERS**

National Westminster Bank plc  
Kingsland  
7 Kingsland High Street  
London  
E8 2QU

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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 2018. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), The Charities Act 2011 and The Companies Act 2006.

***AIMS OF THE CHARITABLE COMPANY (the charity)***

The principal aim of the charity is to act as an urban regeneration support agency which benefits the public by alleviating disadvantage and unemployment through enterprise means, helping people to change their lives by promoting the development of entrepreneurial thinking and business ideas, building confidence to become employed, self-employed or to start or grow their own business.

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 have traditionally been based in the London Borough of Hackney, which by most measures is the country's most deprived borough, where the company has operated an inclusive range of enterprise services including loan funds. Some of the charity's enterprise support services are also available to businesses based elsewhere in London.

The Memorandum of Association outlines the charity's objects as follows:

1. The relief of unemployment for the public benefit and the relief of poverty, in such ways as may be thought fit throughout the United Kingdom, but with a particular emphasis on London.
2. The advancement of business related education and training for unemployed people.
3. The provision of financial assistance and business advice to unemployed people to assist them to start their own business or to develop existing ones.

***STRUCTURE, GOVERNANCE AND MANAGEMENT***

The company achieved charitable status on 30 June 2004 and the Directors are the Trustees of the charity.

All Trustee appointments are made by the Board. The Board meets as necessary to review both strategy and performance.

Management is delegated to the Operations Manager, who is also a Trustee, who reports on the performance against budgets approved by Trustees. The Board receives the latest management accounts and performance data prior to its meetings. Since March 2018, the role of the Operations Manager ceased and the management of the company's operations is now undertaken by the Trustees.

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 has been the impact of the uncertain climate for funding start up and micro business support services. This risk has been addressed by reducing the level of business activity undertaken by the company. This is further explained under the business review section of this report (on page 4).

No new trustees have been appointed during the year and, in the current environment within which the company is operating, it is unlikely induction of new trustees will be necessary and consequently require training. The current trustees continue to keep up to date with developments in the charity sector and focus this on ensuring their knowledge is geared towards the current operations requirements of the

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company.

### **TRUSTEES' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to perform its functions.

The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **TRUSTEES**

The Trustees and secretary at the date of this report and the period under review are set out on page 1. 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 creditors.

### **PUBLIC BENEFIT**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and strategy and in planning our future activities.

### **KEY MANAGEMENT**

The key management comprise the Trustees and, up until 28 February 2018, the Operations Manager. None of the Trustees, other than the Operations Manager, received any remuneration or reimbursement of expenses. Remuneration of employees is reviewed annually by the group's management with regard to market rates, inflation and affordability.

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***BUSINESS REVIEW, PRINCIPAL RISKS, GOING CONCERN AND PLANS FOR THE FUTURE***

The funding environment for the activities traditionally undertaken by HBV has deteriorated markedly in recent years. As a result, the Trustees decided that the company can no longer fund its activities going forward and resolved, once any liabilities are settled, to distribute the funds remaining on its balance sheet to other organisations whose activities are aligned with the charitable objects of HBV. A process has been undertaken by the Trustees during the year to seek submissions from suitable organisations to apply for grants under the distribution. So far, £298,768 has been distributed, details of which are disclosed in Note 3 to the Financial Statements. Following all the distributions and the elapse of an appropriate period of time, the activities of the company will be terminated and appropriate steps taken to wind up the company and thereafter de-register with the Charities Commission.

***REVIEW OF FINANCIAL POSITION***

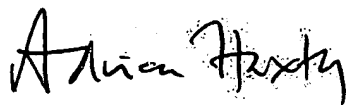
Income decreased from £20k to £4k (2017 from £39k to £20k). Expenses increased from £82k to £398k (2017 from £262k to £82k), mainly reflecting the distribution of grants outlined in the business review above. The deficit for the year was therefore £394k (2017: £62k).

***RESERVES POLICY***

The Trustees historically maintained a level of reserves to meet the company's obligations for a period of three to six months. In view of the circumstances referred to in the above paragraphs, the Trustees consider that the company no longer needs to maintain reserves beyond a relatively small amount to meet any contingencies that may arise in the future, pending the dissolution of the company.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 13 March 2019 and signed on their behalf by:



A Haxby, Director

**HBV Enterprise**  
**(A Company Limited by Guarantee)**  
**Independent Examiner's report to the Trustees on the**  
**unaudited accounts of HBV Enterprise**  
**for the year ended 30 June 2018**

**Co Number: 01825391**

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I report to the charitable company's trustees on my examination of the accounts of HBV Enterprise for the year ended 30 June 2018.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. My examination has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the Trustees as a body, for my examination, for this report, or for the opinions I have formed.

**Responsibilities and basis of report**

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent Examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with my examination giving me cause to believe that:

- (1) accounting records were not kept in respect of the company as required by section 386 of the Act 2006; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*Ann Mathias*

*19 MARCH 2019*

Ann Mathias FCA,  
Moore Stephens (South) LLP, Chartered Accountants  
33 The Clarendon Centre, Salisbury Business Park, Dairy Meadow Lane, Salisbury, Wilts SP1 2TJ

Date

HBV Enterprise  
 (A Company Limited by Guarantee)  
 Statement of Financial Activities  
 for the year ended 30 June 2018

Co Number: 01825391

	<i>Notes</i>	<i>Unrestricted Funds 2018 £</i>	<i>Total Funds 2017 £</i>
<b>Income</b>			
Investment income	2	133	2,210
<i>Income from charitable activities:</i>			
Start up and micro business support services		3,843	17,469
<b>Total income</b>		<u>3,976</u>	<u>19,679</u>
<b>Expenditure</b>			
Expenditure on charitable activities		397,899	81,620
<b>Total expenditure</b>	3	<u>397,899</u>	<u>81,620</u>
<b>Net expenditure and movement in funds</b>	4	(393,923)	(61,941)
<b>Total funds brought forward</b>		464,850	526,791
<b>Total funds carried forward</b>		<u>70,927</u>	<u>464,850</u>

The notes on pages 8 to 13 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses in the year.



HBV Enterprise  
(A Company Limited by Guarantee)  
BALANCE SHEET  
at 30 June 2018

Co Number: 01825391

	Notes	2018 £	2017 £
<b>Current Assets</b>			
Investments			
Program related investments	7	-	17,119
Debtors		-	-
Cash at bank and in hand		74,389	463,413
		<u>74,389</u>	<u>480,532</u>
<b>Creditors: Amounts falling due within one year</b>	8	(3,462)	(15,682)
<b>Net Current Assets</b>		<u>70,927</u>	<u>464,850</u>
<b>Net Assets</b>	10	<u>70,927</u>	<u>464,850</u>
<b>Unrestricted Funds</b>	9	70,927	464,850
<b>Total Funds</b>		<u>70,927</u>	<u>464,850</u>

For the year ended 30 June 2018 the company was entitled to exemption from audit under S477 of the Companies Act 2006 (the Act) relating to small companies. The members have not required the company to obtain an audit of its accounts for the year under S476. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on 13 March 2019 and signed on its behalf by

A Haxby



The notes on pages 8 to 13 form part of these financial statements.

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**1 ACCOUNTING POLICIES INCLUDING STATUS OF COMPANY**

**STATUS OF COMPANY**

The company is registered under the Companies Act as a company limited by guarantee and not having share capital. The company is a registered charity (number 1104655). Each member of the company, in the event of it being wound up, has limited liability not exceeding £1 to the assets of the company in the event of it being wound up and unable to pay its creditors. The company meets the definition of a public benefit entity under FRS102.

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

**BASIS OF PREPARATION**

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 (Charities SORP (FRS102))) and the Companies Act 2006.

**GOING CONCERN**

The Trustees assess whether the use of the going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

As indicated in the Trustees' Report, the Trustees have resolved, once any remaining liabilities have been settled, to distribute the funds remaining on its balance sheet to other organisations whose activities are aligned with the charitable objects of HBV. A process has been undertaken by the Trustees to seek submissions from suitable organisations to apply for grants under the distribution. Following the distribution, the activities of the company will be terminated and appropriate steps taken thereafter to wind up the company and to de-register with the Charities Commission.

In view of the anticipated closure, consideration has also been given to the carrying values of the assets and liabilities. Due to the simplicity of transactions, within these financial statements and its subsequent period, the Trustees have determined that the carrying values of the assets and liabilities reported remain unchanged.

**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, the Trustees or by the purpose of an appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements.

**INCOME**

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 and grants received, net of value added tax and trade discounts together with donations received with respect to the general activities of the venture. Income received in advance for spend in future periods is deferred and shown in creditors.

**1 ACCOUNTING POLICIES INCLUDING STATUS OF COMPANY (continued)****EXPENDITURE**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered, and recognised when there is a legal or constructive obligation to pay for expenditure. It has been listed under headings that aggregate all the costs related to that activity.

**DEBTORS**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**CREDITORS AND PROVISIONS**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**FINANCIAL INSTRUMENTS**

The only financial instruments held by the Charity are debtors and creditors. These are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at their transaction price less any impairment.

**OPERATING LEASES**

Rentals under operating leases are charged on a straight-line basis over the lease term.

**PENSIONS**

The company operates a defined contribution pension scheme for all full-time and part-time staff, including the Operations Manager, 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.

**PROGRAMME RELATED INVESTMENTS**

Programme related investments are stated at cost less provision for impairment.

Where the investment is supported by a loan advanced by a third party the loan is separately recorded at an amount equal to the investment within investments. The company is not obliged to support any loss or default arising thereon and 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 102. During the year being reported, there were no such loans.

**TAXATION**

The company is an approved enterprise agency and therefore not subject to corporation tax on its normal activities and registered as a charity and therefore not subject to corporation tax on its charitable activities.

**CRITICAL JUDGEMENTS AND ESTIMATES**

Since the company is winding down its activities, the Trustees have considered the impact of the carrying values and classification of all assets and liabilities and their affect on the balances carried forward to the year ended 30 June 2019, No significant changes have been required.

**2 INVESTMENT INCOME**

	<i>Restricted</i> 2018 £	<i>Unrestricted</i> 2018 £	<i>Total</i> 2018 £	2017 £
Bank interest	-	133	133	2,210

Total unrestricted income including investment income for 2018 is £3,976. For 2017 total income was £19,679, all of which was unrestricted.

**3 EXPENDITURE**

	<i>Total</i> 2018 £	<i>Total</i> 2017 £
Salaries & other staff costs	84,315	71,172
Occupancy costs	-	10,849
Legal & professional	5,007	5,944
Distribution of grants	298,768	-
Other	9,809	(6,345)
	<b>397,899</b>	<b>81,620</b>

All the 2018 expenditure is unrestricted. Of the 2017 expenditure, £95,461 was unrestricted and there was a credit of £13,841 as a result of a recovery of loans previously provided for. The names of the recipients to the above grants are listed below:

<b>Organisation</b>	<b>Date Paid</b>	<b>£</b>
Resurgo Trust	5 June 2018	50,000
The St Clement and St James Community Development Project	5 June 2018	50,000
Enfield Enterprise Agency	5 June 2018	50,000
Hackney Co-operative Developments CIC	5 June 2018	48,768
Business for London Limited	5 June 2018	50,000
Volunteer Centre Hackney	5 June 2018	50,000
		<u>298,768</u>

**4 NET EXPENDITURE AND MOVEMENT IN FUNDS**

	2018 £	2017 £
This is stated after charging:		
Independent Examiner's fee	3,000	3,000
Depreciation/Disposal of fixed assets	-	2,097
Operating leases		
- office rentals	-	2,250

**5 TRUSTEES' REMUNERATION**

As permitted by the Articles of Association, the Operations Manager, whose employment was terminated through redundancy on 28 February 2018, received remuneration of £76,936 in the year to 30 June 2018 (2017: £62,500) and a contribution to a money purchase pension scheme of £2,778 (2017: £4,167). No other Trustee received remuneration (2017: £Nil).

During the year, no Trustee received any reimbursement of expenses (2017: £Nil) for their role as trustee.

**6 STAFF COSTS**

	2018	2017
	£	£
The company employed on average 1 (2017: 1) person during the year at a cost of		
Wages and salaries	41,667	62,500
Redundancy and ex gratia payments	35,269	-
Social security costs	4,601	4,505
Other pension costs	2,778	4,167
	<u>84,315</u>	<u>71,172</u>

The pension costs during the year amounted to £2,778 (2017: £4,167). There were no outstanding contributions at the year end (2017: £486). One employee, who was also a trustee, received remuneration between £70,001 and £80,000 (one employee between £60,001 and £70,000 in 2017).

The charity considers its key personnel comprise the Trustees and the Operations Manager. The total employment benefits (including pension and social security costs) paid to the key management personnel were £84,315 (2017: £71,172).

**7 PROGRAMME RELATED INVESTMENTS**

The company has provided loans to fund local enterprises in support of its work in managing and delivering enterprise support projects. Third parties had previously provided these funds to the company and, for the period of the contract, the loan provider indemnified the company against any loss arising due to the non-recovery of the investment. In a previous year, the company obtained agreement that the loans provided under contracts that have now expired need not be repaid. Income recognised from the non-repayment of these loans was recorded as restricted income in 2013. The loans were assigned to a third party during the year.

Investments	£
At 1 July 2017	17,119
Movement	<u>(17,119)</u>

## (A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2018

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

	2018 £	2017 £
Trade creditors	69	196
Accruals and deferred income	3,393	15,486
	3,462	15,682

At the balance sheet date the company was holding deferred income of £Nil (2017: £Nil)

**9 STATEMENT OF FUNDS**

	At 30 June 2017 £	Income £	Expenses £	At 30 June 2018 £
Unrestricted Funds	464,850	3,976	(397,899)	70,927
Total Funds	464,850	3,976	(397,899)	70,927

**9 STATEMENT OF FUNDS FOR 2017**

	At 30 June 2016 £	Income £	Expenses £	Transfers £	At 30 June 2017 £
Unrestricted Funds	43,079	19,679	95,461	497,553	464,850
Restricted Funds	483,712	-	(13,841)	(497,553)	-
Total Funds	526,791	19,679	61,941	-	464,850

The restricted funds were originally designated as such by resolution of the Trustees in recognition to which they were originally received. Since that purpose no longer exists, the Trustees resolved, in 2017, to reclassify the funds from restricted to unrestricted funds.

**10 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Un- restricted Funds £	Total 2018 £	Total 2017 £
Current assets	74,389	74,389	480,532
Creditors	(3,462)	(3,462)	(15,682)
	<b>70,927</b>	<b>70,927</b>	<b>464,850</b>

All the funds in 2017 were unrestricted.

**11 CAPITAL COMMITMENTS**

Amounts contracted for, but not provided in the accounts, amount to £nil (2017: £nil).