

Charity Registration No.1122173

Company Registration No. 04138032 (England and Wales)

EAST LONDON BUSINESS ALLIANCE

(LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C I Watson (Chairman) J Baskerville M Gabriel L Hollins H Morris (appointed 16/07/18) A Rakowski (appointed 13/09/17) M Stanley (resigned 13/09/17) E J Taylor (resigned 26/07/18) P Vasudeva (resigned 30/06/18) T Waldron
Chief Executive	I Parkes
Secretary	M S Alom
Charity Number	1122173
Company Number	04138032
Principal address & Registered office	3rd Floor City Reach 5 Greenwich View Place London E14 9NN
Auditors	PKF Littlejohn LLP Statutory Auditors 1 Westferry Circus Canary Wharf London E14 4HD
Bankers	HSBC Bank plc 59-61 The Mall Stratford London E15 1XL

EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
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**EAST LONDON BUSINESS ALLIANCE
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CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

These statutory accounts mark the end of a challenging year for ELBA. While our membership base and overall income from our business supporters has been maintained, it has been much more difficult to secure funding from public bodies and charitable foundations. In particular it has been challenging to attract funding for our vital work in education. It is clear that for all third sector bodies there will continue to be restrictions on the level of funding available, and increased competition for every source of finance.

Brexit continues to create uncertainty in the financial and business sectors we serve and it has been difficult to attract new business contributions. Consequently we have focused on retaining the business partners we already have.

We have continued to follow the Three Year Strategic Plan introduced in 2016/17 which will ensure we respond to these external challenges, while retaining our three key delivery strands:- education, employment and community development.

Despite the challenging circumstances we have continued to deliver business expertise and resources into the community sector at the same levels as previous years – with fewer resources. We have introduced innovative new programmes to respond to the issues in east London. For example, building the financial capability of lower paid workers – with the active help and support of their employers; taking a new approach with the assistance of our business partners to improving the economic circumstances of young black men, a group which is particularly disadvantaged in the labour market; and taking a highly successful new approach to matching potential charitable trustees to organisations seeking business input.

At a time when there a number of external reviews of business giving and community engagement, we are able to report that our approach to asset based volunteering means that every input from ELBA business partners is needed and wanted, and will contribute to addressing the important issues faced by east London residents and communities. We appreciate and applaud the thousands of business volunteers that work with us every year to make a difference in the communities we serve, and we know from their feedback that they find the experience rewarding and fulfilling.

Our joint project with Canary Wharf Group – East London Business Place – funded by European sources, is performing well, as is the joint programme with Islington Giving and Macquarie – the BIG Alliance.

Our trading company, London Works, is now operating without the benefit of grant income and has continued its important work in placing into work people from disadvantaged backgrounds and supporting employers to adopt inclusive leadership and recruitment practices. However, trading for London Works continues to be difficult in a highly competitive market, leading to a refocus of the work of the business during the year.

Financially, it has been a further challenging year for both ELBA and London Works. ELBA was affected by a net reduction in contributions for our education work, though we made a strong recovery in our employment programmes. There continues to be a small number of one-off expenditure items relating to the necessary restructure of the organisation and a reduction of management overheads. A much smaller and more tightly focussed leadership team is now concentrated on driving new income generation and responding to new opportunities.

As we look forward to the coming period, 2019 will be our 30th year of operation, which we will be marking with celebrations and additional activity throughout the year. We look forward to connecting and re-connecting with partners and supporters, old and new.

We were very sorry to see the departure of Martin Stanley from the Board in the year, and we thank him for all his years of service. We welcome to the Board Arthur Rakowski from our long-standing partner Macquarie, and Hugh Morris from the City of London Corporation.



**C I Watson
Chairman and Trustee
21 November 2018**

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The Trustees present their report and audited consolidated financial statements for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities ("FRS102 SORP")", effective from January 2015.

Reference and Administrative Details of the Charity

Full legal and administrative details can be found on the page preceding the contents page, including the list of Trustees (who are also directors for the purposes of company law) who served during the year.

There continues to be stability and continuity in the governance of the Charity in the period, with just one departure and two appointments. During the year Martin Stanley resigned as Trustee and we thank him for his long and committed service to ELBA, particularly his chairmanship of the ELBA FINCO. Arthur Rakowski from Macquarie joined as a new trustee. Hugh Morris from the City of London Corporation has also recently joined the Board.

Governance

The ELBA Charity is a company limited by guarantee with no share capital. None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute such total amount as may be required (not exceeding £100) to the company's assets in the event of a winding up. ELBA's business is conducted under the framework of its governing Memorandum and Articles of Association, prepared under Company law.

Trustees are usually selected from our corporate partners and other businesses in east London and beyond. Generally senior business people with wide experience and knowledge of Corporate Social Responsibility (CSR), Trustees will usually have had several years' experience of ELBA's involvement in the community and will have served on Forum or Board committees from time to time.

Being already familiar with the organisation, Trustees receive further induction and training through providing them with copies of the Memorandum and Articles of Association, the last available annual report and accounts, current management accounts, budgets and relevant sector Forum reports as well as a copy of the Charity Commission's Charitable Purposes and Public Benefits documents together with the guide to the role and responsibilities of Charity trustees. The Chief Executive provides introductions to other Trustees, ELBA and London Works staff and members, policies and procedures as required.

In addition to the Board of Trustees, ELBA has a Skills and Employment Board (ESEB) which brings together Board directors and senior leaders from ELBA members to discuss issues relating to the workforce. We also maintained our Youth Board, recruited by open application from the young population of the boroughs we serve. The Youth Board advises both the executive team and the Board about the issues affecting young people in east London, and our response to those issues.

Organisational Structure

Setting the overall strategy and monitoring of the Charity's overall performance is the responsibility of the Board of Trustees, which is led by Chris Watson, a partner at CMS in London.

FINCO, which is a committee of the main Board and is charged with monitoring and reviewing the Charity's performance, in particular its financial outcomes, on a regular quarterly basis. Martin Stanley chaired the ELBA Finance & General Purposes Committee (Finco) until he stepped down in September 2017 and was replaced by Arthur Rakowski who now chairs FINCO. Membership of Finco is set at a minimum of five people currently comprising Arthur Rakowski (Chair), two further Board members or co-opted members with a financial background, the company's internal auditor, the Chief Executive and the Group Finance Director. Finco meets quarterly to review operating and management accounts, annual audited financial statements and policies related to financial management, including risk.

The Board delegates day-to-day running of the organisation and the achievement of its strategic interventions to the Chief Executive, the senior management team and the experienced team of programme directors and project managers. The senior management team comprises the Chief Executive, Group Finance Director, Managing Director - Employment, Director of Education and Community, Director of Account Management (pt), Director of membership (pt), and the Director of the BIG

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Alliance. Pay and remuneration for the Chief Executive is set by the Board. Pay and remuneration for the other members of the team is set by the Chief Executive who directly line manages them.

Trading subsidiaries

In 2014 the Board authorised the setting up of a new trading subsidiary, London Works (LW). LW has operated as a key part of ELBA's employment and employability efforts providing temporary and permanent recruits for member and non-member companies drawn mainly from the academic output of east London's universities. LW was funded in its initial stages by Barclays Bank, the City of London Corporation, the University of East London and the Royal Borough of Greenwich, together with a loan from the Greater London Authority. 2017/18 was the second year that London Works was not supported by grant funding. It made a trading loss at the end of the year and as a consequence, the scale of operations has been downsized and unprofitable business has been stopped. It will now concentrate on high margin temp vacancies, a smaller number of permanent placements, student associateships, graduate placements and the Eagles graduate programme. Trading continues to be difficult for London Works but it expects to make a small profit in 2018/19.

In future years, once it has established a steady trading position, any operating profits from London Works may be Gift Aided to ELBA to provide additional funding for any or all of ELBA's community, education or employment projects. There was no Gift Aid to ELBA in 2017/18 (£nil), the same as 2016/17 (£nil).

London Works also has a Finance & General Purposes committee (Finco), chaired by LW Board Director Bill Carr of CMS and with one further Board director, plus the ELBA Chief Executive (also a London Works Director) the Group Finance Director and the London Works Managing Director, and a co-opted member, usually someone who is financially qualified. London Works Finco meets quarterly to review operating and management accounts, annual audited financial statements and policies related to financial management, including risk.

In March 2018 the ELBA Board decided it needed to exercise closer supervision of London Works as it works through a difficult trading period. The ELBA FINCO will now serve as the finance committee for both companies.

In 2015/16 the ELBA Board authorised the setting up of a further not-for-profit subsidiary trading company – ELBA Works. This is used to deliver contracts for service which are outside the core charitable purpose. The surplus from this trading company is passed to ELBA to support charitable activities.

Risk Management

The Trustees renewed ELBA's risk management strategy during 2017/18 which now comprises:

- an annual review by the Trustees of the risks the Charity may face, based on the format recommended by the Charities Commission;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Particular attention has focused on non-financial risks arising from safeguarding of children and young people, and from governance and regulatory compliance. During the year, ELBA and its subsidiaries implemented a GDPR compliance plan.

The main risk to the Charity would be failure by members and other business partners to make contributions; consequently, the member payment records are submitted for detailed review to all FINCO meetings.

The London Works Board reviews risks on a regular basis. The key financial risks for London Works relate to the ability to meet trading targets and cashflow. The main non-financial risks relate to key personnel and regulatory compliance.

In addition the Group Finance Director pursues a rigorous automated monthly credit control procedure which has proven successful in minimising bad debt.

Objectives and Activities

East London Business Alliance is a registered charity and for nearly 30 years we have been addressing social mobility, regeneration, poverty and inequality in and around East London.

East London Business Alliance builds the connection between businesses and local communities, bringing the time, skills and resources of the private sector to help build the capacity of local organisations, support young people in education and place people into employment in London.

Our mission is to create possibilities to bring about positive change in East London by channelling the wide-reaching resources and influence of the private sector to address key areas of need. ELBA makes community investment by businesses easier, more effective and more rewarding.

At the heart of how we deliver our goals are the deployment at scale of employer-supported volunteering, business-driven recruitment and employment diversity.

Our long term strategic goals are to:

- Help to make east London a better place to live, with healthy, thriving and resilient communities.
- Strengthen the community sector and support social enterprise.
- Promote and deliver fair and equal access to work based on merit, not background, helping employers change recruitment practices and help individual people secure good jobs.
- Support progression in careers and increase earnings for those from disadvantaged backgrounds.
- Support successful transition for every young person from education to work and/or enterprise.

In summary, in the next three years we will:

1. **Strengthen the power of what we do** - continue to do what we do best, maintaining our focus on employment, community development and education, while deepening business engagement and investment
2. **Grow modestly** – reflecting the tight funding environment, the need to spread overheads and have sufficient resources to put into future development
3. **Stay relevant and topical** - ensure we are focused and make an impact on the big issues in east London and beyond
4. **Be in the right areas** - deepen our knowledge and engagement in the geographical areas we serve and spread to new areas of emerging need and opportunity
5. **Be flexible and innovative** – differentiating our business model and offering new ways for new types of business and organisations to get involved
6. **Learn, show and tell** – develop our underpinning evidence and research, take up campaigning positions and be much better at telling and spreading what we and our partners have done
7. **Make changes, one-by-one** – keep focused on real outcomes, recognising that at the end of everything we do should be a success story - of a pupil, student, job seeker, graduate, volunteer, family, resident, community organisation or business that we have affected for good.
8. **Do it well** – we will get smarter and more efficient, making better use of digital technology, delivering to high standards of quality and driving down relative spend on overheads

ELBA works in the most deprived boroughs not only of London and indeed of the UK. With 29 years' experience, ELBA facilitates and delivers corporate involvement in community organisations, education and employment across the east London boroughs and, through the BIG Alliance, in Islington.

During 2017/18 we continued to work at scale in east London and beyond to deliver our goals and objectives. Our delivery in volume terms remained at the same levels as 2016/17.

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FOR THE YEAR ENDED 31 MARCH 2018

- 11,248 volunteers – 12,378 including BIG Alliance
- 130 Corporates (Including non-members) – 146 including BIG Alliance
- 137 Community Partners – 183 including BIG Alliance
- 55 Universities, Colleges & Secondary Schools – 71 including BIG Alliance
- 173 people into work
- 36 EAGLEs in our graduate placement programme

The work with our corporate partners is across three themes:

Community

We work across east London with local charities, social enterprises and not for profit organisations. Charities are under increasing pressure with the significant decrease in local authority funding and the drive towards service level agreements, contracts and tendering. We take a holistic approach and support organisations at leadership and governance level, with management and systems expertise and the beneficiaries of the organisation through our asset based approach to employer supported volunteering. The types of volunteering include Board Builders, Executive Coaching, Business Skills volunteering, interactive volunteering and we also help develop places and spaces through team challenge volunteering.

During 2017/18 we introduced and developed a new approach to recruiting trustees for charities and community organisations. BoardMatch has successfully placed over 60 employees from ELBA members onto boards of community partners, and such long term commitment has high impact.

The Hackney Works project came to an end and the three funders, UBS, Linklaters and Societe Generale have agreed to fund a new project which will focus on Hackney East. Hackney Works has been shortlisted for an award by the Charity Times.

Education

ELBA partners with secondary schools and further and higher education institutions to deliver a range of activities and innovative responses that meet the needs of the education sector and ELBA's key stakeholders, while delivering the young people development objectives of our corporate partners. All support is delivered creatively through employee engagement. These include working with:

- Secondary school students, staff and governors
- Students from east London universities that have some of the lowest levels of graduate employment in the UK, via mentoring, mock interviews and careers insight training and networking clubs.

ELBA and London City Airport won a gold award for Best Single Event in the Corporate Engagement Awards for the STEM event in November 2017 which engaged over 200 students from local schools in an exciting day of activity, showing them a range of technology related careers.

Employment

Employability skills

ELBA engages young jobseekers to raise aspirations and promote career paths and to raise aspirations. Activities with corporate volunteers include CV and interview skills workshops which focus on the soft skills that local jobseekers need to perform well.

ELBA influences social mobility through both temporary and permanent employment engaging young people, and supporting jobseekers to raise their aspirations, promote career paths and develop employability skills.

During 2017/18 we launched two new innovative programmes:

The Parity Programme is funded by State Street, Nomura, and XL Catlin and aims to improve the economic circumstances of young black men. This group faces particularly disadvantages in the labour market despite doing well in tertiary and higher education.

Cashwise is funded by the Money Advice Service and aims to build the financial capacity and resilience of low paid workers. Unlike other approaches, this programme is done with the support of their employers, in working time.

**EAST LONDON BUSINESS ALLIANCE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Graduate employment

London Works, ELBA's recruitment agency provides temporary and permanent recruits of the highest order, drawn from the growing and improving east London graduate pool.

Financial review

As a general rule, around half of the main ELBA core operating costs have been covered and provided by the annual charitable contributions made by its business supporters. During 2017/18 we saw a significant improvement in the retention of business supporters, with just a £38,000 (which includes provisions of £20,000) net loss of annual contributions compared to a net loss of £144,000 in 2016/17. Project income and income for services from business was up on the previous year.

The other half of our income has derived mainly from charitable corporate grants and donations as well as various third party charitable trusts such as the **Cripplegate Foundation, Islington Giving, Reeves Foundation and Theirworld**, all of whom have been substantial supporters as well as the **London Legacy Development Corporation**. During 2017/18 the level of income from services or projects delivered to business partners increased, and this is a trend which is set to continue.

This year has seen continuing reductions in public sector funding availability, which has necessitated changes to the funding structure of a number of ELBA projects and we see no prospect of that changing in the near future.

Member companies support the many projects implemented by the East London Business Alliance, mainly through the provision of volunteers although some, including **Accenture, Barclays, British Land/Broadgate Estates, XL Catlin, Linklaters, Macquarie, Nomura, Societe Generale, State Street Bank and UBS** have all made additional contributions to specific projects in the year under review.

We were particularly grateful to be supported by Societe Generale during the year as a local "Charity of the Year". The exceptional generosity of their employees, matched by the company, has raised over £30,000 to support ELBA's work with young people from disadvantaged backgrounds.

Member contributions in the current period totalled £783,149, down from £821,483 in 2016/17, reflecting a gradual shift from annual contributions to project-based support from business. Despite significant uncertainty in the financial services sector, which has seen an overall reduction in charitable giving, combined income from business in the form of member contributions and support for specific projects and services has held up well, with just a 1% reduction over the last four years.

Total main Charity income, before adding ELBA Works and London Works income, was in line with the previous year at £2.3m (2016/17 £2.3m).

Project income for employment work was up on the previous year, but that for education was down, with five funding streams coming to a close at the end of 2016/17.

At an operating level, the main ELBA charity sustained a deficit of £136k. After transfers from ELBA works of £28k, the net deficit was £108k, up on the previous year outturn of £64k deficit. The main reasons for the difficult financial performance are:

- Reduction in funding available for education work in schools
- Ongoing slowness in attracting new member and other contributions

In addition to planned transfers from reserves detailed below, there were two extraordinary one-off items outside our normal trading, which are also funded from reserves, totalling £66k.

Costs continued to be strictly controlled and were down by 3% compared to the previous year.

The expenditure on restricted fund projects totalled £1.5m and this was fully funded from the £388k of restricted funds brought forward from last year plus newly incoming restricted funds of £1.4m. Accounting for restricted projects is undertaken mainly on a cash flow basis, unlike unrestricted or core funding, which is accounted for on a full prepaid and accruals basis.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Public Benefit

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

Reserves Policy

The Trustees' goal is for ELBA to hold unrestricted reserves equal to at least six months' purchase of core operating costs (£650,000). They are aware that this target may take a little time to reach from the current level of £331,730 but believe that this is achievable in the longer term. They maintained a designated Dilapidations Reserve, currently £30,000. During 2017/18, one-off items were charged against the reorganisation reserve totalling £66k.

The Charity's unrestricted reserves at year end amounted to £331,730, (2016/17 £492,558) together with designated reserves for reorganisation and dilapidations amounting to £30,000 (2016/17 £42,477) making a total of £361,730 (2016/17 £535,035).

Plans for the future period

Indices of relative deprivation and inequality in east London remain stubbornly fixed among the worst in the UK. Despite the expansion of Canary Wharf and the City, young people and residents from East London struggle to access the jobs created.

Working with our members ELBA will continue to address the barriers to social mobility, addressing issues of educational attainment, employability, enterprise, and community capacity and resilience. We will seek to be thought leaders on how the world of business can both lead and provide the solutions to these intractable problems.

The continuing and growing disruption to the labour market arising from digital technologies will pose a particular challenge for the current and future workforce of east London. We will be working with business and education partners to develop new approaches to assist current workers and young people to gain the competencies needed to thrive in a fast changing workplace. We will also be taking a new initiative to address the communication skills gap faced by those from disadvantaged backgrounds.

Our core activity will remain the deployment of asset-based volunteering to address these issues – deploying the assets of business to support and develop the assets of the communities we serve – be it the people, the organisations, the social infrastructure or the open space on which residents depend. Our priorities are driven jointly by the CSR and ESG objectives of our members and the identified needs of our communities. Our role will be to act as a broker and delivery agent, linking the world of business to the community. Every ELBA intervention is needed and impactful; every participation will be rewarding and fulfilling.

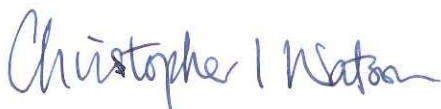
We will use the 30th anniversary of ELBA's foundation in 2019 as a springboard to get more businesses engaged in our essential work.

Fundraising Regulator statement

ELBA is not required to register with the Fundraising Regulator as we do not meet the required thresholds. However, we have chosen to make a voluntary registration.

Auditors

The auditor, PKF Littlejohn LLP, will be proposed for re-appointment at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.



**C I Watson
Chairman and Trustee
21 November 2018**

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2018**

The Trustees (who are directors for the purpose of company law) are responsible for preparing the Report of the Trustees and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the Financial Statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable Company's transactions and 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EAST LONDON BUSINESS ALLIANCE**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF EAST LONDON BUSINESS ALLIANCE

Opinion

We have audited the financial statements of East London Business Alliance (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated and Parent Statements of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated and Parent Charitable Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EAST LONDON BUSINESS ALLIANCE**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor London E14 4HD

1 Westferry Circus
Canary Wharf

21 November 2018

EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018

Company Number 04138032

	Notes	Unrestricted Funds General funds £	Designated funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income from:						
Donations	2	812,485	-	-	812,485	821,483
Charitable activities	3	-	-	1,429,062	1,429,062	1,409,512
Other trading activities	4	1,439,458	-	-	1,439,458	1,604,206
Investments	5	5,409	-	-	5,409	5,214
Other income	6	2,801	-	-	2,801	29,296
Total income		2,260,153	-	1,429,062	3,689,215	3,869,711
Expenditure on:						
Raising funds		20,354	-	-	20,354	20,113
Raising funds - trading activities		1,421,858	-	-	1,421,858	1,613,954
Charitable activities	7	789,794	65,636	1,518,699	2,374,129	2,453,749
Total expenditure		2,232,006	65,636	1,518,699	3,816,341	4,087,816
Net Income / (expenditure)		28,147	(65,636)	(89,637)	(127,126)	(218,105)
Transfers between funds	16c	(235,769)	53,159	182,610	-	-
Net movement in funds		(207,622)	(12,477)	92,973	(127,126)	(218,105)
Reconciliation of funds:						
Total funds brought forward		431,500	42,477	387,798	861,775	1,079,880
Total funds carried forward		223,878	30,000	480,771	734,649	861,775

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006 and has been prepared on the basis that all operations are continuing. The company has no gain or losses other than those shown above.

The accounting policies and notes on pages 17 to 24 form part of these financial statements.

EAST LONDON BUSINESS ALLIANCE

(LIMITED BY GUARANTEE)

COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2018

Company Number 04138032

	Unrestricted Funds			Total	Total
	General funds	Designated funds	Restricted funds	2018	2017
	£	£	£	£	£
Income from:					
Donations	840,379	-	-	840,379	850,443
Charitable activities	-	-	1,429,062	1,429,062	1,409,512
Investments	5,409	-	-	5,409	5,214
Other income	39,301	-	-	39,301	49,296
Total income	885,089	-	1,429,062	2,314,151	2,314,465
Expenditure on:					
Raising funds	20,354	-	-	20,354	20,113
Charitable activities	789,794	65,636	1,518,699	2,374,129	2,451,399
Total expenditure	810,148	65,636	1,518,699	2,394,483	2,471,512
Net income / (expenditure)	74,941	(65,636)	(89,637)	(80,332)	(157,047)
Transfers between funds	(235,769)	53,159	182,610	-	-
Net movement in funds	(160,828)	(12,477)	92,973	(80,332)	(157,047)
Reconciliation of funds:					
Total funds brought forward	492,558	42,477	387,798	922,833	1,079,880
Total funds carried forward	331,730	30,000	480,771	842,501	922,833

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006 and has been prepared on the basis that all operations are continuing. The company has no gain or losses other than those shown above.

The accounting policies and notes on pages 17 to 24 form part of these financial statements.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018**


Company Number 04138032

	Notes	2018 £	2017 £
Fixed Assets			
Tangible assets	12	2,852	9,779
Current assets			
Debtors	13	809,594	668,678
Cash at bank and in hand		643,531	803,153
		<u>1,453,125</u>	<u>1,471,831</u>
Creditors: amounts falling due within one year	14a	<u>(641,328)</u>	<u>(519,835)</u>
Net current assets		811,797	951,996
Creditors: amounts falling due after more than one year	14b	<u>(80,000)</u>	<u>(100,000)</u>
Net assets		<u>734,649</u>	<u>861,775</u>
Charity Funds			
Restricted funds	16a	480,771	387,798
Unrestricted funds		223,878	431,500
Designated Funds	16b	30,000	42,477
Total charity funds		<u>734,649</u>	<u>861,775</u>

The financial statements were approved by the Board on 21 November 2018 and signed on its behalf by:



C I Watson
Chairman & Trustee



A Rakowski
Trustee


The accounting policies and notes on pages 17 to 24 form part of these financial statements.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
COMPANY BALANCE SHEET
AS AT 31 MARCH 2018**

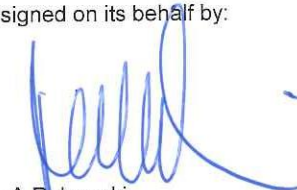
Company Number 04138032

	Notes	2018 £	2017 £
Fixed Assets			
Tangible assets	12	2,852	9,779
Current assets			
Debtors	13	708,546	613,872
Cash at bank and in hand		358,749	543,523
		<u>1,067,295</u>	<u>1,157,395</u>
Creditors: amounts falling due within one year	14a	<u>(227,646)</u>	<u>(244,341)</u>
Net current assets		839,649	913,054
Net assets		<u>842,501</u>	<u>922,833</u>
Charity Funds			
Restricted funds	16a	480,771	387,798
Unrestricted funds		331,730	492,558
Designated Funds	16b	30,000	42,477
Total charity funds		<u>842,501</u>	<u>922,833</u>

The financial statements were approved by the Board on 21 November 2018 and signed on its behalf by:



C I Watson
Chairman & Trustee



A Rakowski
Trustee

The accounting policies and notes on pages 17 to 24 form part of these financial statements.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2018**

Company Number 04138032

	Notes	2018 £	2017 £
Cash flow from operating activities	17	(165,031)	19,228
Net cash flow (used in) / provided by operating activities		(165,031)	19,228
Cash flow from investing activities			
Payments to acquire tangible fixed assets	12	-	(8,551)
Receipts from sale of fixed assets		-	3,750
Interest received from investment		5,409	5,214
Net cash flow provided by investing activities		5,409	413
Change in cash and cash equivalents in the year		(159,622)	19,641
Cash and cash equivalents at 1 April		803,153	783,512
Cash and cash equivalents at 31 March		643,531	803,153

The accounting policies and notes on pages 17 to 24 form part of these financial statements.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
COMPANY STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2018**

Company Number 04138032

	Notes	2018 £	2017 £
Cash flow from operating activities	17	(190,183)	(91,229)
Net cash flow used in operating activities		(190,183)	(91,229)
Cash flow from investing activities			
Payments to acquire tangible fixed assets	12	-	(8,551)
Receipts from sale of fixed assets		-	3,750
Interest received from investment		5,409	5,214
Net cash flow provided by investing activities		5,409	413
Change in cash and cash equivalents in the year		(184,774)	(90,816)
Cash and cash equivalents at 1 April		543,523	634,339
Cash and cash equivalents at 31 March		358,749	543,523

The accounting policies and notes on pages 17 to 24 form part of these financial statements.

1 Accounting policies

1.1 General information and basis of preparation

East London Business Alliance is a Charity and a company limited by guarantee with no share capital in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £100 per member of the charity. The address of the registered office is given in the legal and administrative information page of these financial statements. The nature of the charity's operations and principal activities are detailed under objectives and activities on pages 3 and 4 of the Trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The consolidated financial statements consolidate the financial statements of East London Business Alliance and its subsidiary undertaking, London Works Agency Limited and East London Business Alliances Works Limited for the period ending 31 March 2018.

1.2 Income recognition

Income from membership contributions and grants is credited to the SOFA at the time the commitment is agreed and an invoice issued by ELBA. Contributions and income received in advance, which is wholly attributable to future periods, is deferred to the Balance sheet and transferred to the SOFA in the period to which it relates.

Trading income is invoiced on an accruals basis.

1.3 Expenditure recognition

Expenditure has been included in the Financial Statements on the accruals basis and is stated inclusive of VAT for ELBA. LW is VAT registered and the expenditure is therefore included net of VAT.

Support costs represent staff and office costs and are apportioned to charitable activities and fundraising activities on the basis of estimated time spent on those activities.

The company benefits from contributed resources including premises and staff time. This is often very difficult to quantify in financial terms and where it is not considered to be material is not reported upon.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets over £1,000 are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:-

Computer equipment	33% Straight line
Motor vehicle	25% Straight line
Fixtures & Fittings	25% Straight line

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the SOFA on a straight line basis over the lease term.

1.6 Pensions

The charity operates a defined contributions pension scheme which is open to all members of staff and the pension charge represents the amount payable by the charitable company to the fund in respect of the year.

1.7 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.8 Taxation

As a registered charity, the company is generally exempt from Corporation Tax in respect of its charitable activities. The company is not registered for VAT and items in the Financial Statements are stated inclusive of VAT, where applicable.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

2 Income from donations

	2018 £	2017 £
Member contributions	783,149	821,483
Donations	29,336	-
	<u>812,485</u>	<u>821,483</u>

Income from donations was £812,485 (2017 - £821,483) all of which was attributable to unrestricted funds for both years.

3 Income from charitable activities

	2018 £	2017 £
Community Works	341,552	320,330
Education Works	342,180	435,994
Employment Works	389,052	152,552
Other	356,278	500,636
	<u>1,429,062</u>	<u>1,409,512</u>

Income from charitable activities was £1,429,062 (2017 - £1,409,512) all of which was attributable to restricted funds for both years.

4 Income from other trading activities

	2018 £	2017 £
Bureau agency fees receivable - London Works	1,393,991	1,562,896
Consultancy fees - ELBA Works	45,467	41,310
	<u>1,439,458</u>	<u>1,604,206</u>

Income from other trading activities was £1,439,458 (2017 - £1,604,206) all of which was attributable to unrestricted funds for both years.

5 Income from investments

	2018 £	2017 £
Interest receivable	5,409	5,214

Income from other investments was £5,409 (2017 - £5,214) all of which was attributable to unrestricted funds for both years.

6 Other income

	2018 £	2017 £
Services provided and other	2,801	29,296

Other income was £2,801 (2017 - £29,296) all of which was attributable to unrestricted funds for both years.

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

7 Analysis of expenditure on charitable activities

	Direct Costs	Support Costs	2018 £	2017 £
Community Works Projects	274,921	96,846	371,767	327,875
Education Works Projects	313,344	114,106	427,450	526,389
Employment Works Projects	227,117	163,690	390,807	297,448
Other Projects	308,774	19,901	328,675	358,557
CORE	855,430	-	855,430	943,480
	1,979,586	394,543	2,374,129	2,453,749

Expenditure on charitable activities was £2,371,732 (2017 - £2,453,749) of which £787,397 was attributable to unrestricted funds (2017 - £876,142), £65,636 was attributable to designated funds (2017 - £67,338) and £1,518,699 was attributable to restricted funds (2017 - £1,510,269).

8 Allocation of support costs

	Community Works Projects £	Education Works Projects £	Employment Works Projects £	Other Projects £	2018 Total £	2017 £
Governance (see note 9)	1,966	2,243	1,956	-	6,165	6,914
HR & Admin	14,232	15,549	25,054	-	54,835	66,231
Finance & Management	26,115	33,371	24,522	-	84,008	83,967
Other Staffing	20,652	22,422	64,769	19,901	127,744	123,138
Office and Other Costs	33,881	40,521	47,389	-	121,791	131,522
Total	96,846	114,106	163,690	19,901	394,543	411,772

9 Governance costs

	Core	Projects	2018 £	2017 £
Accountancy	2,369	2,374	4,743	5,400
Audit	3,539	3,791	7,330	7,320
	5,908	6,165	12,073	12,720

10 Trustees

None of the Trustees (or any person connected with them) received any remuneration or benefits from the charity during the year (2017 - £Nil).

11 Employees

Number of employees

The average number of employees during the year was:

	2018 Number	2017 Number
Chief Executive	1	1
Administration	3	3
Project delivery	30	34
Interns	1	-
East London Business Place	4	5
Eagles	21	21
London Works (Temporary Staff)	16	23
London Works (Establishment Staff)	4	5
	80	92

EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

	£	£
Wages and salaries	2,590,470	2,910,569
Social security costs	250,692	286,600
Other pension costs	72,610	57,851
Redundancy costs and ex-gratia	11,900	34,595
	2,925,672	3,289,615

The total amount of employee benefits received by key management personnel during the year was £332,618 (2017 - £368,658). The Charity considers its key management personnel to comprise the Chief Executive, two Managing Directors and Group Finance Director.

The number of employees whose annual emoluments were £60,000 or more were:

	2018 Number	2017 Number
£60,000 to £69,999	1	1
£70,000 to £79,999	3	4
£90,000 to £99,999	1	1

The employees whose emoluments, including annual bonus, exceeded £60,000, had retirement benefits accruing under a defined contribution pension scheme. The contribution payable by the company for these employees for the year was £16,695 (2017 - £12,013).

12 Group and Company Tangible Fixed Assets

	Fixtures & Fittings £	Motor Vehicle £	Computer Equipment £	Total £
Cost				
At 1 April 2017	-	-	56,783	56,783
Additions	-	-	-	-
Disposals	-	-	(36,000)	(36,000)
At 31 March 2018	-	-	20,783	20,783
Depreciation				
At 1 April 2017	-	-	47,004	47,004
Charge for the year	-	-	6,927	6,927
On disposals	-	-	(36,000)	(36,000)
At 31 March 2018	-	-	17,931	17,931
Net book value				
At 31 March 2018	-	-	2,852	2,852
At 31 March 2017	-	-	9,779	9,779

13 Debtors

Group	2018 £	2017 £
Grants and donations receivable	739,810	594,089
Other debtors	20,951	23,092
Prepayments and accrued income	48,833	51,497
	809,594	668,678
Company	2018 £	2017 £
Grants and donations receivable	535,297	423,522
Amounts owed by group undertakings	108,558	118,960
Other debtors	20,918	23,092
Prepayments and accrued income	43,773	48,298
	708,546	613,872

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Included within Other debtors of both Group and Company is an amount of £15,000 which is receivable after more than one year (2017 - £15,000) being the office rent deposit. There were no staff loans receivable after more than one year (2017 - £NIL). There is an inter company loan from ELBA to London Works of £70,000 which is receivable within one year (2017 - £70,000 receivable after more than one year).

14a Creditors: amounts falling due within one year

Group	2018 £	2017 £
Purchase ledger balances	33,358	58,683
Other creditors	154,557	17,318
Accruals	8,920	65,033
VAT	65,391	68,939
Grants received in advance	359,102	309,862
Loan repayable to Greater London Authority	20,000	-
	<u>641,328</u>	<u>519,835</u>
Company	2018 £	2017 £
Purchase ledger balances	17,921	35,768
Amounts owed to group undertaking	-	41,580
Other creditors	150,105	16,315
Accruals	6,620	57,678
Grants received in advance	53,000	93,000
	<u>227,646</u>	<u>244,341</u>

14b Creditors: amounts falling due after more than one year

Group	2018 £	2017 £
Loan repayable to Greater London Authority	80,000	100,000
	<u>80,000</u>	<u>100,000</u>

15 Liability of members

The company has no share capital, being limited by guarantee. Each member of the company undertakes to contribute such amount as may be required (not exceeding £100) to the company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member. In the event of the company being wound up or dissolved, any surplus property shall be given or transferred to some other charitable institution having similar charitable objects to the company. The property cannot be paid to or distributed among members of the company.

16a Restricted funds

Group and Company

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2018 £
Community Works	76,889	341,552	371,767	35,796	82,470
Education Works	149,999	342,180	427,450	110,263	174,992
Employment Works	74,742	389,052	390,807	50,567	123,554
Other	86,168	356,278	328,675	(14,016)	99,755
	<u>387,798</u>	<u>1,429,062</u>	<u>1,518,699</u>	<u>182,610</u>	<u>480,771</u>

EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

16b Unrestricted designated funds

Group and company

	Balance at 1 April 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2018 £
Reorganisation Reserve	12,477	-	65,636	53,159	-
Dilapidations reserve	30,000	-	-	-	30,000
	<u>42,477</u>	<u>-</u>	<u>65,636</u>	<u>53,159</u>	<u>30,000</u>

The Directors have agreed to create funds for lease dilapidations.

16c Transfers

Transfers between funds comprise transfers from unrestricted funds to the Reorganisation and Dilapidations Reserves, transfers to Restricted Funds to cover small shortfalls in certain Project funding and transfers to unrestricted funds (Core) where the charity is entitled to any surpluses arising on those funds as detailed above.

17 Reconciliation of net Income / (expenditure) to net cash flow from operating activities

Group	2018 £	2017 £
Net Income / (expenditure) for year	(127,126)	(218,105)
Interest from investments	(5,409)	(5,214)
Depreciation of tangible fixed assets	6,927	12,348
(Increase) / decrease in debtors	(140,916)	158,728
Increase / (decrease) in creditors	101,493	71,471
Net cash flow from operating activities	<u>(165,031)</u>	<u>19,228</u>
Company	2017 £	2016 £
Net income / (expenditure) for year	(80,332)	(157,047)
Interest from investments	(5,409)	(5,214)
Depreciation of tangible fixed assets	6,927	12,348
(Increase) / decrease in debtors	(94,674)	(71,636)
Increase / (decrease) in creditors	(16,695)	130,320
Net cash flow from operating activities	<u>(190,183)</u>	<u>(91,229)</u>

**EAST LONDON BUSINESS ALLIANCE
(LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

18 Analysis of net assets between funds

Group	Unrestricted funds	Designated funds	Restricted funds	Total
Tangible fixed assets	2,852	-	-	2,852
Net Current assets	301,026	30,000	480,771	811,797
Creditors falling due after more than one year	(80,000)	-	-	(80,000)
	<u>223,878</u>	<u>30,000</u>	<u>480,771</u>	<u>734,649</u>
Company	Unrestricted funds	Designated funds	Restricted funds	Total
Tangible fixed assets	2,852	-	-	2,852
Net Current assets	328,878	30,000	480,771	839,649
	<u>331,730</u>	<u>30,000</u>	<u>480,771</u>	<u>842,501</u>

19 Contingent liabilities

There were no contingent liabilities at 31 March 2018 (2017 - None).

20 Group commitments under operating leases

At 31 March 2018 the group had commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Falling due (Expiry date):				
Not later than one year	66,770	67,678	43,675	40,380
Later than one and not later than five years	104,671	173,711	26,780	45,970
	<u>171,441</u>	<u>241,389</u>	<u>70,455</u>	<u>86,350</u>

21 Capital commitments

There were no capital commitments at 31 March 2018 (2017 - None).

22 Related parties

The following trustees of the company are directors or representatives of the companies as shown below that made contributions or donations to the company during the year:

C I Watson, Partner CMS London
M Stanley, Representative of Macquarie (resigned 13 September 2017)
A Rakowski, Representative of Macquarie (appointed 13 September 2017)
J Baskerville, Representative of KPMG
M Gabriel, Representative of East London Foundation Trust
H Morris, Representative of City of London (appointed 16 July 2018)
P Vasudeva, Representative of Accenture (resigned 30 June 2018)
E J Taylor, Representative of Deutsche Bank (resigned 26 July 2018)
T Waldron, Representative of Barclays

London Works Director:
W Carr, Representative of CMS London

23 Subsidiary undertaking

These consolidated financial statements include the financial statements of the subsidiary company London Works Agency Limited and ELBA Works Limited. London Works Agency Limited (Company No. 08525614) and ELBA Works Limited (Company No. 08559404) are private companies limited by guarantee and are both registered in England & Wales.

LW was set up as a staff recruitment agency to provide pathways to work in the City and Canary Wharf for local graduates and A Level school leavers.

ELBA Works Ltd was set up to deliver activities which fall outside the scope of Core charitable activity.

Its trading results, extracted from its audited financial statements, which are included in the unrestricted funds column in the SOFA, were:

	ELBA Works Limited		London Works Agency Limited	
	2018	2017	2018	2017
Turnover	45,467	41,310	1,393,991	1,562,896
Administrative expenses	(17,573)	(12,350)	(1,440,784)	(1,623,954)
Profit on ordinary activities before taxation	27,894	28,960	(46,793)	(61,058)
Tax on profit on ordinary activities	-	-	-	-
Profit for the financial year	27,894	28,960	(46,793)	(61,058)
Gift Aid donation to ELBA	(27,894)	(28,960)	-	-
Profit for the financial year after Gift Aid	-	-	(46,793)	(61,058)
Balance brought forward	-	-	(61,058)	-
Balance carried forward	-	-	(107,851)	(61,058)

24 Inter Company Loan

On 1 July 2016, East London Business Alliance and London Works Agency Limited entered into a 'Facility Agreement: Intra-Group' for a period to 31 March 2019.

The lender (ELBA) agrees to grant to the borrower (LW) an unsecured sterling term loan facility of a total principal amount not exceeding £100,000. The initial loan of £70,000 was granted on 1 August 2016.

The purpose of the facility is to assist LW to meet its working capital needs.

The terms of the agreement require LW to pay interest on the facility at the rate of 5% above the base rate of HSBC as varied from time to time.

Demand for repayment is limited to insolvency.