

COMMUNITY BASE
(A Company Limited by Guarantee)

COMMUNITY BASE

(A Company Limited By Guarantee)

Company Number: 3121688

Charity Number: 1052456

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

COMMUNITY BASE
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The following does not form part of the statutory accounts:-

12	Detailed Income and Expenditure Account
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LEGAL AND ADMINISTRATIVE INFORMATION

Status

Community Base is a company limited by guarantee, incorporated on 3rd November 1995 and registered as a charity on 31st January 1996.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles the Trustees are elected at the Annual General Meeting to serve a period of 3 years subject to ratification at each Annual General Meeting.

The Members have guaranteed to contribute a maximum of £1 each in the event of the company being wound up.

Trustees

Ms S Alexander-Vine	
R J Cristofoli	
C P Bull	(Resigned 30 th July 2002)
A Pratt	
Ms G May	
C Pepe	
Ms C E K Bevan	
D Hockey	(Resigned 28 th March 2003)
Ms Hong Lu	(Appointed 30 th July 2002)

Principal Officer and Company Secretary

Colin Chalmers

Registered Office and Operation Address

113 Queens Road,
Brighton
BN1 3XG

Bankers

CafCash Ltd
Kings Hill
West Malling
Kent ME19 4TA

Auditors

Clark Brownscombe,
8 The Drive,
Hove
BN3 3JT

COMMUNITY BASE
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REPORT OF THE TRUSTEES

The Trustees are pleased to present their Report together with the financial statements for the year ended 31st March 2003. Legal and administrative information set out on page 1 forms part of this report.

Objectives

To promote any charitable purpose for the benefit of the inhabitants of Sussex and beyond without distinction of sex, race, disability, sexuality or political, religious or other convictions by the provision of accommodation and equipment and services to charities and voluntary organisations engaged in the furthering of charitable purposes.

Activities and Review of the Period

Community Base is an innovative project aiming to strengthen and enrich the local voluntary and community sector. This new approach in building the infrastructure of the sector has acquired a substantial property in order to offer:-

- Good quality, affordable and flexible office accommodation.
- Administrative services and resources.
- A new visibility for the voluntary sector in Brighton and Hove which attracts new support and inward investment.
- Unforeseen potential for collaborative and partnership working.

Community Base remains in full occupation. Community Base is a project which enables local charities to better meet their own objectives and has become a vital resource to the community of Brighton and Hove.

In 2002/03 Community Base invested substantially in a programme to modernise its property, making it more accessible and improving facilities for the community and voluntary sector groups using its facilities.

Trustees' responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985, and regulations under Section 42(1) of the Charities Act 1993. 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.

Results

The net incoming resources for the year amounted to £ 45,826 but £9,799 of this has to be used on restricted projects leaving £36,027 attributable to general reserves which now stand at £88,779.

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REPORT OF THE TRUSTEES - continued

Reserves Policy

Community Base's income comes from rents received and services recharged to the occupiers of the building. The building continues to be in full occupation and there is still a demand from potential tenants. It is not, therefore, anticipated that there will be a reduction in incoming resources in the foreseeable future.

Nevertheless, the Trustees believe it is important that they hold as financial reserves the funds necessary to ensure an ordered and proper closing of Community Base should the need arise. The Trustees only wish to have their financial reserves at a minimum level and will therefore carry out an annual review.

Investment Policy

The Trustees have considered the most appropriate policy for investing funds and are continuing to monitor the placement of funds.

Risk Review

The Trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure they still meet the needs of the charity.

Directors

The Directors, who are also the Trustees, who served during the year and up to the date of this report are as set out on page 1.

Auditors

Clark Brownscombe are willing to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Trustees on and signed on their behalf by:

.....
Company Secretary

COMMUNITY BASE
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**REPORT OF THE INDEPENDENT AUDITORS TO THE COMMITTEE MEMBERS
OF COMMUNITY BASE**

We have audited the financial statements of Community Base for the year ended 31st March 2003 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of the fixed assets and the accounting policies set out therein.

This report is made solely to the charity's Trustees as a body in accordance with Section 44 of the Charities Act 1993. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one 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 Trustees and Auditors

The Trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Board Representatives' report concerning major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

COMMUNITY BASE
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Report of the Independent Auditors to the Committee Members
Of Community Base - continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs at 31st March 2003 and its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

8 The Drive
Hove
East Sussex
BN3 3JT

Clark Brownscombe
Chartered Accountants
Registered Auditor

Date:

COMMUNITY BASE
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STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2003

	NOTE	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2003	TOTAL FUNDS 2002
INCOMING RESOURCES					
Activities to further the charity's objects:					
Grants	2	-	110,241	110,241	155,124
Rental Income		209,798	-	209,798	173,399
Services		97,362	-	97,362	84,432
Activities to Generate Funds:					
Advertising		22,500	-	22,500	10,000
Investment Income		7,592	-	7,592	1,210
Other Income		-	-	-	6,519
TOTAL INCOMING RESOURCES		<u>337,252</u>	<u>110,241</u>	<u>447,493</u>	<u>430,684</u>
RESOURCES EXPENDED					
Costs of activities to further the					
Charity's objects	3	266,163	100,442	366,605	274,953
Other Expenditure					
Management & Administration	3	<u>35,062</u>	-	<u>35,062</u>	<u>25,937</u>
TOTAL RESOURCES EXPENDED		<u>301,225</u>	<u>100,442</u>	<u>401,667</u>	<u>300,890</u>
NET INCOMING RESOURCES FOR THE YEAR	4	36,027	9,799	45,826	129,794
FUNDS AT 1ST APRIL 2002		<u>52,752</u>	<u>338,186</u>	<u>390,938</u>	<u>261,144</u>
FUNDS AT 31ST MARCH 2003		<u>88,779</u>	<u>347,985</u>	<u>436,764</u>	<u>390,938</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year and all surpluses or deficits have been accounted for on an historical cost basis.

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

COMMUNITY BASE
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BALANCE SHEET AS AT 31ST MARCH 2003

	NOTE	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7		1,259,824		834,534
CURRENT ASSETS					
Debtors	8		21,629		92,654
Bank and Cash			<u>5,446</u>		<u>10,528</u>
			<u>27,075</u>		<u>103,182</u>
CREDITORS: Amounts falling due within one year					
Trade and other Creditors	9		<u>35,549</u>		<u>167,285</u>
NET CURRENT ASSETS/(LIABILITIES)			(<u>8,474</u>)		(<u>64,103</u>)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,251,350		770,431
CREDITORS: Amounts falling due after one year					
Loans	10		<u>814,586</u>		<u>379,493</u>
TOTAL ASSETS LESS LIABILITIES	11		<u>436,764</u>		<u>390,938</u>
FUNDS					
Unrestricted Funds	12		88,779		52,752
Restricted Funds	12		<u>347,985</u>		<u>338,186</u>
			<u>436,764</u>		<u>390,938</u>

Approved by the Committee on:

.....
Chair

.....
Treasurer

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

COMMUNITY BASE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2003

1 ACCOUNTING POLICIES

- (a) The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.
- (b) Grants including grants for the purchase of fixed assets are recognized in full in the Statement of Financial Activities in the year in which they are receivable.
- (c) Resources expended are recognised in the period in which they are incurred.
- (d) Depreciation is calculated on a straight line basis. Depreciation is provided to write down the cost less estimated residual values of tangible fixed assets over their estimated useful lives at annual rates of:-

Freehold land and buildings	- Over 35 years on a straight line basis
Improvements to Property	- 10% per annum on a straight line basis
Electronic Equipment	- 20% per annum on a straight line basis
Fixtures and Fittings	- 20% per annum on a straight line basis

Items of equipment are capitalised where the purchase price exceeds £500.

- (e) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- (f) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.
- (g) The pension cost charge represents the contributions payable by the company to the employees' pension schemes.

2 INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS

	Unrestricted £	Restricted £	2003 Total £	2002 Total £
<u>Grants Received</u>				
Tudor Trust	-	-	-	20,000
Community Fund (formerly NLCB)	<u>-</u>	<u>110,241</u>	<u>110,241</u>	<u>135,124</u>
	<u>-</u>	<u>110,241</u>	<u>110,241</u>	<u>155,124</u>
<u>Rental Income</u>	<u>209,798</u>	<u>-</u>	<u>209,798</u>	<u>173,399</u>
<u>Services Recharged</u>	<u>97,362</u>	<u>-</u>	<u>97,362</u>	<u>84,432</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003 - continued

3 RESOURCES EXPENDED	Unrestricted	Restricted	2003	2002
	£	£	Total	Total
	£	£	£	£
Costs of activities to further the				
Charity's objects:				
Services Provided	81,155	-	81,155	71,125
Premises Costs	64,080	-	64,080	68,535
Staff Costs	74,538	-	74,538	57,422
Depreciation	7,151	100,442	107,593	48,096
Interest Payable	<u>39,239</u>	-	<u>39,239</u>	<u>29,775</u>
	<u>266,163</u>	<u>100,442</u>	<u>366,605</u>	<u>274,953</u>
Management and Administration:				
Staff Costs	8,928	-	8,928	8,421
Administrative Costs	11,510	-	11,510	10,804
Audit and Accountancy	6,523	-	6,523	4,731
Legal and Professional	4,729	-	4,729	1,821
Bank Charges	<u>3,372</u>	-	<u>3,372</u>	<u>160</u>
	<u>35,062</u>	<u>-</u>	<u>35,062</u>	<u>25,937</u>

4 NET INCOMING RESOURCES FOR THE YEAR	2003	2002
	£	£
This is stated after charging:		
Depreciation	107,593	48,096
Auditors Remuneration	<u>2,056</u>	<u>1,642</u>

No Trustees received any remuneration nor were expenses reimbursed to Trustees in this or last year.

5 STAFF COSTS	2003	2002
	£	£
Salaries	73,243	56,703
Social Security Costs	6,718	5,060
Pension Costs	<u>3,501</u>	<u>2,762</u>
	<u>83,462</u>	<u>64,525</u>
 Average Number of Employees:	 <u>3</u>	 <u>3</u>

No employee received emoluments in excess of £50,000

6 TAXATION
The company is a Registered Charity and, under section 505(1) of the Income and Corporation Taxes Act 1988, is exempt from Corporation Tax on its charitable activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003 – continued

7 TANGIBLE FIXED ASSETS	Total	Freehold Land & Buildings	Improvements To Property	Electronic Equipment	Fixtures And Fittings
	£	£	£	£	£
Cost					
At 1 st April 2002	1,038,693	699,467	271,899	60,512	6,815
Additions	<u>532,883</u>	-	<u>532,671</u>	-	<u>212</u>
At 31 st March 2003	<u>1,571,576</u>	<u>699,467</u>	<u>804,570</u>	<u>60,512</u>	<u>7,027</u>
Depreciation					
At 1 st April 2002	204,159	99,925	60,475	39,202	4,557
Provided in year	<u>107,593</u>	<u>19,985</u>	<u>80,457</u>	<u>5,956</u>	<u>1,195</u>
At 31 st March 2003	<u>311,752</u>	<u>119,910</u>	<u>140,932</u>	<u>45,158</u>	<u>5,752</u>
Net Book Value					
At 31 st March 2003	<u>1,259,824</u>	<u>579,557</u>	<u>663,638</u>	<u>15,354</u>	<u>1,275</u>
At 31 st March 2002	<u>834,534</u>	<u>599,542</u>	<u>211,424</u>	<u>21,310</u>	<u>2,258</u>
During last year, the property was valued by professional valuer at £1,500,000					
8 DEBTORS				2003	2002
				£	£
Amounts falling due within one year					
Debtors arising on direct activities				14,346	86,649
Other debtors				6,934	-
Prepayments				<u>349</u>	<u>6,005</u>
				<u>21,629</u>	<u>92,654</u>
9 CREDITORS					
Amounts falling due within one year					
Other Creditors				-	17,817
Accruals and Deferred Income				24,549	86,098
Loans				<u>11,000</u>	<u>64,000</u>
				<u>35,549</u>	<u>167,285</u>
10 CREDITORS					
Amounts falling due after more than one year					
Due within 2 – 5 years					
Loans				<u>50,000</u>	<u>40,000</u>
Due after 5 years					
Loans				<u>764,586</u>	<u>339,493</u>
Total				<u>814,586</u>	<u>379,493</u>

COMMUNITY BASE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003 – continued

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2003 Total £	2002
Tangible Fixed Assets	911,839	347,985	1,259,824	834,534
Current Assets	27,075	-	27,075	103,182
Current Liabilities	(35,549)	-	(35,549)	(167,285)
Long Term Liabilities	<u>(814,586)</u>	<u>-</u>	<u>(814,586)</u>	<u>(379,493)</u>
	<u>88,779</u>	<u>347,985</u>	<u>436,764</u>	<u>390,938</u>

12 ACCUMULATED FUNDS

	2003 £	2002 £
Unrestricted Funds		
At 1 st April 2002	52,752	41,903
Incoming Resources	337,252	275,560
Outgoing Resources	<u>(301,225)</u>	<u>(264,711)</u>
At 31 st March 2003	<u>88,779</u>	<u>52,752</u>
Restricted Funds		
At 1 st April 2002	338,186	219,241
Incoming Resources	110,241	155,124
Outgoing Resources	<u>(100,442)</u>	<u>(36,179)</u>
At 31 st March 2003	<u>347,985</u>	<u>338,186</u>

The restricted fund represents capital grants received to fund the original purchase of the building and the current modernisation programme.

13 CAPITAL COMMITMENTS

The company has a commitment to pay contractors for the work to the modernisation programme which was ongoing at 31st March 2003. At that date, further costs were expected to be £28,456.

14 CONTINGENT LIABILITY

There is a contingent liability in that capital grants of £176,000 awarded in respect of the purchase of freehold property will be repayable on a pro-rata basis if the charity disposes of the building within 10 years of the grants being awarded. The grants were awarded in 1997.

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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2003

INCOME	2003		2002	
	£	£	£	£
Grants – Capital		110,241		155,124
Advertising		22,500		10,000
Rental Income		209,798		173,399
Interest Receivable		7,592		1,209
Postage Recharged		18,075		9,906
Photocopying Recharged		9,902		7,261
Telephone Recharged		66,626		66,985
Sundry Income		<u>2,759</u>		<u>280</u>
TOTAL INCOME		447,493		424,164
EXPENDITURE				
Premises				
Light and Heat		17,621		16,359
Security		7,035		8,745
Cleaning		13,528		12,036
Water Rates		963		2,287
Maintenance		11,887		18,799
Service Contract		3,746		6,106
Insurance		9,300		4,200
Input VAT on partially exempt costs		-		(6,519)
Depreciation – Freehold		19,985		19,985
Depreciation – Improvements		<u>80,457</u>		<u>16,194</u>
		<u>164,522</u>		<u>98,192</u>
Staff Costs				
Locum		2,679		1,405
Manager		35,711		33,685
Building Manager		24,253		10,750
Reception		20,766		19,022
Training and Recruitment		-		904
		<u>83,409</u>		<u>65,766</u>
Administration				
Travel and Expenses		57		78
Telephone, Copying and Postage Services		81,155		71,126
Stationery, Printing and Postage		4,390		5,340
Computer Costs		4,478		1,251
Refreshments		2,207		1,925
Equipment Maintenance		74		1,820
Legal Fees		4,729		1,821
Sundry Expenses		219		468
Depreciation – Electronic Equipment		5,956		10,610
Depreciation – Fixtures and Fittings		<u>1,195</u>		<u>1,307</u>
		<u>104,460</u>		<u>95,746</u>
Financial Costs				
Provision for Bad Debt		142		-
Bank Charges		3,372		160
Accountancy		4,467		3,089
Audit		2,056		1,642
Interest Payable		<u>39,239</u>		<u>29,775</u>
		<u>49,276</u>		<u>34,666</u>
TOTAL EXPENDITURE		401,667		294,370
EXCESS OF INCOME OVER EXPENDITURE		<u>45,826</u>		<u>129,794</u>

This statement does not form part of the statutory accounts.