

COMMUNITY BASE
(A Company Limited By Guarantee)

Company Number: 3121688
Charity Number: 1052456

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

COMMUNITY BASE
(A Company Limited by Guarantee)

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

12	Detailed Income and Expenditure Account
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COMMUNITY BASE
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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
A Pratt
Ms G May
C Pepe
Ms C E K Bevan (Resigned 27th January 2004)
Ms Hong Lu

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 31 March 2004. 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.

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 £79,960 (2003: incoming £86,055). This comprised net outgoing resources on restricted projects of £62,019 (2003: incoming £50,028) and net outgoing resources on unrestricted funds of £17,941 (2003: incoming £36,027) to be deducted from general reserves which now stand at £70,838 (2003: £88,779).

The comparative figures are restated after the adjustments for prior years due to the change of accounting policy for depreciation of Improvements to Property.

COMMUNITY BASE
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES - continued

Reserves Policy

Community Base holds financial reserves in order to finance

- an unexpected, temporary decrease in rental income
- an unexpected increase in running costs
- some unexpected capital expenditure
- an ordered and proper winding up of Community Base should the need arise.

Community Base will seek to maintain reserves equivalent to approximately three months revenue expenditure to finance these eventualities should they occur.

Community Base recognizes that events may occur that only larger reserves would be able to finance. Community Base does not believe that building larger reserves by increasing its charges to charitable and community groups or decreasing its charitable expenditure would be the best use of its resources.

Community Base will ensure that all budgets it sets will allow for the maintenance of reserves in accordance with this policy.

Reserves will be kept in an interest bearing bank account with CAF BANK, a charity.

Community Base will review its reserves and its reserves policy at least every calendar year.

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 25th May 2004 and signed on their behalf by:

COLIN CHALMERS

Company Secretary

COMMUNITY BASE
(A Company Limited by Guarantee)

**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 31 March 2004 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 Trustees' 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 31 March 2004 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: 1st June 2004

COMMUNITY BASE
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STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2004

	NOTE	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2004	TOTAL FUNDS 2003
INCOMING RESOURCES					
Activities to further the charity's objects:					
Grants	2	-	-	-	110,241
Rental Income		225,508	-	225,508	209,798
Services		94,135	-	94,135	97,362
Activities to Generate Funds:					
Advertising		7,500	-	7,500	22,500
Investment Income		<u>2,461</u>	<u>-</u>	<u>2,461</u>	<u>7,592</u>
TOTAL INCOMING RESOURCES		<u>329,604</u>	<u>-</u>	<u>329,604</u>	<u>447,493</u>
RESOURCES EXPENDED					
Costs of activities to further the					
Charity's objects	3	315,102	62,019	377,121	326,376
Other Expenditure					
Management & Administration	3	<u>32,443</u>	<u>-</u>	<u>32,443</u>	<u>35,062</u>
TOTAL RESOURCES EXPENDED		<u>347,545</u>	<u>62,019</u>	<u>409,564</u>	<u>361,438</u>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR	4	(17,941)	(62,019)	(79,960)	86,055
FUNDS AT 1ST APRIL 2003	13	<u>88,779</u>	<u>403,831</u>	<u>492,610</u>	<u>406,555</u>
FUNDS AT 31ST MARCH 2004	13	<u>70,838</u>	<u>341,812</u>	<u>412,650</u>	<u>492,610</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 31 MARCH 2004

	NOTE	2003	£	2003	£
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7	1,300,895		1,259,824	
CURRENT ASSETS					
Debtors	8	15,920		21,629	
Bank and Cash		<u>149,938</u>		<u>5,446</u>	
		<u>165,858</u>		<u>27,075</u>	
CREDITORS: Amounts falling due within one year					
Trade and other Creditors	9	<u>42,197</u>		<u>35,549</u>	
NET CURRENT ASSETS/(LIABILITIES)		<u>123,661</u>		(<u>8,474</u>)	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,424,556		1,251,350	
CREDITORS: Amounts falling due after one year					
Loans	10	<u>1,011,906</u>		<u>814,586</u>	
TOTAL ASSETS LESS LIABILITIES	11	<u>412,650</u>		<u>436,764</u>	
FUNDS					
Unrestricted Funds	12	70,838		88,779	
Restricted Funds	12	<u>341,812</u>		<u>347,985</u>	
		<u>412,650</u>		<u>436,764</u>	

Approved by the Committee on: 25th May 2004

SYLVIA ALEXANDER-VINE

Chair

R. CRISTOFOLI

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 31 MARCH 2004

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 recognised 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	- 5% 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

The policy for depreciation of Improvements to Property has been changed from 10% to 5%. The resulting amendment is shown as a prior year adjustment.

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	2004 Total	2003 Total
	£	£	£	£
<u>Grants Received</u>				
Community Fund (formerly NLCB)	-	-	-	110,241
	<u> </u>	<u> </u>	<u> </u>	<u>110,241</u>
<u>Rental Income</u>	<u>225,508</u>	<u> </u>	<u>225,508</u>	<u>209,798</u>
<u>Services Recharged</u>	<u>94,135</u>	<u> </u>	<u>94,135</u>	<u>97,362</u>

COMMUNITY BASE
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NOTES TO THE FINANCIAL STATEMENTS - continued

3 RESOURCES EXPENDED	Unrestricted	Restricted	2004	2003
	£	£	Total	Total
	£	£	£	£
Costs of activities to further the Charity's objects:				
Services Provided	84,670	-	84,670	81,155
Premises Costs	94,249	-	94,249	64,080
Staff Costs	86,423	-	86,423	74,538
Depreciation	2,286	62,019	64,305	67,364
Interest Payable	<u>47,474</u>	-	<u>47,474</u>	<u>39,239</u>
	<u>315,102</u>	<u>62,019</u>	<u>377,121</u>	<u>326,376</u>
Management and Administration:				
Staff Costs	10,182	-	10,182	8,928
Administrative Costs	18,493	-	18,493	11,510
Audit and Accountancy	2,681	-	2,681	6,523
Legal and Professional	1,059	-	1,059	4,729
Bank Charges	<u>28</u>	-	<u>28</u>	<u>3,372</u>
	<u>32,443</u>	<u>-</u>	<u>32,443</u>	<u>35,062</u>

4 NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

Depreciation	64,305	107,593
Auditors Remuneration	<u>2,115</u>	<u>2,056</u>

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

5 STAFF COSTS

Salaries	78,641	73,243
Social Security Costs	7,994	6,718
Pension Costs	<u>9,943</u>	<u>3,501</u>
	<u>96,578</u>	<u>83,462</u>

Average Number of Employees: **3** **3**

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.

COMMUNITY BASE
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NOTES TO THE FINANCIAL STATEMENTS - continued

7 TANGIBLE FIXED ASSETS	Total	Freehold Land & Buildings	Improvements To Property	Electronic Equipment	Fixtures And Fittings
	£	£	£	£	£
Cost					
At 1 April 2003	1,571,576	699,467	804,570	60,512	7,027
Additions	<u>49,530</u>	-	<u>36,143</u>	<u>1,101</u>	<u>12,286</u>
At 31 March 2004	<u>1,621,106</u>	<u>699,467</u>	<u>840,713</u>	<u>61,613</u>	<u>19,313</u>
Depreciation					
At 1 April 2003	311,752	119,910	140,932	45,158	5,752
Prior year adjustment	(55,846)	-	(55,846)	-	-
Provided in year	<u>64,305</u>	<u>19,985</u>	<u>42,034</u>	<u>1,928</u>	<u>358</u>
At 31 March 2004	<u>320,211</u>	<u>139,895</u>	<u>127,120</u>	<u>47,086</u>	<u>6,110</u>
Net Book Value					
At 31 March 2004	<u>1,300,895</u>	<u>559,572</u>	<u>713,593</u>	<u>14,527</u>	<u>13,203</u>
At 31 March 2003	<u>1,259,824</u>	<u>579,557</u>	<u>663,638</u>	<u>15,354</u>	<u>1,275</u>
During 2002, the property was valued by professional valuer at £1,500,000					
8 DEBTORS				2003	2003
				£	£
Amounts falling due within one year					
Debtors arising on direct activities				15,920	14,346
Other debtors				-	6,934
Prepayments				<u>-</u>	<u>349</u>
				<u>15,920</u>	<u>21,629</u>
9 CREDITORS					
Amounts falling due within one year					
Social Security and Other Taxes				1,585	-
Accruals and Deferred Income				18,612	24,549
Loans				<u>22,000</u>	<u>11,000</u>
				<u>42,197</u>	<u>35,549</u>
10 CREDITORS					
Amounts falling due after more than one year					
Due within 2 – 5 years					
Loans				<u>98,000</u>	<u>50,000</u>
Due after 5 years					
Loans				<u>913,906</u>	<u>764,586</u>
Total				<u>1,011,906</u>	<u>814,586</u>

The loan is serviced by a legal charge over the property.

COMMUNITY BASE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS - continued

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2004 Total	2003 Total
	£	£	£	£
Tangible Fixed Assets	959,083	341,812	1,300,895	1,259,824
Current Assets	165,858	-	165,858	27,075
Current Liabilities	(42,197)	-	(42,197)	(35,549)
Long Term Liabilities	<u>(1,011,906)</u>	<u>-</u>	<u>(1,011,906)</u>	<u>(814,586)</u>
	<u>70,838</u>	<u>341,812</u>	<u>412,650</u>	<u>436,764</u>

12 ACCUMULATED FUNDS

	2004	2003
	£	£
Unrestricted Funds		
At 1 April 2003	88,779	52,752
Incoming Resources	329,604	337,252
Outgoing Resources	(347,545)	(301,225)
At 31 March 2004	<u>70,838</u>	<u>88,779</u>
Restricted Funds		
At 1 April 2003	403,831	338,186
Incoming Resources	-	110,241
Outgoing Resources	(62,019)	(100,442)
At 31 March 2004	<u>341,812</u>	<u>347,985</u>

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

13 RESERVES

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Balance 1 April 2003	88,779	347,985	436,764
Prior year adjustment	<u>-</u>	<u>55,846</u>	<u>55,846</u>
Restated Balance 1 April 2003	88,779	403,831	492,610
Result for the Year	<u>(17,941)</u>	<u>(62,019)</u>	<u>(79,960)</u>
Balance 31 March 2004	<u>70,838</u>	<u>341,812</u>	<u>412,650</u>

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.

COMMUNITY BASE
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

INCOME	2004		2003	
	£	£	£	£
Grants – Capital		-		110,241
Advertising		7,500		22,500
Rental Income		225,508		209,798
Interest Receivable		2,461		7,592
Postage Recharged		17,232		18,075
Photocopying Recharged		7,411		9,902
Telephone Recharged		61,656		66,626
Sundry Income		<u>7,836</u>		<u>2,759</u>
TOTAL INCOME		329,604		447,493
EXPENDITURE				
Premises				
Light and Heat		16,419		17,621
Security		7,103		7,035
Cleaning and Recycling		36,841		13,528
Water Rates		1,563		963
Maintenance		20,926		11,887
Service Contract		6,446		3,746
Insurance		4,951		9,300
Depreciation – Freehold		19,985		19,985
Depreciation – Improvements		<u>42,034</u>		<u>40,228</u>
		<u>156,268</u>		<u>124,293</u>
Staff Costs				
Locum		2,347		2,679
Manager		36,463		35,711
Building Manager		25,083		24,253
Reception		22,769		20,766
Pension		<u>9,943</u>		-
		<u>96,605</u>		<u>83,409</u>
Administration				
Administration and Services		18,492		11,425
Telephone, Copying and Postage Services		84,670		81,155
Legal and Professional Fees		1,059		4,729
Depreciation – Electronic Equipment		1,928		5,956
Depreciation – Fixtures and Fittings		<u>358</u>		<u>1,195</u>
		<u>106,507</u>		<u>104,460</u>
Financial Costs				
Provision for Bad Debt		1		142
Bank Charges		28		3,372
Accountancy		566		4,467
Audit		2,115		2,056
Interest Payable		<u>47,474</u>		<u>39,239</u>
		<u>50,184</u>		<u>49,276</u>
TOTAL EXPENDITURE		409,564		361,438
EXCESS OF EXPENDITURE OVER INCOME		(79,960)		86,055

This statement does not form part of the statutory accounts.