

COMMUNITY BASE
(A Company Limited by Guarantee)

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Company Number: 3121688

Charity Number: 1052456

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

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	
A Pratt	(Resigned 05.10.04)
Ms G May	(Resigned 25.05.04)
C Pepe	(Resigned 05.10.04)
Ms Hong Lu	
Lucy Stone	(Appointed 25.05.04)
Bert Williams	(Appointed 05.10.04)

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 2005. 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 outgoing resources for the year amounted to £54,593 (2004: outgoing £79,960). This comprised net outgoing resources on restricted projects of £32,002 (2004: outgoing £62,019) and net outgoing resources on unrestricted funds of £24,591 (2004: outgoing £17,941) to be deducted from general reserves which now stand at £48,247 (2004: £70,838).

COMMUNITY BASE
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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 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 31 March 2005 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 2005 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 31 MARCH 2005

	NOTE	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2005	TOTAL FUNDS 2004
INCOMING RESOURCES					
Activities to further the charity's objects:					
Grants	2	-	35,000	35,000	-
Rental Income		274,049	-	274,049	225,508
Services		79,728	-	79,728	94,135
Activities to Generate Funds:					
Advertising		2,500	-	2,500	7,500
Investment Income		<u>5,729</u>	<u>-</u>	<u>5,729</u>	<u>2,461</u>
TOTAL INCOMING RESOURCES		<u>362,006</u>	<u>35,000</u>	<u>397,006</u>	<u>329,604</u>
RESOURCES EXPENDED					
Costs of activities to further the					
Charity's objects	3	353,110	67,002	420,112	377,121
Other Expenditure					
Management & Administration	3	<u>31,487</u>	<u>-</u>	<u>31,487</u>	<u>32,443</u>
TOTAL RESOURCES EXPENDED		<u>384,597</u>	<u>67,002</u>	<u>451,599</u>	<u>409,564</u>
NET INCOMING/(OUTGOING)					
RESOURCES FOR THE YEAR	4	(22,591)	(32,002)	(54,593)	(79,960)
FUNDS AT 1ST APRIL 2004	13	<u>70,838</u>	<u>341,812</u>	<u>412,650</u>	<u>492,610</u>
FUNDS AT 31ST MARCH 2005	13	<u>48,247</u>	<u>309,810</u>	<u>358,057</u>	<u>412,650</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 2005

	NOTE	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7	1,327,923		1,300,895	
CURRENT ASSETS					
Debtors	8	57,465		15,920	
Bank and Cash		<u>12,349</u>		<u>149,938</u>	
		<u>69,814</u>		<u>165,858</u>	
CREDITORS: Amounts falling due within one year					
Trade and other Creditors	9	<u>39,981</u>		<u>42,197</u>	
NET CURRENT ASSETS/(LIABILITIES)		<u>29,833</u>		<u>123,661</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,357,756		1,424,556	
CREDITORS: Amounts falling due after one year					
Loans	10	<u>999,699</u>		1,011,906	
TOTAL ASSETS LESS LIABILITIES	11	<u>358,057</u>		<u>412,650</u>	
FUNDS					
Unrestricted Funds	12	48,247		70,838	
Restricted Funds	12	<u>309,810</u>		<u>341,812</u>	
		<u>358,057</u>		<u>412,650</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 31 MARCH 2005

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

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 £	2005 Total £	2004 Total £
<u>Grants Received</u>				
SRB	-	<u>35,000</u>	<u>35,000</u>	-
	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
<u>Rental Income</u>	<u>274,049</u>	<u>-</u>	<u>274,049</u>	<u>225,508</u>
<u>Services Recharged</u>	<u>79,728</u>	<u>-</u>	<u>79,728</u>	<u>94,135</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued

3 RESOURCES EXPENDED	Unrestricted	Restricted	2005	2004
	£	£	Total	Total
	£	£	£	£
Costs of activities to further the Charity's objects:				
Services Provided	75,922	-	75,922	84,670
Premises Costs	107,826	-	107,826	94,249
Staff Costs	94,311	-	94,311	86,423
Depreciation	10,354	67,002	77,356	64,305
Interest Payable	<u>64,697</u>	-	<u>64,697</u>	<u>47,474</u>
	<u>353,110</u>	<u>67,002</u>	<u>420,112</u>	<u>377,121</u>
Management and Administration:				
Staff Costs	12,727	-	12,727	10,182
Administrative Costs	15,393	-	15,393	18,493
Audit and Accountancy	2,400	-	2,400	2,681
Legal and Professional	924	-	924	1,059
Bank Charges	<u>43</u>	-	<u>43</u>	<u>28</u>
	<u>31,487</u>	<u>-</u>	<u>31,487</u>	<u>32,443</u>

4 NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

Depreciation	77,356	64,305
Auditors Remuneration	<u>1,800</u>	<u>2,115</u>

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

5 STAFF COSTS

Salaries	86,899	78,641
Social Security Costs	9,361	7,994
Pension Costs	<u>10,778</u>	<u>9,943</u>
	<u>107,038</u>	<u>96,578</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 2004	1,621,106	699,467	840,713	61,613	19,313
Additions	104,384	-	102,322	2,062	-
Disposals	(1,410)	-	-	(1,410)	-
At 31 March 2005	<u>1,724,080</u>	<u>699,467</u>	<u>943,035</u>	<u>62,265</u>	<u>19,313</u>
Depreciation					
At 1 April 2004	320,211	139,895	127,120	47,086	6,110
Provided in year	77,356	19,850	47,152	6,685	3,669
Disposals	(1,410)	-	-	(1,410)	-
At 31 March 2005	<u>396,159</u>	<u>159,745</u>	<u>174,272</u>	<u>52,361</u>	<u>9,779</u>
Net Book Value					
At 31 March 2005	<u>1,327,923</u>	<u>539,722</u>	<u>768,763</u>	<u>9,904</u>	<u>9,534</u>
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>
During 2002, the property was valued by professional valuer at £1,500,000					
8 DEBTORS				2005	2004
				£	£
Amounts falling due within one year					
Debtors arising on direct activities				22,000	15,920
Other debtors				465	-
Grants				<u>35,000</u>	-
				<u>57,465</u>	<u>15,920</u>
9 CREDITORS					
Amounts falling due within one year					
Social Security and Other Taxes				-	1,585
Accruals and Deferred Income				21,981	18,612
Loans				<u>18,000</u>	<u>22,000</u>
				<u>39,981</u>	<u>42,197</u>
10 CREDITORS					
Amounts falling due after more than one year					
Due within 2 – 5 years					
Loans				<u>92,000</u>	<u>98,000</u>
Due after 5 years					
Loans				<u>907,699</u>	<u>913,906</u>
Total				<u>999,699</u>	<u>1,011,906</u>

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

COMMUNITY BASE
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NOTES TO THE FINANCIAL STATEMENTS - continued

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2005 Total £	2004 Total £
Tangible Fixed Assets	1,018,113	309,810	1,329,923	1,300,895
Current Assets	69,814	-	69,814	165,858
Current Liabilities	(39,985)	-	(39,985)	(42,197)
Long Term Liabilities	(999,699)	-	(999,699)	(1,011,906)
	<u>48,247</u>	<u>309,810</u>	<u>358,057</u>	<u>412,650</u>

12 ACCUMULATED FUNDS

	2005 £	2004 £
Unrestricted Funds		
At 1 April 2003	70,838	88,779
Incoming Resources	362,006	329,604
Outgoing Resources	(384,597)	(347,545)
At 31 March 2004	<u>48,247</u>	<u>70,838</u>
Restricted Funds		
At 1 April 2003	341,812	403,831
Incoming Resources	35,000	-
Outgoing Resources	(67,002)	(62,019)
At 31 March 2004	<u>309,810</u>	<u>341,812</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 2004	70,838	341,812	412,650
Result for the Year	(22,591)	(32,002)	(54,593)
Balance 31 March 2005	<u>48,247</u>	<u>309,810</u>	<u>358,057</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 2005

INCOME	2005		2004	
	£	£	£	£
Grants – Capital		35,000		-
Advertising		2,500		7,500
Rental Income		274,049		225,508
Interest Receivable		5,729		2,461
Postage Recharged		23,289		17,232
Photocopying Recharged		9,783		7,411
Telephone Recharged		45,735		61,656
Sundry Income		<u>921</u>		<u>7,836</u>
TOTAL INCOME		397,006		329,604
 EXPENDITURE				
Premises				
Light and Heat		22,319		13,983
Security		-		6,318
Cleaning and Recycling		34,071		32,716
Water Rates		-		1,563
Maintenance		19,949		18,966
Service Contract		16,414		5,734
Insurance		5,213		4,951
Depreciation – Freehold		19,850		19,985
Depreciation – Improvements		<u>47,152</u>		<u>42,034</u>
		<u>164,968</u>		<u>146,250</u>
 Staff Costs				
Locum		1,912		2,320
Manager		40,950		32,850
Building Manager		21,438		22,814
Reception		22,599		20,700
Employers NI		9,361		7,978
Pension		<u>10,778</u>		<u>9,943</u>
		<u>107,038</u>		<u>96,605</u>
 Administration				
Administration and Services		15,393		18,492
Telephone, Copying and Postage Services		69,847		77,351
Legal and Professional Fees		924		1,059
Depreciation – Electronic Equipment		6,686		1,928
Depreciation – Fixtures and Fittings		<u>3,668</u>		<u>358</u>
		<u>96,518</u>		<u>99,188</u>
 Financial Costs				
Irrecoverable VAT		15,935		17,337
Provision for Bad Debt		-		1
Bank Charges		43		28
Accountancy		600		566
Audit		1,800		2,115
Interest Payable		<u>64,697</u>		<u>47,474</u>
		<u>83,075</u>		<u>67,521</u>
TOTAL EXPENDITURE		451,599		409,564
 EXCESS OF EXPENDITURE OVER INCOME		 (<u>54,593</u>)		 (<u>79,960</u>)

This statement does not form part of the statutory accounts.