

COMMUNITY BASE

(A Company Limited By Guarantee)

Company Number: 3121688

Charity Number: 1052456

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

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 3 November 1995, number 3121688, and registered as a charity on 31 January 1996, number 1052456.

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.

Organisational Structure

The charity is run by the Board comprising the Trustees who delegate the day to day running to the Principal Officer.

Trustees

Ms S Alexander-Vine
R J Cristofoli
Ms Hong Lu
Lucy Stone
Bert Williams
Paul Evans (Appointed 26 July 2005)

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
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES

The Trustees are pleased to present their Report together with the financial statements for the year ended 31 March 2006. 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.

The major part of a programme of renewing the lighting system throughout the year has been completed. This has been partly funded by a grant of £200,000 from Change Up and the balance by an increase in the bank loan.

Statement of Trustees Responsibilities

The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of 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.

The Trustees must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Statement as to Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

COMMUNITY BASE
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REPORT OF THE TRUSTEES – continued

Results

The net incoming resources for the year amounted to £118,861 (2005: outgoing £54,593). This comprised net incoming resources on restricted projects of £120,935 (2005: outgoing £32,002) and net outgoing resources on unrestricted funds of £2,074 (2005: outgoing £22,591) to be deducted from general reserves which now stand at £46,173 (2005: £48,247).

Reserves Policy

Community Base holds financial reserves in order to finance

- an unexpected, temporary decrease in rental income
- an unexpected increase in running costs
- capital expenditure to ensure the maintenance of our building and facilities
- an ordered and proper winding up of Community Base should the need arise.

Community Base will seek to build reserves equivalent to finance these eventualities.

Community Base recognises 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, as far as possible, 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
(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 2006 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 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 International Financial Reporting Standards as adopted for use in the European Union are set out in the statement of Trustees' Responsibilities on page 2.

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 International Standards on Auditing (UK and Ireland).

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 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985, Charities Act 1995 and Article 4 of the IAS Regulation.

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 2006

	NOTE	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2006	TOTAL FUNDS 2005
INCOMING RESOURCES					
Incoming resources from generated funds:					
Grants	2	-	200,000	200,000	35,000
Advertising		23,000	-	23,000	2,500
Bank interest		3,216	-	3,216	5,729
Incoming resources from charitable activities:					
Rent		273,427	-	273,427	274,049
Services		<u>94,702</u>	<u>-</u>	<u>94,702</u>	<u>79,728</u>
TOTAL INCOMING RESOURCES		<u>394,345</u>	<u>200,000</u>	<u>594,345</u>	<u>397,006</u>
RESOURCES EXPENDED					
Charitable Activities	3	394,445	79,065	473,510	448,232
Governance Costs	3	<u>1,974</u>	<u>-</u>	<u>1,974</u>	<u>3,367</u>
TOTAL RESOURCES EXPENDED		<u>396,419</u>	<u>79,065</u>	<u>475,484</u>	<u>451,599</u>
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR	4	(2,074)	120,935	118,861	(54,593)
FUNDS AT 1 APRIL 2005	12	<u>48,247</u>	<u>309,810</u>	<u>358,057</u>	<u>412,650</u>
FUNDS AT 31 MARCH 2006	12	<u>46,173</u>	<u>430,745</u>	<u>476,918</u>	<u>358,057</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 2006

	NOTE	2006		2005	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7		1,489,468		1,327,923
CURRENT ASSETS					
Debtors	8		25,323		57,465
Bank and Cash			<u>120,859</u>		<u>12,349</u>
			<u>146,182</u>		<u>69,814</u>
CREDITORS: Amounts falling due within one year					
Trade and other Creditors	9		<u>41,933</u>		<u>39,981</u>
NET CURRENT ASSETS			<u>104,249</u>		<u>29,833</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,593,117		1,357,756
CREDITORS: Amounts falling due after one year					
Loans	10		<u>1,116,799</u>		<u>999,699</u>
TOTAL ASSETS LESS LIABILITIES	11		<u>476,918</u>		<u>358,057</u>
FUNDS					
Unrestricted Funds	12		46,173		48,247
Restricted Funds	12		<u>430,745</u>		<u>309,810</u>
			<u>476,918</u>		<u>358,057</u>

These accounts have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies and with Financial Reporting Standards for Smaller Entities (effective January 2005).

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 2006

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 January 2005), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in March 2005.
- (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 including irrecoverable VAT.
- (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	2006	2005
	£	£	Total	Total
			£	£
<u>Grants Received</u>				
SRB	-	-	-	35,000
Change Up	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>35,000</u>
 <u>Rental Income</u>	 <u>273,427</u>	 <u>-</u>	 <u>273,427</u>	 <u>274,049</u>
 <u>Services Recharged</u>	 <u>94,702</u>	 <u>-</u>	 <u>94,702</u>	 <u>79,728</u>

COMMUNITY BASE
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NOTES TO THE FINANCIAL STATEMENTS - continued

3 RESOURCES EXPENDED	Unrestricted	Restricted	2006	2005
	£	£	Total	Total
	£	£	£	£
Charitable Activities				
Services Provided	64,206	-	64,206	69,847
Premises Costs	98,036	-	98,036	97,966
Staff Costs	121,045	-	121,045	107,038
Depreciation	11,288	79,065	90,353	77,356
Interest Payable	62,091	-	62,091	64,697
Irrecoverable VAT	14,136	-	14,136	15,935
Administrative Costs	15,384	-	15,384	15,393
Legal and Professional fees re loan	<u>8,259</u>	<u>-</u>	<u>8,259</u>	<u>-</u>
	<u>394,445</u>	<u>79,065</u>	<u>473,510</u>	<u>448,232</u>
Governance Costs				
Audit and Accountancy	1,850	-	1,850	2,400
Legal and Professional	-	-	-	924
Bank Charges	<u>124</u>	<u>-</u>	<u>124</u>	<u>43</u>
	<u>1,974</u>	<u>-</u>	<u>1,974</u>	<u>3,367</u>

4 NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

Depreciation	90,353	77,356
Auditors Remuneration	<u>1,850</u>	<u>1,800</u>

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

5 STAFF COSTS

Salaries	101,782	86,899
Social Security Costs	7,266	9,361
Pension Costs	<u>11,997</u>	<u>10,778</u>
	<u>121,045</u>	<u>107,038</u>

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

No employee received emoluments in excess of £60,000.

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
(A Company Limited by Guarantee)

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 2005	1,724,080	699,467	943,035	62,265	19,313
Additions	251,898	-	241,252	9,652	994
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2006	<u>1,975,978</u>	<u>699,467</u>	<u>1,184,287</u>	<u>71,917</u>	<u>20,307</u>
Depreciation					
At 1 April 2005	396,157	159,745	174,272	52,361	9,779
Provided in year	90,353	19,850	59,215	7,421	3,867
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2006	<u>486,510</u>	<u>179,595</u>	<u>233,487</u>	<u>59,782</u>	<u>13,646</u>
Net Book Value					
At 31 March 2006	<u>1,489,468</u>	<u>519,872</u>	<u>950,800</u>	<u>12,135</u>	<u>6,661</u>
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>

During January 2006, the property was valued by a professional valuer at £2,000,000.

8 DEBTORS	2006	2005
	£	£
Amounts falling due within one year		
Debtors arising on direct activities	22,150	22,000
Other debtors	3,173	465
Grants	<u>-</u>	<u>35,000</u>
	<u>25,323</u>	<u>57,465</u>

9 CREDITORS	2006	2005
Amounts falling due within one year		
Social Security and Other Taxes	-	-
Accruals and Deferred Income	21,946	21,981
Loans	<u>19,987</u>	<u>18,000</u>
	<u>41,933</u>	<u>39,981</u>

10 CREDITORS	2006	2005
Amounts falling due after more than one year		
Due within 2 – 5 years		
Loans	<u>93,464</u>	<u>92,000</u>
Due after 5 years		
Loans	<u>1,023,335</u>	<u>907,699</u>
Total	<u>1,116,799</u>	<u>999,699</u>

The loan is secured 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 £	2006 Total £	2005 Total £
Tangible Fixed Assets	1,058,723	430,745	1,489,468	1,327,923
Current Assets	146,182	-	146,182	69,814
Current Liabilities	(41,933)	-	(41,933)	(39,981)
Long Term Liabilities	<u>(1,116,799)</u>	<u>-</u>	<u>(1,116,799)</u>	<u>(999,699)</u>
	<u>46,173</u>	<u>430,745</u>	<u>476,918</u>	<u>358,057</u>

12 ACCUMULATED FUNDS

	2006 £	2005 £
Unrestricted Funds		
At 1 April 2005	48,247	70,838
Incoming Resources	394,345	362,006
Outgoing Resources	<u>(396,419)</u>	<u>(384,597)</u>
At 31 March 2006	<u>46,173</u>	<u>48,247</u>
Restricted Funds		
At 1 April 2005	309,810	341,812
Incoming Resources	200,000	35,000
Outgoing Resources	<u>(79,065)</u>	<u>(67,002)</u>
At 31 March 2006	<u>430,745</u>	<u>309,810</u>
Total Funds	<u>476,918</u>	<u>358,057</u>

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

13 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.

14. CAPITAL COMMITMENT

There is a capital commitment in respect of the completion of the lighting renewal programme amounting to £72,295.

COMMUNITY BASE
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006

INCOME	2006		2005	
	£	£	£	£
Grants – Capital		200,000		35,000
Advertising		23,000		2,500
Rental Income		273,427		274,049
Interest Receivable		3,216		5,729
Postage Recharged		23,172		23,289
Photocopying Recharged		9,682		9,783
Telephone Recharged		61,475		45,735
Sundry Income		<u>373</u>		<u>921</u>
TOTAL INCOME		594,345		397,006
 EXPENDITURE				
Premises				
Light and Heat		22,968		22,319
Cleaning and Recycling		34,981		34,071
Building Maintenance		19,980		19,949
Service Contracts		15,315		16,414
Insurance		4,792		5,213
Depreciation – Freehold		19,850		19,850
Depreciation – Improvements		<u>59,215</u>		<u>47,152</u>
		<u>177,101</u>		<u>164,968</u>
Staff Costs				
Locum Staff		9,500		1,912
Manager		43,047		40,950
Building Manager		25,235		21,438
Receptionist		24,000		22,599
Employers NI		7,266		9,361
Pension		<u>11,997</u>		<u>10,778</u>
		<u>121,045</u>		<u>107,038</u>
Administration				
Administration and Services		15,384		15,393
Telephone, Copying and Postage Services		64,206		69,847
Legal and Professional Fees		-		924
Depreciation – Electronic Equipment		3,867		6,686
Depreciation – Fixtures and Fittings		<u>7,421</u>		<u>3,668</u>
		<u>90,878</u>		<u>96,518</u>
Financial Costs				
Irrecoverable VAT		14,136		15,935
Legal and Professional fees re loan		8,259		-
Bank Charges		124		43
Accountancy		-		600
Audit		1,850		1,800
Interest Payable		<u>62,091</u>		<u>64,697</u>
		<u>86,460</u>		<u>83,075</u>
TOTAL EXPENDITURE		475,484		451,599
EXCESS OF INCOME OVER EXPENDITURE		<u>118,861</u>		<u>(54,593)</u>

This statement does not form part of the statutory accounts.