

COMMUNITY BASE
(A Company Limited By Guarantee)

Company Number: 3121688
Charity Number: 1052456

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

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	(Resigned 10 July 2006)
Paul Evans	
Sarah Bourne	(Appointed 10 July 2006)
Jane Frost	(Appointed 9 January 2007)
Tina Harrison	(Appointed 9 January 2007)
Mel Shad	(Appointed 9 January 2007)

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 2007. 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.

Objectives and Activities

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.

Achievements and Performance

Community Base is a charity providing a home for community and voluntary groups in Brighton and Hove. We use income from affordable rent and services, including use of our South Wing meeting rooms, to repay a mortgage on our seven floor building and meet our running costs. In 2006 we provided over 30 charities and community groups with accommodation, 49 other groups with meeting space and 1,723 people other than visitors to groups at Community Base were offered help at our reception. We provide free information to local people and community groups about local venues to hire, local services and local volunteer opportunities and publish a guide to basic services in Brighton and Hove in English and twelve other languages.

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.

COMMUNITY BASE
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES – continued

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.

Results

The net outgoing resources for the year amounted to £35,929 (2006: incoming £118,861). This comprised net outgoing resources on restricted projects of £81,747 (2006: incoming £120,935) and net incoming resources on unrestricted funds of £45,818 (2006: outgoing £2,074) to be deducted from general reserves which now stand at £91,991 (2006: £46,173).

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 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Charities Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

The responsibilities of the trustees (who are also the directors of Community Base for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 2.

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 Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the 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 2007 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, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

8 The Drive
Brownscombe
Hove
Accountants
East Sussex
Auditor
BN3 3JT

Clark
Chartered
Registered

Date:

COMMUNITY BASE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2007

	NOTE	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2007	TOTAL FUNDS 2006
INCOMING RESOURCES					
Incoming resources from generated funds:					
Grants	2	-	-	-	200,000
Advertising		18,875	-	18,875	23,000
Bank interest		6,452	-	6,452	3,216
Incoming resources from charitable activities:					
Rent		320,940	-	320,940	273,427
Services		<u>86,486</u>	<u>-</u>	<u>86,486</u>	<u>94,702</u>
TOTAL INCOMING RESOURCES		<u>432,753</u>	<u>-</u>	<u>432,753</u>	<u>594,345</u>
RESOURCES EXPENDED					
Charitable Activities	3	384,552	81,747	466,299	473,510
Governance Costs	3	<u>2,383</u>	<u>-</u>	<u>2,383</u>	<u>1,974</u>
TOTAL RESOURCES EXPENDED		<u>386,935</u>	<u>81,747</u>	<u>468,682</u>	<u>475,484</u>
NET INCOMING RESOURCES FOR THE YEAR	4	45,818	(81,747)	(35,929)	118,861
FUNDS AT 1 APRIL 2006	12	<u>46,173</u>	<u>430,745</u>	<u>476,918</u>	<u>358,057</u>
FUNDS AT 31 MARCH 2007	12	<u>91,991</u>	<u>348,998</u>	<u>440,989</u>	<u>476,918</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
(A Company Limited by Guarantee)
BALANCE SHEET AS AT 31 MARCH 2007

	NOTE	2007		2006	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7		1,462,650		1,489,468
CURRENT ASSETS					
Debtors	8		23,614		25,323
Bank and Cash			<u>99,571</u>		<u>120,859</u>
			<u>123,185</u>		<u>146,182</u>
CREDITORS: Amounts falling due within one year					
Trade and other Creditors	9		<u>49,301</u>		<u>41,933</u>
NET CURRENT ASSETS			<u>73,884</u>		<u>104,249</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,536,534		1,593,117
CREDITORS: Amounts falling due after one year					
Loans	10		<u>1,095,545</u>		<u>1,116,799</u>
TOTAL ASSETS LESS LIABILITIES	11		<u>440,989</u>		<u>476,918</u>
FUNDS					
Unrestricted Funds	12		91,991		46,173
Restricted Funds	12		<u>348,998</u>		<u>430,745</u>
			<u>440,989</u>		<u>476,918</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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

(a) Accounting basis and standards

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) Income

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.

Other income is credited to the income and expenditure account in the year to which it relates.

(c) Resources expended

These are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

(d) Depreciation

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) Funds

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.

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.

(f) Pensions

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 £	2007 Total £	2006 Total £
Grants Received				
Change Up	-	-	-	200,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Rental Income	<u>320,940</u>	<u>-</u>	<u>320,940</u>	<u>273,427</u>
Services Recharged	<u>86,486</u>	<u>-</u>	<u>86,486</u>	<u>94,702</u>

COMMUNITY BASE
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NOTES TO THE FINANCIAL STATEMENTS - continued

3 RESOURCES EXPENDED	Unrestricted	Restricted	2007	2006
	£	£	Total	Total
			£	£
Charitable Activities				
Services Provided	68,129	-	68,129	64,206
Premises Costs	84,618	-	84,618	98,036
Staff Costs	117,844	-	117,844	121,045
Depreciation	9,999	81,747	91,746	90,353
Interest Payable	69,581	-	69,581	62,091
Irrecoverable VAT	16,298	-	16,298	14,136
Administrative Costs	18,083	-	18,083	15,384
Legal and Professional fees re loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,259</u>
	<u>384,552</u>	<u>81,747</u>	<u>466,299</u>	<u>473,510</u>
Governance Costs				
Audit	2,350	-	2,350	1,850
Bank Charges	<u>33</u>	<u>-</u>	<u>33</u>	<u>124</u>
	<u>2,383</u>	<u>-</u>	<u>2,383</u>	<u>1,974</u>

4 NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

Depreciation	9,999	81,747	91,746	90,353
Auditors Remuneration	<u>2,350</u>	<u>-</u>	<u>2,350</u>	<u>1,850</u>

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

5 STAFF COSTS

Salaries	97,772	-	97,772	101,782
Social Security Costs	9,142	-	9,142	7,266
Pension Costs	<u>10,930</u>	<u>-</u>	<u>10,930</u>	<u>11,997</u>
	<u>117,844</u>	<u>-</u>	<u>117,844</u>	<u>121,045</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 2006	1,975,978	699,467	1,184,287	71,917	20,307
Additions	64,928	-	53,644	11,284	-
Disposals	(8,677)	-	-	(8,677)	-
At 31 March 2007	<u>2,032,229</u>	<u>699,467</u>	<u>1,237,931</u>	<u>74,524</u>	<u>20,307</u>
Depreciation					
At 1 April 2006	486,510	179,595	233,487	59,782	13,646
Provided in year	91,746	19,850	61,897	6,132	3,867
Disposals	(8,677)	-	-	(8,677)	-
At 31 March 2007	<u>569,579</u>	<u>199,445</u>	<u>295,384</u>	<u>57,237</u>	<u>17,513</u>
Net Book Value					
At 31 March 2007	<u>1,462,650</u>	<u>500,022</u>	<u>942,547</u>	<u>17,287</u>	<u>2,794</u>
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>

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

8 DEBTORS	2007	2006
	£	£
Amounts falling due within one year		
Debtors arising on direct activities	23,164	22,150
Other debtors	-	3,173
	<u>23,614</u>	<u>25,323</u>

9 CREDITORS	2007	2006
	£	£
Amounts falling due within one year		
Social Security and Other Taxes	2,641	-
Accruals and Deferred Income	25,405	21,946
Loans	21,255	19,987
	<u>49,301</u>	<u>41,933</u>

10 CREDITORS	2007	2006
	£	£
Amounts falling due after more than one year		
Due within 2 – 5 years		
Loans	<u>99,397</u>	<u>93,464</u>
Due after 5 years		
Loans	<u>996,148</u>	1,023,335
Total	<u>1,095,545</u>	<u>1,116,799</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 £	2007 Total £	2006 Total £
Tangible Fixed Assets	1,113,652	348,998	1,462,650	1,489,468
Current Assets	123,185	-	123,185	146,182
Current Liabilities	(49,301)	-	(49,301)	(41,933)
Long Term Liabilities	<u>(1,095,545)</u>	<u>-</u>	<u>(1,095,545)</u>	<u>(1,116,799)</u>
	<u>91,991</u>	<u>348,998</u>	<u>440,989</u>	<u>476,918</u>

12 ACCUMULATED FUNDS

	2007 £	2006 £
Unrestricted Funds		
At 1 April 2006	46,173	48,247
Incoming Resources	432,753	394,345
Outgoing Resources	<u>(386,935)</u>	<u>(396,419)</u>
At 31 March 2007	<u>91,991</u>	<u>46,173</u>
Restricted Funds		
At 1 April 2006	430,745	309,810
Incoming Resources	-	200,000
Outgoing Resources	<u>(81,747)</u>	<u>(79,965)</u>
At 31 March 2007	<u>348,998</u>	<u>430,745</u>
Total Funds	<u>440,989</u>	<u>476,918</u>

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

13. CAPITAL COMMITMENT

There is no capital commitment at 31 March 2007 (2006: £72,295 in respect of completion of the lighting renewal programme).

COMMUNITY BASE
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007

INCOME	2007		2006	
	£	£	£	£
Grants – Capital		-		200,000
Advertising		18,875		23,000
Rental Income		320,940		273,427
Interest Receivable		6,452		3,216
Postage Recharged		25,386		23,172
Photocopying Recharged		7,145		9,682
Telephone Recharged		53,881		61,475
Sundry Income		<u>74</u>		<u>373</u>
TOTAL INCOME		432,753		594,345
EXPENDITURE				
Premises				
Light and Heat		17,711	22,968	
Cleaning and Recycling		31,372	34,981	
Building Maintenance		15,544	19,980	
Service Contracts		15,029	15,315	
Insurance		4,962	4,792	
Depreciation – Freehold		19,850	19,850	
Depreciation – Improvements		<u>61,897</u>	<u>59,215</u>	
		<u>166,365</u>	<u>177,101</u>	
Staff Costs				
Locum Staff		13,600	9,500	
Manager		45,219	43,047	
Building Manager		25,665	25,235	
Receptionist		13,288	24,000	
Employers NI		9,142	7,266	
Pension		<u>10,930</u>	<u>11,997</u>	
		<u>117,844</u>	<u>121,045</u>	
Administration				
Administration and Services		18,083	15,384	
Telephone, Copying and Postage Services		68,129	64,206	
Depreciation – Electronic Equipment		6,132	3,867	
Depreciation – Fixtures and Fittings		<u>3,867</u>	<u>7,421</u>	
		<u>96,211</u>	<u>90,878</u>	
Financial Costs				
Irrecoverable VAT		16,298	14,136	
Legal and Professional fees re loan		-	8,259	
Bank Charges		33	124	
Audit		2,350	1,850	
Interest Payable		<u>69,581</u>	<u>62,091</u>	
		<u>88,262</u>	<u>86,460</u>	
TOTAL EXPENDITURE		468,682		475,484
EXCESS OF EXPENDITURE OVER INCOME		(<u>35,929</u>)		<u>118,861</u>

This statement does not form part of the statutory accounts.