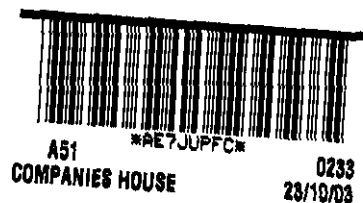


Company No. 2789792

**Bristol Area Community Enterprise Network
Report & Financial Statements
31 March 2003**

Sayer Vincent
consultants and auditors



SAYER VINCENT
SV

Bristol Area Community Enterprise Network

Legal & administrative details

For the year ended 31 March 2003

Status	The organisation is a company limited by guarantee, incorporated on 12 February 1993.	
Company number	2789792	
Registered office and operational address	Ujima House 97-107 Wilder Street St. Pauls Bristol BS2 8QU	
Honorary officers	Tim McClure	Chair
Principal staff	Helena Taggart	Director until May 2003 & Company Secretary until April 2003
	Shiloh Harmitt	Acting director from July 2003 & Company Secretary from September 2003
Bankers	Unity Trust Bank 9 Brindley Place Birmingham	
Auditors	Sayer Vincent Chartered Accountants Registered Auditors Kings House Orchard Street Bristol BS1 5EH	

Bristol Area Community Enterprise Network

Report of the management committee

For the year ended 31 March 2003

The management committee presents its report and the audited financial statements for the year ended 31 March 2003.

Activities & review

BACEN - Strategic objective:

To promote, encourage and assist the development of not-for-private-profit trading activities which are owned by identifiable communities and which specifically endeavour to alleviate poverty, reduce social exclusion and improve people's quality of life.

BACEN is a well established support organisation for the social economy. It provides guidance and practical assistance to prospective, newly formed social community enterprises during critical periods in their start up and development. Observing appropriate professional and commercial standards, BACEN helps convert the untapped potential of individuals and community groups into successful not for-private-profit trading organisations that improve the lives and environment of communities.

Community enterprises (which include community businesses, development trusts and credit unions) operate for the benefit of identifiable communities. Resources are often particularly targeted at initiatives which will benefit communities otherwise excluded from mainstream economic activity. These communities may have a specific geographical location, or they may represent communities of people with a common interest born out of common situations or experiences.

The company was successful in securing a range of funding for the current year, including the continuation of DTi Phoenix Fund grant which finished on 31st March 2003. Other restricted funds secured in the current financial year are Bristol Means Business Partnership erdf (European Regional Development Fund) funding and the Personal and Community Finance Partnership (also erdf) which started in April and July 2002 respectively. Other service contracts entered into during the current year include the Knowle West Development Trust (Gold Standard) contract, as well as the continuation of contracts with Hartcliffe and Withywood Ventures (Towards a Working Community) and Severn Four Credit Union contract. Bristol City Council also continued to provide an annual grant towards activities for the year 2002-3. Funds which have been secured for the coming year include a contract with Bristol Regeneration Partnership for SRB6 funds which replaces the Phoenix Fund monies from 1st April 2003, the continued support from Bristol City Council and continuation of BMB and PCF contracts.

The results for the year are summarised on page 6.

- The income and expenditure account shows a surplus for the year of £4,929. BACEN has followed a policy of ensuring that adequate reserves are maintained to provide a contingency for staff turnover costs and operating income shortfall. The previous year was in deficit and this resulted in the depletion of reserves. These are now being replaced and there is a balance of £34,011 in unrestricted general reserves which represents an amount approximately equal to 3 month's salary cost at current levels.
- BACEN has been successful in achieving a sufficient balance of restricted and unrestricted funds this year enabling the organisation to develop its services into the future.

The management committee considers that the state of affairs of the company is satisfactory.

Bristol Area Community Enterprise Network

Report of the management committee

For the year ended 31 March 2003

Responsibilities of the management committee

Company law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the management committee should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

The management committee is responsible for keeping 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.

The management committee is 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.

Members of the management committee

Members of the management committee who served during the year and up to the date of this report were as follows:

T. McClure	Chair
L. Bell	
G. Cargill	(resigned 21 February 2003)
E. Flint	
M. Green	(appointed 28 January 2003)
C. Wilby	(appointed 28 January 2003)
J. Kelly	(appointed 22 April 2003)
N. Cook	(resigned 11 July 2002; re-appointed 22 April 2003)
B. McPherson	(resigned 22 April 2003)
P. Mundy	(resigned 22 April 2003)

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of such guarantees at 31 March 2003 was 7 (2002 - 7). Members of the management committee have no beneficial interest in the company.

Bristol Area Community Enterprise Network

Report of the management committee

For the year ended 31 March 2003

Auditors

Sayer Vincent have expressed their willingness to continue as auditors and offer themselves for re-appointment.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the management committee on 7 October 2003 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'T. McClure', is written in a cursive style.

T. McClure - Chair

Independent auditors' report

To the shareholders of

Bristol Area Community Enterprise Network

We have audited the financial statements of Bristol Area Community Enterprise Network for the year ended 31 March 2003 which comprise the profit and loss account, balance sheet and 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 company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the management committee and auditors

The management committee's responsibilities for preparing the Report of the management committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of responsibilities of the management committee. 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 Companies Act 1985. We also report to you if, in our opinion, the report of the management committee is not consistent with the financial statements, if the company 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 the management committee's remuneration and transactions with the company is not disclosed.

We read the report of the management committee 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 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 management committee in the preparation of financial statements, and of whether the accounting policies are appropriate to the company'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 our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31 March 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

21 October 2003


SAYER VINCENT

Chartered accountants & registered auditors
Bristol

Bristol Area Community Enterprise Network

Income and expenditure account

For the year ended 31 March 2003

	Note	Restricted £	Unrestricted £	2003 Total £	2002 Total £
Income					
Phoenix Fund Dti grant		169,672	-	169,672	147,439
Bristol Means Business Partnership Objective 2 European Regional Development Fund (ERDF)		54,221	-	54,221	-
Personal and Community Finance Project Objective 2 ERDF		70,883	-	70,883	-
Other grants	2	-	48,117	48,117	64,945
Contract income	3	-	22,333	22,333	24,624
Interest receivable		-	496	496	1,035
Conference and fee income		-	606	606	3,299
Miscellaneous Income		-	5,562	5,562	102
Total incoming resources		294,776	77,114	371,890	241,444
Expenditure					
Staff costs	5	140,144	41,885	182,029	128,713
Phoenix Fund CEED Partnership costs		66,746	-	66,746	70,710
PCF Objective 2 Partnership costs		45,397	-	45,397	-
Severn Four contract support costs		-	60	60	-
Rent and room hire		7,318	2,270	9,588	9,373
Post, stationery and other office costs		9,350	3,319	12,669	8,761
Travel		2,583	509	3,092	2,533
Room hire		-	101	101	101
Professional fees		6,876	3,238	10,114	4,148
Consultancy		2,238	-	2,238	-
Recruitment		3,621	3,620	7,241	5,001
Insurance		1,287	384	1,671	1,531
Bank charges		-	70	70	36
Grants to community groups		-	-	-	5,000
Printing		2,967	3,718	6,685	5,888
Publicity and member services		65	553	618	744
Professional development		1,506	249	1,755	1,688
Refreshments and subsistence		527	131	658	1,074
Audit and accountancy		924	3,695	4,619	5,011
Repairs and renewals		967	7,278	8,245	447
Depreciation		1,054	2,311	3,365	2,194
Total expenditure		293,570	73,391	366,961	252,953
Surplus/(deficit) for the year	4	1,206	3,723	4,929	(11,509)
Taxation	6	-	-	-	(104)
Transfer between funds	11	-	-	-	-
Net movement in funds		1,206	3,723	4,929	(11,613)
Funds at 1 April 2002		-	30,288	30,288	41,901
Funds at 31 March 2003	11	1,206	34,011	35,217	30,288

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 11 to the financial statements.

Bristol Area Community Enterprise Network (Limited by Guarantee)

Balance Sheet

As at 31 March 2003

	Note	£	2003 £	2002 £
Tangible fixed assets	7		4,556	3,242
Current assets				
Debtors	8	68,836		57,862
Cash at bank and in hand		30,729		42,365
		99,565		100,227
Creditors: amounts falling due within one year	9	68,904		73,181
Net current assets			30,661	27,046
Net assets	10		35,217	30,288
Reserves				
Restricted funds			1,206	-
Unrestricted general funds			34,011	30,288
Total reserves	11		35,217	30,288

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Management Committee on 7 October 2003 and signed on its behalf by



T. McClure - Chair

Bristol Area Community Enterprise Network

Notes to the financial statements

For the year ended 31 March 2003

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The format of the financial statements has been adapted to provide an appropriate framework for the organisation, which operates on a not-for-profit basis.
- b) Revenue grants are credited to the income and expenditure account when received or receivable whichever is earlier, unless they relate to a specific future period, in which case they are deferred.
- c) Certain grants have to be used for specific purposes and so are recognised as "restricted". Expenditure on the purposes of such grants are allocated to that fund.
- d) Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.
- e) Contributions are made to the staff stakeholder and personal pension plans on a fixed contribution basis.
- f) Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life of four years.

2. Grants

	Unrestricted £	2003 Total £	2002 Total £
<i>Other grants</i>			
Bristol City Council	48,117	48,117	61,945
South Gloucestershire Council	-	-	3,000
Total other grants	<u>48,117</u>	<u>48,117</u>	<u>64,945</u>

3. Contract Income

	Unrestricted £	2003 Total £	2002 Total £
Hartcliffe and Withywood Ventures/Towards a Working Community contract	13,317	13,317	12,624
Knowle West Development Trust contract	7,615	7,615	12,000
Severn Four Credit Union contract	1,401	1,401	-
	<u>22,333</u>	<u>22,333</u>	<u>24,624</u>

Bristol Area Community Enterprise Network

Notes to the financial statements

For the year ended 31 March 2003

4. Surplus/(Deficit) for the year

This is stated after charging / crediting:

	2003 £	2002 £
Depreciation:		
▪ Owned assets	3,365	2,194
Management committee remuneration:	NIL	NIL
Auditors' remuneration:		
▪ Audit	3,584	2,500
▪ Other services	823	-
Interest receivable	<u>496</u>	<u>1,035</u>

5. Staff costs and numbers

Staff costs were as follows:

	2003 £	2002 £
Salaries and wages	157,286	110,998
Employer's National Insurance	14,299	10,044
Pension contributions	<u>10,444</u>	<u>7,671</u>
	<u>182,029</u>	<u>128,713</u>

The average weekly number of employees during the year was 7 (2002: 7).

6. Taxation

	2003 £	2002 £
Corporation Tax on interest receivable at 0% (2002: 10%)	<u>-</u>	<u>104</u>

Bristol Area Community Enterprise Network

Notes to the financial statements

For the year ended 31 March 2003

7. Tangible fixed assets

	Office Equipment £	Total £
COST		
At 1 April 2002	11,458	11,458
Additions in year	4,679	4,679
Disposals in year	-	-
At 31 March 2003	<u>16,137</u>	<u>16,137</u>
DEPRECIATION		
At 1 April 2002	8,216	8,216
Charge for the year	3,365	3,365
Disposals in year	-	-
At 31 March 2003	<u>11,581</u>	<u>11,581</u>
NET BOOK VALUE		
At 31 March 2003	<u>4,556</u>	<u>4,556</u>
At 31 March 2002	<u>3,242</u>	<u>3,242</u>

8. Debtors

	2003 £	2002 £
Grants receivable	63,204	50,041
Other debtors	<u>5,632</u>	<u>7,821</u>
	<u>68,836</u>	<u>57,862</u>

9. Creditors : amounts falling due within one year

	2003 £	2002 £
Corporation Tax	-	104
Funds held for community groups	4,129	4,297
Accruals	33,002	68,021
Deferred income	31,773	-
Other creditors	-	759
	<u>68,904</u>	<u>73,181</u>

Bristol Area Community Enterprise Network

Notes to the financial statements

For the year ended 31 March 2003

10. Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	3,163	1,393	4,556
Current assets	18,637	80,928	99,565
Current liabilities	(20,594)	(48,310)	(68,904)
Net assets at 31 March 2003	1,206	34,011	35,217

11. Movements in funds

	At 1 April 2002 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March £
Restricted funds:					
Dti Phoenix Fund	-	169,672	(168,765)	-	907
Bristol Means Business Partnership Objective 2 European Regional	-	54,221	(51,351)		2,870
Personal & Community Finance Objective 2 ERDF	-	70,883	(73,454)	-	(2,571)
Total restricted funds	-	294,776	(293,570)	-	1,206
Unrestricted funds:					
General funds	30,288	77,114	(73,391)		34,011
Total unrestricted funds	30,288	77,114	(73,391)	-	34,011
Total funds	30,288	371,890	(366,961)	-	35,217

Bristol Area Community Enterprise Network

Notes to the financial statements

For the year ended 31 March 2003

Purposes of restricted funds

<i>Personal & Community Finance Project</i>	This represents a European Regional Development Fund grant from Bristol City Council Objective 2 team for Credit Union support and partnership work. Partners include Bristol Community Accountancy Project (BCAP), Bristol Inner City Credit Union and Bedminster and Knowle Credit Union.
<i>Phoenix Development Fund</i>	This represents a grant from the Dti Small Business Service - Phoenix Development Fund. The grant enables BACEN to provide business development support across Bristol. This is provided in conjunction with The Centre for Employment and Enterprise Development (The CEED (Charity) Ltd).
<i>Bristol Means Business Partnership</i>	This represents a European Regional Development Fund grant as part of a consortium bid in partnership with a number of organisations working within the objective 2 area of Bristol. The consortium is project managed by Business Link West.

Purposes of designated funds

<i>Shortfall Reserve</i>	Due to the short term nature of funding, the committee feel it is prudent to set aside a reserve to cover a potential shortfall during the subsequent financial year.
<i>Staff Contingency</i>	A staff contingency fund has been set aside to provide for potential additional costs incurred during longer term absences such as maternity leave, illness and redundancy.

12. Related Party Transaction

Throughout the year Pat Mundy, the Chief Executive of Hartcliffe and Withywood Ventures, the organisation which manages the TAWC contract, was a member of the management committee.