

The Big Issue (South West) Limited

Report and Financial Statements

Period Ended

28 March 2010

Company Number 2888206

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The Big Issue (South West) Limited

**Report and financial statements
for the period ended 28 March 2010**

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Directors

A J Bird
N Kershaw
P Bird

Registered office

1-5 Wandsworth Road, Vauxhall, London, SW8 2LN

Company number

2888206

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

The Big Issue (South West) Limited

Report of the directors for the period ended 28 March 2010

The directors present their report together with the audited financial statements for the period ended 28 March 2010

Results

The profit and loss account is set out on page 5 and shows the loss for the period

Principal activities, trading review and future developments

The company's principal activity continued to be that of distribution of magazines to aid the homeless

Directors

The director of the company during the period was

A J Bird

The following directors were appointed after the period end on 11 January 2011

N Kershaw
P Bird

Director's responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 Big Issue (South West) Limited

Report of the directors for the period ended 28 March 2010 (*Continued*)

Auditors

The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors report advantage has been taken of the small companies' exemption.

On behalf of the Board

N Kershaw

Director

Date

25/1/11

The Big Issue (South West) Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BIG ISSUE (SOUTH WEST) LIMITED

We have audited the financial statements of The Big Issue (South West) Limited for the period ended 28 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 March 2010 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.


The Big Issue (South West) Limited

Independent auditor's report (*Continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Mr Michael Goldstein (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 25th January 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

The Big Issue (South West) Limited

Profit and loss account for the period ended 28 March 2010

	Note	52 weeks ended 28 March 2010 £	51 weeks ended 29 March 2009 £
Turnover		812,999	711,094
Cost of sales		(273,819)	(245,791)
Gross profit		539,180	465,303
Administrative expenses		(564,547)	(479,265)
Operating loss	3	(25,367)	(13,962)
Other interest receivable and similar income		-	1,411
Loss on ordinary activities before and after taxation	5, 10	(25,367)	(12,551)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

There were no movements on reserves apart from the profit for the period

The notes on pages 7 to 12 form part of these financial statements

The Big Issue (South West) Limited

Balance sheet at 28 March 2010

<i>Company number 2888206</i>	Note	28 March 2010 £	28 March 2010 £	29 March 2009 £	29 March 2009 £
Fixed assets					
Tangible assets	6		5,013		6,726
Current assets					
Debtors	7	87,884		33,408	
Cash at bank and in hand		35,433		44,703	
		<u>123,317</u>		<u>78,111</u>	
Creditors: amounts falling due within one year	8	<u>285,610</u>		<u>216,750</u>	
Net current liabilities			(162,293)		(138,639)
Total assets less current liabilities			<u>(157,280)</u>		<u>(131,913)</u>
Capital and reserves					
Called up share capital	9		5		5
Profit and loss account	10		(157,285)		(131,918)
Shareholders' deficit			<u>(157,280)</u>		<u>(131,913)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the Board of Directors and authorised for issue on 25/11/11

N Kershaw
Director

The notes on pages 7 to 12 form part of these financial statements

The Big Issue (South West) Limited

Notes forming part of the financial statements for the period ended 28 March 2010

1 Accounting policies

The financial statements are prepared under the historical cost convention and are in accordance with applicable United Kingdom Accounting Standards. The following principal accounting policies have been applied:

Basis of preparation

The financial statements have been prepared on a going concern basis which the director considers appropriate for the following reasons:

The director has prepared projected cash flow information for the period ending 12 months from the date of their approval of these accounts. On the basis of this cash flow information, due to significant cost savings already achieved in the next financial year, the director considers that the company will continue to meet liabilities as they fall due.

The company's bank has been very supportive in these difficult economic conditions and has granted an overdraft facility of £100,000 to The Big Issue Company Limited, another group company. They continue to be very committed to the Big Issue group of companies.

The company meets its day to day working capital requirements through funds generated from its business activities without the need for additional loan facilities. Going forward, there is a confirmed directive to increase the price of the magazine, which will result in a significant upsurge in revenue. All areas of the business are under scrutiny with further cost savings to be made in the foreseeable future.

The financial statements do not include any adjustments that would result from this going concern basis of accounts being inappropriate.

Turnover

Turnover represents amounts receivable in the ordinary course of business in respect of advertising revenue, the sale of newspapers and other complementary activities, excluding value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	-	33% per annum straight line
Fixtures, fittings and equipment	-	33% per annum straight line

Leased assets

All leases are operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Donations

Donations received are recognised in the profit and loss account when they are received.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

The Big Issue (South West) Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (Continued)

3 Operating loss

	52 weeks ended 28 March 2010 £	51 weeks ended 29 March 2009 £
This has been arrived at after charging		
Depreciation of tangible assets	5,161	3,819
Operating lease payments	56,761	57,325
Auditors remuneration - audit	7,091	5,239
- other	-	1,950
	<u> </u>	<u> </u>

4 Tax losses

The company has estimated losses of £168,668 (29 March 2009 - £144,142) available for carry forward against future trading profits

5 Taxation

	52 weeks ended 28 March 2010 £	51 weeks ended 29 March 2009 £
Current tax		
UK corporation tax on loss for the period	-	-
	<u> </u>	<u> </u>
Total current tax	-	-
	<u> </u>	<u> </u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK The differences are explained below

	52 weeks ended 28 March 2010 £	51 weeks ended 29 March 2009 £
Loss on ordinary activities before tax	(25,367)	(12,551)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (29 March 2009 - 28%)	(7,103)	(3,514)
Effects of		
Expenses not deductible for tax	82	62
Depreciation in excess of capital allowances	528	1,069
Losses carried forward	6,493	2,383
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The Big Issue (South West) Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (*Continued*)

6 Tangible fixed assets

	Fixtures, fittings and office equipment £
<i>Cost</i>	
At 30 March 2009	47,235
Additions	3,448
	<hr/>
At 28 March 2010	50,683
	<hr/>
<i>Depreciation</i>	
At 30 March 2009	40,509
Provided for the period	5,161
	<hr/>
At 28 March 2010	45,670
	<hr/>
<i>Net book value</i>	
At 28 March 2010	5,013
	<hr/>
At 29 March 2009	6,726
	<hr/>

7 Debtors

	28 March 2010 £	29 March 2009 £
Trade debtors	27,415	13,572
Other debtors	16,699	16,616
Amounts due from group companies	43,770	3,220
	<hr/>	<hr/>
	87,884	33,408
	<hr/>	<hr/>

All amounts shown under debtors fall for payment within one year

The Big Issue (South West) Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (*Continued*)

8 Creditors: amounts falling due within one year

	28 March 2010 £	29 March 2009 £
Trade creditors	18,966	26,590
Taxation and social security	263	12,050
Other creditors	47,791	27,551
Amounts due to group companies	218,590	150,559
Corporation tax		-
	<hr/>	<hr/>
	285,610	216,750
	<hr/>	<hr/>

9 Share capital

	28 March 2010 £	29 March 2009 £
<i>Authorised</i>		
5 ordinary shares of £1 each	5	5
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
5 ordinary shares of £1 each	5	5
	<hr/>	<hr/>

10 Reserves

	Profit and loss account £
Balance at 30 March 2009	(131,918)
Loss for the period	(25,367)
	<hr/>
Balance at 28 March 2010	(157,285)
	<hr/>

The Big Issue (South West) Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (*Continued*)

11 Reconciliation of movements in shareholders' deficit

	52 weeks ended 28 March 2010 £	51 weeks ended 29 March 2009 £
Loss for the period	(25,367)	(12,551)
Addition to shareholders' deficit	(25,367)	(12,551)
Opening shareholders' deficit	(131,913)	(119,367)
Closing shareholders' deficit	(157,280)	(131,913)

12 Commitments under operating leases

As at 28 March 2010, the company had annual commitments under non-cancellable operating leases as set out below

	28 March 2010 Land and buildings £	29 March 2009 Land and buildings £
Operating leases which expire		
Within one year	7,320	8,220
In two to five years	11,500	16,438
	18,820	24,658

13 Related party transactions

During the period the company was charged management fees of £126,349 (29 March 2009 - £66,312) by The Big Issue Company Limited, a shareholder. At 28 March 2010 the company owed £143,947 (29 March 2009 - £148,780) to The Big Issue Company Limited.

The Big Issue (South West) Limited

**Notes forming part of the financial statements
for the period ended 28 March 2010 (*Continued*)**

14 Control

The company's ultimate holding company is The Big Issue Company Limited, a company registered in England and Wales. Copies of the financial statements are available for Companies House.

15 Cash flow statement

The company has used the exemption under FRS 1 (revised 1996) "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is "small" under the Companies Act 2006.