

Company no. 5110883
Charity no. 1104026

The Besom
Report and Financial Statements
5 April 2006



sayer vincent

consultants and auditors

The Besom

Reference and administrative details

For the year ended 5 April 2006

Company number 5110883

Charity number 1104026

**Registered office and
operational address** 2 Crosland Place
LONDON
SW11 5PJ

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

James R. B. Odgers Chair
Emma Plunkett
Lucinda Croft
David Saunderson

Bankers HSBC
240 Lavender Hill
Clapham Junction
LONDON
SW11 1LH

Auditors Sayer Vincent
Chartered accountants and registered auditors
8 Angel Gate
City Road
London
EC1V 2SJ

The Besom

Report of the trustees

For the year ended 5 April 2006

The trustees present their report and the audited financial statements for the year ended 5 April 2006.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

Structure, governance & management

The organisation is a charitable company limited by guarantee, incorporated on 23 April 2004 and registered as a charity on 28 May 2004.

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.

From 1 November 2004 the assets and liabilities of a predecessor charity, The Besom Foundation, were transferred to a new charitable company limited by guarantee, The Besom. There have been no changes to the activities undertaken by the charity.

Objectives and activities

Objects of the Charity

The objects of The Besom are the relief of poverty, suffering, sickness and distress, the advancement of education, the advancement of the Christian religion and the advancement of such other purposes as are charitable in accordance with English Law.

Review of activities

The Besom helps people to make a difference. It provides a bridge between those who want to give money, time, skills or things, and those who are in need. It ensures that what is given is used effectively. The service it provides is free.

The 3 main activities of The Besom are giving money (either individually or in groups); positive recycling; and giving time (either individually or in groups). The Besom operates from two warehouses in Crosland Place, South West London.

Achievements and performance

Giving Money

In the period from 6 April 2005 to 5 April 2006, The Besom assisted money givers to fund a total of 92 projects with funds aggregating £199,236. Of these, 29 projects were in the United Kingdom, with a highest individual project amount of £5,000. 63 projects were completed overseas with a highest individual project amount of £5,312, the smallest £232. No grants exceeding £5,400 were made. The average grant over the period was £2165. A list of all such projects is available from the Charity's headquarters upon application.

The Besom

Report of the trustees

For the year ended 5 April 2006

Overseas projects ranged from three shelters and materials to construct dining chairs and tables for a street child project in Tanzania, to a water tank, storehouse and gardening tools for an income-generating, vegetable-growing project in Tajikistan.

In the UK, projects ranged from a sofa, refrigerator and microwave for a drop-in centre for prostitutes in Brixton, to a special symmetry-sleep system and hoist slings for a hospice for terminally-ill children in Norfolk.

The Besom's services are being used by a good number of money givers, and projects are being completed at the rate of 1 every 3 or 4 days. The 915th project since the inception of its predecessor, The Besom Foundation, was funded during the year to 5 April 2006.

Positive recycling

There were good numbers of people giving their time on the vans and sorting clothes, and giving good quality furniture, household items and furnishings, clothes, toys, shoes and non-perishable food. Our large van collected and made deliveries 3 days a week to facilitate the increase in giving. We are consistently passing things on to those who only have the bare minimum provision of shelter and are therefore in need of everything from clothes and household items to having their walls painted and curtains hung.

Time giving

112 groups in total were helped to give their time and skills in their local community, including groups in the warehouse sorting clothes and household items.

Face to Face Finance Limited

This company was established by the Besom's, predecessor, The Besom Foundation, in 1999 to provide loan capital and business training to the micro-businesses of the poorest and most marginalised in the UK. Its first trial project was set up in Brixton in London during that year and the first loans were made into that community just after that year-end. The repayment rate to date continues to be 100%.

This company now occupies a second warehouse in Crosland Place next to the main Besom warehouse. During the period, £1640 was received as donations towards loans to be made within the scheme. This year the Besom has paid £22,087 towards administration and loans and £42,509 relating to salary costs for staff involved in FACE to Face.

Financial review

It continues to be a fundamental principle of The Besom's activities that no-one who uses its services has to pay towards the administration costs. These are financed separately by those who are supportive of The Besom's work and The Besom does not fundraise.

The Besom made good progress this year on all fronts thanks to a very dedicated staff and to the efforts of the time givers.

Reserves Policy

The trustees have determined that, in line with their belief that God provides for the work to which He calls His people, no reserves should be maintained for the work of The Besom. Its predecessor, The Besom Foundation, had the same policy in place from 1987 to 2004.

The Besom

Report of the trustees

For the year ended 5 April 2006

Risk statement

The trustees have considered the risks to which The Besom is exposed and have procedures in place to manage those risks

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those 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;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 5 April 2006 was 4 (2005 - 4). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 22 January 2007 and signed on their behalf by



James R.B Odgers - Trustee

Independent auditors' report

To the members of

The Besom

We have audited the financial statements of The Besom for the year ended 05 April 2006 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

This report is made solely to the charitable 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 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 anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The trustees, who are also directors of The Besom for the purposes of company law, are responsible for preparing the annual report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005). The responsibilities of the trustees are set out in the statement of responsibilities of the trustees.

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 report to you whether, in our opinion, the information given in the annual report of the trustees is consistent with the financial statements. We also report to you if the charitable 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 trustees' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the report of the trustees. 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 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 charitable company's

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.

Independent auditors' report

To the members of

The Besom

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice as modified by the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), of the charitable company's state of affairs as at 5 April 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the trustees is consistent with the financial statements.

25 January 2007

Sayer Vincent

SAYER VINCENT
Chartered accountants & registered auditors
London

The Besom

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 5 April 2006

		Restricted	Unrestricted	Year ended 5 April 2006 Total £	5 months ended 5 April 2005 Total £
	Note	£	£		
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	42,144	272,884	315,028	167,318
Investment income		-	7,948	7,948	4,845
<i>Incoming resources from charitable activities</i>					
FACE to Face Finance		840	-	840	100
<i>Other incoming resources</i>		-	5,378	5,378	1,416
Total incoming resources		<u>42,984</u>	<u>286,210</u>	<u>329,194</u>	<u>173,679</u>
Resources expended	5				
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	-	-	-
<i>Charitable activities</i>	6				
Giving money		12,580	216,200	228,780	109,666
Positive recycling		55,008	22,731	77,739	51,951
Time giver projects		14,334	13,452	27,786	9,789
FACE to Face Finance		64,550	46	64,596	19,669
Besom in a suitcase		16,820	37,115	53,935	18,089
Groves Fund		-	-	-	1,608
<i>Governance costs</i>		13,782	-	13,782	6,961
Total resources expended		<u>177,074</u>	<u>289,544</u>	<u>466,618</u>	<u>217,733</u>
Net outgoing resources before transfers	7	(134,090)	(3,334)	(137,424)	(44,054)
Gross transfers between funds		130,196	(130,196)	-	-
Net incoming resources before other recognised gains and losses		<u>(3,894)</u>	<u>(133,530)</u>	<u>(137,424)</u>	<u>(44,054)</u>
Realised losses		-	(350)	(350)	419
Net income for the year		<u>(3,894)</u>	<u>(133,880)</u>	<u>(137,774)</u>	<u>(43,635)</u>
Unrealised gains		-	-	-	50
Net movement in funds		<u>(3,894)</u>	<u>(133,880)</u>	<u>(137,774)</u>	<u>(43,585)</u>
Reconciliation of funds					
Total funds brought forward		<u>3,894</u>	<u>318,137</u>	<u>322,031</u>	<u>365,616</u>
Total funds carried forward		<u>-</u>	<u>184,257</u>	<u>184,257</u>	<u>322,031</u>

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 15 to the financial statements.

The Besom

Balance sheet

5 April 2006

	Note	£	2006 £	2005 £
Fixed assets				
Tangible fixed assets	10		<u>9,206</u>	<u>734</u>
			9,206	734
Current assets				
Investments	11	-		450
Debtors	12	40,049		42,640
Cash at bank and in hand		<u>163,343</u>		<u>305,338</u>
		203,392		348,428
Liabilities				
Creditors: amounts due within one year	13	<u>28,341</u>		<u>27,131</u>
Net current assets			<u>175,051</u>	<u>321,297</u>
Net assets	14		<u><u>184,257</u></u>	<u><u>322,031</u></u>
Funds	15			
Restricted funds			-	3,894
Unrestricted funds				
General funds			<u>184,257</u>	<u>318,137</u>
Total charity funds			<u><u>184,257</u></u>	<u><u>322,031</u></u>

Approved by the trustees on 22 January 2007 and signed on their behalf by



James Odgers - Trustee

The Besom

Notes to the financial statements

For the year ended 5 April 2006

1. Accounting policies

a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

Other income, including investment income, is recognised when received or receivable, whichever is earlier.

c) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

d) 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.

e) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

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

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

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Notes to the financial statements

For the year ended 5 April 2006

1. Accounting policies (continued)

- i) Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff numbers, of the amount attributable to each activity:

Giving Money	5%
Positive recycling	24%
Time giver projects	7%
FACE to Face finance	32%
Besom in a suitcase	26%
Governance	6%

- j) Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- k) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows using the straight line method:

Computer equipment	25% per annum
Motor vehicles	25% per annum
Fixtures and fittings	25% per annum

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

2. Voluntary income

	Restricted £	Unrestricted £	2006 Total £	2005 Total £
Donations	42,144	272,884	315,028	162,318
Donated services	-	-	-	5,000
Total	<u>42,144</u>	<u>272,884</u>	<u>315,028</u>	<u>167,318</u>

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Notes to the financial statements

For the year ended 5 April 2006

5. Total resources expended

	Giving Money	Positive recycling	Time giver projects	Face to Face Finance	Besom in a suitcase	Governance Costs	Support Costs	Year ended 5 April 2006 Total	5 months ended 5 April 2005
	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	8,293	41,157	9,057	42,509	34,230	4,046	-	139,292	65,336
Other staff costs	1,184	757	7,523	46	2,062	30	6,292	17,894	12,060
Bank charges	-	-	-	-	-	-	1,539	1,539	602
Printing, postage and stationery	-	-	-	-	-	-	18,966	18,966	5,670
Telephone	-	-	-	-	-	-	5,717	5,717	3,502
Travel and motor expenses	-	8,260	-	-	-	-	-	8,260	1,987
Depreciation	-	-	-	-	-	-	3,803	3,803	930
Accountancy and audit fees	-	-	-	-	-	5,635	9,638	15,273	8,751
Legal and professional	-	-	-	-	-	-	-	-	5,000
Time giver costs	-	-	5,800	-	-	-	-	5,800	508
Computer maintenance and equipment	-	-	-	-	-	-	-	-	169
Project grants	214,926	10,000	-	-	-	-	-	224,926	104,354
Warehouse costs	-	1,857	-	-	-	-	5,083	6,940	688
Insurance	-	-	-	-	-	-	4,811	4,811	6,270
Gift to Groves	-	-	-	-	-	-	-	-	-
Other costs	-	1,391	-	-	-	-	12,005	13,396	1,906
Total resources expended	224,403	63,422	22,380	42,555	36,292	9,711	67,855	466,618	217,733
Support Costs	4,377	14,317	5,406	22,041	17,643	4,071	(67,855)	-	-
Total resources expended	228,780	77,739	27,786	64,596	53,935	13,782	-	466,618	217,733

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Notes to the financial statements

For the year ended 5 April 2006

6. Costs of charitable activities

	Activities undertaken directly £	Grant funding of activities £	Support costs £	2006 Total £
Giving money	9,477	214,926	4,377	228,780
Positive recycling	53,422	10,000	14,317	77,739
Time giver projects	22,380	-	5,406	27,786
FACE to Face Finance	42,555	-	22,041	64,596
Besom in a suitcase	36,292	-	17,643	53,935
	<u>164,126</u>	<u>224,926</u>	<u>63,784</u>	<u>452,836</u>

7. Net outgoing resources for the year

	2006 £	5 months ended 5 April 2005 £
This is stated after charging / crediting:		
Depreciation	3,803	930
Auditors' remuneration:		
▪ audit	5,635	3,360
▪ other services	1,770	2,040
▪ under accrual from previous period	-	2,525
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	<u>13,460</u>	<u>Nil</u>

Trustees' reimbursed expenses represents the reimbursement of expenses relating to kitchen refurbishment and running costs to 1 (2005: Nil) trustee.

8. Staff costs and numbers

	2006 £	5 months ended 5 April 2005 £
Staff costs were as follows:		
Salaries and wages	128,401	59,700
Social security costs	10,891	5,636
Pension contributions	-	-
	<u>139,292</u>	<u>65,336</u>

No employee earned more than £60,000 during the year.

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Notes to the financial statements

For the year ended 5 April 2006

8. Staff costs and numbers

	5 months ended 5 April 2005	
	2006 No.	No.
The average weekly number of employees (full-time equivalent) during the year was as follows:		
Giving money	0.4	1.10
Positive recycling	2.0	2.25
Time giver projects	0.6	0.80
FACE to Face Finance	2.7	1.80
Besom in a suitcase	2.1	1.90
Governance	0.5	0.50
	<u>8.2</u>	<u>8.35</u>

9. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Tangible fixed assets

	Motor Vehicles £	Computer Equipment £	Fixtures and fittings £	Total £
Cost				
At the start of the year	19,175	15,757	3,207	38,139
Additions in year	-	-	12,275	12,275
At the end of the year	<u>19,175</u>	<u>15,757</u>	<u>15,482</u>	<u>50,414</u>
Depreciation				
At the start of the year	19,175	15,023	3,207	37,405
Charge for the year	-	734	3,069	3,803
At the end of the year	<u>19,175</u>	<u>15,757</u>	<u>6,276</u>	<u>41,208</u>
Net book value				
At the end of the year	<u>-</u>	<u>-</u>	<u>9,206</u>	<u>9,206</u>
At the start of the year	<u>-</u>	<u>734</u>	<u>-</u>	<u>734</u>

The Besom

Notes to the financial statements

For the year ended 5 April 2006

11. Investments

	2006 £	2005 £
Market value at the start of the year	450	-
Additions at historic cost	-	3,002
Disposal proceeds	(100)	(3,021)
Realised gain/ (loss)	-	419
Unrealised gain / (loss)	(350)	50
Market value at the end of the year	-	450
Historic cost at the end of the year	-	100

12. Debtors

	2006 £	2005 £
Amount due from subsidiary	27,526	22,386
Other debtors	12,523	18,904
Prepayments	-	1,350
Accrued income	-	-
	40,049	42,640

13. Creditors: amounts due within 1 year

	2006 £	2005 £
Trade creditors	-	-
Taxation and social security	2,381	3,978
Other creditors	9,021	16,120
Accruals	7,894	7,033
Bank Overdraft	9,045	-
	28,341	27,131

14. Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	9,206	9,206
Net current assets	-	175,051	175,051
Net assets at the end of the year	-	184,257	184,257

The Besom

Notes to the financial statements

For the year ended 5 April 2006

15. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Administration fund	3,894	42,144	(134,565)	88,527	-
FACE to Face	-	840	(42,509)	41,669	-
Total restricted funds	<u>3,894</u>	<u>42,984</u>	<u>(177,074)</u>	<u>130,196</u>	<u>-</u>
Unrestricted funds:					
General funds	<u>318,137</u>	<u>286,210</u>	<u>(289,894)</u>	<u>(130,196)</u>	<u>184,257</u>
Total funds	<u>322,031</u>	<u>329,194</u>	<u>(466,968)</u>	<u>-</u>	<u>184,257</u>

Purposes of restricted funds

Administration fund

This fund will be used to continue to cover the administrative and running costs of The Besom. It is a fundamental principle of the Besom that those who use its services do not have to pay towards the administration costs, and certain donors give funds specifically for this purpose.

FACE to Face

FACE to Face provides loan capital and business training to the micro businesses of the poorest and most marginalised in the UK. These activities are carried out through FACE to Face Finance Limited, a subsidiary, and FACE to Face Capital Limited, a connected company, of The Besom (See note 16). The expenditure relates to the payment of salaries of staff involved in the administration of FACE to Face Finance limited and FACE to Face Capital Limited.

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Notes to the financial statements

For the year ended 5 April 2006

16. Subsidiary undertaking and connected companies

- i) The Besom controls through common directors FACE to Face Finance Limited, a company limited by guarantee, incorporated in England and Wales. Relevant financial information regarding FACE to Face Finance Limited is as follows:

	2006 £	2005 £
Turnover	1852	957
Cost of sales	-	-
Gross profit	1852	957
Administrative expenses	(7,784)	(3,484)
Operating profit	(5,932)	(2,527)
Interest payable	-	-
Loss for financial year	(5,932)	(2,527)

- ii) One of the trustees of The Besom is also sole director and share holder of FACE to Face Group Limited, a dormant company.

As at 5 April 2006, Face to Face Group held the issued share capital of FACE to Face Support Limited, and the same individual is sole director of this company. FACE to Face Support has remained dormant during the period.

- iii) FACE to Face Capital was activated on 24 May 2002. Share capital was initially issued to the Besom Foundation and its trustees. On 1 November 2004 the Besom Foundation share was transferred to The Besom charitable company, and all 5 trustee shares are now held by James R.B. Odgers. Current shareholding is:

The Besom	1
James R.B. Odgers	5
	<u>6</u>

FACE to Face Capital continues the work of FACE to Face Finance, providing further loan finance to the businesses as they become more established.

Consolidated 'group' accounts have not been prepared as the results of FACE to Face Finance and FACE to Face Capital are not material to the group, either individually or in total.

17. Related party transactions

Amongst those who made grants towards the administration costs of The Besom are the trustees, and parties related to them.

The premises at 2 Crossland Place are leased from one of the trustees at a peppercorn rent.