

Company no 5110883
Charity no 1104026

The Besom

Report and Financial Statements

5 April 2007

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COMPANIES HOUSE

sayer vincent

consultants and auditors

The Besom

Reference and administrative details

For the year ended 5 April 2007

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 2007

The trustees present their report and the audited financial statements for the year ended 5 April 2007

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

Organisational structure

From 1 November 2004 the assets and liabilities of 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 three 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 a warehouse in Crosland Place, South West London

Achievements and performance

Giving Money

In the period from 6 April 2006 to 5 April 2007 The Besom assisted money givers to fund a total of 74 projects with funds aggregating £175,507. Of these 21 projects were in the United Kingdom, with a highest individual project amount of £3,000. 53 projects were completed overseas with a highest individual project amount of £9,700, the smallest £100. No grants exceeding £9,700 were made. The average grant over the period was £2,372. 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 2007

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 991st project since the inception of its predecessor, The Besom Foundation, was funded during the year to 5 April 2007

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

973 groups in total have now been helped to give their time and skills in their local community, including groups in the warehouse sorting clothes and household items.

Besom in a Suitcase

The Besom assists other groups throughout the UK to carry out the same activities in different communities. Although these activities are carried out by other groups using the name 'The Besom', there is no legal connection between these groups and The Besom. The Besom assisted with the establishment of 6 of these groups during the year.

General

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. The Besom's predecessor The Besom Foundation had the same policy in place from 1987 to 2004.

Risk statement

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

The Besom

Report of the trustees

For the year ended 5 April 2007

Face to Face 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 £7,186 was received as donations towards loans to be made within the scheme. This period £11,797 has gone towards administration and loans and £17,112 relate to salary costs for staff involved in FACE to Face.

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.

Each of The trustees confirms that to the best of his/her 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 2007 was 4 (2006 - 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.

The Besom

Report of the trustees

For the year ended 5 April 2007

The Trustees

The trustees who served during the period and up to the date of this report were as follows

Lucinda Croft
James R B Odgers
Emma Plunkett
David Saunderson

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 17 March 2008 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 5 April 2007 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.

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 responsibilities of the trustees (who are also the directors of The Besom for the purposes of company law) for preparing the 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 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 also report to you whether the information given in the annual report of the trustees is consistent with the financial statements. In addition, we report to you if, in our opinion, 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 the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

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 of the charitable company's state of affairs as at 5 April 2007 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

19 March 2008

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 2007

	Note	Restricted £	Unrestricted £	2007 Total £	2006 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	42,276	330,894	373,170	315,028
Investment income			3,352	3,352	7,948
<i>Incoming resources from charitable activities</i>					
FACE to Face Finance		-	-	-	840
<i>Other incoming resources</i>		-	13,205	13,205	5,378
Total incoming resources		<u>42,276</u>	<u>347,451</u>	<u>389,727</u>	<u>329,194</u>
Resources expended	5				
<i>Charitable activities</i>	6				
Giving money		9,947	187,177	197,124	228,780
Positive recycling		93,240	48,417	141,657	77,739
Time giver projects		-	15,195	15,195	27,786
FACE to Face Finance		30,877	80	30,957	64,596
Besom in a suitcase		18,731	34,589	53,320	53,935
<i>Governance costs</i>		10,706	-	10,706	13,782
Total resources expended		<u>163,501</u>	<u>285,458</u>	<u>448,959</u>	<u>466,618</u>
Net outgoing resources before transfers	7	(121,225)	61,993	(59,232)	(137,424)
Gross transfers between funds		121,225	(121,225)	-	-
Net outgoing resources before other recognised gains and losses		-	(59,232)	(59,232)	(137,424)
Realised losses		-	-	-	(350)
Net outgoing resources for the year		<u>-</u>	<u>(59,232)</u>	<u>(59,232)</u>	<u>(137,774)</u>
Net movement in funds		-	(59,232)	(59,232)	(137,774)
Reconciliation of funds					
Total funds brought forward		-	184,257	184,257	322,031
Total funds carried forward		<u>-</u>	<u>125,025</u>	<u>125,025</u>	<u>184,257</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 (limited by guarantee)

Balance sheet

As at 5 April 2007

	Note	£	2007 £	2006 £
Fixed assets				
Tangible fixed assets	10		<u>6,137</u>	<u>9,206</u>
			6,137	9,206
Current assets				
Debtors	12	48,495		40,049
Cash at bank and in hand		<u>91,275</u>		<u>163,343</u>
		139,770		203,392
Liabilities				
Creditors amounts due within one year	13	<u>20,882</u>		<u>28,341</u>
Net current assets			<u>118,888</u>	<u>175,051</u>
Net assets	14		<u><u>125,025</u></u>	<u><u>184,257</u></u>
Funds	15			
Restricted funds			-	-
Unrestricted funds				
General funds			<u>125,025</u>	<u>184,257</u>
Total charity funds			<u><u>125,025</u></u>	<u><u>184,257</u></u>

Approved by the trustees on 17 March 2008 and signed on their behalf by



James Odgers - Trustee

The Besom

Notes to the financial statements

For the year ended 5 April 2007

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.

The Besom

Notes to the financial statements

For the year ended 5 April 2007

1. Accounting policies (continued)

- l) 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	6%
Positive recycling	47%
FACE to Face finance	17%
Besom in a suitcase	23%
Governance	7%

- 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	2007 Total	2006 Total
	£	£	£	£
Donations	<u>42,276</u>	<u>330,894</u>	<u>373,170</u>	<u>315,028</u>

The Besom

Notes to the financial statements

For the year ended 5 April 2007

5. Total resources expended

	Giving Money	Positive recycling	Time giver projects	Face to Face Finance	Besom in a suitcase	Governance Costs	Support Costs	Total 2007	Total 2006
	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	5,061	54,963	-	17,032	32,494	-	12,046	121,596	139,292
Other staff costs	1,497	5,091	8,597	80	2,095	94	5,409	22,863	17,894
Bank charges	-	-	-	-	-	-	1,419	1,419	1,539
Printing, postage and stationery	-	-	-	-	-	-	17,160	17,160	18,966
Telephone	-	-	-	-	-	-	7,277	7,277	5,717
Travel and motor expenses	-	5,090	-	-	-	-	-	5,090	8,260
Depreciation	-	-	-	-	-	-	3,069	3,069	3,803
Accountancy and audit fees	-	-	-	-	-	4,910	12,054	16,964	15,273
Time giver costs	-	-	6,598	-	-	-	-	6,598	5,800
Computer maintenance and equipment	-	-	-	-	-	-	4,050	4,050	-
Project grants	185,680	38,236	-	-	-	-	-	223,916	224,926
Warehouse costs	-	-	-	-	-	-	6,925	6,925	6,940
Insurance	-	-	-	-	-	-	7,354	7,354	4,811
Other costs	-	-	-	-	-	-	4,678	4,678	13,397
Total resources expended	192,238	103,380	15,195	17,112	34,589	5,004	81,441	448,959	466,618
Support Costs	4,886	38,277	-	13,845	18,731	5,702	(81,441)	-	-
Total resources expended	197,124	141,657	15,195	30,957	53,320	10,706	-	448,959	466,618

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Notes to the financial statements

For the year ended 5 April 2007

6. Costs of charitable activities

	Activities undertaken directly	Grant funding of activities	Support costs	2007 Total £
	£	£	£	£
Giving money	6,558	185,680	4,886	197,124
Positive recycling	65,144	38,236	38,277	141,657
Time giver projects	15,195	-	-	15,195
FACE to Face Finance	17,112	-	13,845	30,957
Besom in a suitcase	34,589	-	18,731	53,320
	<u>138,598</u>	<u>223,916</u>	<u>75,739</u>	<u>438,253</u>

7. Net outgoing resources for the year

This is stated after charging / crediting

	2007 £	2006 £
Depreciation	3,069	3,803
Auditors' remuneration		
▪ audit	4,910	5,635
▪ other services	2,250	1,770
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	<u>114</u>	<u>13,460</u>

Trustees' reimbursed expenses represents the reimbursement of expenses to one trustee for travel costs, and payments made for the development of a new kitchen (2006 one)

8. Staff costs and numbers

Staff costs were as follows

	2007 £	2006 £
Salaries and wages	112,863	128,401
Social security costs	<u>8,733</u>	<u>10,891</u>
	<u>121,596</u>	<u>139,292</u>

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

The Besom

Notes to the financial statements

For the year ended 5 April 2007

8. Staff costs and numbers

The average weekly number of employees (full-time equivalent) during the year was as follows

	2007 No.	2006 No
Giving money	0.5	0.4
Positive recycling	3.8	2.0
Time giver projects	-	0.6
FACE to Face Finance	1.4	2.7
Besom in a suitcase	1.9	2.1
Governance	0.6	0.5
	<u>8.2</u>	<u>8.3</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 and 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	15,757	6,276	41,208
Charge for the year	<u>-</u>	<u>-</u>	<u>3,069</u>	<u>3,069</u>
At the end of the year	<u>19,175</u>	<u>15,757</u>	<u>9,345</u>	<u>44,277</u>
Net book value				
At the end of the year	<u>-</u>	<u>-</u>	<u>6,137</u>	<u>6,137</u>
At the start of the year	<u>-</u>	<u>-</u>	<u>9,206</u>	<u>9,206</u>

The Besom

Notes to the financial statements

For the year ended 5 April 2007

11. Investments

	2007	2006
	£	£
Market value at the start of the year	-	450
Disposal proceeds	-	(100)
Unrealised loss	-	(350)
	<u>-</u>	<u>-</u>
Market value at the end of the year	-	-
	<u>-</u>	<u>-</u>
Historic cost at the end of the year	-	-
	<u>-</u>	<u>-</u>

12. Debtors

	2007	2006
	£	£
Amount due from subsidiary	35,400	27,526
Other debtors	11,474	12,523
Prepayments	1,621	-
	<u>48,495</u>	<u>40,049</u>

13. Creditors: amounts due within 1 year

	2007	2006
	£	£
Taxation and social security	7,014	2,381
Other creditors	6,059	9,021
Accruals	7,809	7,894
Bank Overdraft	-	9,045
	<u>20,882</u>	<u>28,341</u>

14. Analysis of net assets between funds

	Restricted funds	General funds	Total funds
	£	£	£
Tangible fixed assets	-	6,137	6,137
Net current assets	-	118,888	118,888
	<u>-</u>	<u>118,888</u>	<u>118,888</u>
Net assets at the end of the year	<u>-</u>	<u>125,025</u>	<u>125,025</u>

The Besom

Notes to the financial statements

For the year ended 5 April 2007

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	-	42,276	(146,469)	104,193	-
FACE to Face	-	-	(17,032)	17,032	-
Total restricted funds	-	42,276	(163,501)	121,225	-
Unrestricted funds:					
General funds	184,257	347,451	(285,458)	(121,225)	125,025
Total funds	184,257	389,727	(448,959)	-	125,025

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.

The Besom

Notes to the financial statements

For the year ended 5 April 2007

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

	2007 £	2006 £
Turnover	8993	1,852
Cost of sales	-	-
Gross profit	8993	1,852
Administrative expenses	(11,254)	(7,784)
Operating profit	(2,261)	(5,932)
Interest payable	-	-
Loss for financial year	(2,261)	(5,932)

- ii) One of the trustees of The Besom is also sole director and shareholder 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 Crosland Place are leased from one of the trustees at a peppercorn rent.