

**CAN MEZZANINE LIMITED**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

TUESDAY



\*L2K0CS8N\*

LD5

29/10/2013

#23

COMPANIES HOUSE

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 6</b>
<b>Independent auditors' report</b>	<b>7 - 8</b>
<b>Statement of financial activities</b>	<b>9</b>
<b>Balance sheet</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 18</b>

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**for the year ended 31 March 2013**

**Trustees**

Robin Pauley, Chair  
Alistair Fraser, Trustee  
Judith Miara, Trustee  
Matthew Stevenson-Dodd, Trustee (appointed 9 July 2013)  
Helen Taylor-Thompson, Trustee (appointed 9 July 2013)  
Olu Olasode, Trustee (resigned 1 April 2013)  
Leo Shapland, Trustee (resigned 19 October 2012)

**Company registered number**

05976914

**Charity registered number**

1128255

**Registered office**

49-51 East Road  
London  
N1 6AH

**Company secretary**

Leah Cook

**Independent auditors**

Goodman Jones LLP  
29/30 Fitzroy Square  
London  
W1T 6LQ

**Bankers**

Barclays Bank Plc  
Level 27  
1 Churchill Place  
London  
E14 5HP

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**for the year ended 31 March 2013**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of CAN Mezzanine Limited (the company) for the year ended 31 March 2013. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Trustees**

The following Trustees, who are also directors for the purpose of company law, have held office since 1 April 2012:

Robin Pauley	(Chair of Trustees)
Alistair Fraser	
Judith Miara	
Matthew Stevenson-Dodd	(appointed 9 July 2013)
Helen Taylor-Thompson	(appointed 9 July 2013)
Olu Olasode	(resigned 1 April 2013)
Leo Shapland	(resigned 19 October 2012)

None of the Trustees received any remuneration from the charity during the current or prior years.

**Structure, Governance and Management**

CAN Mezzanine Limited is a charitable company limited by guarantee and was established 2006 and commenced trading on 28 April 2009. It is governed by its Memorandum and Articles of Association, adopted in 2006 and last amended on 30 October 2008. CAN Mezzanine Limited trades under the name of CAN Mezzanine.

The Board of Trustees control and manage the affairs of the charity, working closely with its sole member Bright Red Dot Foundation Limited. Robin Pauley, Alistair Fraser, Judith Miara, Matthew Stevenson-Dodd and Helen Taylor-Thompson are also Trustees of Bright Red Dot Foundation Limited.

During the year Leo Shapland resigned as Trustee following his relocation to the United States. His commitment and contributions to CAN have been invaluable and the Trustees wish him every success in his new location. In July 2013 Matthew Stevenson-Dodd, Chief Executive of Street League, and Helen Taylor Thompson, a Trustee of Bright Red Dot Foundation since inception, were appointed to the Board. These appointments further strengthen the Board, giving CAN Mezzanine Board representation and fresh insights from a sector organisation as well as further support from an experienced Trustee with a deep understanding of CAN Mezzanine's operations and mission.

Trustees are given a comprehensive induction when they join CAN Mezzanine. Recruitment involves interviews with the Chair and existing Trustees.

Leadership and operational management of CAN Mezzanine are devolved to the senior management team.

**Senior Management Team**

Andrew Croft	Chief Executive
Kate Markey	MD CAN Invest, Deputising for CE
Hazel Dodd	Finance Director

The Board of Trustees hold the senior management team to account on key performance indicators as agreed between both parties as well as monitoring the strategic direction.

**CAN MEZZANINE LIMITED**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
for the year ended 31 March 2013

**Risk Management**

The Trustees have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of CAN Mezzanine, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

**Principal Activities and Objectives**

CAN Mezzanine's vision is of an economy buoyed by a thriving Civil Society. Our Mission is to help charities, social entrepreneurs and social ventures achieve it. To build sustainable organisations charities need high quality premises, peer experience, funds and business support.

CAN Mezzanine is now a self sustaining charity, that provides high-quality collaborative office space and builds communities of social interest for Third Sector organisations, currently in London and Bristol. The building in East Road, Old Street is owned by CAN Mezzanine's sole member Bright Red Dot Foundation Limited and houses 60 organisations in over 37,000 square foot of office space. Customers range from social ventures like Arrival Education and CommTap to established bodies such as TechSoup, Charity Technology Trust, Institute for Learning, Institute for Sustainability and Family Lives as well as leading membership organisations including Charity Finance Group and The Community Transport Association. The new leasehold space in Bristol houses 9 organisations in over 3,000 square foot, including Groundworks, Mowgli Foundation and Carbon Gold.

CAN Mezzanine's objectives are

- to promote and improve the efficiency and effectiveness of charities and voluntary groups, community groups and not-for-profit organisations by the provision and management for such organisations of office accommodation, conferences, training and other facilities, services and support
- To improve the efficiency of the administration of charities in direct pursuit of their objects by the provision of training and information, particularly in the field of information technology
- Such other exclusively charitable purposes as the Trustees shall from time to time determine

Its principal activity is to provide high-quality, affordable office space in central locations to Third Sector organisations. Stability of tenure remains a significant hurdle to growth for Third Sector bodies.

By providing serviced-office space and additional value-added support, CAN Mezzanine allows organisations to concentrate resources on maximising their social or environmental impact.

By creating communities of social interest within its building, CAN Mezzanine aims to encourage collaboration, innovation and growth amongst Third Sector organisations.

**Achievements and Performance Review of the Year**

Despite a still challenging economic environment CAN Mezzanine continues to benefit from strong customer loyalty, retention and minimal churn which, along with a strong requirement for our services has helped improve occupancy. This is testament to CAN Mezzanine's sales and operations teams in targeted and tactical sales acquisitions combined with maintaining excellent customer relations. The overall strength of our customer base has enabled us to provide support to those organisations that are struggling more than others, thereby strengthening our position as a community of social interest. Where we have lost customers they have predominantly moved to premises as part of a sponsor arrangement. We are unable to compete against such offers in the short term however we believe this is a reflection of the current economic climate and our commitment and differentiation is to offer long term support services and a peer community to our customers. We are seeing increased demand for our services in London as the property market hardens and our value proposition to the sector increases further.

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**for the year ended 31 March 2013**

As a charity based social enterprise our desire for growth must always be matched by our commitment to grow our social impact and public benefit. Our most recent customer satisfaction survey shows over 87% of our beneficiaries are interacting with other CAN Mezzanine customers, 77% learn something new on a regular basis from other organisations in the Mezzanine community and over 35% have established business relationships, generated revenue or secured new contracts to enhance their social impact. 91% of customers state they benefit from direct information flow from CAN Mezzanine. Whilst we continue to focus on customer impact it is clear CAN Mezzanine has been able to further develop as a genuine social venture marketplace.

CAN Mezzanine Bristol opened in December 2012 just prior to Christmas with 40% occupation, assisting a group of local social organisations whose office was closing. The Mezzanine replication and operations team delivered the building in very short timeframe to ensure minimal disruption to the occupants and is attracting additional organisations with permanent desks, hot desk and meeting room use. The local Social Enterprise network are regular visitors to the meeting facilities. We were able to use local suppliers in setting up much of the space.

Performance against specific objectives for the year was as follows

- **Create at least one additional CAN Mezzanine community:** CAN Mezzanine Bristol was opened in December 2012
- **Continue to raise awareness of technological advances through products and forums that can reduce cost and increase social impact:** CAN Mezzanine hosts the Salesforce user group forum and disseminates updates and developments of benefit to the sector
- **Further increase occupancy and manage churn:** during the period CAN Mezzanine Old St reached its growth target and continues to fill the last remaining spaces. Bristol increased our reach and constituency with 40% occupation from inception
- **Increase our positive impact on customers and ultimately their beneficiaries through further developing our offering:** our service now extends to registered office with voicemail service and a special package allowing some desk and meeting room usage for smaller organisations, widening further our impact
- **Further understand the finance and business needs of our customers and develop products to support them and maximise the opportunities in the emerging social investment climate:** CAN Invest has developed services to help Mezzanine customers access grants for investment and contract readiness support. We continue to help organisations within our Mezzanine community and beyond to measure their impact, creating a greater understanding of beneficiary requirements and most valued interventions while allowing them to prove and demonstrate efficacy and value to funders. We continued to deliver our service offering to the CAN Mezzanine constituency, including offering training on a variety of areas such as Investment, Financial and Business Modelling in addition to our CAN Impact consulting work. In conjunction with our corporate partnerships, which includes PA Consulting, we were able to offer further skilled training focussed on sustainability, impact and growth

**Plans for the Future**

The ongoing training for commissioners involved in the implementation of the Social Value Act could herald a new dawn for social organisations contracting in the local and central government marketplace and we will do all we can to promote this agenda and its influence on society at large. We plan to expand our Mezzanine community with at least one new building and a new product aimed at a different market beneficiary group or segment.

CAN's objectives for the forthcoming financial year are as follows

- Obtain at least one further CAN Mezzanine building
- Conduct a review of costs using external appraisal
- Conduct a review of social credentials of suppliers, seeking to increase social organisations in supply chain
- Continue to improve occupancy and constituency
- Undertake in depth customer profiling to establish market segmentation demand and social impact of offering different CAN Mezzanine space and helping an additional beneficiary group.

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**for the year ended 31 March 2013**

**Our Thanks to**

- Our CAN Mezzanine customers and wider social venture network
- Our many supporters
- Our loyal and immensely hard working team who drive and deliver our mission

**Financial Results**

CAN Mezzanine Ltd recorded an unrestricted surplus for the first year since operations commenced of £44,570 (2012 £118,941 deficit) as the Old St property occupancy grew to profitable levels. The new site at Bristol was also opened during the year, the start up losses of which reduced the overall surplus for the organisation. The Bright Red Dot Foundation will continue to support CAN Mezzanine Ltd as necessary until the total funds move into surplus.

**Public Benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

**Reserves Policy**

The Trustees approved a Reserves Policy in 2011 to target a build up of free reserves equivalent to three months' worth of trading expenses in cash or assets that are easily converted into cash. As at 31 March 2013 CAN Mezzanine's unrestricted reserves were a deficit of £238,045 (2012: £395,291 deficit). The management, with the support of the Trustees, aims to continue to build the free reserves level over the coming years.

**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of CAN Mezzanine Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**for the year ended 31 March 2013**

**Auditors**

The auditors, Goodman Jones, have indicated their willingness to continue in office.

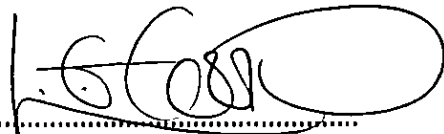
**Statement of Disclosure to Auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the Trustees on 1 October 2013 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'L. Cook', is written over a horizontal dotted line.

**L Cook**  
**Company Secretary**



**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAN MEZZANINE LIMITED**

We have audited the financial statements of CAN Mezzanine Limited for the year ended 31 March 2013 set out on pages 9 to 18. 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 charitable 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 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 and express an opinion on 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 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 Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year 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 matter prescribed by the Companies Act 2006**

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

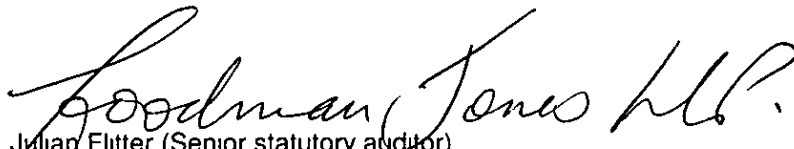
**CAN MEZZANINE LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAN MEZZANINE LIMITED**

**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 trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Julian Flitter (Senior statutory auditor)  
for and on behalf of

**Goodman Jones LLP**

Statutory Auditors

29/30 Fitzroy Square  
London  
W1T 6LQ  
2 October 2013

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income and expenditure account)**  
**for the year ended 31 March 2013**

	<b>Note</b>	<b>Total funds 2013 £</b>	<b>Total funds 2012 £</b>
<b>Incoming resources</b>			
Incoming resources from generated funds			
Interest receivable	<b>2</b>	948	147
Incoming resources from charitable activities	<b>3</b>	1,690,912	1,501,408
<b>Total Incoming resources</b>		<u>1,691,860</u>	<u>1,501,555</u>
<b>Resources expended</b>			
Charitable activities	<b>4</b>	1,642,290	1,615,496
Governance costs	<b>7</b>	5,000	5,000
<b>Total resources expended</b>		<u>1,647,290</u>	<u>1,620,496</u>
<b>Movement in total funds for the year - Net Income/(expenditure) for the year</b>		44,570	(118,941)
<b>Total funds at 1 April 2012</b>		<u>(1,220,879)</u>	<u>(1,101,938)</u>
<b>Total funds at 31 March 2013</b>		<u><u>(1,176,309)</u></u>	<u><u>(1,220,879)</u></u>

All activities relate to continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 11 to 18 form part of these financial statements.

**BALANCE SHEET**  
as at 31 March 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	10		229,997		230,984
<b>Current assets</b>					
Debtors	11	128,397		102,161	
Cash at bank		533,928		609,418	
		<u>662,325</u>		<u>711,579</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(900,370)</u>		<u>(1,106,870)</u>	
<b>Net current liabilities</b>			<u>(238,045)</u>		<u>(395,291)</u>
<b>Total assets less current liabilities</b>			<u>(8,048)</u>		<u>(164,307)</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(1,163,902)		(1,056,572)
<b>Provisions for liabilities</b>					
Other provisions	14		<u>(4,359)</u>		<u>-</u>
<b>Net liabilities</b>			<u>(1,176,309)</u>		<u>(1,220,879)</u>
<b>Charity Funds</b>					
Total funds	15		<u>(1,176,309)</u>		<u>(1,220,879)</u>
<b>Total deficit</b>			<u>(1,176,309)</u>		<u>(1,220,879)</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Trustees on 1 October 2013 and signed on their behalf, by

  
Robin Pauley, Chair

  
Alistair Fraser, Trustee

The notes on pages 11 to 18 form part of these financial statements

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

The financial statements have been prepared on a going concern basis due to the support provided by CAN Mezzanine Limited's sole member Bright Red Dot Foundation Limited.

**1.2 Incoming recognition**

All incoming resources are included in the Statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income is stated after other sales taxes and net of VAT, where applicable.

**1.3 Tangible fixed assets and depreciation**

Excluding computers, all assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases.

Leasehold improvements	-	Over the term of the lease
Communication infrastructure	-	10% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	25% Straight line

**1.4 Grants and donations**

Revenue grants and donations include all income receivable in the period. Where the income covers costs already incurred and are committed, but not yet received, this income has been accrued. The element of such grants and donations received for specific projects which are not expended at the period end is carried forward as restricted funds.

Capital grants and donations received towards capital expenditure are analysed between restricted or unrestricted income in the statement of financial activities on receipt. On expenditure being incurred, fixed assets are capitalised in the appropriate fund.

**1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**1. Accounting policies (continued)**

**1.6 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.7 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out by head office staff. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

All resources expended are inclusive of irrecoverable VAT.

**1.8 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.9 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.10 Dilapidation provision**

Provisions for dilapidations are recognised on a lease by lease basis and are based on the company's best estimate of the likely committed cash outflow.

**1.11 Pensions**

The company contributes to personal pension plans on behalf of employees and the pension charge represents the amounts payable by the company to personal pension plans in respect of the year.

**2. Investment Income**

	<b>Total funds 2013 £</b>	<b>Total funds 2012 £</b>
Investment income	948	147

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**3. Incoming resources from charitable activities**

	<b>Total funds 2013 £</b>	<b>Total funds 2012 £</b>
Serviced office space	<u>1,690,912</u>	<u>1,501,408</u>

**4. Resources expended on charitable activities**

**Summary by activity**

	<b>Activities undertaken directly 2013 £</b>	<b>Support costs 2013 £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Serviced office space	<u>1,558,412</u>	<u>83,878</u>	<u>1,642,290</u>	<u>1,615,496</u>

**Summary by expenditure type**

	<b>Staff costs 2013 £</b>	<b>Depreciation 2013 £</b>	<b>Other costs 2013 £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Serviced office space	<u>167,052</u>	<u>48,167</u>	<u>1,427,071</u>	<u>1,642,290</u>	<u>1,615,496</u>

**5. Direct costs**

	<b>Serviced office space 2013 £</b>	<b>Total 2012 £</b>
Rent and rates	981,953	925,181
Dilapidation provision	4,359	-
Premises expenses	210,769	231,142
Communication services	109,978	102,885
Marketing and promotion	26,181	16,685
Professional fees	1,520	815
Financial costs	2,344	796
Other staff costs	6,089	746
Wages and salaries	149,846	131,795
National insurance	11,128	8,623
Pension cost	6,078	4,293
Depreciation	48,167	42,383
	<u>1,558,412</u>	<u>1,465,344</u>

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**6. Support costs**

	<b>Basis of Allocation</b>	<b>Serviced office space £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Management fees	Turnover	83,878	83,878	150,152

Support costs relate to management fees charged by the company's sole member Bright Red Dot Foundation Limited

**7. Governance costs**

	<b>Total funds 2013 £</b>	<b>Total funds 2012 £</b>
Governance Auditors' remuneration	5,000	5,000

**8. Net incoming resources**

This is stated after charging

	<b>2013 £</b>	<b>2012 £</b>
Depreciation of tangible fixed assets	48,167	42,383
Auditors' remuneration	5,000	5,000
Operating lease rentals	905,729	876,534



**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**9. Staff costs**

Staff costs were as follows.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	149,846	131,795
Social security costs	11,128	8,623
Other pension costs	6,078	4,293
	<u>167,052</u>	<u>144,711</u>

The average monthly number of employees during the year was as follows.

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No.</b>
Administration and management	<u>5</u>	<u>4</u>

No employee received remuneration in excess of £60,000 and no emoluments were paid to the Trustees during the year. There were no outstanding or prepaid contributions to the pension scheme at 31 March 2013.

**10. Tangible fixed assets**

	<b>Leasehold</b>	<b>Fixtures</b>	<b>Computer</b>	<b>Comms</b>	<b>Total</b>
	<b>impr'mts</b>	<b>and fittings</b>	<b>equipment</b>	<b>structure</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Cost</b>					
At 1 April 2012	76,328	108,943	7,543	149,264	342,078
Additions	14,080	22,534	10,566	-	47,180
At 31 March 2013	<u>90,408</u>	<u>131,477</u>	<u>18,109</u>	<u>149,264</u>	<u>389,258</u>
<b>Depreciation</b>					
At 1 April 2012	8,012	55,354	2,949	44,779	111,094
Charge for the year	7,367	22,922	2,952	14,926	48,167
At 31 March 2013	<u>15,379</u>	<u>78,276</u>	<u>5,901</u>	<u>59,705</u>	<u>159,261</u>
<b>Net book value</b>					
At 31 March 2013	<u>75,029</u>	<u>53,201</u>	<u>12,208</u>	<u>89,559</u>	<u>229,997</u>
At 31 March 2012	<u>68,316</u>	<u>53,589</u>	<u>4,594</u>	<u>104,485</u>	<u>230,984</u>

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**11. Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	101,111	70,253
Other debtors	5,295	14,448
Prepayments and accrued income	21,991	17,460
	<u>128,397</u>	<u>102,161</u>

**12. Creditors:**  
**Amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	20,215	68,507
Amounts owed to group undertakings	36,670	267,199
Other taxation and social security	67,713	49,904
Other creditors	292,917	250,182
Accruals and deferred income	482,855	471,078
	<u>900,370</u>	<u>1,106,870</u>

CAN Mezzanine Limited's sole member Bright Red Dot Foundation Limited holds loans secured over freehold property, with cross guarantees from CAN Mezzanine Limited. The balance of these loans at 31 March 2013 was £16.1 million.

**13. Creditors:**  
**Amounts falling due after more than one year**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Lease incentives	968,902	1,056,572
Amounts owed to group undertakings	195,000	-
	<u>1,163,902</u>	<u>1,056,572</u>

CAN Mezzanine Limited received lease incentives from Bright Red Dot Foundation Limited, which are being spread over the life of the lease.

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**14. Provisions**

	<b>Provisions £</b>
At 1 April 2012	-
Additions	4,359
At 31 March 2013	<u>4,359</u>

**Dilapidations**

The provision relates to dilapidation commitments in relation to the lease at Hanover House in Bristol

**15. Statement of funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Carried Forward £</b>
Unrestricted funds	(1,220,879)	1,691,860	(1,647,290)	(1,176,309)

**16. Operating lease commitments**

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings 2013 £</b>	<b>2012 £</b>
<b>Expiry date:</b>		
Between 2 and 5 years	19,069	-
After more than 5 years	<u>1,012,278</u>	<u>987,588</u>

There were no capital commitments as at the 31 March 2013

**CAN MEZZANINE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

**17. Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

**18. Ultimate parent undertaking and controlling party**

The company's ultimate parent company is Bright Red Dot Foundation Limited, also incorporated in the United Kingdom.