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Registered Charity Number
1042435

Registered Company Number
2663906

Islington Chinese Association

Report and Accounts

31 March 2007

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**Islington Chinese Association
Report and accounts
for the year ended 31 March 2007**

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Islington Chinese Association

The report of the trustees for the year ended 31 March 2007

Introduction

The trustees present their annual report and accounts for the year ended 31st March 2007

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees. Their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Act

The board of trustees are satisfied with the performance of the charity during the year and the position at 31st March 2007 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations

The report of the trustees for the period from 1 April 2006 to 31 March 2007

The full name of the charity is Islington Chinese Association

Name, registered office and constitution of the charity

The full name of the charity is the Islington Chinese Association

The legal registration details are -

<i>Date of incorporation</i>	13th November 1991
<i>Company Registration Number</i>	2663906
<i>The Registered Office is</i>	33 Giesbach Road, London N19 3DA
<i>Charity Registration Number</i>	1042435 registered on 29 November 1994
<i>The telephone number is</i>	020-72635986

Objectives and Activities of the Charity

A summary of the objects of the charity as set out in its governing document

- (a) To advance education amongst the said community in the Area through the provision and promotion of facilities for education and training,
- (b) To relieve poverty and distress arising there from amongst the said community in the Area through the provision of advisory services,
- (c) To advance the education of the public in Chinese history, tradition, science, medicine, custom, arts and way of life,
- (d) To promote racial harmony in the Area

The charity's aims including the changes or differences it seeks to make through its activities

ICA is committed to advancing the rights of Chinese people, both on national and global scale. Through our training and educational programmes which encourage partnerships with other community and business groups, we strive to eliminate racial imbalance and thus social injustice

Islington Chinese Association

The report of the trustees for the year ended 31 March 2007

Our overall aims is to
Promote diversity through integration
Challenge limitations
Facilitate social change

An explanation of the charity's main objectives for the year.

An explanation of the charity's main objectives for the year
ICA's main objectives in the year are to redevelop the current premises into a new Centre of excellence with St John Ambulance. The new project will be a milestone in the cooperation of two major British and Chinese charities in the United Kingdom serving the wider community. First aid services, environmental health and safety training, social welfare and the promotion and education of Chinese culture will be an integral part of the future services.

An explanation of the charity's strategies for achieving its stated objectives.

An explanation of the charity's strategies for achieving its stated objectives

A Fund-raising Committee has been formed with Col Brian Kay and Dr Johnny Hon as the co-chairs. A charity Golf event organized by the UK Chinese Golf Association sponsored by SeeWoo Oriental Food Specialist on 6 June 2006 has raised £10,000 for the Capital Fund. Through other fundraising activities and donations, a total of £105,624 was raised up to the spring of 2007.

Details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives.

To mark the 20th Anniversary of the Association, a variety fun show was organized at the Oriental City, Colindale on 10 December 2006. A Street Carnival to celebrate the 20th Anniversary of the Association, as well to celebrate the Chinese New Year of the Pig was organized on 17 February 2007 at the green space outside the Centre. The programme was also part of the China in London Festival presented by the Mayor of London. The Carnival was attended by the Mayor of Islington, Member of Parliament, and Councillors and over 500 spectators.

The unique Luncheon Club and Meals on the Wheels continue to provide a 5 days week services to the older members of the community. The Golden Walk programme and other activities to encourage a positive life style have been successfully implemented.

A Domestic Violence project had been instrumental and helpful to the vulnerable sector of the Chinese community. The 'Teens Project' children's dance and music classes on Saturday, along with the Chinese Supplementary School, have been a success in bonding ties between the children and their families. A second bilingual cook book 'Eats Healthy, Kids Happy' was published supported by Award for All.

Youth project included the second musical 'Changing Fortunes' performed at the Arts Depot for 2 performances in April 2007.

ICA works closely with Islington Social Services and other Statutory and Voluntary organizations to promote, protect and provide needy welfare services to the underprivileged and less fortunate people of the community.

Islington Chinese Association

The report of the trustees for the year ended 31 March 2007

Apart from the interest group activities including Tai-chi and Martial Arts, Social Dance, Table-tennis Club, ICA Singing Group, Hair Cutting, Cantonese Operatic Group, ICA organize a residential trip to the Lake District on 26-29 August and an overseas trip to Yellow Mountain in China in October. Day trips to Broadstairs and Thames Cruise were all fully subscribed.

The Charity's grant making policies

The Charity does not give out grants.

Social or programme related investment

The charity does not make such investments.

The contribution of volunteers

Volunteers contributed immensely to the daily running and management of the Association. Their expertise and experience helped to raise the profile of the Association. Dr Stephen Ng and Karen Kwok were both London Champions of the 2005 Year of Volunteer organized by CSV and Home Office. Dr Ng also ran the London Marathon in 2007 and completed 2/3 of the End to end Walk raising more than £15,000 for the Association. Yuen Liu and Kam Shing Lam were awarded Outstanding Chinese Older People in 2006, Katy Tse-Blair was winner of the Outstanding Chinese Women Award in 2006. Mana Wong has won the 2006 Civic Award presented by the Mayor of the Borough of Islington, likewise Perry Fung also received the Civic Award in 2007.

Achievements and Performance of the Charity

A review of charitable activities undertaken by the charity

ICA was the only Chinese charity in England being awarded the 2005 Queen's Award for Community Voluntary Service.

Fundraising activities

The Golf Event on 6 June 2006 raised £10,000, the variety fun show on 10 December saw Wing Yip Plc donated £3,000 and other fund-raising events.

The charity relies on grant aid from the donors identified in the accounts, whose support is valued.

Investment performance achieved against investment objectives set

The charity does not make material investments.

Factors relevant to the achievement of the charity's objectives

The recruitment of the services of volunteers is of paramount importance to the success of the Charity. Islington Chinese Association will continue to promote and train volunteers to achieve this goal. Stability and versatility of the trustees will also direct the association into the right direction.

Islington Chinese Association work closely with Islington Council providing valuable services to the vulnerable sector of the community. Financial support from the Council is vital for success of the future programmes and services.

Islington Chinese Association

The report of the trustees for the year ended 31 March 2007

Summary of the main achievements of the charity during the year

See the section of this report entitled 'Details of significant activities'

Employment of disabled persons

The Association operated under the Equal Opportunities Policy

Structure, Governance and Management

Nature of the Governing Document and constitution of the charity

The charity is governed by a Memorandum and Articles of Association under the regulations of the Companies Act 1985

The charity has a board of directors, known as the management committee, which take all policy decisions relating to the charity

The methods adopted for the recruitment and appointment of new trustees and for the induction and training of trustees.

The Management Committee members are nominated and seconded by members and elected at the Annual General Meeting. There is a quorum for the AGM governed by the constitution and memorandum of article of the Association. The tenure is for 2 years, all newly elected Management Committee members will be provided with a induction course on the duties and rules stipulated by the Charity Commission

The organisational structure of the charity and how decisions are made.

ICA is an independent charity. Policies and decision are discussed and passed at the Management Committee Meetings which were held on a 6-8 weeks interval

The major risks to which the charity is exposed and reviews and systems to mitigate risks

A Health Check has been produced on behalf of Charities Aid Foundation for the Association agreed on 5 August 2005. Findings have shown that the Association has great potential to grow and develop but detailed business and fundraising planning needs to take place across all areas with clear strategies, time lines, performance indicators and lines of accountability across all functions. Thus, whilst ICA has made good progress in beginning the planning process with its current Business Plan for 2005-7 this should be regarded a starting point for further development work

Relationships with other groups, charities and individuals

ICA enjoys excellent relationship with the Chinese media, Chinese business and maintains a high and popular profile among the Chinese community in the UK. ICA also works and receives grants from major and smaller Trusts and Grant-making Charities in the UK

Financial Review

Policies on reserves

The financial review of the Association is regarded as healthy. Cheques have to be signed by 2 Trustees. Reserves are monitored by the Treasurer and the use of any reserve has to be approved by Trustees at the Committee Meeting

Islington Chinese Association

The report of the trustees for the year ended 31 March 2007

Funds in deficit

Although there is a notional deficit on unrestricted funds, arising as a result of the creation of a designated fund, the trustees are satisfied that this will not cause undue problems for the following reasons -

- a) In strict legal terms, the designated funds and the unrestricted funds can be aggregated, and it is open to the trustees at any time to undesignate the funds
- b) The trustees are actively seeking, in the period subsequent to 31st March 2008, to generate unrestricted income, and reduce unrestricted costs, partly by seeking restricted funding for specific salaried positions. The trustees are confident that this strategy will restore the unrestricted funds to surplus over a period, without the requirement to aggregate them with the designated funds. In the course of the current year, the deficit has reduced by £1,888

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity.

The Youth programme and parental workshops were extremely successful and popular among the members. Sports activities and drug and alcohol awareness programmes were well run and the youth continue to meet at the Chinese Energetic Youth Enthusiasts (CEYE) Club. The funding from Princess Diana Memorial Trust was well used.

The Luncheon Club and Meals on the Wheels provided much needed services to the Chinese and wider community in Islington. The contract with Islington Council and Islington Primary Trust to provide these unique services is of the highest standard.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Transactions and Financial position

The financial statements are set out on pages 9 to 27. The financial statements have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective April 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). As stated in the introduction to this report, the trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities show net incoming resources for the year of a revenue nature of £41,749 (2006 - £33,369) and net realised incoming resources of a capital nature of £nil (2006 - £nil), making net overall realised incoming resources of £41,749 (2006 - £33,369).

The total reserves at the year end stand at £182,867 (2006 - £141,118) and a majority of the expenditure is spent on management and administration.

Specific changes in fixed assets

There have been no movements in fixed assets, other than the provision for depreciation.

Islington Chinese Association

The report of the trustees for the year ended 31 March 2007

Share Capital

The company is limited by guarantee and therefore has no share capital

Plans for Future Periods

ICA's main objectives in the year are to redevelop the current premises into a new Centre of excellence with St John Ambulance. The new project will be a milestone in the cooperation of two major British and Chinese charities in the United Kingdom serving the wider community. First aid services, environmental health and safety training, social welfare and the promotion and education of Chinese culture will be an integral part of the future services.

The name of the Chief Executive Officer and other senior staff member(s) to whom day to day management of the charity is delegated by the charity trustees.

Senior Staff Members

Founder and Fund Raising Director Ms Katy Tse-Blair

Youth Project Manager Perry Fung

The members of the Board of Trustees of the Charity during the year ended 31st March 2007 and at the date the report was approved were :-

Committee Members

Chairman Dr Stephen Ng

Vice Chair Susie Yau

Secretary Ammy Cheng

Treasurer Chin Sin Tham

Trustees Mary Cheung, Helena Hon, Weiling Choi (resigned 23 January 2007), Chun Loy So, Hing Tsang, Florence Mo

All the directors are members of the company

Bankers

Lloyds TSB Highbury Corner Branch, 31 Holloway Road London N7 8JU

Solicitors

No solicitors are appointed

Investment advisors

No investment advisors are appointed

Reporting Accountants

Peter Brown & Co

Chartered Certified Accountants & Registered Auditors

Acomb Grange

Grange Lane

York

Islington Chinese Association

The report of the trustees for the year ended 31 March 2007

Statement of Directors' and Trustees' Responsibilities

Charity Law and the Companies Acts require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to -

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business
- 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,

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

The trustees are also responsible for the contents of the trustees' report, and the responsibility of the auditors in relation to the trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

Method of preparation of accounts

The trustees, in their capacity as directors, state that the accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board of trustees on 24th November 2007.

Dr Stephen Ng
Director and Trustee



**Islington Chinese Association
Accountant's Report**

**Accountant's report to the Directors and trustees
on the accounts of the Charity for the year ended 31 March 2007**

We report on the accounts of the charity which comprise the Statement of Financial Activities, the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes, as set out on pages 9 to 27. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, effective January 2005, and in accordance with the requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005, under the historical cost convention and in accordance with the accounting policies set out in the notes to the financial statements.

Respective responsibilities of trustees as directors and of the reporting accountants

As described on page 7 the charity's trustees acting as directors are responsible for the preparation of the accounts. The directors consider that the company is exempt from the requirements of an audit and that there is no requirement in the articles of the charity for the conducting of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Accountant's report and opinion


In our opinion -

(a) The financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985,

(b) Having regard only to, and on the basis of, the information contained in those accounting records

1) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act,

2) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)



Peter Brown & Co
Chartered Certified Accountants
Acomb Grange
Grange Lane
York
YO23 3QZ

The date upon which our opinion is expressed is
6th December 2007

**Islington Chinese Association
Statement of Financial Activities
for the year ended 31 March 2007**

	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
Notes	2007 £	2007 £	2007 £	2006 £
Incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary Income	8,444	64,821	73,265	126,411
Activities for generating funds	28,998	51,211	80,209	48,280
Investment Income	751	4,306	5,057	2,654
<i>Incoming resources from charitable activities</i>	45,319	41,119	86,438	59,383
Total incoming resources	83,512	161,457	244,969	236,728
<i>Costs of generating funds</i>				
Costs of generating voluntary income	24,035	41,119	65,154	73,081
Fundraising trading - costs of goods and other costs	-	-	-	815
Investment management costs	-	-	-	-
<i>Costs of charitable activities</i>	56,443	79,559	136,002	127,828
<i>Governance costs</i>	2,064	-	2,064	1,635
<i>Other resources expended</i>	-	-	-	-
Total resources expended	82,542	120,678	203,220	203,359
Net incoming resources before transfers between funds	970	40,779	41,749	33,369
Gross transfers between funds	-	-	-	-
Net incoming resources before Other recognised gains and losses	970	40,779	41,749	33,369
Other recognised gains and losses	-	-	-	-
Net movement in funds	970	40,779	41,749	33,369
Reconciliation of funds				
<i>Total funds brought forward</i>	1,347	139,771	141,118	107,749
Total Funds carried forward	2,317	180,550	182,867	141,118

The net movement in funds referred to above is the net incoming resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales and is reconciled to the total funds as shown in the Balance Sheet on page 13 as required by the said statement

All activities derive from continuing operations

The notes on pages 15 to 23 form an integral part of these accounts.

**Islington Chinese Association
Statement of Financial Activities
for the year ended 31 March 2007**

**Income and Expenditure Account as required by the Companies Act
for the year ended 31 March 2007**

	2007	2006
	£	£
Turnover	239,912	234,074
Direct costs of turnover	201,156	201,724
Gross surplus	<u>38,756</u>	<u>32,350</u>
Governance costs	2,064	1,635
Operating surplus	<u>36,692</u>	<u>30,715</u>
Interest receivable	5,057	2,654
Surplus on ordinary activities before tax	<u>41,749</u>	<u>33,369</u>
Surplus for the financial year	<u>41,749</u>	<u>33,369</u>
Retained surplus for the financial year	<u>41,749</u>	<u>33,369</u>

All activities derive from continuing operations

The notes on pages 15 to 23 form an integral part of these accounts.

**Islington Chinese Association
Statement of Financial Activities
for the year ended 31 March 2007**

**Statement of Total Recognised Gains and Losses
for the year ended 31 March 2007**

	2007	2006
Excess of Expenditure over income before realisation of assets	41,749	33,369
Profit per Profit and Loss account	41,749	33,369
Net Movement in funds before taxation	41,749	33,369

**Movements in revenue and capital funds
for the year ended 31 March 2007**

Revenue accumulated funds	Unrestricted	Restricted	Total	Last year
	Funds	Funds	Funds	Total Funds
	2007	2007	2007	2006
	£	£	£	£
Accumulated funds brought forward	(24,704)	139,771	115,067	80,285
Recognised gains and losses before transfers	970	40,779	41,749	33,369
	(23,734)	180,550	156,816	113,654
Transfers from designated funds	918	-	918	1,413
Closing revenue accumulated funds	(22,816)	180,550	157,734	115,067

Designated revenue funds	Total	Last year
	Funds	Total Funds
	2007	2006
	£	£
At 1 April	25,000	25,000
Transfer (to)/from revenue accumulated funds	(918)	(1,413)
Transfer from designated fixed asset funds	918	1,413
At 31 March	25,000	25,000

The purposes for which the designated funds have been established are described in the notes to the accounts

Fixed asset funds	Designated	Restricted	Total	Last year
	Funds	Funds	Funds	Total Funds
	2007	2007	2007	2006
	£	£	£	£
At 1 April	1,051	-	1,051	2,464
Transfer to designated revenue funds	(918)	-	(918)	(1,413)
At 31 March	133	-	133	1,051

The purpose of the transfers between Revenue Reserves, Designated Funds and Fixed Asset Funds is described in the notes to the accounts

The notes on pages 15 to 23 form an integral part of these accounts

**Islington Chinese Association
Statement of Financial Activities
for the year ended 31 March 2007**

Summary of funds	Designated	Unrestricted	Restricted	Total	Last Year
	Funds	Funds	Funds	Funds	Total Funds
	2007	2007	2007	2007	2006
Revenue accumulated funds	-	(22,816)	180,550	157,734	115,067
Revenue designated funds	25,000	-	-	25,000	25,000
Fixed asset funds	133	-	-	133	1,051
Total funds	25,133	(22,816)	180,550	182,867	141,118

The statement of changes in resources applied for fixed assets for Charity use is shown in the notes to the accounts

The notes on pages 15 to 23 form an integral part of these accounts.

Islington Chinese Association
Balance Sheet
as at 31 March 2007

	Notes	2007 £	2006 £
<i>The assets and liabilities of the charity :</i>			
Fixed assets			
Tangible assets	7	133	1,051
Total fixed assets		<u>133</u>	<u>1,051</u>
Current assets			
Debtors	8	5,291	27,636
Cash at bank and in hand		192,906	119,714
Total current assets		<u>198,197</u>	<u>147,350</u>
Creditors:-			
amounts due within one year	9	(15,463)	(7,283)
Net current assets		<u>182,734</u>	<u>140,067</u>
Total assets less current liabilities		<u>182,867</u>	<u>141,118</u>
Creditors:-			
amounts due after more than one year		-	-
Provisions for liabilities and charges		-	-
Net assets including pension asset / liability		<u>182,867</u>	<u>141,118</u>
<i>The funds of the charity .</i>			
Unrestricted income funds			
Unrestricted revenue accumulated funds	(22,816)	(24,704)	(24,704)
Designated revenue funds	25,000	25,000	25,000
Unrestricted capital funds			
Designated fixed asset funds	133	1,051	1,051
Total unrestricted funds		2,317	1,347
Restricted income funds			
Restricted revenue accumulated funds	180,550	139,771	139,771
Restricted capital funds			
Restricted revaluation reserve	-	-	-
Total restricted funds		<u>180,550</u>	<u>139,771</u>
Total charity funds		<u>182,867</u>	<u>141,118</u>

The notes on pages 15 to 23 form an integral part of these accounts.

**Islington Chinese Association
Balance Sheet
as at 31 March 2007**

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act

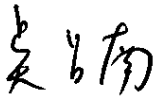
The directors acknowledge their responsibility for

(i) ensuring ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

The accounts have been prepared in accordance with the special provisions relating to small companies under s246 of the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Trustee



Dr Stephen Ng

Approved by the trustees on 24th November 2007



Chin Sin Tham

The notes on pages 15 to 23 form an integral part of these accounts.

**Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007**

1 Accounting policies

Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2007, and all other applicable accounting standards, as modified by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005. The accounts have been drawn up in accordance with the provisions of the Charities Act and the Companies Act.

Insofar as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of paragraph 3(3) of Schedule 4 of the Companies Act 1985 to allow the format of the financial statements to be adapted to reflect the special nature of the company's operation.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared, on a going concern basis, under the historical cost convention.

The charity is partly dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid.

Incoming Resources

Incoming resources are accounted for on a receivable basis.

Investment Income

Bank interest received is included on an actual receipts basis.

Deferred income

In accordance with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

**Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007**

Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales

Resources Expended

Allocation of costs within types of resources expended

The policy for including items within the relevant activity of categories of resources expended is that, wherever possible, expenditure is identified to the project to which it relates, and where this is not possible the allocation and apportionment of costs is estimated on a reasonable and consistent basis by the trustees, the basis normally being pro rata to the relevant income

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is -

Costs of generating funds

All costs specifically related to fundraising and fund generation, including related management and administration costs, are included in this heading

Charitable activities

All costs directly related to the meeting of the objectives of the charity, including related management and administration costs, are included in this heading

Governance costs

Governance costs only includes the necessary costs of legal compliance

Unrealised and realised gains

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into

Unrealised gains and losses are computed by reference to the market value of the investments at the balance sheet date, compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off

Fixed assets and depreciation

All tangible fixed assets are stated at cost less depreciation

Items of less than £100 are not capitalised

Depreciation has been provided at the following rates in order to write off the assets (less their expected residual value) over their estimated useful economic lives

Office Furniture	100% in the year of acquisition
Equipment	33 33% straight line
Plant and machinery	25% straight line

Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007

A regular annual review of the likelihood of asset impairment is undertaken. The basis of this review is that the assets are examined by the trustees for their fitness for purpose in their current use.

Capital grants

The board of trustees consider that, in order to comply with the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective October 2005), gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilised in the furtherance of the objects of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

If the related assets are subject to restrictions by the grant making organisation on their use and disposal, then these restrictions are noted in the fixed asset section of these accounts. In such circumstances, the fixed asset fund created is treated as a restricted fixed asset fund. As the related assets are depreciated, then a transfer is made from restricted fixed asset funds to unrestricted revenue reserves to reflect the diminution in the asset subject to the restriction. In this year, a sum of £nil (2006 - £nil) was transferred from restricted fixed asset funds to unrestricted revenue reserves.

If the related assets are not subject to restrictions by the grant making organisation on their use and disposal, then the fixed asset fund created is treated as a designated fixed asset fund. As the related assets are depreciated, then a transfer is made from designated fixed asset funds to unrestricted revenue reserves to reflect the diminution in the asset. In this year, a sum of £918 (2006 - £1,413) was transferred from designated fixed asset funds to unrestricted revenue reserves.

Any residual liability to the donor arising from, for example, the asset's future sale, is disclosed as a contingent liability unless the event that would trigger repayment of the grant becomes probable in which case a liability for repayment is recognised.

Insofar as this policy relates to Government grants and to the extent that it may be a departure from the Statement of Standard Accounting Practice Number 4, such departure is justified on the basis that it is in order to comply with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities.

Finance and operating leases

Rentals payable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007

Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

A fixed asset fund is maintained which represents the written down value of tangible fixed assets, and is divided into a restricted fixed asset fund representing the written down value of those assets subject to restrictions, with the balance being in a designated fund representing the written down value of those assets free of restrictions. The detailed operation of these funds is described under the accounting policy 'Capital grants'.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above.

Any other proposed transfer between funds would be considered on the particular circumstances.

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

3 Surplus for the financial year	2007	2006
	£	£
This is stated after crediting :-		
Revenue Turnover from ordinary activities	239,912	234,074
and after charging:-		
Depreciation of owned fixed assets	1,017	1,614
Rentals under operating leases	-	8,700
Indemnity Insurance for trustees and employees	405	405
Reporting Accountant's fees	1,325	850

Funds belonging to the charity have been used for the purchase of insurance to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against the consequences of any neglect or default on their part. The sum expended on such insurance was as indicated in the above schedule.

4 Expenses paid to trustees or persons connected with trustees

	2007	2006
	£	£
The aggregate amount of expenses paid to trustees was	<u>334</u>	<u>380</u>

**Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007**

The nature of the expenses was the cost of arranging management committee meetings, and related to all of the trustees. No other expenses were paid to trustees.

5 Detailed analysis of certain transactions required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005)

Various items, including the analysis of support costs and charitable expenditure, which are required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005) to be disclosed in the notes to the accounts are set out in the Detailed Schedule to the Statement of Financial Activities pages 24 to 27, which should be read together with these notes.

6 Investment Income	2007	2006
	£	£
Bank deposit interest received	5,057	2,654
	<u>5,057</u>	<u>2,654</u>
	£	£
Gross Salaries	68,636	46,943
Employer's National Insurance	3,181	3,998
	<u>71,817</u>	<u>50,941</u>
Numbers of full time employees or full time equivalents	2007	2006
Engaged on charitable activities	3	4
Engaged on publicity activities		3
Engaged on management and administration	1	1
	<u>4</u>	<u>8</u>

There were no fees or other remuneration paid to the trustees or persons connected with them.
There were no employees with emoluments in excess of £60,000 per annum.

**Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007**

7 Tangible functional fixed assets

	Equipme nt £	Total £
Asset cost, valuation or revalued amount		
At 1 April 2006	8,419	8,419
Additions	99	99
Surplus on revaluation	-	-
At 31 March 2007	<u>8,518</u>	<u>8,518</u>
Accumulated depreciation and impairment provisions		
At 1 April 2006	7,368	7,368
Depreciation on revaluation	-	-
Charge for the year	1,017	1,017
At 31 March 2007	<u>8,385</u>	<u>8,385</u>
Net book value		
At 31 March 2007	<u>133</u>	<u>133</u>
At 31 March 2006	<u>1,051</u>	<u>1,051</u>

All assets are used for direct charitable purposes and there are no inalienable or heritage assets

The methods used in the impairment review to determine net realisable value and value in use were as noted under accounting policies

8 Debtors	2007 £	2006 £
Trade Debtors	5,291	24,568
Accrued Income	-	2,398
Prepayments	-	670
	<u>5,291</u>	<u>27,636</u>
9 Creditors: amounts falling due within one year	2007	2006
Bank loans and overdrawn bank accounts	3,550	1,232
Trade creditors	7	1,682
Other creditors	292	-
Accruals	3,118	4,369
PAYE & NIC	1,071	-
Grants in advance and deferred income	7,425	-
	<u>15,463</u>	<u>7,283</u>

Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007

10 Operating Leases	2007	2006
	£	£
At the year end the company had annual commitments under non cancellable operating leases as set out below		
Operating leases which expire within two to five years	10,800	8,700

The charity negotiated rental terms with their landlord, the effect of which was that no rent is payable between January 2006 and September 2007. This was a commercial arrangement.

11 Analysis of the Net Movement in Funds	2007	2006
	£	£
Net movement in funds from Statement of Financial Activities	41,749	33,369
Net resources applied on functional fixed assets	(99)	(201)
Net movement in funds available for future activities	41,650	33,168

The net resources applied on functional fixed assets and the net investment in programme related investments represents the cost of additions less proceeds of any disposals.

12 Particulars of Individual Funds and analysis of assets and liabilities representing funds				
At 31 March 2007	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	-	133	-	133
Current Assets	-	15,951	182,246	198,197
Current Liabilities	(24,511)	9,048	-	(15,463)
	<u>(24,511)</u>	<u>25,132</u>	<u>182,246</u>	<u>182,867</u>
At 1 April 2006				
	£	£	£	£
Tangible Fixed Assets	-	1,051	-	1,051
Investments at valuation	-	-	-	-
Current Assets	-	5,309	142,041	147,350
Current Liabilities	(24,704)	19,691	(2,270)	(7,283)
	<u>(24,704)</u>	<u>26,051</u>	<u>139,771</u>	<u>141,118</u>

Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007

	Funds at 2006	Movements in Funds	Transfers Between funds	Funds at 2007
	£	£	£	£
Premises Fund	114,584	46,036	-	160,620
Youth Sports & Leisure Fund	-	1,000	-	1,000
Counselling and Parenting Project	2,563	(2,563)	-	-
Luncheon Club	-	-	-	-
Drugs Awareness Training	7,632	(7,632)	-	-
Childrens' Musical Group	683	8,327	-	9,010
Publications	4,394	(974)	-	3,420
London Borough of Islington	-	-	-	-
Cycling Project	2,225	(2,225)	-	-
Refugee Development	5,000	(5,000)	-	-
Business Advisory	2,059	-	-	2,059
Domestic Violence Outreach	631	1,475	-	2,106
Community Base Business Advice	-	-	-	-
Richard Cloudsley's Charity	-	-	-	-
UK Trips fund	-	-	-	-
Shanghai trip fund	-	-	-	-
Lloyds TSB Foundation	-	975	-	975
Help a London Child	-	1,360	-	1,360
Designated Fixed Asset Funds	1,051	-	(918)	133
Designated Revenue Funds	25,000	-	-	25,000
Islington Council- Meals on wheels	-	-	-	-
Unrestricted Funds	(24,704)	970	918	(22,816)
	<u>141,118</u>	<u>41,749</u>	<u>-</u>	<u>182,867</u>

Analysis of movements in funds as shown in the table above

Premises Fund	55,517	9,481	-	46,036
Youth Sports & Leisure Fund	1,000	-	-	1,000
Counselling and Parenting Project	-	2,563	-	(2,563)
Drugs Awareness Training	-	7,632	-	(7,632)
Childrens' Musical Group	9,687	1,360	-	8,327
Publications	-	974	-	(974)
Cycling Project	-	2,225	-	(2,225)
Refugee Development	-	5,000	-	(5,000)
Business Advisory	-	-	-	-
Domestic Violence Outreach	2,875	1,400	-	1,475
Community Base Business Advice	17,262	17,262	-	-
Richard Cloudsley's Charity	1,000	1,000	-	-
UK Trips fund	10,381	10,381	-	-
Shanghai trip fund	30,738	30,738	-	-
Lloyds TSB Foundation	2,475	1,500	-	975
Help a London Child	1,360	-	-	1,360
Designated Fixed Asset Funds	-	-	-	-
Designated Revenue Funds	-	-	-	-
Islington Council- Meals on wheels	29,162	29,162	-	-
Unrestricted Funds	83,512	82,542	-	970
	<u>244,969</u>	<u>203,220</u>	<u>-</u>	<u>41,749</u>

**Islington Chinese Association
Notes to the Accounts
for the year ended 31 March 2007**

Purposes of funds and the nature of restrictions applicable

The premises fund has been established to fund future premises developments and may only be applied for this purpose

The other restricted funds arise from grant income or contractual payments received, and may only be applied for the specific purposes of the funds concerned, the purposes being adequately described by the names of the funds as set out above

The designated funds have been set aside out of unrestricted funds by the trustees for the following specific purposes -

	2006	2005
Improvements to premises	15,000	15,000
Staff costs contingency fund	10,000	10,000
	-----	-----
Total	£ 25,000	£ 25,000
	=====	=====

Although this has created a notional deficit on unrestricted funds, the trustees are satisfied that this will not cause undue problems for the following reasons -

- a) In strict legal terms, the designated funds and the unrestricted funds can be aggregated, and it is open to the trustees at any time to undesignate the funds
- b) The trustees are actively seeking, in the period subsequent to 31st March 2007, to generate unrestricted income, and reduce unrestricted costs, partly by seeking restricted funding for specific salaried positions. The trustees are confident that this strategy will restore the unrestricted funds to surplus over a period, without the requirement to aggregate them with the designated funds

Explanation of the nature of each material transfer between funds.

The transfers between the funds as shown above are in compliance with the accounting policies

13 Endowment Funds

The charity had no endowment funds in the year ended 31st March 2007 or in the year ended 31st March 2006

14 Share Capital

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter

There are 518 members of the company (2006 - 690 members)

Islington Chinese Association
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

Status of this schedule to the Statement of Financial Activities

The schedules on the following pages are required by the disclosure requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005

As such, they form a part of the accounts required by the Charities (Accounts and Reports) Regulations 2005

They do not form a part of the accounts required by the provisions of the Companies Acts, but to some extent they may duplicate information found elsewhere in the accounts

Incoming Resources

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Prior Period Total Funds 2006 £
Incoming Resources from generated funds				
Voluntary Income				
Grants, legacies and donations				
Government and public bodies				
Incoming resources of a revenue nature				
The Community Fund	-	-	-	20,796
London Borough of Islington -	-	1,000	1,000	15,311
The Arts Council England	-	4,687	4,687	1,683
Awards For All	-	5,000	5,000	5,000
Home Office -Refugee Community Development Fund	-	-	-	5,000
London Borough of Islington - Drugs Awareness	-	-	-	6,300
London Borough of Islington - Other funds	-	-	-	100
Islington Council - Meals on wheels	-	29,163	29,163	22,485
Total	-	39,850	39,850	76,675
Non government and non public bodies				
Incoming resources of a revenue nature				
The Diana, Princess of Wales Memorial Fund	-	-	-	36,889
Latin American Womens' Aid	-	2,875	2,875	-
Capital Radio - Help a London Child	-	1,360	1,360	-
Richard Cloudesley's Charity	-	-	-	250
Association of Community Base Business Advice	-	17,261	17,261	3,772
Age Concern Islington	-	-	-	200
Good Going - Cycle London Promotional Partnership	-	-	-	3,000
IMECE Turkish Speaking Women's Group	-	-	-	2,000
Sundry donations under £1000	4,679	-	4,679	210
Richard Cloudsley's Charity	-	1,000	1,000	-
Lloyds TSB Foundation	-	2,475	2,475	-
Total	4,679	24,971	29,650	46,321
Total Grants,Legacies & Donations Received	4,679	64,821	69,500	122,996

Islington Chinese Association
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Prior Period Total Funds 2006 £
Other voluntary income				
Members' Subscriptions	3,765	-	3,765	3,415
Total Voluntary Income	8,444	64,821	73,265	126,411
Activities for generating funds				
Fundraising activities	21,223	51,211	72,434	48,280
Temporary letting and licensing of charitable property	7,775	-	7,775	-
Total of activities for generating funds	28,998	51,211	80,209	48,280
Investment Income				
Bank deposit interest received	751	4,306	5,057	2,654
Total Investment Income	751	4,306	5,057	2,654
Incoming resources from charitable activities				
Primary purpose trading	45,319	-	45,319	51,367
Iceland trip	-	-	-	8,016
Shanghai	-	30,738	30,738	-
UK Trip	-	10,381	10,381	-
Total Incoming resources from charitable activities	45,319	41,119	86,438	59,383
Total Incoming Resources	83,512	161,457	244,969	236,728
Costs of generating funds				
Costs of generating voluntary income				
Salary costs of fundraising	-	-	-	34,749
NIC on fundraising salaries	-	-	-	2,915
Cost of fundraising activities	12,427	41,119	53,546	23,809
	12,427	41,119	53,546	61,473
Support costs for generating voluntary income				
Costs reallocated from governance costs	11,608	-	11,608	11,608
	11,608	-	11,608	11,608
Total costs of generating voluntary income	24,035	41,119	65,154	73,081
Fundraising				
Total Fundraising costs	-	-	-	815

Islington Chinese Association
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Prior Period Total Funds 2006 £
Charitable expenditure				
Costs of activities in furtherance of the charity's objectives				
Cost of goods or services as a charitable activity	5,340	28,329	33,669	47,244
Sundry donations made	275	-	275	-
	5,615	28,329	33,944	47,244
Support costs of charitable activities				
Gross wages and salaries - charitable activities	20,587	48,049	68,636	40,897
Employer's NI - Charitable activities	-	3,181	3,181	3,566
Volunteers' Costs	3,205	-	3,205	7,156
Resource Costs	-	-	-	664
Marketing of services	722	-	722	640
Costs reallocated from governance costs	25,297	-	25,297	26,047
Depreciation of assets used for charitable purposes	1,017	-	1,017	1,614
	50,828	51,230	102,058	80,584
Total costs of charitable activities	56,443	79,559	136,002	127,828
Governance costs that are not direct management functions inherent in generating funds, service delivery and programme or project work (including management and administration costs)				
Specific governance costs				
Indemnity insurance	405	-	405	405
Trustees expenses	334	-	334	380
Salaries - Administrative staff	-	-	-	6,046
Employer's NI- Administrative staff	-	-	-	432
Reporting Accountant's Fees	1,325	-	1,325	850
Other accountancy fees	-	-	-	250
Consultancy fees	14,527	-	14,527	-
Other legal and professional	-	-	-	30

Islington Chinese Association
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Prior Period Total Funds 2006 £
Management and administration costs				
Employee costs.				
Training and welfare	-	-	-	130
Travel and subsistence	-	-	-	403
Motor expenses	1,084	-	1,084	-
Premises Costs				
Rent payable	-	-	-	8,700
Rates, water & service charges	831	-	831	930
Insurance	1,745	-	1,745	2,955
Light and heat	3,623	-	3,623	3,491
Cleaning & Waste	895	-	895	690
Premises repairs and renewals	1,670	-	1,670	2,046
TV Licence and subscription	-	-	-	496
General administrative expenses:				
Telephone and fax	1,108	-	1,108	1,292
Postage	1,939	-	1,939	-
Stationery Postage and printing	8,041	-	8,041	8,556
Subscriptions	730	-	730	306
Bank charges	301	-	301	353
Sundry expenses	411	-	411	549
Less Governance costs reallocated to specific activities				
Costs of generating voluntary income	(11,608)	-	(11,608)	(11,608)
Fundraising Trading Cost of goods sold etc	-	-	-	-
Investment management costs	-	-	-	-
Support costs for charitable activities	(25,297)	-	(25,297)	(26,047)
Total governance costs after reallocation	2,064	-	2,064	1,635

The basis for the allocation of costs as shown above is explained in the accounting policies and the notes to the accounts