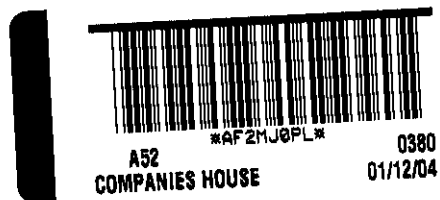


ISLINGTON CHINESE ASSOCIATION

**TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS**

31ST MARCH 2004



Company Number 2663906

CONTENTS

| | Page |
|---|------|
| Legal and Administrative Information | 2 |
| Trustees' Report | 3-4 |
| Independent Auditors' Report | 5 |
| Statement of Financial Activities and Income and Expenditure Account | 6 |
| Balance Sheet | 7 |
| Notes to the Financial Statements | 8-10 |

ISLINGTON CHINESE ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION AS AT 31ST MARCH 2004

Status

The company is limited by guarantee without a share capital under registration number 2663906 and is a registered charity under number 1042435.

Trustees

The trustees who served during the year were:

| | | |
|----------------|---|-------------------------|
| Fiona Au | - | Throughout the year |
| Mary Cheung | - | " " " |
| Christine Chin | - | " " " |
| Helena Hon | - | " " " |
| Chun Loy So | - | " " " |
| Florence Mo | - | " " " |
| Susie Yau | - | " " " |
| Kim Ng | - | Appointed November 2003 |
| Stephen Ng | - | " September 2003 |
| Hans Hung | - | Resigned November 2003 |
| Mee Ling Ng | - | " " " |

The trustees of the charity are also directors of the company and there are no other trustees.

The trustees are all members of the company and collectively comprise the management committee which is the governing body of the company.

Registered Office 33 Giesbach Road
London
N19 3DA

Bankers Lloyds Bank Plc
31/33 Holloway Road
London
N7 8JP

Auditors John Rogers & Co.
Chartered Accountants & Registered Auditors
232 Leigham Court Road
London
SW16 2RB

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2004**

The trustees present their report and the financial statements for the year ended 31st March 2004.

Activities

The company's principal activity is the pursuance of any charitable object calculated to benefit the community, and in particular members of the Chinese community, within the Borough of Islington.

Organisation

The charity is managed by a board of trustees currently comprising 9 members which meets bi-monthly and takes all decisions regarding policy and the direction of the charity. The day to day management is carried out by a manager and other employees.

Risk Management

The trustees are in the process of carrying out a review of the major risks faced by the charity and establishing procedures to mitigate the effect of any risks identified.

Reserves Policy

The charity receives funding from the local authority and charitable trusts and such funding is generally short term and subject to fluctuations. Therefore the trustees are aiming to build up the free reserves to the level of approximately six months expenditure to provide some security for periods when there is a shortfall in income.

Review of the Year

For the financial year ending 31st March 2004, the Association obtained £69,390 extra monies from various funding and income sources, increasing its revenue by 49% from 2003 to £211,851. Although the main additional contributors are the Diana, Princess of Wales Memorial Fund, other smaller funds were also identified to support and develop a diversity of projects during the year.

With a continued objective to maintain tight control over expenses, a net surplus of £9,118 is reported at the year end. This brings the reserves back to above the £50,000 level.

Challenges to the Association do not stop here. In February 2004, Islington Council put our existing site on sale to outside developers and proposed a price beyond the current financial capacity of Islington Chinese Association.

A Capital Appeal has been officially launched on 14th September 2004 which aims to raise £500,000 in order to purchase a freehold property, enabling many of Islington Chinese Association's long-term visions to be realised. This is an ambitious but attainable goal which will provide a stable base to further develop a multi-purpose, multi-cultural community centre.

Financial Results

The results for the year are set out on page 6.

Statement of Trustees' Responsibilities

The trustees are required by law 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 income and expenditure of the charity for that period. 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 prudent;
- follow applicable accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act. 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.

ISLINGTON CHINESE ASSOCIATION

TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2004

Auditors

The auditors, John Rogers & Co, are willing to stand for re-appointment and a proposal for their re-appointment will be put to the annual general meeting.

Approval

This report was approved by the trustees on 19 September 2004 and signed by



Trustee

Fiona Au

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ISLINGTON CHINESE ASSOCIATION

We have audited the financial statements on pages 6 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of trustees and auditors

As described on page 3, the trustees, who are also the directors of Islington Chinese Association for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

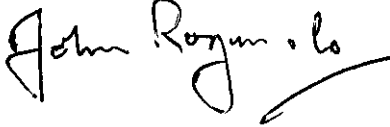
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, 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 as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs at 31st March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

232 Leigham Court Road
London, SW16 2RB


John Rogers & Co.
Chartered Accountants
and
Registered Auditors

12 September 2004

ISLINGTON CHINESE ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
AND
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2004

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2004 £ | Total Funds 2003 £ |
|---|------|----------------------------|--------------------------|--------------------------|--------------------------|
| Income/Incoming Resources | | | | | |
| Income from grants and contracts | 2 | 31,365 | 113,110 | 144,475 | 97,681 |
| Users' contributions | | 39,639 | - | 39,639 | 16,947 |
| Fundraising | | 8,190 | - | 8,190 | 9,310 |
| Donations | | 13,094 | - | 13,094 | 8,495 |
| Room hire | | 3,220 | - | 3,220 | 5022 |
| Membership fees | | 2,790 | - | 2,790 | 2,435 |
| Other income | | - | - | - | 2,282 |
| Bank interest | | 443 | - | 443 | 289 |
| Total income/incoming resources | | 98,741 | 113,110 | 211,851 | 142,461 |
| Expenditure/Resources Expended | | | | | |
| Direct charitable expenditure | 3 | 52,887 | 124,331 | 177,218 | 140,933 |
| Fundraising and publicity | | 9,512 | - | 9,512 | - |
| Management of the charity | | 16,003 | - | 16,003 | 13,483 |
| Total expenditure/resources expended | | 78,402 | 124,331 | 202,733 | 154,416 |
| Net Income (Expenditure) and Net Movement in Funds | 6 | 20,339 | (11,221) | 9,118 | (11,955) |
| Funds brought forward | | 28,471 | 17,512 | 45,983 | 57,938 |
| Funds Carried Forward | | 48,810 | 6,291 | 55,101 | 45,983 |

All of the above relates to continuing activities.

There were no recognised gains or losses apart from the above.

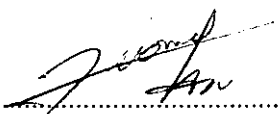
ISLINGTON CHINESE ASSOCIATION

BALANCE SHEET
AS AT 31ST MARCH 2004

| | | 2004 | | 2003 | |
|---|------|---------------|---------------|---------------|---------------|
| | Note | £ | £ | £ | £ |
| Fixed Assets | 7 | | 2,233 | | 2,384 |
| Current Assets | | | | | |
| Debtors | 8 | 8,729 | | 7,028 | |
| Cash at bank and in hand | | 48,647 | | 48,786 | |
| | | <u>57,376</u> | | <u>55,814</u> | |
| Less: | | | | | |
| Creditors: amounts falling due within one year | 9 | (4,508) | | (12,215) | |
| Net Current Assets | | | <u>52,868</u> | | <u>43,599</u> |
| | | | <u>55,101</u> | | <u>45,983</u> |
| Funds | | | | | |
| Restricted | 10 | | 6,291 | | 17,512 |
| Unrestricted | | | | | |
| Designated funds | 11 | 25,000 | | 25,000 | |
| Other charitable funds | | 23,810 | | 3,471 | |
| | | <u>48,810</u> | | <u>28,471</u> | |
| | | | <u>55,101</u> | | <u>45,983</u> |

Approved by the trustees on

19 September 2004 and signed on their behalf by:



Fiona Au

Trustee

ISLINGTON CHINESE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2004**

1. Accounting Policies

- a. The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and other applicable accounting standards.
- b. Office furniture is written off to revenue in the year of acquisition.
- c. Equipment is written off over its estimated useful life of 3 years.
- d. Income is included in the financial statements in the year for which it is receivable.
- e. Expenditure is included in the financial statements on the accruals basis.

2. Income from Grants and Contracts

| | Unrestricted Funds | Restricted Funds | 2004 Total | 2003 Total |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| The Diana, Princess of Wales Memorial Fund | - | 36,054 | 36,054 | - |
| The Community Fund | - | 30,289 | 30,289 | 31,300 |
| Apetito - Meals on Wheels contract | 26,365 | - | 26,365 | 23,098 |
| London Borough of Islington | - | 16,862 | 16,862 | 14,632 |
| The Tudor Trust | - | 10,000 | 10,000 | 10,000 |
| The Countryside Agency | - | 8,543 | 8,543 | 8,651 |
| Awards for All | - | 5,000 | 5,000 | - |
| See Woo Group of Companies | 5,000 | - | 5,000 | - |
| W Wing Yip and Brothers Charitable Trust | - | 2,562 | 2,562 | - |
| Help a London Child | - | 1,500 | 1,500 | - |
| Napoleon's Leisure Limited | - | 1,000 | 1,000 | - |
| Lions Club of London Covent Garden | - | 500 | 500 | - |
| Raymond Wong MBE | - | 500 | 500 | - |
| Richard Cloudesley's Charity | - | 300 | 300 | - |
| The Nuffield Foundation | - | - | - | 10,000 |
| | 31,365 | 113,110 | 144,475 | 97,681 |

3. Expenditure/Resources Expended

| | Salaries | Activities | Other Costs | 2004 Total | 2003 Total |
|-------------------------------|-----------------|-------------------|------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ |
| Direct charitable expenditure | 84,405 | 58,873 | 33,940 | 177,218 | 140,933 |
| Fundraising & publicity | 1,130 | - | 8,382 | 9,512 | - |
| Management of the charity | 8,475 | - | 7,528 | 16,003 | 13,483 |
| | 94,010 | 58,873 | 49,850 | 202,733 | 154,416 |

4. Staff Costs

| | 2004 | 2003 |
|----------------------------------|---------------|---------------|
| | £ | £ |
| Gross salaries | 87,515 | 77,874 |
| National insurance contributions | 6,495 | 4,222 |
| | 94,010 | 82,096 |
| Average number of employees | 8 | 9 |

ISLINGTON CHINESE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2004

5. **Trustees Expenses**

Expenses totalling £129 (2003 - £120) were reimbursed to trustees during the year.

6. **Net Movement in Funds**

| | 2004 | 2003 |
|---|-------|-------|
| | £ | £ |
| The net movement in funds is stated after charging: | | |
| Auditors' remuneration (excluding vat) | | |
| For the audit | 500 | 500 |
| For accountancy | 750 | 750 |
| Depreciation | 1,713 | 1,193 |

7 **Fixed Assets- Equipment**

| | £ |
|-----------------------|--------------|
| Cost | |
| At 1st April 2003 | 3,577 |
| Additions in the year | 1,562 |
| | <hr/> |
| At 31st March 2004 | 5,139 |
| | <hr/> |
| Depreciation | |
| At 1st April 2003 | 1,193 |
| Charge for the year | 1,713 |
| | <hr/> |
| At 31st March 2004 | 2,906 |
| | <hr/> |
| Net book value | |
| 1st April 2003 | 2,384 |
| 31st March 2004 | 2,233 |

8. **Debtors**

| | 2004 | 2003 |
|----------------|--------------|--------------|
| | £ | £ |
| Accrued income | 5,149 | 5,598 |
| Prepayments | 3,580 | 1,430 |
| | <hr/> | <hr/> |
| | 8,729 | 7,028 |
| | <hr/> | <hr/> |

9. **Creditors: amounts falling due within one year**

| | | |
|-----------------|--------------|---------------|
| Accruals | 4,508 | 2,215 |
| Deferred grants | - | 10,000 |
| | <hr/> | <hr/> |
| | 4,508 | 12,215 |
| | <hr/> | <hr/> |

ISLINGTON CHINESE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2004

10. Restricted Funds

| | As at | Movement in Resources | | As at |
|---|---------------|-----------------------|------------------|--------------|
| | 1.4.03 | Incoming | Outgoing | 31.3.04 |
| | £ | £ | £ | £ |
| Chinese youth counselling, family therapy and parenting project | - | 36,054 | (35,804) | 250 |
| Community Project | 13,512 | 30,289 | (43,801) | - |
| Luncheon Club | - | 24,862 | (24,862) | - |
| Feasibility study | 4,000 | - | (4,000) | - |
| Activities | - | 13,043 | (13,043) | - |
| Publication | - | 5,000 | - | 5,000 |
| Domestic violence counselling | - | 2,000 | (2,000) | - |
| Equipment | - | 1,562 | (521) | 1,041 |
| First aid training | - | 300 | (300) | - |
| | <u>17,512</u> | <u>113,110</u> | <u>(124,331)</u> | <u>6,291</u> |

11. Designated Funds

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

| | As at | New | Released/ | As at |
|------------------------------|---------------|--------------|-----------|---------------|
| | 1.4.03 | Designations | Utilised | 31.3.04 |
| | £ | £ | £ | £ |
| Improvements to premises | 15,000 | - | - | 15,000 |
| Staff costs contingency fund | 10,000 | - | - | 10,000 |
| | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>25,000</u> |