

ISLINGTON CHINESE ASSOCIATION
A Company Limited by Guarantee
and
A Registered Charity

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS

31ST MARCH 2003



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ISLINGTON CHINESE ASSOCIATION

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ISLINGTON CHINESE ASSOCIATION

**LEGAL AND ADMINISTRATIVE INFORMATION
AS AT 31ST MARCH 2003**

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:

Chun Loi So	- Throughout the year
Hans Hung	- " " "
Mee Ling Ng	- " " "
Fiona Au	- " " "
Christine Chin	- " " "
Florence Mo	- " " "
Mary Cheung	- Appointed November 2002
Helena Hon	- " " "
Susie Yau	- " " "
Katy Chen	- Resigned July 2002
Chun Chan	- Resigned November 2002
Sue Liu	- " " "

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

ISLINGTON CHINESE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2003

The trustees present their report and the financial statements for the year ended 31st March 2003.

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 and its environs.

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

In the financial year to 31st March 2003, the Association experienced a further decrease in grants from existing funders. To supplement this decrease a new 3-year funding from the Lottery was secured effective from October 2002. The new hall hire income, continuous fundraising and other income-generating activities helped boost total income by £16,384 (an increase of 13%).

With the Lottery funding, we were able to recruit 2 new members of staff from October 2002 to develop Women & Children's work and Counselling & Support work. We have also seen a much-needed investment in the computer system and improvement in the software/telephone system. This will help produce operating efficiency and better services for the next few years. During the year, expenditure increased by £20,448 (an increase of 15.3%).

As a result, the Association is met with a deficit of £11,955. Since March 2003, a further 3-year funding was obtained from Diana, Princess of Wales Trust, in partnership with Chinese Mental Health Association - this allowed us to recruit a full-time post to develop youth services. With the increase in human resources, we will be able to extend our current search for future grants to maintain our commitment to our members.

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

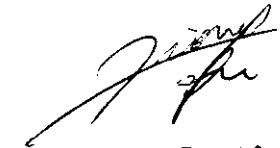
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2003

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 *28 November 2003* and signed by



Trustee - FIONA AU

ISLINGTON CHINESE ASSOCIATION

**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 2003 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**

28 November 2003

ISLINGTON CHINESE ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
AND
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2003

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
INCOME/INCOMING RESOURCES					
Grants	2	-	97,681	97,681	77,290
Users' contributions		16,947	-	16,947	22,751
Fundraising		9,310	-	9,310	14,872
Donations		8,495	-	8,495	7,687
Room hire		5,022	-	5,022	-
Membership fees		2,435	-	2,435	1,656
Other income		2,282	-	2,282	984
Bank interest		289	-	289	837
Total income/incoming resources		44,780	97,681	142,461	126,077
EXPENDITURE/RESOURCES EXPENDED					
Direct charitable expenditure	3	52,145	88,788	140,933	118,602
Costs of generating funds		-	-	-	1,563
Management of the charity		13,483	-	13,483	13,803
Total expenditure/resources expended		65,628	88,788	154,416	133,968
NET EXPENDITURE/OUTGOING RESOURCES AND NET MOVEMENT IN FUNDS		(20,848)	8,893	(11,955)	(7,891)
Funds brought forward		49,319	8,619	57,938	65,829
FUNDS CARRIED FORWARD		28,471	17,512	45,983	57,938

All of the above relates to continuing activities.

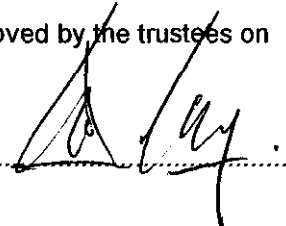
There were no recognised gains or losses apart from the above.

ISLINGTON CHINESE ASSOCIATION

BALANCE SHEET
AS AT 31ST MARCH 2003

		2003		2002	
	Note	£	£	£	£
FIXED ASSETS	6		2,384	-	-
CURRENT ASSETS					
Debtors	7	7,028		26,928	
Cash at bank and in hand		48,786		40,027	
		<u>55,814</u>		<u>66,955</u>	
Less:					
CREDITORS: amounts falling due within one year	8	(12,215)		(9,017)	
NET CURRENT ASSETS			43,599		57,938
			<u>45,983</u>		<u>57,938</u>
Funds					
RESTRICTED	9		17,512		8,619
UNRESTRICTED					
Designated funds	10	25,000		37,000	
Other charitable funds		3,471		12,319	
		<u>28,471</u>		<u>49,319</u>	
			<u>45,983</u>		<u>57,938</u>

Approved by the trustees on 28 November 2003 . and signed on their behalf by:

 : HANS HWANG . Trustee

ISLINGTON CHINESE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003**

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 for Charities and other applicable accounting standards.

B) Office furniture is written off to revenue in the year of acquisition.

C) Office 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. RESTRICTED GRANTS RECEIVABLE

	2003	2002
	Total	Total
	£	£
London Borough of Islington		
Meals on Wheels	23,098	11,213
Social Services Department	14,632	33,417
Healthy Islington	-	1,000
Race Equality Committee	-	7,620
The Community Fund	31,300	-
The Tudor Trust	10,000	10,000
The Nuffield Foundation	10,000	-
The Countryside Agency	8,651	8,240
Awards for All	-	5,000
City & Islington College	-	800
	<hr/>	<hr/>
	97,681	77,290
	<hr/>	<hr/>

3. EXPENDITURE/RESOURCES EXPENDED

	Salaries	Activities	Other	2003	2002
	£	£	Costs	Total	Total
	£	£	£	£	£
Direct charitable expenditure	74,351	29,119	37,463	140,933	118,602
Costs of generating funds	-	-	-	-	1,563
Management of the charity	7,745	-	5,738	13,483	13,803
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	82,096	29,119	43,201	154,416	133,968
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4. STAFF COSTS

	2003	2002
	£	£
Gross salaries	77,874	62,717
National insurance contributions	4,222	3,195
	<hr/>	<hr/>
	82,096	65,912
	<hr/>	<hr/>
Average number of employees	9	7

ISLINGTON CHINESE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003**

5. AUDITORS REMUNERATION

	2003	2002
	£	£
Audit fee (excluding vat)	500	500
Accountancy fees (excluding vat)	750	500

6. FIXED ASSETS - Office Equipment

Cost	£
Acquired in the year	<u>3,577</u>
Depreciation	
Charge for the year	<u>1,193</u>
Net book value	
31st March 2003	<u>2,384</u>

7. DEBTORS

	2003	2002
	£	£
Accrued income	5,598	23,576
Prepayments	1,430	3,352
	<u>7,028</u>	<u>26,928</u>

8. CREDITORS

	2003	2002
	£	£
Accruals	2,215	8,017
Deferred grants	10,000	-
Others	-	1,000
	<u>12,215</u>	<u>9,017</u>

9. RESTRICTED FUNDS

	As at	Movement in Resources		As at
	1.4.02	Incoming	Outgoing	31.3.03
	£	£	£	£
Luncheon Club	-	47,730	(47,730)	-
Community Project - see note 9. A.	-	31,300	(17,788)	13,512
Feasibility study	-	10,000	(6,000)	4,000
Activities	1,000	8,651	(9,651)	-
Women's projects	1,470	-	(1,470)	-
Fundraising	1,149	-	(1,149)	-
Publication	5,000	-	(5,000)	-
	<u>8,619</u>	<u>97,681</u>	<u>(88,788)</u>	<u>17,512</u>

9.A. The Community Project is funded over three years by the Community Fund and its objectives are to support the Chinese community to overcome isolation and disadvantage with particular emphasis on the elderly, women and children.

ISLINGTON CHINESE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

10. DESIGNATED FUNDS

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

	As at 1.4.02 £	New Designations £	Released/ Utilised £	As at 31.3.03 £
Furniture and equipment	2,000	-	(2,000)	-
Improvements to premises	25,000	-	(10,000)	15,000
Staff costs contingency fund	10,000	-	-	10,000
	<u>37,000</u>	<u>-</u>	<u>(12,000)</u>	<u>25,000</u>