

CHINESE ASSOCIATION OF TOWER HAMLETS

(A company limited by guarantee)

Report and Financial Statements

Year ended 31 March 2006

Charity no: 287813

Company no: 1720498



CHINESE ASOCIATION OF TOWER HAMLETS

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CHINESE ASSOCIATION OF TOWER HAMLETS

REPORT OF THE TRUSTEES

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements for the year ended 31st March 2006. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

Principal activities

The charity is a charitable company limited by guarantee. It is governed by a memorandum and articles of association. The principal activities of the Association is the provision of services to Chinese and Vietnamese community in the London Borough of Tower Hamlets through project base programmes providing specific services to meet the needs of its user groups. The Statement of Financial Activities for the year is set out on Page 5 to 12 of the financial statements.

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. To allow the charity to have some security to operate where there is a shortfall in funding, the trustees are aiming to build up the free reserves to the level of approximately six months expenditure.

CHINESE ASSOCIATION OF TOWER HAMLETS

REPORT OF THE TRUSTEES

Achievements during the year and future development

During the financial year of 2005-2006, we achieved an excellent and successful record. Each member of the Management Committee, staff and volunteers played a vital role in contributing to the successful outcome.

Summarising the year's achievement, we can proudly say that CATH has grown into an even more successful centre, making its presence in the boroughs of Tower Hamlets, Islington, Newham and Hackney. We have seven main projects, which covered welfare advice, home care, advocacy, elderly luncheon club, employment, youth project and Chinese school.

The support of our members and services users was invaluable.

Many achievements were only made possible with the help of others and we would particularly like to thank:-

-The Committee members and staff at CATH who provided ongoing encouragement, support, expert advice and facilities.

-The teachers at the Chinese School.

-All our funders who generously provided the funding in support of our work.

-Volunteers who gave their time and energy.

We all have the same goal to ensure that CATH is in a strong position to continue growing and providing an excellent service to our members and to the Chinese and Vietnamese community.

Auditors

Messrs. Wong & Company was appointed during the year. A resolution proposing that Wong & Company be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the Board on 30 September 2006



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Secretary

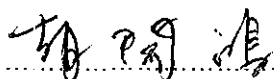
CHINESE ASSOCIATION OF TOWER HAMLETS

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENT

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have to :

- select suitable accounting policies and then apply them consistently;
- make judgement and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis.

The trustees have overall responsibilities for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure 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.



Mr Hoi Hung Wu

Chairman

REPORT OF THE AUDITORS TO THE MEMBERS OF CHINESE ASSOCIATION OF TOWER HAMLETS

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and in accordance with the accounting policies set on page 7.

Respective responsibilities of trustees and auditors

As described on page 3 the trustees are responsible for the preparation of the financial statements.

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 association 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 transaction with the Association 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 to which covers all existing risk and control, 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 implication 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 audit opinion

We conduct our audit in accordance with the 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2006, 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 Companies Act 1985.



Wong & Company

Chartered Accountants and Registered Auditors

70 Airthrie Road
Ilford
Essex
IG3 9QU

September 30, 2006

CHINESE ASSOCIATION OF TOWER HAMLETS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Incoming Resources					
Grant		-	91,322	91,322	92,909
Contract Income	2	90,105		90,105	56,069
Donation and membership		3,185		3,185	1,617
Fees and subscription		27,395		27,395	19,826
Interest received		1,966		1,966	1,507
Total incoming resources		122,651	91,322	213,973	171,928
Charitable expenditure:					
Cost of activities in furtherance of the charity's objectives					
		1,227	21,627	22,854	24,527
Staff costs	4	39,750	102,250	142,000	129,822
Support costs		2,297	11,725	14,022	13,014
Management and administration		-	3,899	3,899	3,989
Total resources expended	3	43,274	139,501	182,775	171,352
Net incoming resources / (resources expended) before transfer		79,377	(48,179)	31,198	576
Transfers between funds		(54,500)	54,500	-	-
Net incoming resources/(resources expended)		24,877	6,321	31,198	576
Realised gains on investment assets		-	-	-	-
Net incoming resources/(resources expended) including realised gains on investments		24,877	6,321	31,198	576
Unrealised gains on investment assets		-	-	-	-
Unrealised gains on assets for charity use		-	-	-	-
Net movement in funds		24,877	6,321	31,198	576
Fund balances brought forward at 1 April		37,406	(200)	37,206	36,630
Fund balances carried forward at 31 March		62,283	6,121	68,404	37,206

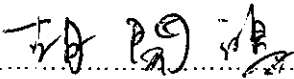
All of the above results are derived from continuing activities. The charity has no recognised gains or losses in the year.

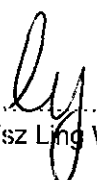
CHINESE ASSOCIATION OF TOWER HAMLETS

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006	2005
		£	£
Fixed assets			
Tangible assets	5	3,722	2,396
Current assets			
Debtors	14,159	12,601	
Cash at bank and in hand	101,025	71,781	
	115,184	84,382	
Creditors:			
amounts falling due within one year	7	50,502	49,572
Net current assets		64,682	34,810
Net assets		68,404	37,206
Fund:			
Unrestricted funds			
General funds	58,138	33,266	
Designated funds	4,140	4,140	
		62,278	37,406
Restricted funds		6,126	(200)
Total funds	8	68,404	37,206

The financial statements on pages 5 to 12 were approved by the trustees on 30 September 2006 and signed on their behalf by:


 Chairman
 Mr Hoi Hung Wu


 Treasurer
 Miss Tsz Ling Wan

CHINESE ASSOCIATION OF TOWER HAMLETS

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

1 *Accounting policies*

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practices (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate Statements of Financial Activities has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

b) **Company status**

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

c) **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 charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

d) **Incoming resources**

All incoming resources are included in the SOFA on accrued received basis. No amounts are included in the financial statements for services donated by volunteers.

CHINESE ASSOCIATION OF TOWER HAMLETS

Notes forming part of the financial statements continued

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under heading that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with 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 at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

f) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a reducing balances basis over their expected useful economic lives as follows:

Fixtures and fittings	Annual rates 25%
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2 Contract income

	2006 £	2005 £
Home care contracts		
London Borough of Tower Hamlets	57,018	41,838
London Borough of Islington	1,877	6,235
London Borough of Hackney	19,383	7,996
Meal subsidies	11,827	9,292
	<u>90,105</u>	<u>65,361</u>

3 Total resources expended

	Staff Costs £	Other Direct Costs £	Other Allocated Costs £	Total 2006 £	Total 2005 £
Welfare advice project	19,611	640	2,299	22,550	16,717
Elderly luncheon club	16,575	10,636	2,296	29,507	22,416
Home care project	39,750	1,227	2,297	43,274	48,322
Chinese opportunity project	21,759	145	2,297	24,201	17,143
Youth clubs	10,961	2,181	2,055	15,197	17,437
Moon Goddess dance club	1,313	-	-	1,313	1,805
Chinese school	7,503	5,207	481	13,191	15,490
Chinese new year celebrations event	-	2,401	-	2,401	750
Management and administration	4,120	-	3,899	8,019	17,380
Advocacy project	20,408	417	2,297	23,122	12,892
	<u>142,000</u>	<u>22,854</u>	<u>17,921</u>	<u>182,775</u>	<u>171,352</u>

CHINESE ASSOCIATION OF TOWER HAMLETS

Notes forming part of the financial statements continued

3 Total resources expended continued

Other costs include:

	2006 £	2005 £
Auditors' remuneration:		
Audit fee	850	800
Accountancy and other services	900	550
Depreciation	<u>1,214</u>	<u>798</u>

4 Staff Costs

	£	£
Wages and salaries	133,782	121,833
Social security costs	8,218	7,989
	<u>142,000</u>	<u>129,822</u>

The average number of employees, including part-time staffs, analysed by function was:

Charitable activities	20
Management and administration of the charity	2

As a charity, no trustees received any remuneration or reimbursed expenses payments in the year.

5 Tangible fixed assets

	Project and office equipment £
Cost	
At 1 April 2005	12,440
Addition	2,567
At 31 March 2006	<u>15,007</u>
Depreciation	
At 1 April 2005	10,044
Charge for the year	1,241
At 31 March 2006	<u>12,285</u>
Net book value	
at 31 March 2006	<u>3,722</u>
at 31 March 2005	<u>2,396</u>

CHINESE ASSOCIATION OF TOWER HAMLETS

Notes forming part of the financial statements continued

6 Debtors

	2006	2005
	£	£
Debtors	13,124	12,281
Prepayments	1,035	320
	<u>14,159</u>	<u>12,601</u>

7 Creditors: Amount falling due within one year

	£	£
Taxation and social security costs	2,979	169
Other creditors	3,015	6,689
Accruals and deferred income	44,486	42,714
	<u>50,480</u>	<u>49,572</u>

8 Statements of funds

	At 1 April 2005	Income	Expenditure	Transfer	At 31 March 2006
	£	£	£	£	£
General fund	33,266	122,651	43,279	(54,500)	58,138
Designated fund					
Equipment replacement fund	4,140	-	-		4,140
Total unrestricted funds	<u>37,406</u>	<u>122,651</u>	<u>43,279</u>	<u>(54,500)</u>	<u>62,278</u>
Restricted funds:					
Core	(792)	4,120	8,019	4,800	109
Welfare advice project	52	15,000	22,550	7,500	2
Elderly luncheon club	(68)	5,266	29,502	24,000	(304)
Chinese opportunity project	(65)	23,000	24,201	1,000	(266)
Youth club	(105)	7,975	15,197	7,200	(127)
Moon Goddess dance club	740	1,791	1,313		1,218
Chinese school	(411)	3,090	13,191	10,000	(512)
Chinese new year celebration event	(159)	4,080	2,401		1,520
Advocacy	608	27,000	23,122		4,486
Total restricted funds	<u>(200)</u>	<u>91,322</u>	<u>139,496</u>	<u>54,500</u>	<u>6,126</u>
Total funds	<u>37,206</u>	<u>213,973</u>	<u>182,775</u>	<u>-</u>	<u>68,404</u>

CHINESE ASSOCIATION OF TOWER HAMLETS

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st March 2006

	2006		2005	
	£	£	£	£
INCOME				
Grants and donations receivable		103,149		92,909
Contract income		78,278		56,069
Membership		567		669
Meal charges		8,827		9,181
School fees		13,760		10,355
Social events and sundry income		7,426		1,238
		<u>212,007</u>		<u>170,421</u>
Deposit interest received		1,966		1,507
		<u>213,973</u>		<u>171,928</u>
EXPENDITURE				
Salaries and NICs	142,000		129,822	
Rent, rates and water	4,342		3,968	
Lighting and heating	1,908		1,695	
Repairs and renewals	1,230		1,187	
Telecommunication	1,676		1,206	
Insurance	1,457		1,525	
Printing, postage and stationery	3,017		2,567	
Subscriptions	560		866	
Audit and accountancy	1,750		1,650	
Sundry expenses	128		643	
Training	100		162	
Legal and professional	63		380	
Cost of activities and services				
Elderly luncheon club	10,636		9,762	
Education services	5,207		3,769	
Chinese opportunity project	145		1,071	
Youth project	2,181		3,053	
Other community projects	4,685		6,080	
Travel and motor expenses	304		630	
Bank Charges	145		145	
Advertising	-		372	
Depreciation	1,241		799	
		<u>182,775</u>		<u>171,352</u>
NET SURPLUS FOR THE YEAR		<u>31,198</u>		<u>576</u>

CHINESE ASSOCIATION OF TOWER HAMLETS

SCHEDULE OF GRANTS

	Restricted £	2006 Total £	2005 Total £
London Borough of Tower Hamlets:-			
Regeneration Committee:-			
Chinese opportunity centre	8,000	8,000	5,125
Social Services:-			
Elderly luncheon club	5,266	5,266	14,417
Staff replacement	-	-	9,475
Policy and Performance Review Committee:-			
Welfare advice project	15,000	15,000	13,786
Youth and Community Education Committee:-			
Core funding	4,120	4,120	4,000
Chinese school	3,090	3,090	3,000
Youth club	2,575	2,575	2,500
		-	
Arts, Leisure and Sports Committee:-			
Moon Goddess dance group	1,791	1,791	1,743
Others			
Summer project	3,000	3,000	1,100
Youth support services	-	-	6,513
Chinese new year celebrations event	2,800	2,800	-
Coach for elderly luncheon club	480	480	350
Children's fund	-	-	2,400
Bridge House Trust	20,000	20,000	10,000
		-	
Lloyds TSB Foundation	-	-	-
		-	
Jack Petchey Foundation	2,400	2,400	2,400
		-	
St. Katharine & Shadwell Trust			
Chinese opportunity centre	5,500	5,500	5,500
Chinese new year event	-	-	800
		-	
Isle of Dogs Community Foundation			
Chinese opportunity centre	9,500	9,500	5,500
Chinese new year event	800	800	800
		-	
City Parochial Foundation	7,000	7,000	3,500
		-	
		-	
		-	
		-	
	<u>91,322</u>	<u>91,322</u>	<u>92,909</u>