

Company registration no: 1720498
Registered Charity no: 287813

CHINESE ASSOCIATION OF TOWER HAMLETS

(A company limited by guarantee)

Report and Financial Statements

Year ended 31 March 2007



CHINESE ASOCIATION OF TOWER HAMLETS

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CHINESE ASSOCIATION OF TOWER HAMLETS

REPORT OF THE TRUSTEES

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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 2007. The trustees have adopted the provisions of the Statement of Recommended Practice - "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005 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.

Reserves

The trustees/directors recognise the need to ensure adequate resources are held in reserve to account for unanticipated reduction of income or increase of expenditure. The current reserves are held at a level commensurate with the guidelines provided by the London Councils, but the charity aspires to achieve unrestricted and designated reserves representing at least 3 months operating costs.

Achievements during the year and future development

During the financial year of 2006-2007, Chinese Association of Tower Hamlets (CATH) has grown and has service users in the boroughs of Tower Hamlets, Islington, Newham and Hackney.

Each member of the Management Committee, staff and volunteers played a vital role in contributing to the seven main projects, including Welfare Advice Project, Home Care Project, Advocacy Project, Elderly Luncheon Club, Opportunity Centre Project, Youth Club and Chinese School.

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.

CHINESE ASSOCIATION OF TOWER HAMLETS

REPORT OF THE TRUSTEES

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Strategic Objectives

The following were the strategic objectives for 2006/2007

1 Service Delivery

- To maintain and develop services to end users
- Identify needs in the community and develop and provide services to satisfy their needs

2 Partnerships

- Develop partnerships and networks with local service providers to increase the range and quality of services we can offer
- Develop partnerships and networks with service providers in other boroughs to increase our user base

3 Volunteer participation

- To develop strategies and opportunities that would result in an increase in volunteer participation in CATH
- Develop volunteers skills and increase our volunteer base

4 Process streamlining

- Streamline processes and increase transparency of CATH's activities
- Develop and implement environmentally friendly policies

Auditors

Silver Levene was appointed during the year. A resolution proposing that Silver Levene be re-appointed as auditors of the charity will be put to the Annual General Meeting

This report was approved by the Board on 15th September 2007



Trustee

CHINESE ASSOCIATION OF TOWER HAMLETS


STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENT

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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

15th SEPTEMBER 2007

**CHINESE ASSOCIATION OF TOWER HAMLETS
YEAR ENDED 31 MARCH 2007**

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Independent Auditors' Report to the members of Chinese Association of Tower Hamlets

We have audited the financial statements of the Chinese Association of Tower Hamlets for the year ended 31st March 2007 on pages 5 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees (who are also the directors of Chinese Association of Tower Hamlets for the purpose of company law) are responsible for the preparation of the financial statements in accordance with applicable law, United Kingdom Accounting Standards and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes an 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 judgments 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.

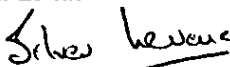
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.

Silver Levene



Chartered Certified Accountants
Registered Auditors
37 Warren Street
London
W1T 6AD

24th SEPTEMBER 2007

CHINESE ASSOCIATION OF TOWER HAMLETS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

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	Notes	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
Incoming Resources					
Grant		-	67,296	67,296	91,322
Contract Income	2	103,912		103,912	90,105
Donation and membership		13,218		13,218	3,185
Fees and subscription		7,315		7,315	27,395
Interest received		2,250		2,250	1,966
Other income		5,147		5,147	
Total incoming resources		<u>131,842</u>	<u>67,296</u>	<u>199,138</u>	<u>213,973</u>
Charitable expenditure:					
Cost of activities in furtherance of the charity's objectives		455	13,429	13,884	22,854
Staff costs	4	72,594	72,287	144,881	142,000
Support costs		7,065	18,943	26,008	14,022
Management and administration		-	7,117	7,117	3,899
Total resources expended	3	<u>80,114</u>	<u>111,776</u>	<u>191,890</u>	<u>182,775</u>
Net incoming resources / (resources expended) before transfer		51,728	(44,480)	7,248	31,198
Transfers between funds		<u>(45,600)</u>	<u>45,600</u>	<u>-</u>	<u>-</u>
Net incoming resources/(resources expended)		<u>6,128</u>	<u>1,120</u>	<u>7,248</u>	<u>31,198</u>
Realised gains on investment assets			-	-	-
Net incoming resources/(resources expended) including realised gains on investments		<u>6,128</u>	<u>1,120</u>	<u>7,248</u>	<u>31,198</u>
Unrealised gains on investment assets		-	-	-	-
Unrealised gains on assets for charity use		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>6,128</u>	<u>1,120</u>	<u>7,248</u>	<u>31,198</u>
Fund balances brought forward at 1 April		<u>62,278</u>	<u>6,126</u>	<u>68,404</u>	<u>37,206</u>
Fund balances carried forward at 31 March		<u><u>68,406</u></u>	<u><u>7,246</u></u>	<u><u>75,652</u></u>	<u><u>68,404</u></u>

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 2007

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	Notes	2007	2006
	£	£	£
Fixed assets			
Tangible assets	5	2,791	3,722
Current assets			
Debtors	9,461	14,159	
Cash at bank and in hand	101,668	101,025	
	<u>111,129</u>	<u>115,184</u>	
Creditors:			
amounts falling due within one year	7	<u>38,268</u>	<u>50,502</u>
Net current assets		72,861	<u>64,682</u>
Net assets		<u><u>75,652</u></u>	<u><u>68,404</u></u>
Fund:			
Unrestricted funds			
General funds	64,266	58,138	
Designated funds	<u>4,140</u>	<u>4,140</u>	
		68,406	62,278
Restricted funds		7,246	6,126
Total funds	8	<u><u>75,652</u></u>	<u><u>68,404</u></u>

The financial statements on pages 5 to 12 were approved by the trustees on 15th September 2007 and signed on their behalf by


Mr Hoi Hung Wu

Chairman


Mr Yun Ki Lee

Treasurer

15th SEPTEMBER 2007

CHINESE ASSOCIATION OF TOWER HAMLETS

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

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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, "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985

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.

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.

CHINESE ASSOCIATION OF TOWER HAMLETS

Notes forming part of the financial statements continued

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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

	2007 £	2006 £
Home care contracts		
London Borough of Tower Hamlets	74,281	57,018
London Borough of Islington	2,766	1,877
London Borough of Hackney	17,140	19,383
Meal subsidies	9,725	11,827
	<u>103,912</u>	<u>90,105</u>

3 Total resources expended

	Staff Costs £	Other Direct Costs £	Other Allocated Costs £	Total 2007 £	Total 2006 £
Welfare advice project	10,912	-	5,618	16,530	22,550
Elderly luncheon club	14,334	9,994	6,074	30,402	29,507
Home care project	72,594	455	7,065	80,114	43,274
Chinese opportunity project	14,443	-	5,319	19,762	24,201
Youth clubs	5,256	236	65	5,556	15,197
Moon Goddess dance group	1,760	-	-	1,760	1,313
Chinese school	5,337	106	3,731	9,174	13,191
Chinese new year celebrations event	1,947	3,093	-	5,040	2,401
Management and administration	7,117	-	-	7,117	8,019
Advocacy project	9,709	-	5,239	14,948	23,122
After school project	1,473	-	14	1,487	-
	<u>144,881</u>	<u>13,884</u>	<u>33,125</u>	<u>191,890</u>	<u>182,775</u>

CHINESE ASSOCIATION OF TOWER HAMLETS

Notes forming part of the financial statements continued

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3 Total resources expended continued

Other costs include

	2007 £	2006 £
Auditors' remuneration		
Audit fee	1763	850
Accountancy and other services	-	900
Depreciation	<u>931</u>	<u>1,214</u>

4 Staff Costs

	£	£
Wages and salaries	135,210	133,782
Social security costs	9,671	8,218
	<u>144,881</u>	<u>142,000</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 2006	15,007
Addition	
At 31 March 2007	<u>15,007</u>
Depreciation	
At 1 April 2006	11,285
Charge for the year	931
At 31 March 2007	<u>12,216</u>
Net book value	
at 31 March 2007	<u>2,791</u>
at 31 March 2006	<u>3,722</u>

CHINESE ASSOCIATION OF TOWER HAMLETS

Notes forming part of the financial statements continued

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6 Debtors

	2007	2006
	£	£
Debtors	8,636	13,124
Prepayments	825	1035
	<u>9,461</u>	<u>14,159</u>

7 Creditors: Amount falling due within one year

	£	£
Taxation and social security costs	2,334	2,979
Other creditors	33,852	44,488
Accruals and deferred income	2,082	3,035
	<u>38,268</u>	<u>50,502</u>

8 Statements of funds

	At 1 April 2006	Income	Expenditure	Transfer	At 31 March 2007
	£	£	£	£	£
General fund	58,138	131,842	80,114	(45,600)	64,266
Designated fund					-
Equipment replacement fund	4,140	-	-	-	4,140
Total unrestricted funds	<u>62,278</u>	<u>131,842</u>	<u>80,114</u>	<u>(45,600)</u>	<u>68,406</u>
Restricted funds:					
Core	109	4,245	7,117	3,000	237
Welfare advice project	2	15,300	16,530	1,300	72
Elderly luncheon club	-304	5,371	30,402	26,000	665
Chinese opportunity project	- 266	23,040	19,762		3,012
Youth club	- 127	5,652	5,556	50	19
Moon Goddess dance group	1,218	1,792	1,760		1,249
Chinese school	- 512	3,091	9,174	6,750	155
Chinese new year celebration event	1,520	5,415	5,040		1,895
Advocacy	4,486	1,750	14,948	8,500	(212)
After school project	-	1,640	1,487		153
Total restricted funds	<u>6,126</u>	<u>67,296</u>	<u>111,776</u>	<u>45,600</u>	<u>7,246</u>
Total funds	<u>68,404</u>	<u>199,138</u>	<u>191,890</u>	<u>-</u>	<u>75,652</u>