

Company Registration Number: 2709331
Registered Charity Number: 1013590

MATSON NEIGHBOURHOOD PROJECT
(a company limited by guarantee)
REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

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ANDORRAN LIMITED
CHARTERED ACCOUNTANTS & REGISTERED AUDITOR
6 Manor Park Business Centre Mackenzie Way Cheltenham Glos GL51 9TX

**MATSON NEIGHBOURHOOD PROJECT
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

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MATSON NEIGHBOURHOOD PROJECT
OFFICERS, COMMITTEE MEMBERS AND ADVISERS

DIRECTORS/TRUSTEES

M J Norman (Chair)
L E C Raine (Vice-Chair)
Rev K Durrant (Treasurer)
H Charafi
Mrs V Ellis
R M Higgs
R J T Jones
Rev Canon Dr J A Parsons
Ms A Neasmith
Insp R Cooper

COMPANY SECRETARY

R J T Jones

PROJECT MANAGER

Mrs A Wheeler

ADDRESS & REGISTERED OFFICE

Matson Lane
Matson
Gloucester
GL4 6DX

AUDITORS

Andorran Limited
Chartered Accountants & Registered Auditor
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Glos GL51 9TX

BANKERS

Lloyds TSB Bank Plc
19 Eastgate Street
Gloucester
GL1 1NU

MATSON NEIGHBOURHOOD PROJECT
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

The Trustees have pleasure in presenting their report and consolidated financial statements for the year ended 31 March 2007

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Project is constituted as a company limited by guarantee and therefore has no share capital. In the event of the company being wound up and the liabilities and winding up expenses being in excess of assets, the liability of each member is limited to £1. The Project's governing document is its Memorandum and Articles of Association dated 24 April 1992, as amended by special resolution dated 5 September 2002.

In accordance with the amended Articles of Association, the Project is directed by an Executive Committee comprising a Chair, Vice Chair, Treasurer, Secretary, and such other Honorary Officers as the Project shall decide. The Trustees comprise the Executive Committee and between 8 and 20 Committee members. The Executive Committee meets at least four times a year.

Several of the Trustees act as directors for the purposes of the Companies Act, although the Trustees as a body retain responsibility for supervision of the Project's activities and for financial management. Details of officers, committee members and advisers are given on page 1 of these financial statements.

OBJECTIVES AND ACTIVITIES

The Project was set up as a Neighbourhood Project in 1992 to provide services to residents of the Matson Ward of the City of Gloucester in the following ways:

- the relief of persons resident in the area of benefit in need, hardship and distress, including the elderly and the disabled
- advice and information regarding their legal entitlements, particularly (but not exclusively) state benefits, housing, consumer matters and debt
- the advancement of education
- the advancement of such other charitable purposes in the interests of social welfare as are beneficial to the community

By way of Special Resolution dated 5 September 2002, the benefit area was re-defined as being Matson and Robinswood.

The Project is a member of the Gloucestershire Neighbourhood Projects Network. It owns 100% of the issued share capital of Trinity Trading (Matson) Limited, a trading company incorporated specifically to benefit Matson Neighbourhood Project. These financial statements incorporate the results of the subsidiary undertaking.

MATSON NEIGHBOURHOOD PROJECT
TRUSTEES' REPORT - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The purpose of this Statement is to distinguish the Trustees' responsibilities in relation to financial statements and accounting records from those of the auditors as stated in their report

Charity and company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs and of the incoming resources and application of resources of the company 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 reasonable and prudent,
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue to operate

The Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with relevant legislation. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

FINANCIAL RESULTS AND RESERVES

The Consolidated Statement of Financial Activities shows a net deficit for the year of £163,482. This has been deducted from brought forward reserves to give total reserves carried forward of £288,512

The Trustees are aware of the need to maintain reserves at a level adequate to support the continuation of all of the Project's main areas of activity, and this is their principal focus in the present financial circumstances

RISK MANAGEMENT

The Trustees review the major risks which the Project faces on a regular basis and carry out periodic reviews of the controls over key financial systems. The Trustees have also considered other financial, operational and business risks faced by the Project, especially the maintenance of adequate reserves, and confirm that systems have been established to mitigate, as far as possible, any significant risks

INVESTMENT POLICY

Due to the relatively low level of funds available for investment, the Trustees consider that bank deposits provide a satisfactory return to the Project

MATSON NEIGHBOURHOOD PROJECT
TRUSTEES' REPORT – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

ACHIEVEMENTS AND PERFORMANCE

During 2006/07 Matson Neighbourhood Project delivered services to the local community as follows

Advice and Representation offering free information and support to clients seeking general and debt advice. Benefits of this service include reduced incidences of eviction and childhood/family poverty and increased sense of physical and mental well being through relief of anxiety and stress. We have piloted a series of Basic Financial Awareness workshops on the principle of prevention being better than cure. The aim is to encourage good practice and support to achieve budgeting skills to reduce levels of debt. This is now being further developed through partnership working with Gloucester City Homes, and extended into a regular course.

Community Involvement providing a programme of volunteering opportunities aimed at increasing local democracy, and strengthening public participation through empowerment of individuals. Encouraging people to be involved within their own community – influencing and challenging local service delivery. This year has seen the development of a new working partnership with Robinswood Children's Centre as we are commissioned to deliver their volunteer support programme.

Children and Young People Numbers of children registered to attend our After School Club have soared to 72 this year. The Club moved home and is now operating from the Phoenix Club which has enclosed garden and play facilities. The Club continues to run term time only, 4 afternoons a week, but is supported by holiday play schemes. The children have regular opportunities to engage with local Police, Police Community Support Officers and other professionals in a relaxed and informal environment. The children are encouraged to plan and co-ordinate events including fundraising and other activities. Our Children's Support Worker is also part of a Street Based Detached Youth programme which brings her into contact with many teenagers and young adults with whom positive relationships are being developed.

Training and Education We continue to offer an exciting programme of training aimed at raising basic skills levels. With the support of external funding, we have refurbished our IT and training suite now situated in the Phoenix Club and this has generated new interest, particularly amongst our Phoenix Club clients. Members of our DigiCam course produced a much admired Matson Calendar – this was a first, and plans are in place to repeat, and expand this initiative.

The Phoenix Club This is a drop-in centre for adults with learning disabilities and/or mental health issues with just over 40 clients attending. These clients are supported by staff and volunteers to organise social events, including fundraising for other charities, and have been actively involved in the One Stop Shop – our nearly new retail outlet in Matson Avenue. We launched the Made in Matson initiative giving opportunities for art and craftwork created within the Phoenix Club and/or the After School Club to be sold locally – from the One Stop Shop. There have been several changes amongst staff and volunteers in the Phoenix Club, and the clients have been included at all times, making contributions to the interview process where new staff have been appointed.

Where MNP is now

In last year's report we outlined the comprehensive review of business and operational activities started in May 2006. During 2006/07 this review was developed into a Consolidation Strategy culminating in the move of staff and several operational activities from Taylor House at the end of March 2007. This reduced the number of premises from which we work across Matson from five to four. The move went well with staff relocated across other sites and we are now utilising office space within the Trinity Centre as our main office. This was achieved through support from external funders and a significant amount of support and commitment from all staff. It is appropriate for this to be formally reflected within this annual report, as the on-going dedication of staff is fundamental to the successful delivery of all our services and to the adaptations we are required to make to ever changing circumstances.

MATSON NEIGHBOURHOOD PROJECT
TRUSTEES' REPORT – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

The search for cost savings this year has, to a large part, been in response to the loss of one significant contract – Supporting People – and the overall need to make financial savings. The full impact of the loss of this contract, and the search for what is recognised nationally as decreasing available funding for the voluntary and community sector, is reflected in these financial statements. However, we have continued to meet the aims of the organisation in delivering services to relieve hardship for local residents and there have been excellent examples of partnership working with other Neighbourhood Projects which we anticipate will be further developed over the next year.

FUTURE PLANS

The main challenge we face this year is sustainability. The impact of decreasing sources of funding to voluntary and community sector organisations is becoming more evident and calls for a radical review of structures, staffing and assets in order to ensure the needs of communities are met. In consideration of this need, dialogue has already started with the three other city Neighbourhood Projects in how we can work more collaboratively – this dialogue has included the local statutory authorities and offers a significant opportunity for the future of all four Projects. This programme is likely to be implemented within the year 2008/09 and successful implementation will create additional opportunities for working to support the needs of communities across the city of Gloucester.

STATEMENT OF DISCLOSURE TO AUDITORS

As far as the Trustees are aware, there is no relevant audit information of which the Project's auditors are unaware, and each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Project's auditors are aware of that information.

AUDITORS

Andorran Limited will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



R J T Jones – Secretary
For and on behalf of the Trustees

Date 15 October 2007

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF
MATSON NEIGHBOURHOOD PROJECT**

We have audited the financial statements of Matson Neighbourhood Projects for the year ended 31 March 2007 on pages 6 to 17. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 9.

This report is made solely to the Trustees (who are also directors for the purposes of company law) as a body. Our audit work was undertaken so that we might state to the 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 Project and the Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As described on page 3 the Trustees are responsible for the preparation of the Project's financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

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 relevant legislation. We also report to you whether, in our opinion, the Trustees' Report is consistent with the financial statements, if the Project has not kept proper accounting records, or if we have not received all of the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

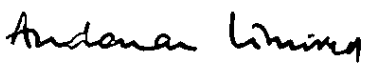
Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Project'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 the information in the financial statements.

Unqualified 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 Project's consolidated and individual affairs as at 31 March 2007 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993 and the Companies Act 1985. In our opinion the Trustees' Report is consistent with the financial statements.



ANDORRAN LIMITED
Chartered Accountants and
Registered Auditor

15 October 2007

6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Glos

MATSON NEIGHBOURHOOD PROJECT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2007

	31 MARCH 2007			2006
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	£
INCOMING RESOURCES				
Incoming Resources from Generated Funds (note 2)				
Voluntary income	43,000	-	43,000	32,406
Activities for generating funds	164,895	1,969	166,864	145,391
Investment income	2,661	-	2,661	3,203
	<hr/>	<hr/>	<hr/>	<hr/>
	210,556	1,969	212,525	181,000
Incoming resources from charitable activities (note 3)	<hr/>	<hr/>	<hr/>	<hr/>
	33,751	223,946	257,697	449,429
Total Incoming Resources	<hr/>	<hr/>	<hr/>	<hr/>
	244,307	225,915	470,222	630,429
Resources Expended				
Costs of generating funds (note 5)	156,063	-	156,063	126,534
Charitable activities (note 6)	72,537	398,461	470,998	537,798
Governance costs (note 7)	6,643	-	6,643	9,452
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended	<hr/>	<hr/>	<hr/>	<hr/>
	235,243	398,461	633,704	673,784
Net Movement in Funds	<hr/>	<hr/>	<hr/>	<hr/>
	9,064	(172,546)	(163,482)	(43,355)
Balances transferred between funds	<hr/>	<hr/>	<hr/>	<hr/>
	(75,603)	75,603	-	-
Balance brought forward at 1 April 2006	<hr/>	<hr/>	<hr/>	<hr/>
	200,000	251,994	451,994	495,349
Balance carried forward at 31 March 2007	<hr/>	<hr/>	<hr/>	<hr/>
	133,461	155,051	288,512	451,994

The Project has no recognised gains or losses other than those included in the Statement of Financial Activities

The notes on pages 10 to 19 form part of these financial statements

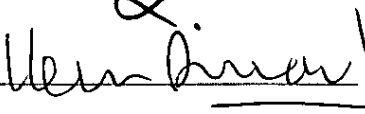
MATSON NEIGHBOURHOOD PROJECT
CONSOLIDATED BALANCE SHEET
31 MARCH 2007

	Unrestricted Funds £	Restricted Funds £	2007 Total Funds £	2006 Total Funds £
FIXED ASSETS				
Tangible assets (note 9)	102,234	152,051	254,285	350,530
CURRENT ASSETS				
Stock	2,818	-	2,818	2,952
Debtors (note 12)	8,173	39,010	47,183	33,075
Bank and cash in hand	70,420	(15,735)	54,685	120,899
	81,411	23,275	104,686	156,926
CREDITORS: amounts falling due within one year				
Creditors (note 14)	20,184	20,275	40,459	25,462
NET CURRENT ASSETS	61,227	3,000	64,227	131,464
TOTAL ASSETS LESS CURRENT LIABILITIES	163,461	155,051	318,512	481,994
CREDITORS: amounts falling due after more than one year (note 16)	30,000	-	30,000	30,000
NET ASSETS -	133,461	155,051	288,512	451,994
FUNDS OF THE CHARITY				
Unrestricted funds	149,371	-	149,371	216,157
Restricted funds (note 8)	-	155,051	155,051	251,994
Non-charitable trading deficit	(15,910)	-	(15,910)	(16,157)
	133,461	155,051	288,512	451,994

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

Approved by the Trustees on 15 October 2007

 Chair

 Treasurer

For and on behalf of the Trustees

The notes on pages 10 to 19 form part of these financial statements

MATSON NEIGHBOURHOOD PROJECT**BALANCE SHEET****31 MARCH 2007**

	Unrestricted Funds £	Restricted Funds £	2007 Total Funds £	2006 Total Funds £
FIXED ASSETS				
Tangible assets (note 10)	102,113	152,051	254,164	350,368
Investments (note 11)	2	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
	102,115	152,051	254,166	350,370
	<hr/>	<hr/>	<hr/>	<hr/>
CURRENT ASSETS				
Debtors (note 13)	7,200	39,010	46,210	32,179
Bank and cash in hand	68,954	(15,735)	53,219	119,100
	<hr/>	<hr/>	<hr/>	<hr/>
	76,154	23,275	99,429	151,279
CREDITORS amounts falling due within one year				
Creditors (note 15)	18,367	20,275	38,642	22,968
	<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS	57,787	3,000	60,787	128,311
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	159,902	155,051	314,953	478,681
CREDITORS amounts falling due after more than one year (note 16)	30,000	-	30,000	30,000
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS	129,902	155,051	284,953	448,681
	<hr/>	<hr/>	<hr/>	<hr/>
FUNDS OF THE CHARITY				
Unrestricted funds	129,902	-	129,902	196,687
Restricted funds (note 8)	-	155,051	155,051	251,994
	<hr/>	<hr/>	<hr/>	<hr/>
	129,902	155,051	284,953	448,681
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 19 form part of these financial statements

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005)

(b) Cash Flow Statement

The Project has taken advantage of the exemption provided by Financial Reporting Standard No 1, and has not prepared a cashflow statement on the grounds that the Project qualifies as a small company

(c) Incoming Resources

Incoming resources are recognised in the period to which they relate, once the Project has entitlement to the resources and once the directors are certain that the resources will be received and when the monetary value can be measured with sufficient reliability

Income from fund-raising events is shown gross, with the associated expenditure shown in cost of generating funds. Where the Project benefits from work carried out by volunteers, without charge, no value is placed on this work for accounting purposes

(d) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered, as soon as there is a legal or constructive obligation committing the Project to the expenditure

Costs of generating funds are those costs incurred in providing services for which the Project received a direct income. Expenditure on charitable activities represents the cost of supporting the Project's objectives. Support costs are those costs incurred directly in support of expenditure on the objects of the Project.

Governance costs are those incurred in the governance of the Project and its assets, and are primarily associated with constitutional and statutory compliance

(e) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in, first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal

(f) Tangible Fixed Assets

Individual fixed assets costing more than £100 are capitalised at cost. Where fixed assets are donated to the Project, they are included at the Trustee's valuation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected economic useful life, as follows -

Leasehold property	- straight line over the period of the lease
Equipment	- 25% reducing balance

(g) Taxation

As a recognised charity, the Project is exempt from Corporation Tax so far as it relates to its charitable objects. It is not, however, exempt from VAT, and irrecoverable VAT is included in the cost of those items to which it relates

(h) Basis of Consolidation

The consolidated financial statements comprise Matson Neighbourhood Project and its trading subsidiary, Trinity Trading (Matson) Limited

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

2. INCOMING RESOURCES FROM GENERATED FUNDS

	Unrestricted Funds £	Restricted Funds £	2007 Total Funds £	2006 Total Funds £
<i>Voluntary income</i>				
GlosCAT	-	-	-	2,156
Local Authority contracts	43,000	-	43,000	30,250
	<u>43,000</u>	<u>-</u>	<u>43,000</u>	<u>32,406</u>
<i>Activities for generating funds</i>				
Trading income	156,033	-	156,033	128,941
Clothing sales	2,402	-	2,402	996
Phoenix Club	-	1,969	1,969	5,346
Others less than £1,500	6,460	-	6,460	10,108
	<u>164,895</u>	<u>1,969</u>	<u>166,864</u>	<u>145,391</u>
<i>Investment income</i>				
Bank interest received	2,661	-	2,661	3,203
	<u>210,556</u>	<u>1,969</u>	<u>212,525</u>	<u>181,000</u>

**3. INCOMING RESOURCES
FROM CHARITABLE ACTIVITIES**

Connexions	-	-	-	5,320
Lloyds TSB	-	-	-	5,000
Children's Fund	-	30,006	30,006	29,493
Tudor Trust	-	22,667	22,667	13,333
Awards For All	-	-	-	4,767
Local Authority contracts	-	60,052	60,052	90,348
Financial Inclusion Fund	-	5,136	5,136	-
European Social Fund	-	45,468	45,468	50,479
Home Office	-	3,331	3,331	5,551
Supporting People	-	-	-	178,901
Primary Care Group	-	-	-	10,042
Gloucestershire City Council	1,650	10,020	11,670	16,569
Gloucestershire County Council	-	12,625	12,625	-
Gloucester City Homes	-	5,500	5,500	-
Gloucestershire Environmental Trust	-	8,299	8,299	-
LSC Embedded Skills	-	2,542	2,542	-
Gloucestershire Community Foundation	-	9,670	9,670	-
Gloucestershire NHS Trust	-	-	-	5,000
ADED	-	1,789	1,789	3,432
Rent received	32,101	-	32,101	24,647
Others less than £1,000	-	6,841	6,841	6,547
	<u>33,751</u>	<u>223,946</u>	<u>257,697</u>	<u>449,429</u>

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

4	NET MOVEMENT IN FUNDS	2007	2006
		£	£
	The net movement in funds is stated after charging:-		
	Operating lease rentals	11,248	11,248
	Depreciation of tangible fixed assets	119,207	38,813
	Audit fees	5,355	4,668
		<u> </u>	<u> </u>

As permitted by Section 230 of the Companies Act 1985, the parent company's statement of financial activities has not been included in these financial statements. The net movement in funds in the parent company for the year to 31 March 2007 was a net decrease in funds of £163,728 (2006 £42,519)

Staff costs:

No remuneration was paid to any of the Trustees. The charity paid £88 (2006 £235) during the year to Trustees travelling and dependents care expenses. The staff costs of the remaining staff were -

	Unrestricted Funds	Restricted Funds	2007 Total Funds	2006 Total Funds
	£	£	£	£
Salaries	34,709	223,861	258,570	374,777
Social security and pensions	1,684	19,268	20,952	32,982
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	36,393	243,129	279,522	407,759
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The average weekly number of staff employed was as follows -

	No	No
Direct charitable work	16	28
Trading subsidiary	1	1
	<u> </u>	<u> </u>
	17	29
	<u> </u>	<u> </u>

No employee received remuneration of more than £60,000

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

5 COSTS OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	2007 Total Funds £	2006 Total Funds £
<i>Trading expenses</i>				
Purchases for resale	152,233	-	152,233	122,466
Salaries	2,694	-	2,694	3,059
Premises expenses	563	-	563	501
Audit & accountancy	440	-	440	455
Sundry expenses	62	-	62	18
Depreciation	41	-	41	35
Bank charges	30	-	30	-
	<u>156,063</u>	<u>-</u>	<u>156,063</u>	<u>126,534</u>

6. CHARITABLE ACTIVITIES

Salaries	33,699	243,129	276,828	404,700
Premises expenses	24,152	20,735	44,887	50,240
Telephone & postage	2,787	3,530	6,317	9,014
Stationery	3,782	1,366	5,148	7,483
Insurances	1,526	2,891	4,417	5,137
Transport & travel	622	1,021	1,643	3,852
Training	48	980	1,028	5,278
Members activities	782	10,508	11,290	9,936
Professional fees	30	-	30	90
Sundry expenses	29	208	237	3,290
Depreciation	5,072	114,093	119,165	38,778
Bank charges	8	-	8	-
	<u>72,537</u>	<u>398,461</u>	<u>470,998</u>	<u>537,798</u>

MATSON NEIGHBOURHOOD PROJECT

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

FOR THE YEAR ENDED 31 MARCH 2007

7. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	2007 Total Funds £	2006 Total Funds £
Accountancy, book-keeping & payroll	4,915	-	4,915	4,668
Professional fees	1,728	-	1,728	4,784
	<u>6,643</u>	<u>-</u>	<u>6,643</u>	<u>9,452</u>

8. CONSOLIDATED FUNDS MOVEMENT

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Restricted funds:					
Training & education	-	50,603	(50,552)	2,949	3,000
Health & caring	-	4,076	(4,230)	154	-
Community Involvement	-	19,114	(24,270)	5,156	-
Advice & representation	-	5,136	(62,086)	56,950	-
Phoenix Club	-	88,339	(95,656)	7,317	-
Gardening Project	1,487	22	(662)	(847)	-
Play/Youth	-	38,275	(46,912)	8,637	-
Properties					
Taylor House	106,488	-	(101,775)	(4,713)	-
Phoenix Centre	94,244	-	(9,201)	-	85,043
Trinity Centre	49,775	20,350	(3,117)	-	67,008
	<u>251,994</u>	<u>225,915</u>	<u>(398,461)</u>	<u>75,603</u>	<u>155,051</u>
Unrestricted funds:					
General	216,157	87,997	(79,180)	(75,603)	149,371
Non-charitable trading	(16,157)	156,310	(156,063)	-	(15,910)
	<u>200,000</u>	<u>244,307</u>	<u>(235,243)</u>	<u>(75,603)</u>	<u>133,461</u>
	<u>451,994</u>	<u>470,222</u>	<u>(633,704)</u>	<u>-</u>	<u>288,512</u>

In the financial statements of the parent company only, provision of £19,470 has been made against the recovery of the amount owed by the subsidiary undertaking

Transfers are made between restricted and unrestricted funds at the end of every accounting period in cases where -

- the activity of the restricted fund has come to an end and there is an unspent balance that is not repayable to the funder(s), when the surplus is transferred to unrestricted funds, or
- the restricted fund is in deficit and has either come to an end or there is no prospect of a surplus in a later period, when the deficit is eliminated by transfer from unrestricted funds

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

9. TANGIBLE FIXED ASSETS - GROUP

	Leasehold Property £	Plant and Equipment £	Total £
Cost			
As at 1 April 2006	507,971	62,318	570,289
Additions in year	18,959	4,003	22,962
Disposals in year	(190,375)	-	(190,395)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2007	336,555	66,321	402,876
	<hr/>	<hr/>	<hr/>
Depreciation			
As at 1 April 2006	173,886	45,873	219,759
Charge for year	114,094	5,113	119,207
Eliminated on disposals	(190,375)	-	(190,375)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2007	97,605	50,986	148,591
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 March 2007	238,950	15,335	254,285
	<hr/>	<hr/>	<hr/>
At 31 March 2006	334,085	16,445	350,530
	<hr/>	<hr/>	<hr/>

10. TANGIBLE FIXED ASSETS – PARENT COMPANY

	Leasehold Property £	Plant and Equipment £	Total £
Cost			
As at 1 April 2006	507,971	62,068	570,039
Additions in year	18,959	4,003	22,962
Disposals in year	(190,375)	-	(190,375)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2007	336,555	66,071	402,626
	<hr/>	<hr/>	<hr/>
Depreciation			
As at 1 April 2006	173,886	45,785	219,671
Charge for year	114,094	5,072	119,166
Eliminated on disposals	(190,375)	-	(190,375)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2007	97,605	50,857	148,462
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 March 2007	238,950	15,214	254,164
	<hr/>	<hr/>	<hr/>
At 31 March 2006	334,085	16,283	350,368
	<hr/>	<hr/>	<hr/>

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

11. FIXED ASSET INVESTMENTS	2007 Total £	2006 Total £
Trinity Trading (Matson) Limited – at cost	2	2
<hr/>		
The investment in the subsidiary undertaking represents 100% of the share capital. The key figures in the financial statements of the subsidiary are		
	2007 £	2006 £
Net (liabilities)	(15,908)	(16,155)
<hr/>		
Net incoming resources for the year	247	2,446
<hr/>		
12 DEBTORS - GROUP		
Trade debtors	41,503	28,849
Other debtors	905	50
Prepayments & accrued income	4,775	4,176
<hr/>		
	47,183	33,075
<hr/>		
13 DEBTORS – PARENT COMPANY		
Trade debtors	41,548	28,003
Prepayments	4,662	4,176
<hr/>		
	46,210	32,179
<hr/>		
14. CREDITORS - GROUP		
Bank overdraft	1,213	1,294
Trade creditors	2,233	(1,985)
Income received in advance	20,275	15,016
Social security & other taxes	6,100	543
Accruals & other creditors	10,638	10,594
<hr/>		
	40,459	25,462
<hr/>		

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

15 CREDITORS – PARENT COMPANY	2007	2006
	£	£
Trade creditors	2,233	(2,547)
Income received in advance	20,275	15,016
Social security & other taxes	-	405
Accruals & other creditors	16,134	10,094
	<u>38,642</u>	<u>22,968</u>

16. CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

Grant advance re Norbury Avenue	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

The advance is secured on 60 Norbury Avenue. No repayments of capital or interest fall due provided that the terms of the secured grant are complied with. The grant will become immediately repayment in full if the terms of the grant are not met.

17 CAPITAL COMMITMENTS	2007	2006
	£	£
At 31 March 2007 the Project had capital commitments of		
Contracted for but not provided in these financial statements	Nil	Nil
Authorised but not contracted for	Nil	Nil
	<u>Nil</u>	<u>Nil</u>

18 STATUS

The company is limited by guarantee and therefore has no share capital. In the event of the company being wound up and the liabilities and winding up expenses being in excess of assets, the liability of a member is limited to £1.

19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption permitted under FRS8 not to disclose transactions with its wholly-owned subsidiary.

Gloucestershire Neighbourhood Projects Network acts as a central body for providing support for various Neighbourhood Projects within Gloucestershire, including Matson Neighbourhood Project. All funds relating to Matson Neighbourhood Project obtained via Gloucestershire Neighbourhood Projects Network have been included within the Statement of Financial Activities under the appropriate income heading.

MATSON NEIGHBOURHOOD PROJECT
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2007

20. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of the funds not be in accordance with the terms of the grant. In the opinion of the Trustees no such liability exists at 31 March 2007

21. OPERATING LEASE COMMITMENTS	2007	2006
	£	£
The company has the following annual commitments under operating leases	11,248	11,248
	<u> </u>	<u> </u>