

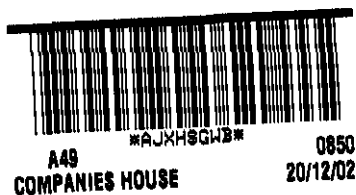
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Charity Registration No. 1067329

Company Registration No. 3258337 (England and Wales)

**WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2002**

**Clement Keys**  
CHARTERED ACCOUNTANTS ■



# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Directors

Sir R Knowles  
Cllr S Bedser  
Cllr L Lawrence  
Cllr J Lines  
J Drinkwater  
C Lowe  
R Burden MP  
Alderman S Banting  
E Freeman  
J Bonney  
J Fellows  
Rev D James  
L Ingram  
Rev C Mansley  
D Flood

### Secretary

J Slowey

### Charity number

1067329

### Company number

3258337

### Registered office

Hollymoor Centre 8 Manor Park Grove  
Tessall Lane  
Northfield  
B31 5ER  
Birmingham

### Auditors

Clement Keys  
Dartmouth House  
Sandwell Road  
West Bromwich  
B70 8TH  
West Midlands

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# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

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# **WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002**

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The directors present their report and financial statements for the year ended 31 March 2002.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Association's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

### **Objects of the charity**

The Association is a registered charity and a company limited by guarantee. The Association's objects are ;

-to advance the education and training of the inhabitants of Birmingham to enable their conditions of life to be improved

-to provide or assist in the provision of recreational facilities for the inhabitants of Birmingham who by reason of their youth, age, infirmity, disability, poverty or social and economic circumstances have a need for such facilities and with the object of improving their conditions of life

-the promotion of any charitable purpose and in particular charitable purposes directed to the benefit of people suffering through unemployment, the advancement of education and the relief of poverty and for these purposes (but without prejudice to the generality of the foregoing) to provide advice, assistance and consultancy services to individuals, charities and communities in necessitous circumstances

### **Review of activities**

The Association continued to hire equipment, premises and facilities to charitable and non-profit making organisations in the West Northfield community, in pursuit of the objectives outlined above.

Management of the Hollymoor Centre was assumed by Birmingham City Council from the end of February 2002. The hire agreement in respect of the media equipment has been terminated with effect from August 2002 and in consequence, it has been agreed that the Association's lease on premises and equipment from Birmingham City Council should be terminated with effect from the same date. The directors continue to seek income from other sources and remain confident that the Association will have sufficient funds to fulfill its objectives and meet liabilities.

The decision to terminate the arrangements with regard to leased assets led to a re-examination of the accounting policies used in regard to these items. The assets in question have been included as fixed assets as a permanently endowed fund.

The Association had all the benefits and obligations of ownership, notwithstanding the fact that legal title remained with Birmingham City Council. The directors have concluded therefore that it is correct to continue to account for these items as fixed assets. Re-examination of the terms on which the Association had the use of the assets however has led to the conclusion that they do not form part of a permanently endowed fund and that they should be accounted for as a restricted fund.

It has also been concluded that depreciation of these assets should be charged to the restricted fund rather than unrestricted funds.

These changes in accounting policies have been accounted for as prior year adjustments and accounts have been restated accordingly.

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

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### Directors

The Directors, who are also the directors for the purpose of company law, who served during the year were:

Sir R Knowles	
Cllr S Bedser	
Cllr G Green	(Resigned 9 July 2002)
Cllr L Lawrence	
Cllr J Lines	
Cllr M Scrimshaw	(Resigned 31 January 2002)
P Twyman	(Resigned 31 August 2002)
J Drinkwater	
C Lowe	
R Burden MP	
Alderman S Banting	
E Freeman	
J Bonney	
J Fellows	
Rev D James	
L Ingram	
Rev C Mansley	
D Flood	

### Review of financial position

The directors consider the financial position at the balance sheet date to be satisfactory.

### Reserves policy

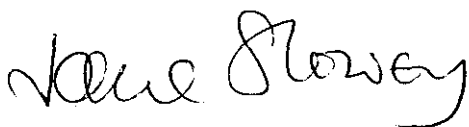
It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Association's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### Risk factors

The directors are aware of the need to assess the major risks to which the Association is exposed and to satisfy themselves that systems are in place to mitigate exposure to the major risks. It is intended that a full risk assessment will be completed during the current financial year.

### Auditors

Clement Keys were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.



J Slowey

Director

Dated: 11 December 2002

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

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We have audited the financial statements of West Northfield Community Association Limited on pages 0 to 10 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### **Respective responsibilities of Directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 directors' report is not consistent with the financial statements, if the company 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 directors' remuneration and transactions with the company is not disclosed.

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

### **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 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 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 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 company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Clement Keys**

Chartered Accountants

Registered Auditor

Dartmouth House

Sandwell Road

West Bromwich

B70 8TH

West Midlands

Dated: 11 December 2002

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

		Unrestricted funds	Restricted funds	Total 2002 (as restated)	Total 2001
	Notes	£	£	£	£
<b><u>Incoming resources</u></b>					
Grants received		23,557	11,132	34,689	79,410
Activities in furtherance of the charity's objectives	2	220,547	-	220,547	214,526
Activities for generating funds		7,467	-	7,467	12,814
Investment income		-	-	-	171
<b>Total incoming resources</b>		<b>251,571</b>	<b>11,132</b>	<b>262,703</b>	<b>306,921</b>
<b><u>Resources expended</u></b>					
<b>Costs of generating funds</b>					
Trading costs		129,311	-	129,311	186,236
Fundraising and publicity costs		9,081	-	9,081	17,608
<b>Charitable expenditure</b>					
Media centre		-	177,068	177,068	191,088
Community groups		-	2,493	2,493	-
Management and administration		70,920	-	70,920	97,752
<b>Total resources expended</b>	3	<b>209,312</b>	<b>179,561</b>	<b>388,873</b>	<b>492,684</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>42,259</b>	<b>(168,429)</b>	<b>(126,170)</b>	<b>(185,763)</b>
Fund balances at 1 April 2001		99,464	460,732	560,196	745,959
<b>Fund balances at 31 March 2002</b>		<b>141,723</b>	<b>292,303</b>	<b>434,026</b>	<b>560,196</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

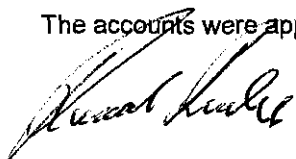


# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## BALANCE SHEET AS AT 31 MARCH 2002

		2002		2001 (as restated)	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		290,744		467,813
<b>Current assets</b>					
Debtors	6	126,971		117,689	
Cash at bank and in hand		106,207		19,904	
		<u>233,178</u>		<u>137,593</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(89,896)</u>		<u>(45,210)</u>	
<b>Net current assets</b>			<u>143,282</u>		<u>92,383</u>
<b>Total assets less current liabilities</b>			<u>434,026</u>		<u>560,196</u>
<b>Income funds</b>					
Restricted funds			292,303		454,608
Unrestricted funds			141,723		105,588
			<u>434,026</u>		<u>560,196</u>

The accounts were approved by the Board on 11 December 2002



Sir R Knowles  
Director

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts are prepared under the historical cost convention, and in accordance with the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

The Association has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small Association.

#### 1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% straight line
Fixtures, fittings & equipment	25% to 33.33%, reducing balance and straight line

#### 1.3 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 2 Activities in furtherance of the charity's objectives

	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
Rental income	124,860	-	124,860	127,144
Room bookings	17,916	-	17,916	19,750
Diner sales	14,740	-	14,740	21,821
Service charges rechargeable	63,031	-	63,031	45,811
	<u>220,547</u>	<u>-</u>	<u>220,547</u>	<u>214,526</u>

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

### 3 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2002 £	Total 2001 £
<b>Costs of generating funds:</b>					
Trading costs	36,981	-	92,330	129,311	186,236
Fundraising and publicity	-	-	9,081	9,081	17,608
<b>Charitable expenditure:</b>					
Media centre	-	177,068	-	177,068	191,088
Community groups	-	-	2,493	2,493	-
Management and administration	43,269	-	27,651	70,920	97,752
	<u>80,249</u>	<u>177,068</u>	<u>129,062</u>	<u>388,873</u>	<u>492,684</u>

Management and administration costs includes payments to the auditors of £1,750 (2001 - £3,000) for audit fees and £1,000 (2001 - £10,125) for other services.

### 4 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2002 Number	2001 Number
	<u>4</u>	<u>10</u>
<b>Employment costs</b>	2002 £	2001 £
Wages and salaries	76,209	132,238
Social security costs	4,040	7,696
	<u>80,249</u>	<u>139,934</u>

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

### 5 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2001 and at 31 March 2002	768,244	163,382	931,626
<b>Depreciation</b>			
At 1 April 2001	352,110	111,704	463,814
Charge for the year	153,648	23,420	177,068
At 31 March 2002	505,758	135,124	640,882
<b>Net book value</b>			
At 31 March 2002	262,486	28,258	280,500
At 31 March 2001	416,134	24,019	440,153

### 6 Debtors

	2002 £	2001 £
Trade debtors	126,971	117,689

### 7 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	83,951	27,856
Taxes and social security costs	2,057	2,408
Other creditors	831	11,701
Accruals	3,057	3,245
	89,896	45,210

# WEST NORTHFIELD COMMUNITY ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

### 8 Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Total £
Fund balances at 31 March 2002 are represented by:			
Tangible fixed assets	7,080	283,664	290,744
Current assets	224,539	8,639	233,178
Creditors: amounts falling due within one year	(89,896)	-	(89,896)
	<u>141,723</u>	<u>292,303</u>	<u>434,026</u>

### 9 Post balance sheet events

Following termination of the lease and hire agreement relating to plant and equipment held under the terms of a lease from Birmingham City Council, it has been agreed that the arrangement with the Council should also be terminated and the assets returned to the Council.