

Company registration number 04875074  
Charity registration number 1112206

# Community North West

Annual Report and Financial Statements

for the Year Ended 5 April 2011

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COMPANIES HOUSE

Eric Southwick BA (Hons) FCA FCIE DChA  
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Seaham  
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# **Community North West**

## **Contents**

Reference and Administrative Details .....	1
Trustees' Report .....	2 to 4
Trustees' responsibilities in relation to the financial statements .....	5
Independent examiner's report .....	6
Statement of financial activities .....	7
Balance Sheet .....	8
Notes to the financial statements .....	9 to 15

**Community North West**  
**Reference and Administrative Details**

<b>Charity name</b>	Community North West
<b>Charity registration number</b>	1112206
<b>Company registration number</b>	04875074
<b>Principal office</b>	Suite 1, The Ace Centre Cross Street Nelson Lancashire BB9 7NN
<b>Registered office</b>	Suite 1, The Ace Centre Cross Street Nelson Lancashire BB9 7NN
<b>Trustees</b>	Dr M I Malik MBE  J Brooker  R Cooper MP  S F Y Dutton (Resigned 29 March 2011) C A Glynn (Resigned 29 March 2011) P A Hickey B Lowndes JP MBE A Wynne C Trueblood K T Morley (Resigned 29 March 2011) T L W Mumford J Taylor (Resigned 29 March 2011)
<b>Secretary</b>	M R Heaton FCCA FCIE
<b>Regional director</b>	D Hannay
<b>Independent Examiner</b>	Eric Southwick BA (Hons) FCA FCIE DChA 51 The Avenue Seaham County Durham SR7 8NS

## **Community North West**

### **Trustees' Report**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

The company was incorporated on 22nd August 2003, registration no 04875074 and is governed by its Memorandum and Articles, as amended on 14th September 2005 and 29th March 2011. The company is also a registered Charity no 1112206 and subject to the Charities Act 1993.

##### **Structure**

The company is currently governed by a Board of 8 Trustees.

##### **Appointment of Trustees**

The Trustees are appointed by the membership at the Annual General Meeting.

##### **Risk Management**

The Trustees have introduced a risk management process to assess business risks and are implementing systems to mitigate these risks. Internal risks are minimised by the implementation of procedures or authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. Procedures are in place to ensure compliance with health and safety of staff, clients and visitors to the premises. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

##### **Public Benefit**

The trustees have had due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity should undertake.

The remainder of this Annual Report illustrates the activities undertaken to support the public benefit requirement.

#### **OBJECTIVES AND ACTIVITIES**

To promote such purposes as are charitable according to the law of England and Wales for the benefit of the public primarily in the North West of England (hereinafter referred to as the area of benefit) by

- Advancing the education of the public primarily in the North West region by promoting the effective working of any public, charitable, voluntary and community groups which operate in the area of benefit,
- Promoting or assisting in the promotion of and co-operation between groups and organisations in the area of benefit, and between themselves and others nationally in the United Kingdom,
- Promoting or assisting in the promotion of and co-operation between such groups and organisations in the area of benefit and any local, regional and national development agencies within the United Kingdom,
- Promoting or assisting in the promotion of community capacity building of community groups and voluntary organisations, particularly but not exclusively, in those areas of social and economic disadvantage, within the area of benefit,
- Taking the lead and co-operating in the strategic planning and regional development of community and voluntary groups and organisations within the area of benefit,
- Contributing to both the development and public awareness of a regional strategy and the active involvement of the community and voluntary sector in the promotion of such strategy within the area of benefit,
- Liaising with governmental, regional and other organisations in order to co-ordinate the planning, work and marketing of the community and voluntary sector within the area of benefit,

## **Community North West**

### **Trustees' Report**

Liaising with representatives of other related and or relevant groups and organisations and furthering integration and joint working where appropriate in the area of benefit

#### **The charity's aims including the changes or differences it seeks to make through its activities**

Community North West aims to contribute to the sustainable development and regeneration of the North West by -

Raising awareness of and involvement with the North West Regional Structures

Working to ensure the voice of the North West Community and Voluntary Sector contributes to this process

#### **The charity's strategies for achieving its stated objectives**

CNW is a member of Social, Environmental & Economic Partners together with other organisations such as Voluntary Sector North West and the North West Migrants Network. With our secure regional base, during 2010/11 CNW has been recognised by and is able to operate as a regional partner and contact point with a number of national community development and regeneration bodies such as Community Development Exchange, the Community Development Foundation, the Federation of CD Learning, Community Matters and Urban Forum.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Strategies for Survival**

2010/11 has been a strange and sad year for many of the community groups and colleagues with whom we work. The impending recession together with the coalition government's deficit reduction programme has created "hard times" for many in the North West of England but especially those community groups or workers who are located in some of the poorest and most deprived areas in Britain.

Much of our work during the past 12 months has been helping local groups develop "strategies for survival". Disproportional contracts as well as job losses have had a devastating effect generally in the North with many parts of Merseyside, Greater Manchester and East Lancashire being especially hard hit. During 2010/11 -

- We have been able to bring people together in two major community work conferences
- We have undertaken detailed project work in Liverpool 8 in partnership with the Council and CVS by supporting local community centres to meet up and work together during these "hard times"
- We have maintained an up-to-date information service via our website of how the cuts are impacting on community groups across the region and how local areas are finding ways to respond to the worst of the cuts.

During the next 12 months we will be organising a major piece of action/research of 1,000 community groups and activists across the region to find out how community groups are surviving (or not!). Our ongoing project is therefore to survive ourselves.

#### **FINANCIAL REVIEW**

The Statement of Financial Activities sets out the incoming resources and resources expended for the year. Incoming resources amounted to £99,222 and a surplus of £7,810 was generated on the unrestricted fund. The principal funding sources are:

Private donations including gift aid reclaim - £87,452,

Grants and funding for projects - £11,700

## **Community North West Trustees' Report**

### **Reserves Policy**

The majority of the Charity's income consists of donations. This income is not guaranteed. The Trustees recognise therefore the need to hold reserves to cover fluctuations in income and to allow the charity to continue to meet its aims.


The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the charity to continue the current activities a general reserve equivalent to 3 months of budgeted expenses is required. An amount of £45,907 is currently held, this is in excess of the target amount of £24,000.

The level of reserves is monitored on a regular basis by the officers and by meetings of the Trustees. The Trustees believe this policy minimises financial risk.

### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Trustees on 12 May 2011 and signed on its behalf by



Dr M I Malik MBE  
Trustee

## **Community North West**

### **Trustees' Responsibilities in relation to the Financial Statements**

The trustees (who are also directors of Community North West for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Examiner's Report to the Trustees of Community North West**

I report on the accounts of the company for the year ended 5 April 2011 which are set out on pages 7 to 15

### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- state whether particular matters have come to my attention

### **Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met, or
- (2) to which in my opinion attention should be drawn in order to enable a proper understanding of the accounts to be reached



Eric Southwick BA (Hons) FCA FCIE DChA

Date 27<sup>th</sup> September 2011

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# Community North West

## Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 5 April 2011

		Unrestricted Funds	Restricted Funds	Total Funds 2011	Total Funds 2010
	Note	£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	87,452	-	87,452	102,885
Investment income	3	70	-	70	18
Incoming resources from charitable activities	4	11,700	-	11,700	34,088
Other incoming resources	5	-	-	-	75
Total incoming resources		<u>99,222</u>	<u>-</u>	<u>99,222</u>	<u>137,066</u>
<b>Resources expended</b>					
Charitable activities	6	85,198	1,450	86,648	133,438
Governance costs	6	4,764	-	4,764	3,615
Total resources expended		<u>89,962</u>	<u>1,450</u>	<u>91,412</u>	<u>137,053</u>
Net movements in funds		9,260	(1,450)	7,810	13
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>36,647</u>	<u>1,450</u>	<u>38,097</u>	<u>38,084</u>
Total funds carried forward		<u>45,907</u>	<u>-</u>	<u>45,907</u>	<u>38,097</u>

The notes on pages 9 to 15 form an integral part of these financial statements

**Community North West (Registration number: 04875074)**

**Balance Sheet as at 5 April 2011**

		2011		2010	
	Note	£	£	£	£
<b>Current assets</b>					
Debtors	12	3,700		630	
Cash at bank and in hand		<u>46,754</u>		<u>41,687</u>	
			50,454		42,317
<b>Creditors: Amounts falling due within one year</b>	13		<u>(4,547)</u>		<u>(4,220)</u>
<b>Net current assets</b>			<u>45,907</u>		<u>38,097</u>
<b>Net assets</b>			<u><u>45,907</u></u>		<u><u>38,097</u></u>
<b>The funds of the charity</b>					
<b>Restricted funds in surplus</b>			-		1,450
<b>Unrestricted funds</b>					
Unrestricted income funds			<u>45,907</u>		<u>36,647</u>
<b>Total charity funds</b>			<u><u>45,907</u></u>		<u><u>38,097</u></u>

For the financial year ended 5 April 2011, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Trustees on 12 May 2011 and signed on its behalf by



Dr M I Malik MBE  
Trustee

The notes on pages 9 to 15 form an integral part of these financial statements

## **Community North West**

### **Notes to the Financial Statements for the Year Ended 5 April 2011**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008 ) and the Companies Act 2006

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose

Further details of each fund are disclosed in note 16

##### **Incoming resources**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate

Investment income is recognised on a receivable basis

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions Grant income included in this category provides funding to support programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

##### **Resources expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

##### **Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters

##### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage

**Community North West**  
**Notes to the Financial Statements for the Year Ended 5 April 2011**

*continued*

**Fixed assets**

Individual fixed assets costing £100 or more are initially recorded at cost

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Fixtures and fittings	25% per annum reducing balance
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**Operating leases**

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term

## Community North West

### Notes to the Financial Statements for the Year Ended 5 April 2011

*continued*

#### 2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Donations and legacies</b>				
Donations	68,213	-	68,213	80,250
Gift Aid tax reclaimed	19,239	-	19,239	22,635
	<u>87,452</u>	<u>-</u>	<u>87,452</u>	<u>102,885</u>

#### 3 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Bank interest receivable	<u>70</u>	<u>-</u>	<u>70</u>	<u>18</u>

#### 4 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Community support</b>				
NWTWC Grants	11,700	-	11,700	5,000
Activists Network	-	-	-	20,154
Somali Film Project	-	-	-	3,964
FCDL - Jamboree	-	-	-	4,970
	<u>11,700</u>	<u>-</u>	<u>11,700</u>	<u>34,088</u>

#### 5 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Other income</b>				
On-line filing incentive	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>

## Community North West

### Notes to the Financial Statements for the Year Ended 5 April 2011

*continued*

#### 6 Total resources expended

	Community support	Governance	Total
	£	£	£
<b>Direct costs</b>			
Green jamboree expenses	165	-	165
NWTWC costs	6,961	-	6,961
Employment costs	40,700	-	40,700
Establishment costs	5,102	-	5,102
Office expenses	3,922	-	3,922
Printing, posting and stationery	832	-	832
Subscriptions and donations	752	-	752
Sundry and other costs	339	-	339
Conference and meeting expenses	1,089	-	1,089
Travel and subsistence	6,018	-	6,018
Accountancy fees	-	3,985	3,985
Independent examiners fees	-	646	646
Legal and professional costs	-	133	133
Bank charges	201	-	201
	<u>66,081</u>	<u>4,764</u>	<u>70,845</u>
<b>Support costs</b>			
Employment costs	<u>20,567</u>	<u>-</u>	<u>20,567</u>
	<u><u>86,648</u></u>	<u><u>4,764</u></u>	<u><u>91,412</u></u>

#### 7 Trustees' remuneration and expenses

No trustees received any remuneration in the year. Five trustees received expenses of £700 during the year.

#### 8 Net income

Net income is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets	<u>-</u>	<u>2,004</u>

## Community North West

### Notes to the Financial Statements for the Year Ended 5 April 2011

*continued*

#### 9 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year, analysed by category, was as follows

	2011 No	2010 No.
Charitable activities	1	1
Support	1	1
	<u>2</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	55,611	55,611
Social security	5,656	5,656
	<u>61,267</u>	<u>61,267</u>

#### 10 Taxation

The company is a registered charity and is, therefore, exempt from taxation

**Community North West**  
**Notes to the Financial Statements for the Year Ended 5 April 2011**

*continued*

**11 Tangible fixed assets**

	<b>Fixtures, fittings and equipment £</b>
<b>Cost</b>	
As at 6 April 2010 and 5 April 2011	<u>13,368</u>
<b>Depreciation</b>	
As at 6 April 2010 and 5 April 2011	<u>13,368</u>
<b>Net book value</b>	
As at 5 April 2011	<u>-</u>
As at 5 April 2010	<u>-</u>

**12 Debtors**

	<b>2011 £</b>	<b>2010 £</b>
Trade debtors	3,700	-
Prepayments and accrued income	-	630
	<u>3,700</u>	<u>630</u>

**13 Creditors: Amounts falling due within one year**

	<b>2011 £</b>	<b>2010 £</b>
Trade creditors	1,200	653
Taxation and social security	-	1,587
Accruals and deferred income	3,347	1,980
	<u>4,547</u>	<u>4,220</u>

**14 Members' liability**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

At the year end, there were approximately 300 members of the company.



## Community North West

### Notes to the Financial Statements for the Year Ended 5 April 2011

*continued*

#### 15 Related parties

##### Controlling entity

The charity is controlled by the trustees who are all directors of the company

#### 16 Analysis of funds

	At 6 April 2010	Incoming resources	Resources expended	At 5 April 2011
	£	£	£	£
<b>General Funds</b>				
Unrestricted income fund	36,647	99,222	(89,962)	45,907
<b>Restricted Funds</b>				
Awards for all	1,450	-	(1,450)	-
	<u>38,097</u>	<u>99,222</u>	<u>(91,412)</u>	<u>45,907</u>

#### 17 Net assets by fund

	Unrestricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£
Tangible assets	-	-	-
Current assets	50,454	50,454	42,317
Creditors Amounts falling due within one year	(4,547)	(4,547)	(4,220)
Net assets	<u>45,907</u>	<u>45,907</u>	<u>38,097</u>