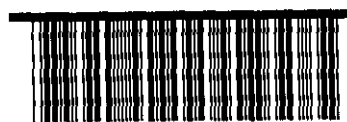


Charity Registration No 518992
Company Registration No 2137427 (England and Wales)

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2002



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CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
INFORMATION

Directors and Trustees	Yvette S Cox Jacqui Fendall Jasmine SAV Hendry
Chief Executive Officer	Sarah Champion
Company Secretary	Sarah Champion
Charity Number	518992
Company number	2137427
Principal address	39-43 Edge Street Manchester M4 1HW
Registered office	39-43 Edge Street Manchester M4 1HW
Auditors	Bulcock & Co 10 The Bull Ring Northwich Cheshire CW9 5BS
Bankers	Royal Bank of Scotland 38 Mosely Street Manchester M60 2BW

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE

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CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2002

The trustees present their report and accounts for the year ended 31st March 2002 (and comparative figures for the year ended 31st March 2001).

Objects of the charity

The charity is a company limited by guarantee and acquired registered charitable status on 24 June 1987. There are three guarantors at the year end.

The charity's objects are to promote and enhance Chinese Arts and culture within the United Kingdom and to develop the positive identity of the people of Chinese descent.

The Articles of Association allow the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

Review of activities

The Chinese Arts Centre has four main aims which shape its policy decisions:

1. To promote a wide variety of artists of Chinese descent and their work in arts and cultural events
2. To facilitate the wider community both to appreciate Chinese arts and culture and to recognise and develop their own creative talents.
3. To promote Chinese arts and culture through education and training.
4. To work with successive generations of British Chinese people to re-define and shape Chinese culture in Britain, drawing on Chinese cultural heritage.

Trustees

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

Yvette S Cox
Jacqui Fendall
Jasmine SAV Hendry

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

In addition to the above trustees, the charity receives assistance from Peter McNamara, Hutton Lo, Mr Yu, Alan Seatow and Eve Hadfield acting as committee members and regularly attending board meetings to provide ad hoc help and advice.

The appointment of trustees is governed by the Articles of Association.

The day to day administration of the charity's affairs and property is entrusted to Sarah Champion (Chief Executive Officer) and Cloudy Tan (Projects Manager).

The trustees meet at bi-monthly intervals and the meetings are well attended and quorate.

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

Review of financial position

On 7 June 2001, Chinese Arts Centre was informed that it had been accepted onto the Arts Council of England's lottery programme with £2,185,160 ring fenced for the organisation. The money will pay for the purchase and outfitting of a new, considerably larger arts centre as well as providing funds for organisational and marketing development for the launch of the new site.

At the year end the charity had received £92,106 of funding towards the project. This money will make a significant impact on our future planning. The new building is due to be open in Autumn 2003.

The Chinese Arts Centre was fortunate to gain an increase of 20 % in revenue funding from North West Arts Board (NWAB). This went towards covering the loss of the Black Arts Development Fund, which was only for three years.

During 2001 / 2002 the exhibition of contemporary mainland Chinese design, "Made in China" began its two year tour of the U.K. The Arts Council of England's National Touring Programme (NTP) funded the tour. £12,000 was drawn down in 2000/2001 to cover the research and development of the tour, with the remaining £4,905 being drawn down in 2001 / 2002. As our touring exhibitions are biannual, our expenses reflect this. With the additional demands on staff time caused by the lottery programme, we have initiated fewer projects during 2001 / 2002 and this is reflected in our lack of project funding from North West Arts Board.

Looking forward to 2002 / 2003, the future is very bright for the Chinese Arts Centre. It is a time of growth and opportunities. The lottery grant is clear recognition of the national status of the Chinese Arts Centre and of the Arts Council of England's desire to support its development.

The Chinese Arts Centre has been fortunate to continue to employ dedicated staff and to have a supportive and committed Board and the trustees would like to thank them for all of their help.

Asset cover for funds

Note 14 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Bulcock & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



Yvette S Cox

Trustee

1 October 2002

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its financial position at the end of the year.

In preparing those accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to ensure that the accounts 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.

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
AUDITORS' REPORT
TO THE MEMBERS OF CHINESE ARTS CENTRE LIMITED

We have audited the accounts on pages 5 to 13 for the year ended 31 March 2002 which comprise the Statement of Financial Activities, the balance sheet and the related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of trustees and auditors

As described on page 3 the trustees, who are also the directors of Chinese Arts Centre Limited for the purpose of company law, are responsible for the preparation of accounts.

We have been appointed as auditors under s43 Charities Act 1993 and report in accordance with regulations made under s44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement contained in the trustees' report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the trustees' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we became aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable 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 as to whether the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's affairs as at 31 March 2002 and of its incoming resources and application of resources including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bulcock & Co

Bulcock & Co

Chartered Accountants
Registered Auditor
10 The Bull Ring
Northwich
Cheshire
CW9 5BS

1 October 2002

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2002

	Note	Unrestricted funds £	Restricted funds £	2002 £	2001 £
Incoming resources					
Grants receivable	2		103,165	103,165	117,474
Interest receivable		105		105	289
Net income from trading activities	3	13,932		13,932	7,266
Other income	4	5,045		5,045	1,791
Total incoming resources		<u>19,082</u>	<u>103,165</u>	<u>122,247</u>	<u>126,820</u>
Resources expended					
Direct charitable expenditure		16,358	103,165	119,523	121,951
Other expenditure: Management and administration		1,314		1,314	893
Total resources expended	5	<u>17,672</u>	<u>103,165</u>	<u>120,837</u>	<u>122,844</u>
Net income for the year		<u>1,410</u>	<u>0</u>	<u>1,410</u>	<u>3,976</u>
Fund balances at 1 April 2001		<u>5,569</u>	<u>0</u>	<u>5,569</u>	<u>1,593</u>
Fund balances at 31 March 2002		<u>6,979</u>	<u>0</u>	<u>6,979</u>	<u>5,569</u>


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

All of the charity's operations are classed as continuing and all of its income is derived from activities which are within its objects.

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2002

		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	9		94,026		1,399
Investments	10		1		-
Current assets					
Debtors	11	3,550		600	
Cash at bank and in hand		7,557		15,680	
		<u>11,107</u>		<u>16,280</u>	
Creditors: amounts falling due within one year	12	(6,049)		(12,110)	
Net current assets			5,058		4,170
Deferred income	13		(92,106)		-
Total assets less current liabilities			<u>6,979</u>		<u>5,569</u>
Income Funds					
Unrestricted funds:					
Other charitable funds			6,979		5,569
			<u>6,979</u>		<u>5,569</u>

The accounts were approved by the Board on 1 October 2002


Jacqui Fendall
Trustee

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
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.

The charity 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 charity.

The accounts have been prepared in accordance with the Statement of Recommended Practice - Accounting by Charities.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Trading income comprises monies received for workshops, training courses run, the hire of facilities at the Chinese Arts Centre together with miscellaneous sales of materials.

Revenue grants are recognised as incoming resources when received.

Capital grants received from the Arts Council of England's lottery funding of the new premises have been deferred in accordance with note 2.

Bank interest is recognised as investment income when received.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.3 Resources expended

All expenditure is included in the income and expenditure account. The value of purchase invoices received after the year end in respect of expenditure incurred before the year end has also been included in the income and expenditure account. Staff costs and overhead expenses are allocated to activities either directly when identifiable or on the basis of staff time spent on those activities.

1.4 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:

Fixtures, fittings & equipment 25% Straight line

Additions to long leasehold premises relates to costs incurred to date on the new premises which have not been depreciated in this year. The project is due to be completed in the next financial year when the trustees will allocate appropriate depreciation policies.

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

1.5 Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Group accounts

These accounts present information about the company as an individual undertaking and not about its group. The company is entitled to the exemption under s248 of the Companies Act 1985 from the obligation to prepare group accounts.

2 Grants receivable

Revenue grants

During the year the charity received £103,165 comprising the following:

1. £76,580 from North West Arts Board as a contribution to the costs of various projects undertaken
2. £18,814 from the Baring Foundation being contributions to core costs for the period 1 September 2001 to 31 August 2002.
3. £4,905 from The Arts Council for the "Made in China" touring exhibition
4. £1,266 from The Arts Council for international initiatives.
5. £1,600 from The British Academy for the "Contemporary Chinese Arts" conference

Capital grants

In addition the charity received £92,106 from the Arts Council of England in respect of ongoing costs of the new premises project. The trustees consider that the most appropriate accounting treatment of the monies received is to include them on the balance sheet as deferred income since the project spans the year end and is due to be completed in the next financial period. Once the total costs have been incurred and the related grants received then the income will be shown in the Statement of Financial Activities and released over the expected life of the asset.

3 Net income from trading activities

	2002 £	2001 £
Gross income	39,030	37,217
Expenses	(25,098)	(29,951)
	<u>13,932</u>	<u>7,266</u>

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

3. Continued

Gross income is made up of the following:

1. £ 14,145 - Education activities
2. £ 1,578 - Workshop activities
3. £ 5,409 - Arts programmes
4. £ 17,128 - Agency income
5. £ 770 - various materials / items sold

Expenses of £25,098 relate to costs incurred in respect of the above

4. Other income

Other income of £5,045 comprises insurance monies received in respect of costs incurred following a break in during the year.

The related costs are included in the profit and loss account.

5. Total resources expended

	Staff costs £	Depreciation £	Other costs £	2002 Total £	2001 Total £
Direct charitable expenditure	67,263	1,334	50,926	119,523	121,951
Other expenditure					
Management and administration	0	0	1,314	1,314	893
	<u>67,263</u>	<u>1,334</u>	<u>52,240</u>	<u>120,837</u>	<u>122,844</u>

Management and administration costs include auditor's fees of £1,314 (2001 - £893).

6. Trustees

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year.

Volunteers' expenses of £86 were paid in respect of travelling and other expenses incurred on behalf of the charity.

There were no transactions between the charity and any of the trustees during the year.

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2002	2001
	Number	Number
Administration	4 =	3 =
Employment costs	2002 £	2001 £
Wages and salaries	67,263 =	54,496 =

The above figures include employer's national insurance of £5,168 (2001 £ 4,580). There were no employees whose annual emoluments were £50,000 or more.

8 Taxation

The company is a registered charity and relief under s505 ICTA 1988 is claimed and no tax has been provided for.

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

9 Tangible fixed assets

	Long Leasehold Premises 2002 £	Fixtures & Fittings 2002 £
Cost		
At 1 April 2001	-	3,478
Additions	92,106	1,856
At 31 March 2002	<u>92,106</u>	<u>5,334</u>
Depreciation		
At 1 April 2001	-	2,080
Charge for the year	-	1,334
At 31 March 2002	<u>-</u>	<u>3,414</u>
Net book value		
At 31 March 2002	<u>92,106</u>	<u>1,920</u>
At 31 March 2001	<u>-</u>	<u>1,399</u>

Long leasehold additions - see notes 1.4 and 2.

During 1999 the premises occupied by the charity were destroyed by fire along with many of the charity's assets. Insurance monies received in respect of the replacement of those assets amounting to £17,944 have been netted off against the cost of replacement.

The cost of assets shown above includes £19,303 spent by the charity on replacing the items lost in the fire less £17,944 insurance proceeds received.

All fixed assets are used in the direct furtherance of the charity's objects.

10. Investments in subsidiary

During the year the company acquired the one issued ordinary share in Chinese Arts Centre (Properties) Limited, a company incorporated in England and Wales, at par for cash. The wholly owned subsidiary was formed with the intention to administer the £2.2 million of funding from the Arts Council of England's lottery fund required to build the new premises which are expected to be occupied by Chinese Arts Centre in Spring 2003. However the monies were granted to Chinese Arts Centre Limited and have been included in these financial statements.

The aggregate capital and reserves of the subsidiary at the year end were £1 and it has not traded during the financial period.

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

11 Debtors

	2002 £	2001 £
Trade debtors	3,550	600
	<u>3,550</u>	<u>600</u>

12 Creditors: amounts falling due within one year

	2002 £	2001 £
Accruals	6,049	12,110
	<u>6,049</u>	<u>12,110</u>

13 Deferred income

Relates to the grants received from Arts Council for England's lottery programme which has been dealt with in accordance with note 2.

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2002 are represented by:			
Tangible fixed assets	1,920	92,106	94,026
Investment in subsidiary	1	0	1
Current assets	5,058	0	5,058
Creditors: amounts falling due within one year	0	(92,106)	(92,106)
Deferred income			
	<u>6,979</u>	<u>0</u>	<u>6,979</u>

CHINESE ARTS CENTRE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

15 Commitments under operating leases

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2002	2001
	£	£
Expiry date:		
Between two and five years	8,813	8,813
	<hr/>	<hr/>

16 Capital commitments

At 31 March 2002 the company's had committed to acquiring new premises in Manchester's Northern Quarter at an estimated cost of £2.2 million. The project is entirely funded by a grant from the Arts Council of England's lottery fund.