

Registered number: 02693748  
Charity number: 1010207

**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
(A company limited by guarantee)

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 March 2011**

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
**(A company limited by guarantee)**

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**for the year ended 31 March 2011**

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**Trustees**

Rev. Richard Deadman, Chair  
Mrs Jean Fisher, Company Secretary  
Mr Laurence Ellacott, Treasurer  
Mrs Alma Miller, Minutes Secretary  
Rev. A. Paul Merton  
Deacon Kate Barrett  
Dr John Fulton (resigned 5 October 2010)  
Miss Jean Royal  
Mr Ron Wilson  
Mr Barry Larking  
Father John Skivington  
Mrs Gillian Arthurs  
Miss Lillian Molloy (appointed 5 October 2010)

**Company registered number**

02693748

**Charity registered number**

1010207

**Registered office**

250 - 252 Philip Street  
Arthur's Hill  
Newcastle upon Tyne  
NE4 5BH

**Company secretary**

Jean Fisher

**Chief executive officer**

Caroline Emmerson

**Accountants**

Ryecroft Glenton  
Chartered Accountants  
32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

**Bankers**

Lloyds Bank plc  
Grey Street  
Newcastle upon Tyne  
NE1 6AG

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**for the year ended 31 March 2011**

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**Advisers (continued)**

**Our Member Churches**

St Philip's and St Augustine's Anglican Church  
Dilston Road Methodist Church  
Westgate Baptist Church  
St Mary's Roman Catholic Cathedral

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**REPORT FROM THE CHAIRPERSON**  
**for the year ended 31 March 2011**

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The past year has seen the Trust cope with both the challenges and opportunities of our enterprise. We have been reminded of the potential delicacy of our situation and the wide range of responsibilities that running even our small organisation places on Trustees and staff.

The funding for the Women's Conversation Classes faltered for a while requiring us to underwrite its continuation with our reserves; however, a new stream of income has now been secured. A review of projects also led to some necessary attention to the Youth Music Project, the outcomes of which are presently in hand. The Advocacy Project has developed considerably with a stream of new volunteers and an increase in clientele. This project has the potential to be very resource hungry, since individual cases can be time-consuming. Equally, it clearly responds to a need, which I think will grow in the months ahead. We should pay tribute to the generosity of spirit of the volunteers, who as well as the time they devote to advice, need to undergo considerable and continuing training.

The Research Project is nearing its final pre-publication stages. An initial presentation to Trustees created the expectation of a very interesting piece of work, which will provide important and useful information as we contemplate the Trust's future work.

The building has also benefited from a modest amount of refurbishment, but there is still some way to go if we are to present the businesslike image, which we hope underpins our approach to our task.

This range of projects has enabled us to offer a wide variety of volunteering opportunities and it is gratifying that the numbers taking up the challenge are increasing.

Trustees have given consideration to the future and we have broad notions of a strategy in mind - certainly sufficient to grasp further opportunities, which may come our way. However, we have also been confronted with two important and interconnected considerations.

First, projects, as they develop, inevitably increase the demands that they make, certainly on people's time. Issues arise, which have to be addressed often with research and training. The Trust will need to beware of overextending itself by assessing the needs of a project at an early stage.

Secondly, we are currently operating at full-stretch. Further development will necessitate an increase in staffing, which will, of itself throw up issues in terms of management of the Trust.

Over the past year, a number of Trustees have become much more involved with the daily affairs of the Trust, whilst sufficient have retained that slight distance to ensure that the Trustees' discussions are rigorous and challenging when necessary. From my perspective, I would like to express my appreciation, which is heartfelt, for the real support that the Trustees have offered to me during the last year, both in good advice and also in the sense of solidarity, which permeates our meetings.

It seems to me that the constitutional arrangements of the Trust, which see it resting on the foundations of the four churches, provides it with a particular and beneficial character - though, perhaps, that is just because I benefit from the kindly forbearance of the other eleven Trustees.

However, our deliberations would go nowhere without the work of Caroline Emmerson, whose skill and energy is often daunting. At times, she has managed to produce pedigree rabbits from threadbare hats and her contribution has, at times, been sacrificial. We appreciate also the contribution that others have made to our work over the past twelve months.

Another great debt of gratitude is to those who have funded our work. Generous support (listed elsewhere in this report) has enabled us to embark upon a programme, which is ambitious for an organisation of this size. We have discovered during the course of the year that as well as cash, there are other aspects to the support, which is offered by these organisations and for both money and the more intangible help, we must express our thanks.

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**REPORT FROM THE CHAIRPERSON**  
**for the year ended 31 March 2011**

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The years ahead may prove difficult for many community organisations. The pressure on the public purse and the ever-evolving context, both social and legal, will all take their toll on the energies of those who seek to participate in what Mr Cameron is teaching us to call The Big Society. Still, we have weathered storms before and we trust in God to see us through whatever tempests batter us in the future.

It is to Him that we offer our profoundest gratitude for all that is good about the year, which is past, and to His greater glory that we commit the future.



Fr. Richard Deadman

26 July 2011

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**TRUSTEES' REPORT**  
**for the year ended 31 March 2011**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) submit their annual report and the financial statements of Churches Acting Together in Arthur's Hill (the charitable company) for the year ended 31 March 2011. The Trustees confirm that the annual report and financial statements of the charitable company comply with current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. CONSTITUTION**

The charitable company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 4 March 1992 .

The charitable company is constituted under a Memorandum of Association dated 4 March 1992 and is a registered charity number 1010207.

**b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The Trustees are to be appointed two by each of i. the Membership of Westgate Baptist Church; ii. the Newcastle upon Tyne (West Circuit) of the Methodist Church; iii. the Parish Priest of St Mary's Cathedral; and iv. the Parochial Church Council of St Philip and St Augustine.

The Minister of Dilston Road Methodist Church, the Priest in charge of St Mary's Cathedral, the Vicar of Newcastle St Philip and St Augustine and the minister of Westgate Baptist Church or in their case their delegate, will automatically be a Trustee during their period of Ministry in the area. They will be in addition to the eight appointed Trustees.

The Board has powers to appoint a small number of further Trustees.

**c. RISK MANAGEMENT**

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

**OBJECTIVES AND ACTIVITIES**

**a. POLICIES AND OBJECTIVES**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. There follows an explanation as to how the activities of the charity for the year are in the public benefit.

**Our aims**

The objects of Churches Acting Together in Arthur's Hill are as set out in the charity's memorandum and articles and are as follows:

The advancement of the Christian religion for the benefit of the inhabitants of the West End of the City of Newcastle upon Tyne.

The advancement of education of the said inhabitants, the protection of health, the relief of poverty, sickness and distress.

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 March 2011**

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**Our objectives**

Our objectives are set to reflect our faith and community aims. Throughout the year, at their meetings, the Trustees monitor the activities undertaken and ensure that they comply with the Charity Commission's guidance on public benefit and in particular, that which relates to the advancement of religion.

As a Christian initiative rooted in the values of the Gospel, our aim is to develop a shared sense of purpose and self-worth in the West End of Newcastle through projects and services that will support people in identifying and realising their God given potential by building their self-confidence, increasing community involvement and enhancing employability amongst individuals.

**b. STRATEGIES FOR ACHIEVING OBJECTIVES**

**Strategies**

Churches Acting Together in Arthur's Hill seeks to display the Kingdom of God by:

- Being open and welcoming to all
- Making the CHAT Trust a place of friendship and support in the heart of our local community
- Providing a secure environment in which local groups and residents can meet
- Reaching out in service and witness to our neighbours
- Working in partnership with others for the good of the West End of Newcastle

An important part of our strategy is helping individuals to realise their potential by providing projects and services that give them the opportunity to develop their skills. All our projects and services are advertised across our area of benefit and we welcome the participation of all in our local community, both Christian and non-Christian alike. Most of our projects and services are free and are supported by donations or grant funding. Where there is a charge e.g. for room hire, it is kept to a minimum to cover operational costs.

**Use of volunteers**

Volunteers are an important resource in the work we undertake. We have 20 people regularly giving their time in addition to our Trustees who also give of their time freely. All our volunteers who assist on projects and services involving either children and young people or vulnerable adults are CRB checked through the umbrella organisation Caring Hands. We also provide relevant in-house training and support as outlined in our Volunteer Induction Pack.

**c. ACTIVITIES FOR ACHIEVING OBJECTIVES**

Churches Acting Together in Arthur's Hill carries out a range of activities in pursuance of its charitable aims. The Trustees consider that these activities, summarised below, provide benefit to the community of the West End of Newcastle.

**Women's English Conversation Class**

As we secured the funding, we continued to offer the Conversation Classes throughout the year. Working in partnership with the Nunsmoor Centre and West Riverside Sure Start, we have had 97 class participants and 54 children accessing the crèche provision.

This project was funded by:  
Sure Start West Riverside: £1,800  
Faiths in Action: £6,000



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## **CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**

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### **TRUSTEES' REPORT (continued) for the year ended 31 March 2011**

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#### **CHAT Youth Music Project**

Between April 1st 2010 and March 31st 2011 we ran 213 sessions (both group and individual) and recorded 1,128 attendances.

Our young people are drawn from a variety of different ethnic and religious communities from across the West End. They are all aged between 13 and 21, mainly but not exclusively male and most are from low income families. Ethnicities represented include, Zimbabwean, Ghanaian, Russian, Pakistani, Bangladeshi, Afghani, Kurdish, Croatian, Afro-Caribbean, Indian, White British, Irish, Portuguese, Algerian, Iranian and Iraqi.

The project was funded by: The Northern Rock Foundation: £28,334

#### **CHAT Advocacy Service**

Over the year we have had 101 client contacts, 113 volunteer attendances and spent 163 recorded hours working on our advocacy cases.

In addition we have trained an additional 5 volunteers in basic advocacy, 4 of whom are currently contributing to the Advocacy Service. Volunteer Advocates have also had the opportunity to participate in a Benefits Basics bespoke training course provided by the Welfare Rights team and undertake their Mental Health First Aid training.

We have also extended the opening hours of the Service to meet the needs of the local community.

The project was funded by: TudorTrust and donations to CHAT Trust

#### **CHAT Research Project**

The practical side of the research is now complete. As part of our Street View interviews we spoke to 89 local young people, we interviewed 16 people from differing professional disciplines and held 4 focus groups.

The final report is currently being written and is due for release in September 2011.

The project was funded by:  
Church Urban Fund: £4,970  
TudorTrust

#### **Healthier Community Group**

We targeted the last of our funds at buying equipment for our embryonic 50+ Complementary Therapy Health Project. Unfortunately we have been unable to develop this Project as much as we would like due to the difficulty of securing funds for a Therapist to run the Project.

The project was funded by: Healthier Communities: £300

#### **Premises Management and Support to Community Organisations**

In 2010 – 2011 the following organisations and services have been based in the building:

- St Philip's Church Office
- The Ideas Mine

In addition we have provided a regular meeting venue for the Time Exchange's Food for All, the Children's Victory Bible Club and AA.

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 March 2011**

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The work of Churches Acting Together in Arthur's Hill in 2009/10 was also supported by:

The TudorTrust	£20,000.00
St Mary's Catholic Cathedral	£850.00
Dilston Road Methodist Church	£813.20
Ponteland Methodist Church	£500.00
Fenham Holy Cross Church	£100.00
Churches Together in Fenham	£100.00

**d. EMPLOYEES AND TRAINEES**

**CHAT Trust**

CHAT Project Manager	Caroline Emmerson
CHAT Premises Cleaner	Annette Clark

**CHAT Women's English Conversation Class**

Tutor	Sharon Oversby
Assistant	Fatema Rahman

**CHAT Youth Music Project**

CHAT Youth Music Project Co-ordinator	Tim Hutchinson
Sessional Worker	Louis Thomas
Sessional Worker	Steven Barrass
Sessional Worker	Daniel Williams
Sessional Worker	Carl Nielsen

*Thank you to all our supporters, volunteers and staff*

**ACHIEVEMENTS AND PERFORMANCE**

**a. REVIEW OF ACTIVITIES - PROJECT MANAGER'S REPORT**

Working for Churches Acting Together in Arthur's Hill is never boring. Frustrating, challenging, amazing? Yes. Boring? No.

Frustrating? Because we only ever establish projects and services that meet local need and unfortunately the aims and objectives or the method of delivery required does not always 'fit' into funders ideas of what is needed.

Challenging? Working with people at their lowest ebb, working with people who speak very little English and working with young people all have their own very unique challenges and frustrations. Equally they have their own unique rewards, which is why we do it.

Amazing? It is indeed a privilege to watch a young person learn how to use Logic software and master their own music tracks, or to have a conversation with someone who couldn't speak English when they first came to the class, or to see the weight lift from someone's shoulders when a problem is positively resolved. In essence, it means we have fulfilled our purpose as an organisation and it is truly amazing to be a part of it.

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 March 2011**

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**REVIEW OF ACTIVITIES - PROJECT MANAGER'S REPORT (continued)**

It has to be said that securing the finance to do all we want to do is becoming more difficult, but we have been fortunate to have been supported by some fabulous funders who have both invested in and supported our vision. All our thanks go to the Northern Rock Foundation, the TudorTrust, Faiths in Action, the Church Urban Fund and Sure Start. Equally our thanks go to our supporters whose generous donations have contributed to ensuring Churches Acting Together in Arthur's Hill can continue to make a positive difference to the communities we serve.

Finally the dedication of the Trustees and the people I work alongside; both volunteers and paid staff has humbled me – I work with and for some truly amazing people. My thanks to those of you who have gone that extra mile for the Trust this year; I couldn't do any of it without you.

So where to next? A review of all we do to ensure that everything we do is in line with our God given vision. Our research is nearly completed and some exciting choices lie ahead. In addition we need to be looking forward to thinking about securing our core funding for 2012 and beyond. It is going to be another challenging year.

**b. INVESTMENT POLICY AND PERFORMANCE**

The charitable company invests certain cash funds in a COIF Charities Deposit Fund should the sum rise above £50,000 the trust will review the arrangements.

**FINANCIAL REVIEW**

**a. RESERVES POLICY**

Since costs are incurred against funding that has been awarded, the Trustees' policy is to keep £15,000 in reserve for contingencies. Other reserves represent fixed assets and funds in the course of being spent.

**PLANS FOR THE FUTURE**

**a. FUTURE DEVELOPMENTS**

Our main aim over the coming year is to secure the funding to continue our work beyond 31st May 2012. To this end all existing projects and services are currently under review to ensure they are meeting our core aims and objectives.

In addition we plan to act on the results of our Research study and begin the development of our generic Youth Project. This will involve deciding on the shape and the dynamics of the Project, the staffing requirements and how it will fit into our current premises. We already have a basic idea of how it will look but that will need refining as the practicalities of running such a Project become more evident in the months ahead.

**MEMBERS' LIABILITY**

The Trustees of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 March 2011**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of Churches Acting Together in Arthur's Hill for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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 operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that 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.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board of Trustees on 26 July 2011 and signed on its behalf, by:

*Jean F. Fisher*

**Jean Fisher, Secretary**

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
(A company limited by guarantee)

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**INDEPENDENT EXAMINER'S REPORT**  
for the year ended 31 March 2011

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**

I report on the financial statements of the charitable company for the year ended 31 March 2011 which are set out on pages 13 to 22.

This report is made solely to the charitable company's Trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

**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 financial statements. The Trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

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

- examine the financial statements under section 43 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 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 charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
**(A company limited by guarantee)**

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**INDEPENDENT EXAMINER'S REPORT (continued)**  
**for the year ended 31 March 2011**

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**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 financial statements which accord with the accounting records and 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 financial statements to be reached.

Signed:

*Detlev Anderson*

Dated: 26 July 2011

Detlev Anderson Chartered Accountant

**RYECROFT GLENTON**

Chartered Accountants

32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account)**  
**for the year ended 31 March 2011**

	Note	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	61,804	3,509	65,313	106,414
Activities for generating funds	3	-	6,351	6,351	2,643
Investment income	4	-	131	131	246
<b>TOTAL INCOMING RESOURCES</b>		<b>61,804</b>	<b>9,991</b>	<b>71,795</b>	<b>109,303</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	9	58,349	22,927	81,276	101,469
Governance costs	5	-	1,250	1,250	1,224
<b>TOTAL RESOURCES EXPENDED</b>	8	<b>58,349</b>	<b>24,177</b>	<b>82,526</b>	<b>102,693</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>					
		3,455	(14,186)	(10,731)	6,610
Transfers between Funds	14	194	(194)	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>3,649</b>	<b>(14,380)</b>	<b>(10,731)</b>	<b>6,610</b>
<i>Total funds at 1 April 2010</i>		<i>30,407</i>	<i>30,579</i>	<i>60,986</i>	<i>54,376</i>
<b>TOTAL FUNDS AT 31 MARCH 2011</b>		<b>34,056</b>	<b>16,199</b>	<b>50,255</b>	<b>60,986</b>

The notes on pages 15 to 22 form part of these financial statements.

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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)****(A company limited by guarantee)****Registered number: 02693748**

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**BALANCE SHEET**  
**as at 31 March 2011**

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	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Tangible assets	12		11,033		23,924
<b>CURRENT ASSETS</b>					
Cash at bank		45,362		39,757	
<b>CREDITORS: amounts falling due within one year</b>	13	<b>(6,140)</b>		<b>(2,695)</b>	
<b>NET CURRENT ASSETS</b>			<b>39,222</b>		<b>37,062</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>50,255</b>		<b>60,986</b>
<b>CHARITY FUNDS</b>					
Restricted funds	14		34,056		30,407
Unrestricted funds	14		16,199		30,579
			<b>50,255</b>		<b>60,986</b>

The Trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charitable company to obtain an audit for the year in question in accordance with section 476 of the Act. The Trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at 31 March 2011 and of its net resources expended for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 26 July 2011 and signed on their behalf, by:



**Rev. Richard Deadman, Chair**

The notes on pages 15 to 22 form part of these financial statements.



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**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2011**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

**1.2 TURNOVER**

Turnover comprises revenue recognised by the charitable company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

**1.3 COMPANY STATUS**

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

**1.4 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charitable company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.5 INCOMING RESOURCES**

All incoming resources are included in the Statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**1.6 RESOURCES EXPENDED**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2011**

**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £400 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Catering equipment	-	25% straight line
Musical equipment	-	33% straight line
Computer equipment	-	33% straight line

**2. VOLUNTARY INCOME**

	<b>Restricted funds 2011 £</b>	<b>Unrestricted funds 2011 £</b>	<b>Total funds 2011 £</b>	<b>Total funds 2010 £</b>
Donations	-	3,509	3,509	7,790
Grants	61,804	-	61,804	98,624
	<u>61,804</u>	<u>3,509</u>	<u>65,313</u>	<u>106,414</u>

**3. FUNDRAISING AND TRADING ACTIVITIES**

	<b>Unrestricted funds 2011 £</b>	<b>Total funds 2011 £</b>	<b>Total funds 2010 £</b>
Room hire	6,351	6,351	2,643
Net income from fundraising and trading activities	<u>6,351</u>	<u>6,351</u>	<u>2,643</u>

**4. INVESTMENT INCOME**

	<b>Restricted funds 2011 £</b>	<b>Unrestricted funds 2011 £</b>	<b>Total funds 2011 £</b>	<b>Total funds 2010 £</b>
Interest receivable	-	131	131	246
	<u>-</u>	<u>131</u>	<u>131</u>	<u>246</u>

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**5. GOVERNANCE COSTS**

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Accountancy fee	-	1,250	1,250	1,224

**6. DIRECT COSTS**

	Community Projects £	Total 2011 £	Total 2010 £
Volunteer training resources	1,105	1,105	2,800
Professional fees and management charges	786	786	800
Premises	-	-	3,368
Volunteer expenses	-	-	675
Project childcare costs	3,200	3,200	7,110
Other	3,116	3,116	2,032
Wages and salaries	41,910	41,910	47,678
National insurance	2,857	2,857	1,890
Depreciation	11,693	11,693	11,620
	<u>64,667</u>	<u>64,667</u>	<u>77,973</u>

**7. SUPPORT COSTS**

	Allocated 100% to the charitable activity £	Total 2011 £	Total 2010 £
Repairs and renewals	3,379	3,379	6,563
Premises	2,884	2,884	2,779
Telephone	1,323	1,323	1,543
Insurance	464	464	450
Other	2,504	2,504	1,512
Wages and salaries	4,275	4,275	7,223
National insurance	366	366	2,010
Depreciation	1,414	1,414	1,416
	<u>16,609</u>	<u>16,609</u>	<u>23,496</u>

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**8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Community projects	49,408	13,107	18,761	81,276	101,469
Governance	-	-	1,250	1,250	1,224
	<u>49,408</u>	<u>13,107</u>	<u>20,011</u>	<u>82,526</u>	<u>102,693</u>

**9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2011 £	Support costs 2011 £	Total 2011 £	Total 2010 £
Community projects	64,667	16,609	81,276	101,469
	<u>64,667</u>	<u>16,609</u>	<u>81,276</u>	<u>101,469</u>

**10. NET INCOME / (EXPENDITURE)**

This is stated after charging:

	2011 £	2010 £
Depreciation of tangible fixed assets: - owned by the charity	13,107	13,036
Accountancy fee	1,250	1,224
	<u>14,357</u>	<u>14,260</u>

During the year, no Trustees received any remuneration (2010 - £NIL).  
 During the year, no Trustees received any benefits in kind (2010 - £NIL).  
 During the year, no Trustees received any reimbursement of expenses (2010 - £NIL).

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**11. STAFF COSTS**

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	46,184	54,901
Social security costs	3,223	3,899
	<u>49,407</u>	<u>58,800</u>

The average monthly number of employees during the year was as follows:

	2011 No.	2010 No.
	<u>2</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

**12. TANGIBLE FIXED ASSETS**

	Fixtures & fittings £	Computer equipment £	Total £
<b>COST</b>			
At 1 April 2010	34,974	4,138	39,112
Additions	110	106	216
At 31 March 2011	<u>35,084</u>	<u>4,244</u>	<u>39,328</u>
<b>DEPRECIATION</b>			
At 1 April 2010	13,695	1,493	15,188
Charge for the year	11,693	1,414	13,107
At 31 March 2011	<u>25,388</u>	<u>2,907</u>	<u>28,295</u>
<b>NET BOOK VALUE</b>			
At 31 March 2011	<u>9,696</u>	<u>1,337</u>	<u>11,033</u>
At 31 March 2010	<u>21,279</u>	<u>2,645</u>	<u>23,924</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Other creditors	<b>3,366</b>	799
Accruals and deferred income	<b>2,774</b>	1,896
	<hr/> <b>6,140</b> <hr/>	<hr/> <b>2,695</b> <hr/>

**CHURCHES ACTING TOGETHER IN ARTHUR'S HILL (THE CHAT TRUST)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>					
General Funds - all funds	30,579	9,991	(24,177)	(194)	16,199
<b>RESTRICTED FUNDS</b>					
Healthier Communities	300	-	(249)	-	51
Women's English Language Provision	1,820	6,000	(8,014)	194	-
Youth Music Equipment	17,110	-	(1,960)	-	15,150
Church Urban Fund	-	4,970	(3,270)	-	1,700
Kitchen Equipment	4,059	-	-	-	4,059
The Tudor Trust	2,124	20,000	(20,000)	1,209	3,333
Northern Rock Foundation - YMP	4,994	28,334	(24,298)	(1,209)	7,821
Northern Rock Foundation - Training	-	2,500	(558)	-	1,942
	<u>30,407</u>	<u>61,804</u>	<u>(58,349)</u>	<u>194</u>	<u>34,056</u>
Total of funds	<u><u>60,986</u></u>	<u><u>71,795</u></u>	<u><u>(82,526)</u></u>	<u><u>-</u></u>	<u><u>50,255</u></u>

The nature and purpose of the restricted funds are as set out below:-

**Healthier Communities.** These funds are to be used to support our ongoing commitment to promoting healthy eating with local young people.

**Women's English Language Provision.** These funds from Sure Start and Faiths in Action are to enable the organisation to provide classes in English for BME women.

**Youth Music Equipment.** The purchase of this equipment was funded by the Youth Opportunity Fund. There is a continuing restriction over the use of the assets purchased. The balance on the fund represents the net book value of the fixed assets purchased.

**Church Urban Fund.** This is funding for research into youth provision to promote positive social behaviour.

**Kitchen Equipment.** This equipment, which was obtained on the closure of the Yours & Mine Cafe, is restricted to community use. The balance on the fund represents the net book value of the fixed assets transferred.

**The Tudor Trust.** This grant is towards the project manager salary.

**Northern Rock Foundation.** This grant is to employ a youth music co-ordinator for the Youth Music Project.

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**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds	30,579	9,991	(24,177)	(194)	16,199
Restricted funds	30,407	61,804	(58,349)	194	34,056
	<u>60,986</u>	<u>71,795</u>	<u>(82,526)</u>	<u>-</u>	<u>50,255</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Tangible fixed assets	9,696	1,336	11,032	23,924
Current assets	24,360	21,002	45,362	39,757
Creditors due within one year	-	(6,139)	(6,139)	(2,695)
	<u>34,056</u>	<u>16,199</u>	<u>50,255</u>	<u>60,986</u>

**16. CONTROLLING PARTY**

The controlling party of the charitable company is the Board of Trustees.