

Charity Registration No. 287813

Company Registration No. 01720498 (England and Wales)

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

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| Trustees | Mrs P Hayward Ms M L Cheng Mr H H Wu Mr H Salah Mr C Yi Mr T V Le |
| Secretary | Mr A S L Chau |
| Charity number | 287813 |
| Company number | 01720498 |
| Registered office and principal address | 680 Commerical Road London E14 7HA |
| Independent examiner | Goh Yong Chong Silver Levene (UK) Limited Chartered Certified Accountants 37 Warren Street London W1T 6AD |

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS**

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 14 |
| Independent examiner's report | 15 - 16 |
| Statement of financial activities | 17 |
| Balance sheet | 18 |
| Notes to the financial statements | 19 - 29 |

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Chinese Association of Tower Hamlets's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Purpose, Vision and Objectives

The charity's purpose as set out in our constitution is to provide a comprehensive range of services (welfare, community care, educational, leisure & recreational and personal development) for the Chinese/Vietnamese Community in and around the London Borough of Tower Hamlets through a supportive environment and a commitment to promote user involvement. Our vision is to ensure that the people we serve live in a sensitive and compassionate environment, have access to services that meet their physical, material and emotional needs, also, they are able to reach the quality of life to which every individual aspires.

The organisation's ethos is one of empowerment and enablement. We are driven by our mission to enable people to be the architect of their own lives and be treated with dignity and respect at all times. Our focus is to work with and for those living with physical, sensory or mental impairment and in social isolation, including those with serious and enduring mental health difficulties or dementia, language barriers, or a carer role.

The objects for which the Association is established are:-

- To help disadvantaged persons of Chinese origin who live, work or study in and around London Borough of Tower Hamlets (hereinafter called "the area of benefit") by the establishment and maintenance of an information and advice centre and an Opportunity Centre.
- To promote the welfare of Chinese elderly and disabled people which now or hereafter may be deemed by law to be charitable within the said area of benefit.
- To provide opportunities and facilities for the social, educational, cultural and physical development of young Chinese people of the said area of benefit. In this Memorandum of Association 'young Chinese people' means people between the ages of 8 and 25 years.

Principal activities

The Chinese Association of Tower Hamlets is a charitable company limited by guarantee and is governed by a memorandum and articles of association. The principal activities of the Association is the provision of services to Chinese and Vietnamese community in the London Borough of Tower Hamlets through project based programmes providing specific services to meet the needs of its user groups. We are a local organization that understands the needs and aspirations of local Chinese and Vietnamese people. Every year we support hundreds of older people of Chinese origin to live life to the full, maintaining control and independence. The organization's ethos is one of empowering and enabling people. The Statement of Financial Activities for the year is set out on Pages 17 to 29 of the financial statements.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

How our activities deliver public benefit

The primary beneficiaries of our services are people of Chinese origin who live, work or study in and around London Borough of Tower Hamlets. The age at which people may access our services varies according to service requirements, typically led by requirements of funders or commissioners.

Throughout the year ending 31st March 2020 the Chinese Association of Tower Hamlets (C.A.T.H) continued to provide services in line with its charitable objects. During the course of the year we worked with around 300 beneficiaries in total, many of whom are amongst the most vulnerable in the area.

CATH continues to provide home care services under a spot contract agreement from Tower Hamlets Council, Hackney Council, Newham Council, Islington Council and Southwark Council. The service also continues to attract private clients for whom this organisation is seen as the provider of choice. Like other social care providers, CATH faces the challenges of recruitment and retention of care staff in a competitive market. CATH maintains its registration with the Care Quality Commission and is rated 'GOOD' in all areas and overall.

The main office's opening hours were Monday, Tuesday, Wednesday, Friday and Saturday from 10:00 a.m to 5:30 p.m at 680 Commercial Road and for Chinese School the opening hours were every Saturday between 10:00 a.m and 3:30 p.m at St. Mary and St. Michael Primary School.

Home Care Service

We continue to provide domiciliary care services to the Chinese community across London. We deliver flexible person centred care in older people's homes with a focus on supporting people to stay living safely at home. In addition to working with those who live alone, we also give carers time off by taking over their caring responsibility. The service is made up of 1 x Registered Manager/General Manager, 1 x Quality Assurance Manager, 1 x Administrator, 1 x General Assistant and a pool of Care Workers. The Home Care Service has an annual budget of around £ 250,000, the vast majority of which is spent on meeting staff costs.

During the year the charity maintained a block contract agreement with Tower Hamlets Council until 29 February 2020 and spot purchase contract agreement with Hackney Council, Islington Council, Newham Council, Lewisham Council and Southwark Council. The service continues to attract an increasing number of direct payment clients for whom this organisation is the provider of choice. Between 1 April 2019 and 31 March 2020 our Home Care Service supported 18 older people, delivering 13,221 care hours to the Chinese community across London.

Decommissioning

In December 2019, the Trustees of the Charity decided that the best way for CATH's Home Care Service to move forward is to become a non-commissioned service provider for Tower Hamlets Council. This was to realign CATH's responsibilities which will be cost effective in the long term for the charity and be more effective. A non-commissioned service means that the service has not been arranged and paid for by a commissioning authority such as a local council. Examples of non-commissioned services include the following:

- People who have too much income or capital to qualify for help with care charges might choose to approach care or support providers directly and purchase services commercially.
- Others might be given control of the budget that the authority would have used to commission services, in which case the client purchases services directly from the provider using the authority's money. This arrangement is variously known as "personal budget", "direct payments" and "self-directed" care or support.

Whereas a commissioned service means care, support or supervision that has been arranged and paid for on a client's behalf by a public authority such as a local authority adult social care department or the NHS. The client might have to make a means-tested contribution to the cost of the service, but the commissioning body makes the arrangements and the contract is between the commissioning body and the care/support provider.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

The decommissioning process of our block contract between St. Hilda's (our lead consortium provider) and Tower Hamlets Council took place between February and April 2020 as the official end date was set to be on 29th February 2020. This was a challenging period during which some staff left due to some service users care packages being transferred back to Tower Hamlets council. Throughout this period the main focus was on safe delivery of care.

Continuous Improvements

After a successful turnaround of CATH's Care Quality Commission (CQC) inspection report in August 2017, CATH is committed to sustainability by improvements already made, in addition to seeking to increase the weekly hours of care delivered for Tower Hamlets, other local authorities and self-funded service users. Key operational and process-focused improvements have included:

- Ongoing improvement on communication between Management and care staff via face to face meetings, whatsapp, wechat and zoom video meetings
- Ongoing improvement on currently robust templates for all operational activity, i.e. staff management (supervision, appraisal, spot check, medication competency, MAR Chart with photos of medications and video instructions).
- Ongoing improvement on current robust templates for quality assurance for service users i.e. existing person-centred risk assessments, care & support plans, homecare record log books, client face to face reviews, etc.

Recruitment and Training

CATH relies on the skills and dedication of its care staff and volunteers to ensure that care services are person-centred and delivered with warmth and compassion. During the year, the Charity had an average of 15 full and part-time employees delivering care and support. In addition, there are a further 5 volunteers working with our salaried staff. Through their time and enthusiasm, volunteers add value to the Charity's services, enriching the lives of the Charity's beneficiaries. Efforts to recruit new volunteers throughout the Charity continues.

There is currently an induction training programme between three to five days, which covers the 15 standards of care for new staff. All new care workers have to complete the Care Certificate.

Refresher training is given for the key standards and principles of care, including Safeguarding, Medication, Infection Control, Health & Safety, Fire Safety, First Aid, Food Hygiene and Moving and Handling.

A comprehensive training matrix has been established and implemented which both identifies which training has been completed and alerts when it is due, in order to ensure that staff are operating in accordance with the latest guidance and best practice.

Each care staff continues to be expected to shadow an existing senior care staff in the field for a minimum of three days. Staff competency is under constant review through one-to-one medication competency assessments with the Quality Assurance Manager or Registered Manager.

There are reactive workshops to assess staff competency: e.g. case studies, role play regarding medication errors and lessons learned.

Covid-19 and Impact on CATH

The outbreak of the Covid19 pandemic could have potentially impacted operations this year and our ability to provide services, as a number of staff were too afraid to go to work and subsequently self-isolated. We were very fortunate that other staff were willing and able to take on the support of our most vulnerable clients and the impact on our operations has been minimal.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Impact on PPE vs supply - (i.e. cost increased and in March 2020 supply chain management was affected due to delays). Supplies of Personal Protective Equipment (PPE) were problematic during the last month of the 2019/20 year but this was largely resolved early in the 2020/21 year when the NHS started providing VCP with PPE (i.e. gloves, aprons, face masks, hand sanitiser and visors). However, CATH continued to purchase PPE such as mop caps, shoe covers and over sleeves and other PPE where we have shortages from our suppliers.

CATH is on the frontline providing domiciliary care services to elderly and frail people in their own home. The charity has and will continue to provide this valuable frontline service throughout this pandemic. During this unprecedented time CATH continues to be committed in providing safe care delivery and treatment to all service users.

We would like to express our heartfelt thanks to all staff for the dedication and flexibility throughout the year and in particular at this unprecedented time.

Future Plans

The financial stability of the charity is dependent on the funding climate for care services generally. In particular, the charity's finances are impacted directly by the number of service users referred or transferred to it by Tower Hamlets Council and on the contract price paid. These aspects may be a challenge in the forthcoming year given the impact of Covid-19. However, assuming that CATH can continue to retain its "Good" CQC rating, the Trustees remain cautiously optimistic that the charity can meet the challenges presented and slowly build up its level of free reserves over time.

There will undoubtedly be a number of challenges over the remainder of 2020/21 and into the following year also. Expenditure is expected to be higher as a result of PPE costs and other pressures and the charity's growth may be slowed as family members provide assistance to those normally assisted by the charity leading to reductions in income levels. However, the Trustees and Management are confident that the charity will be able to rise to those challenges following a successful 2019/20.

Case Study - Mr. C, 78

Mr. C was a 78-year-old gentleman of Chinese origin who did not speak English. He had been suffering from dementia and had gone missing from home for several times as a result of his mental illness. He was living with his son K, who could not provide the constant monitoring that Mr. C needed as he had a full-time job. K's girlfriend J helped during the day, but she was struggling to cope as she had her own children to look after as well.

The Alzheimer's Society referred the case to us. Our team visited Mr. C and his son K at home, and discussed with them how their family could be best supported with a personal budget. We explored the idea of buying escort services from CATH so that for two days a week Mr. C could attend CATH's elderly luncheon club safely. This would benefit Mr. C's mental health while allowing his family to take a break from their caring roles. Both K and Mr. C were happy with the idea. We discussed this with the Community Dementia Care Team who then came to visit the family and with input from CDCT support was planned and put in place within three weeks. Since then Mr. C has been attending CATH's luncheon club twice a week accompanied by a Chinese-speaking personal assistant and making friends with people who share his language, culture and interests.

Outcome

Our team helped Mr. C and his son K understand the wider range of service options they had under personal budgets when compared with traditional care packages. He involved them in planning Mr. C's support and made a prompt referral to the authorities so that personalised support was set up quickly.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Chinese Independent School of Tower Hamlets

The school moved from c/o Mulberry School for Girls to St Mary and c/o St Michael Primary School in September 2013 and it is a more secure building as no one else is sharing the venue with CISTH. Front gates and doors are locked during lesson hours to ensure the school premises are safe and to avoid intruders from entering. We have received many good comments from parents about the new learning environment and excellent facilities.

We have provided 36 sessions from September 2019 to July 2020 - a total of 31 classes in Cantonese and Mandarin from Playgroup to A Level (We extended Chinese School by 2 weeks due to Covid-19). Due to an increase in number of classes and demand, we had to split the classes into two sessions to accommodate for all our students. The morning session runs between 10am to 12:20pm for Mandarin students and the afternoon session runs between 1pm to 3:15pm for Cantonese students. GCSE and A-Level classes are 3 hours long; Mandarin from 9:30am – 12:30pm and 1pm – 4pm for Cantonese.

In the first term, students achieved over 95% attendance since the start of the term. Due to the outbreak of Covid-19, it had a serious impact on our physical classes in the second term. There were 40% of Mandarin students and 80% of Cantonese students who attended the classes before the national lockdown in March, around 80% of students attended the online lessons between April and July.

Number of Enrolments and Classes

The total number of enrolments for the academic year 2019 – 2020 was 382; 307 students were enrolled on Mandarin classes and 75 were enrolled on Cantonese classes, from the age of 3 up to 18. The school received enquiries regularly and more parents would like to send their children to the CISTH to learn Chinese. Some classes were already full up at the beginning of term; therefore, children were placed on a waiting list and parents would have to contact the school in May 2020 to enrol their child(ren) for the next academic year. There was also an increase in the number of Tower Hamlets students during the academic year.

Due to the high demand in some classes, CISTH opened an additional Mandarin Year 6 for the new academic year. The school also recruited 10 new teachers. The current trend demonstrates more parents would like to send their children to learn Chinese, in particularly Mandarin. Furthermore, we now have more non-Chinese speaking children attending the school as their mainstream school requires the children to learn Mandarin as one of the subjects. Parents have reported attending the CISTH made a difference in their children's learning as their ability is higher than those who doesn't learn Mandarin outside of their mainstream school. Some parents said their child has been promoted to the top Mandarin class in their mainstream school. We have received compliments from some parents for their children's learning as well as the excellent teaching we provide in the School. Some teachers would always an extra mile for their students to support them as and when needed; in particularly our GCSE and A-Level teachers.

Impact of Covid-19 Pandemic

When the second term began at the end of January, we had to close the school for 3 weeks in the best interest of the health and safety for students and staff, learning information and homework were sent to parents via email. Eventually physical classes started again at St Mary and St Michael Primary School but only lasted for 5 weeks before the national lockdown in March.

During those 5 weeks we took precautionary measures in the school (taking temperatures, deep cleaning the classroom, canteen and corridor with antibacterial products throughout the day, making hand sanitizer available to everyone).

Some of the parents were still very concerned with the situation of Covid, they decided to stay at home and request homework from the teachers. There were 40% of Mandarin students and 80% of Cantonese students who attended the classes during the 5 weeks. Physical classes stopped once again when the lockdown began in March, teachers prepared study packs and homework for students and sent them to parents via email or Google Classroom.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

After the 4 weeks, we decided to bring our classes online via Zoom. It was a challenge for both teachers and students as this was something new to most people. The teachers attended training provided by the UK Association for the Promotion of Chinese Education (UKAPCE), the Chinese School also prepared a user guide of Zoom for teachers to follow. The Headteacher spent 5 more times to coordinate the online classes and communicate with parents and teachers via email and WeChat. The teachers also had to spend 5 more times to prepare study packs, YouTube videos and lesson plan for their class, as well as marking work for students and supporting students in their own time.

Owing to these exceptional circumstances, we have decided to cancel the exams at the end of the school year. Instead, pupils were assessed based on their class work and homework (including the four skills: reading, writing, listening, and speaking) in the second term. An achievement report was sent to parents via email once the student data were compiled.

The school continued to have a positive impact on the lives of Chinese & non-Chinese children, young people, and their families across London and beyond during the unprecedented times.

Impact of GCSE and A-Level Exams due to the Covid-19 Pandemic

On the 18th March 2020, Prime Minister Boris Johnson announced that all UK schools will close from 20th March, due to the Coronavirus (Covid-19). It was also announced that examinations in the May/June series, would not take place. This included A Level and GCSE subjects. This was also quickly followed by promises from the Department of Education that students would still receive predicted grades based on assessments that had already been completed.

Some schools got in touch with the Chinese School in May requesting predicted grades and evidence to support the prediction. We provided copies of student's achievement reports from the last academic year to the first term of this academic year, also teacher's comments on student's progress and class performance to their school.

Some students will be sitting the exam in the Autumn term, arrangements were made between the school and students.

The students who received their predicted grade from the Chinese School achieved grade 8 or 9 for their GCSE, which is equivalent to grade A*, including those who entered for the early GCSE exam. This is an outstanding achievement as the GCSE specification had change in 2017; the new specification is much more difficult and would require 2 years of learning as advised by the exam board. The first assessment across the whole of UK is summer 2019, our first year of teaching was 2018. Some of the students only studied the course for 1 year but still managed to achieve an outstanding grade. The School is extremely proud of their achievements and they also set a very good example to the rest of the students in the School.

As the Tower Hamlets council withdrew the Early GCSE project a few years ago, the students had to take their exam in their mainstream school. Unfortunately, some students had difficulties in registering to enter for the exam, the CISTH would advise their parents the best options and provided reference letters for the students if necessary. Those who were unable to take the exam at the mainstream school had to take the exam privately via the East London Skills for Life (ELS); an approved Edexcel exam centre based at Stratford.

Jack Petchey Award Scheme

The School participates in the Jack Petchey Award Scheme to identify young people with outstanding achievements. During this academic year, the School has identified 6 young people who received the Jack Petchey's Young Achiever Award. Due to Covid-19, we were unable to present the awards to our young achievers in person, but we managed to post the awards to them and received a couple of photos back.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Comments and Feedback from Parents

When the school reopened after the Covid outbreak back in February, parents were very impressed with our seriousness of keeping students and parents safe by implementing the safety measures in the school. They have also commented that they could still seek support from the teacher and school management when they were unsure whether they should go into school for classes.

After the national lockdown, parents have been communicating with the school either via email or WeChat. We have received some positive feedback from parents including the below:

"Dear Maggie, Steven and Mrs Guan,

Thank you very much for keeping us updated with the school work these few weeks.

Also, thank you very much for keeping the children and parents safe. Your measures of closing the school, taking temperatures, cleaning, etc, really showed a high level of care, responsibility and leadership. As worried parents, we appreciate all your efforts. Thank you very much.

Regards,
L"

Some parents were very pleased with the way we continued the classes after lockdown, especially with some of the teachers who went above and beyond their role to support their students in their own time.

Teacher's Training

Teachers continued to attend regular training to enhance their teaching skills, students' learning experience and safeguarding the children; i.e. Seminar for the new Edexcel GCSE & A Level course structure and syllabus. Most of the training were done on Zoom due to Covid-19 but the teachers have commented the training were very useful and helpful, especially the ones about online teaching and online tools to support online teaching.

Future Perspectives

Future perspectives include seeking for more training opportunities, exploring new ways to recruit students in London or beyond and maintaining good GCSE and A Level results.

Elderly Luncheon Club

CATH's Luncheon Club is aimed primarily, but not exclusively, at Chinese and Vietnamese Elders who wish to improve their physical and mental wellbeing. Through our programme of fun and informative activities, and exercise classes, we wish to give attendees the awareness and knowledge to work on raising their own health. The Luncheon Club also offers a day care service aimed primarily at older people who have a 'critical or substantial' level of need. The aim of the Club is to improve quality of life, reduce isolation and promote wellbeing.

As we had mentioned in our 2018/2019 annual report, we were unsuccessful in securing the funding for our Luncheon Club under the new commissioning process imposed by Tower Hamlets Council we had no choice but to transfer our Luncheon Club service to a new provider from April 2020 onwards. The new provider has now been confirmed as the Community of Refugee from Vietnam.

The table below shows the total number of beneficiaries we served in each activity category at our centre during 2019/2020.

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

| Activities | Apr to Jun 2019 | July to Sept 2019 | Oct to Dec 2019 | Jan to Mar 2020 | Total |
|--|-----------------|-------------------|-----------------|-----------------|-------------|
| Number of users assessing services | 1062 | 1037 | 922 | 708 | 3729 |
| Number of Lunch Club sessions provided | 24 | 24 | 23 | 22 | 93 |
| Number of users accessing Lunch Club sessions | 516 | 497 | 453 | 350 | 1816 |
| Number of users attended health workshop | 6 | 12 | 0 | 0 | 18 |
| Number of users participating in physical activities | 496 | 478 | 429 | 316 | 1719 |
| Number of users receiving advice and assistance with practical matters | 12 | 12 | 12 | 12 | 48 |
| Total | 2116 | 2060 | 1839 | 1408 | 7423 |

In additional to the above, special events and day trips were organized during 2019/2020:-

April to June 2019

- In this quarter we were able to host a May's Festival Event to our over 50's members, which included a culturally appropriate hot home cooked meal, along with a fully loaded goodie bag including a rice dumpling, fruit to each and every attendee to take home. The event as always brought a sense of belonging and community spirits which naturally minimised isolation and promoted inclusion to our users.
- Thanks to Canary Wharf Group, we were able to distribute 30 Easter eggs to our luncheon club users in this quarter.
- Our annual Dim Sum lunch, sponsored by Yi Ban Restaurant, took place on Wednesday 1 May 2019. The Dim Sum banquet included 8 variety of tradition dim sum dishes and it was much appreciated by all that attended.

July to September 2019

- In this quarter we were able to offer members of our luncheon club a day trip to Southend-on-Sea at a heavily discounted rate due to funding being applied and granted by Jack Petchey Foundation.
- The trip took place on Thursday 25th July, which enabled 38 of our Luncheon Club members to enjoy a day out with members of the community along with family and friends. We travelled by coach, which facilitated the whole coach taking part in sing along songs and sharing jokes with each other on the way there and back. The trip also introduced members to different kinds of food around the world as they visited Jimmy's buffet restaurant, which included Mexican, Italian, Chinese, Indian and Thai. There was even a family with 3 generations on the trip.
- Feedback from this trip was very positive as it promoted the importance of accessing the community while socialising and engaging with others, also being able to communicate in the Chinese language. Friendships had been re-established as certain members lost contact with each other over the years and new friendships were formed. Since the trip certain members have met up with each other for lunch and shopping trips. Many members informed they thoroughly enjoyed this outing and the positive impact it has had on their socialising and engagement side of their wellbeing.
- An "Acupressure workshop" was also held this quarter. It introduced to our attendees how Acupressure is a healing art that involves applying pressure to specific points on your body. The idea is to manually stimulate blood flow to your largest nerves, which promotes healthy nerve function, which in turn, promotes optimal cellular function, as all cellular activity is ultimately governed by your nervous system.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Oct to Dec 2019

- In this quarter we were able to host a Christmas party to our over 50's members, which included a culturally appropriate hot home cooked meal, along with a fully loaded Christmas goodie bag to each and every attendee to take home. We were only able to do this due to the grant being applied and granted by the Canary Wharf Group.
- Our AGM and Christmas Party took place on Saturday 21st December, it was a welcoming event which saw almost 60 members enjoying the party along with games and karaoke. This event saw our community from all faiths and atheism get together celebrating and embracing this festive Christian holiday, which brought a sense of belonging and community spirits and most importantly reduced isolation and promoted inclusion to our users.
- This quarter we were able to offer members of our luncheon club a second day trip to Brighton at a heavily discounted rate due to funding being applied and granted by Canary Wharf Group.

Jan to March 2020

- In this quarter we were able to host a Chinese New Year party to our over 50's members, which included a 6 course meal, along with a fully loaded goodie bag to each and every attendee to take home. Our Chinese New Year party took place on Wednesday 12th February at Round Square Restaurant, it was a welcoming event which saw almost 30 members enjoying the party along with games and karaoke

Unfortunately, this year ended with the Covid-19 Pandemic. It quickly became clear that the consequences of catching the virus would be far more serious for vulnerable older people and people with underlying health conditions. Hence, our centre was closed earlier than originally planned on 20 March 2020. Groups, physical exercise and face to face services were all suspended. Many of our volunteers who are older people themselves needed to stay at home and shield. We knew that older people were going to be disproportionately affected by this virus. It has been a very unsettling, sad and frightening time for many people. Our Advice and Advocacy Service stopped their face to face services and moved to telephone and email but worked right through the lock down period reassuring people, searching out disability aids, repairs, incontinence aids, care options, access to food and essentials, access to money and managing crises. What happened after March ended really belongs in the next 2020-21 Annual Report, but it is important to share what happened at CATH following lockdown, in this report, while the events are still fresh in everyone's mind.

For a great many older people in East London Covid-19 put them at risk, they were frightened, isolated and struggling to access basic support, including food. Without exception the staff and volunteers of CATH responded to this. They were flexible, they worked flat out, they did all that they could to help people feel valued, supported and not alone. During the first week of April 2020, we introduced a food distribution service to provide members of the Chinese community with welfare packages, food and basic essentials such as face masks, hand soap and toilet rolls. Discharge had to be rapid and our focus was on supporting people to be comfortable and safe with the security of knowing that we would help with whatever they needed.

CATH's response to supporting its beneficiaries during Covid-19 was possible thanks to the committed Staff Team, and their ability to constantly place the client at the centre of their approach as to how best to deliver services. The trusted partnerships and relationships with Commissioners that had been firmly built over years, the solid financial position and the outward facing approach have ensured that CATH not only met the needs of hundreds of Chinese older people in 2019/20 but that they can continue to do this in the future. We are also grateful to the following companies who all provided us with funding or food or materials to support our Covid-19 Work:-

- Embassy of the People's Republic of China – Face masks
- London Borough of Tower Hamlets
- Legal & General
- Westmill Foods – Noodles products and Canned Food
- Kong Wah (UK) Ltd – Tofu products
- Royal China Group - Face masks
- Walplus – Face masks
- Man Foods Ltd – Fresh vegetables

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Responding to the COVID-19 pandemic has been exhausting for the staff of CATH, but for older people across East London the devastating impact of isolation, of feeling abandoned, of losing access to the places that enabled support such as China Town and churches and of losing friends, partners and family, drives the CATH's team onwards to work with other Chinese community leaders to address these challenges. At the time of writing this report, it has been confirmed that our partnership bid with the Chinese Mental Health Association (CMHA) for Wave 3 London Community Response Fund application was successful. Both organisations came together in this partnership because our clients have differing needs which one organisation on its own cannot fulfil, and working together extends our reach. For example:

- CATH will provide the welfare benefits advice and advocacy delivered over the phone as we had held Advice UK accreditation and experience in this area for many years before.
- CMHA will provide the mental health and wellbeing support via its established online platform.
- We know that there is not one solution to connecting older people to the internet but poverty and lack of relevant training plays a big part. During lockdown, digital poverty became a critical issue. Both organisations will provide the training and support to digitally excluded clients to help them access the internet and online services as well as wellbeing activities.

This new project is due to start in November 2020 and lasts for 6 months during the Pandemic. The aim of the project is to support 80 isolated elderly Chinese people across London. Clients can be referred from statutory or voluntary agencies, self-refer, and cross refer between the two partners.

Case Study: MR. M

Mr M is single in his 60's and has been living in London Borough of Tower Hamlets for around 35 plus years. He used to be married and have two children however his relationship with his two non- dependent children has broken down and is irretrievable.

The English language is a barrier for Mr M however he does understand limited basic English and speaks a little broken English. He has health issues and sees his GP and consultants at the hospital frequently. His is unable to fully understand letters send to him via his GP & the hospital.

Mr M had not attended the luncheon club regularly over the past years however would see him now and again from time to time, recently he has requested help and assistance with translation of his medical letters and appointments.

He started to attend luncheon club frequently which led to the luncheon club staff members teaching Mr M how to use download an app on his smartphone which assisting him with translation of his medical letter and appointments. Over the space of many weeks of showing Mr M how to use this app and building up his knowledge and confidence he is now able to use the app on his smartphone independently to translate all his medical letters and appointments.

Mr M has informed not only does he use it for his medical letters and appointments, he pretty much now uses it for anything he need. At times he could use the app up to a few times a day and sometimes a few times a week. He reports it has given him a sense of independence and has less anxiety issues and he is now able to know what's urgent and what's not with all his post / paperwork. He is now able to understand what is medically going on with himself and what condition he has been diagnosed with different level of understanding.

Overall Mr M reports his health and wellbeing has improved due to the newly found independence and being able to find out straightaway what's urgent and what's not via a smartphone app.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Looking to the Future

It has been an extraordinary year on many levels, most of which has been positive as we have taken great strides forward with the objectives laid out in our plan. However, we produce this report at a time of once-in-a-generation turmoil and uncertainty due to the Covid-19 pandemic. Despite significant challenges, CATH has been central to the co-ordinated response to the coronavirus outbreak, which has cemented our role as one of the specialist providers of charitable services for older adults in the borough, at a time when we are needed the most.

The priorities within our strategy do not change significantly as a result of Covid-19 but our services will have to adapt to the 'new normal' we are all facing. We also know that the indirect impact of coronavirus on older adults will be far reaching and profound, making our support ever more essential.

As we move forward, teamwork, effective communication and partnership working remain high on the agenda as we seek to meet the emerging needs of older adults in Tower Hamlets. We know that the coming months and years may be challenging but we are prepared to do whatever it takes help older people access high quality advice and practical support, stay connected and keep active.

The provision of care is continually changing and developing, increasingly so, as more people opt for a direct payment to manage their own care budget. Assessment criteria changes have also resulted in less people qualifying for financial support from the local authority and being self-funding. As individuals take responsibility to manage their own care needs, changes in approach will need to be made to provide a more varied and less restrictive service. Personalisation will benefit the individuals by providing care services to meet their particular needs.

In order to continue to attract new service users to our Home Care Services we will strive to maintain the high quality of trained and competent staff whose hard work earns us our reputation of a quality service. We are also seeking to improve recruitment and source "long shift" hours in local areas as there is potential for growth.

CATH is also looking to overhaul and redesign its website for ease of use, enabling many parties to access it, including prospective clients, staff, referrers, family members and funders. Linked to the website should be a Facebook and Twitter feed of news and activities, so as not to be left behind in the modern age.

CATH will strategically focus on the following priority items:

- Be the first choice of support for older residents of Chinese origin across London
- Increase the number of older residents with whom we are in contact
- Be the first choice of Chinese Language School in East London
- Develop and expand the organisation in new and creative ways to support and engage older residents of Chinese origin
- Increasing our organisation's skills and expertise in areas of concern for older people and in response to need
- Increase involvement of Service Users and feedback to guide service development

Reserves

The trustees/directors recognise the need to ensure adequate resources are held in reserve to account for unanticipated reduction of income or increase of expenditure. The Chinese Association of Tower Hamlets (CATH) is currently dependent heavily on earned income from its Home Care Service to sustain its activities, as grants alone would not allow CATH to continue operating. This means that if there were to be a gap in earned income it is likely that CATH would have to close down. To avoid closure if funding difficulties were to happen the trustees/directors have agreed to keep a certain level of financial reserves to ensure that main operations can continue for a period of at least 9 months. The main concerns of the board are to ensure:

- That staff can continue working, primarily to secure new funding or to allow CATH to wind up while meeting its obligation to staff
- That members and service users are supported to move on to other services

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

TRUSTEES' RESPONSIBILITIES

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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare financial statements on an ongoing concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees / directors who served during the year were as follows:

| | |
|---------------|-------------------|
| Chuang Yi | Chairperson |
| Hoi Hung Wu | Treasurer |
| Alan Chau | Company Secretary |
| The Vinh Le | Trustee |
| Ping Hayward | Trustee |
| Meng Lu Cheng | Trustee |
| Harun Salah | Trustee |

AUDITORS

A resolution proposing Silver Levene (UK) Limited, Chartered Certified Accountants be re-appointed as auditors of the Charity was approved by the Annual General Meeting in December 2019.

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

APPOINTMENT OF TRUSTEES

Applications for potential Trustees are sought through registration with appropriate local networks and associations, through the Charity's website and through invitations sent out in member mailings.

Membership of the board of trustees consists of the Chair and up to eight other trustees elected by members of the Charity as determined by the Charity's Regulations. The Board also has the power to co-opt persons to serve as members of the Board until the next election of trustees.

TRUSTEES INDUCTION AND TRAINING

Trustees take an active role in succession planning. Potential Trustees are initially provided with reports that will enable them to judge whether to pursue an appointment. Skills Audit forms are completed prior to an interview with the Chair of the Charity and the General Manager. If candidates are regarded as suitable, and wish to pursue an appointment, an orientation session is arranged. This forms part of the ongoing induction process and involves meetings with key staff, attendance at seminars and Committees and at least one Board meeting. Following satisfactory completion of the recruitment process the Board will recommend appointment as a Trustee.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

ORGANISATION

The Board has the overall responsibility for the governance of the Charity. It meets at least four times a year. Regulations specify the powers of the board and the authority delegated to senior staff. The General Manager is responsible for the day to day management of the Charity, working within the financial framework, procedures and policies set down by the Board. The General Manager has delegated authority for human resource planning, employment, service development and finance. The name of the senior staff member to whom day to day management of the charity is delegated to Mr. Alan Chau, General Manager.

BANKER

The name and address of the Association's Banker is:

Barclays Bank PLC
Canary Wharf Branch
2 Churchill Place
London
E14 5RB.

RISKS AND UNCERTAINTIES

The Charity's core work is in front line high-risk care provision, and risk management is embedded in every aspect of the Charity's activities. The Trustees have considered the Charity's risks and seek to minimise them as far as is practical.

The Trustees consider the continual under-funding of services by commissioning bodies that is prevalent across the whole of the social care sector to be the most significant risk facing the Charity in the immediate future.

Income is sourced through individual contracts with a range of commissioning bodies. It is essential that consistent service users levels are maintained to ensure regular cash flows. In turn, this enables the Charity to re-invest into services.

As at 31 March 2020 the impact of the Covid-19 pandemic had not materially impacted on the charity. Additional costs were being incurred in relation to personal protective equipment as the charity implemented measures to protect its employees and the people it supports.

The charity's primary purpose is to deliver frontline registered care. This registered service had to remain open and safe. To ensure this, in mid-March, the charity chose to close the centre to the public and also close the Saturday's Chinese School and move to online classes using Zoom. The purpose of this was to strengthen the essential services that had to remain open by redeploying these teams and ensuring continued income generation for the charity. This immediate action allowed the charity's remaining services to manage without use of agency staff should charity staff have to self-isolate. During a pandemic, non-use of agency staff is a key control in keeping services free of the virus. In turn, remaining safe allowed the charity to continue to accept new referrals. This contingent strategy worked well, with minimal disruption to the remaining services.

The charity reviewed its budget for the coming year and modelled for a cautious, worst-case scenario approach. This forecasted approach indicated that, at worst, the charity would maintain a healthy cash reserve and would be able to continue to pay its debts as they fell due beyond 12 months from signing this report.

The Trustees have assessed that the charity was well placed to deal with the immediacy of the pandemic due to the nature of its work; infection control and keeping people safe is at the heart of its work. The charity's actions to date have further evidenced this.

Nonetheless, the Trustees expect this coming financial year to be challenging and additional costs will be inevitable, but manageable. At the time of writing, the Government has also introduced financial measures to support the social care sector, which affords even more headroom for the charity during these uncertain times.

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

The trustees' report was approved by the Board of Trustees.



Mr C Yi

Trustee

Dated: 27/11/2020

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF CHINESE ASSOCIATION OF TOWER HAMLETS**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Chinese Association of Tower Hamlets (the Chinese Association of Tower Hamlets) for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the Charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this 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 charity and the charity's trustees as a body, for my work, for this report, or for the opinion I have formed.

Responsibilities and basis of report

As the trustees of the Chinese Association of Tower Hamlets (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the Chinese Association of Tower Hamlets are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Chinese Association of Tower Hamlets's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statements.

Independent examiner's statement

Since the Chinese Association of Tower Hamlets's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered and Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Chinese Association of Tower Hamlets as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT (CONTINUED)
TO THE TRUSTEES OF CHINESE ASSOCIATION OF TOWER HAMLETS**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Goh Yong Chong
Silver Levene (UK) Limited
Chartered Certified Accountants
37 Warren Street
London
W1T 6AD

Dated: 30 November 2020

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

| | | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|--|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| Income and endowments from: | | | | | | | |
| Donations and contract income | 2 | 271,473 | - | 271,473 | 208,714 | - | 208,714 |
| Charitable activities | 3 | 85,612 | 26,044 | 111,656 | 94,447 | 31,454 | 125,901 |
| Investments | 4 | 408 | - | 408 | 384 | - | 384 |
| Other income | 5 | 1,743 | - | 1,743 | 346 | - | 346 |
| Total income | | 359,236 | 26,044 | 385,280 | 303,891 | 31,454 | 335,345 |
| Expenditure on: | | | | | | | |
| Charitable activities | 6 | 318,189 | 30,336 | 348,525 | 266,361 | 30,714 | 297,075 |
| Net incoming/ (outgoing) resources before transfers | | 41,047 | (4,292) | 36,755 | 37,530 | 740 | 38,270 |
| Gross transfers between funds | | (4,381) | 4,381 | - | (116) | 116 | - |
| Net income for the year/ Net movement in funds | | 36,666 | 89 | 36,755 | 37,414 | 856 | 38,270 |
| Fund balances at 1 April 2019 | | 370,023 | 20,981 | 391,004 | 332,609 | 20,125 | 352,734 |
| Fund balances at 31 March 2020 | | 406,689 | 21,070 | 427,759 | 370,023 | 20,981 | 391,004 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 MARCH 2020

Company Registration No. 01720498

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|---------|-----------|---------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 3,916 | | 4,230 |
| Current assets | | | | | |
| Debtors | 13 | 82,462 | | 56,407 | |
| Cash at bank and in hand | | 378,247 | | 363,018 | |
| | | 460,709 | | 419,425 | |
| Creditors: amounts falling due within one year | 14 | (36,866) | | (32,651) | |
| Net current assets | | | 423,843 | | 386,774 |
| Total assets less current liabilities | | | 427,759 | | 391,004 |
| Income funds | | | | | |
| Restricted funds | 16 | | 21,070 | | 20,981 |
| <u>Unrestricted funds - general</u> | | | | | |
| Designated funds | 17 | 4,140 | | 4,140 | |
| General unrestricted funds | | 402,549 | | 365,883 | |
| | | | 406,689 | | 370,023 |
| | | | 427,759 | | 391,004 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.


The trustees acknowledge their responsibilities for ensuring that the charity 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 company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 27th November 2020



Mr C Yi
Trustee



Mr T V Le
Trustee

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

Charity information

Chinese Association of Tower Hamlets is a private company limited by guarantee incorporated in England and Wales. The registered office is 680 Commerical Road, London, E14 7HA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Chinese Association of Tower Hamlets's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Chinese Association of Tower Hamlets is a Public Benefit Entity as defined by FRS 102.

The Chinese Association of Tower Hamlets has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Chinese Association of Tower Hamlets. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is currently facing unprecedented uncertainty about the impact of the COVID-19 Pandemic, together with the extent and duration of social distancing measures imposed by the UK Government. The directors have foreseen the challenges in the coming months and considered carefully the potential impact of these matters. In taking into account of available cash resources and the extent of support provided by The UK Government announced as of the date of signing this report the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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 financial statements.

1.4 Income

Income is recognised when the Chinese Association of Tower Hamlets is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Chinese Association of Tower Hamlets has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Chinese Association of Tower Hamlets has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under heading that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with use of the resources.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|----------------------|
| Fixtures, fittings & equipment | 25% Reducing balance |
|--------------------------------|----------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Chinese Association of Tower Hamlets reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Chinese Association of Tower Hamlets has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Chinese Association of Tower Hamlets's balance sheet when the Chinese Association of Tower Hamlets becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Chinese Association of Tower Hamlets transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Chinese Association of Tower Hamlets's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Chinese Association of Tower Hamlets is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies **(Continued)**

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.13 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 charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity 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.

Transfer from general funds is undertaken when restricted funds are in deficit.

1.14 Company Status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 12. In the event of the charity being wound up, the liabilities in respect of the guarantee is limited to £1 per member of the charity.

2 Donations and contract income

| | Unrestricted funds general 2020 £ | Unrestricted funds general 2019 £ |
|---------------------------------|--|--|
| Donations and gifts | 9,317 | 12,555 |
| Contract income | 262,156 | 196,159 |
| | <u>271,473</u> | <u>208,714</u> |
| Contract income | | |
| London Borough of Tower Hamlets | 176,323 | 131,775 |
| London Borough of Hackney | 6,117 | 466 |
| London Borough of Newham | - | 934 |
| Direct Payments | 79,716 | 59,360 |
| Lewisham Social Services | - | 3,624 |
| | <u>262,156</u> | <u>196,159</u> |

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

3 Income from charitable activities

| | Grants 2020 £ | School fees income 2020 £ | Total 2020 £ | Total 2019 £ |
|------------------------------------|---------------------|------------------------------------|--------------------|--------------------|
| Sales within charitable activities | - | 85,612 | 85,612 | 94,447 |
| Performance related grants | 26,044 | - | 26,044 | 31,454 |
| | <u>26,044</u> | <u>85,612</u> | <u>111,656</u> | <u>125,901</u> |
| Analysis by fund | | | | |
| Unrestricted funds - general | - | 85,612 | 85,612 | 94,447 |
| Restricted funds | 26,044 | - | 26,044 | 31,454 |
| | <u>26,044</u> | <u>85,612</u> | <u>111,656</u> | <u>125,901</u> |
| For the year ended 31 March 2019 | | | | |
| Unrestricted funds - general | - | 94,447 | | 94,447 |
| Restricted funds | 31,454 | - | | 31,454 |
| | <u>31,454</u> | <u>94,447</u> | | <u>125,901</u> |

4 Investments

| | Unrestricted funds general 2020 £ | Unrestricted funds general 2019 £ |
|---------------------|---|---|
| Interest receivable | <u>408</u> | <u>384</u> |

5 Other income

| | Unrestricted funds general 2020 £ | Unrestricted funds general 2019 £ |
|--------------|---|---|
| Other income | <u>1,743</u> | <u>346</u> |

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

6 Expenditure on charitable activities

| | Unrestricted funds expenditure 2020 £ | Restricted funds expenditure 2020 £ | Total 2020 £ | Unrestricted funds expenditure 2019 £ | Restricted funds expenditure 2019 £ | Total 2019 £ |
|--|--|--|-----------------|--|--|-----------------|
| Staff costs | 269,371 | 26,585 | 295,956 | 216,312 | 25,917 | 242,229 |
| Food/Luncheon Club | 4,597 | - | 4,597 | 5,252 | - | 5,252 |
| Chinese New Year | - | 1,934 | 1,934 | - | 2,111 | 2,111 |
| Home Care Project expenses | 2,390 | - | 2,390 | 3,834 | - | 3,834 |
| Chinese School expenses | 1,310 | - | 1,310 | 1,547 | - | 1,547 |
| Rent | 19,973 | - | 19,973 | 21,083 | 875 | 21,958 |
| Other premises expenses | 3,267 | - | 3,267 | 2,245 | 298 | 2,543 |
| Travel | 1,012 | - | 1,012 | 542 | - | 542 |
| Insurance | 1,175 | 294 | 1,469 | 1,104 | 276 | 1,380 |
| Repairs and maintenance | 592 | - | 592 | 557 | - | 557 |
| Training, books & subscriptions | 6,231 | - | 6,231 | 5,764 | 20 | 5,784 |
| Bank charges | 934 | - | 934 | 122 | - | 122 |
| Telephone | 1,056 | - | 1,056 | 1,584 | - | 1,584 |
| Sundry expenses | 1,376 | 1,123 | 2,499 | 1,405 | 817 | 2,222 |
| Depreciation | 1,305 | - | 1,305 | 1,410 | - | 1,410 |
| | <u>314,589</u> | <u>29,936</u> | <u>344,525</u> | <u>262,761</u> | <u>30,314</u> | <u>293,075</u> |
| Share of governance costs (see note 7) | 3,600 | 400 | 4,000 | 3,600 | 400 | 4,000 |
| | <u>318,189</u> | <u>30,336</u> | <u>348,525</u> | <u>266,361</u> | <u>30,714</u> | <u>297,075</u> |
| Analysis by fund | | | | | | |
| Unrestricted funds - general | 318,189 | - | 318,189 | 266,361 | - | 266,361 |
| Restricted funds | - | 30,336 | 30,336 | - | 30,714 | 30,714 |
| | <u>318,189</u> | <u>30,336</u> | <u>348,525</u> | <u>266,361</u> | <u>30,714</u> | <u>297,075</u> |

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

7 Support costs

| | Governance costs | 2020 | 2019 | Basis of allocation |
|---|-------------------------|--------------|--------------|---|
| | £ | £ | £ | |
| Professional fees | 4,000 | 4,000 | 4,000 | 10% After school club 90% Home care/Chinese school |
| | <u>4,000</u> | <u>4,000</u> | <u>4,000</u> | |
| Analysed between Charitable activities | <u>4,000</u> | <u>4,000</u> | <u>4,000</u> | |

Governance costs include fees of £3,300 (2019: £3,300) for an independent examination.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits, or claimed any expenses from the Chinese Association of Tower Hamlets during the year.

9 Employees

Number of employees

The average monthly number employees during the year (including trustees) was:

| | 2020 | 2019 |
|-------------------------------|---------------|---------------|
| | Number | Number |
| Management and administration | 6 | 6 |
| Charitable activities | 36 | 39 |
| | <u>42</u> | <u>45</u> |

| Employment costs | 2020 | 2019 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 275,075 | 230,655 |
| Social security costs | 12,482 | 7,552 |
| Other pension costs | 8,399 | 4,022 |
| | <u>295,956</u> | <u>242,229</u> |

The key management personnel of the Charity comprises the Trustees, General Manager, Quality Assurance Manager and Head of Chinese School.

The total employee benefit of the key management personnel of the Charity were £64,463 (2019 : £66,882).

No employees received benefits of more than £60,000 during the year or preceding year.

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

10 Taxation

The charitable company is a registered charity and is not subject to corporation tax on its current activities.

11 Tangible fixed assets

Fixtures, fittings & equipment
£

Cost

At 1 April 2019 32,246

Additions 991

At 31 March 2020 33,237

Depreciation and impairment

At 1 April 2019 28,016

Depreciation charged in the year 1,305

At 31 March 2020 29,321

Carrying amount

At 31 March 2020 3,916

At 31 March 2019 4,230

12 Financial instruments

2020

2019

£

£

Carrying amount of financial assets

Debt instruments measured at amortised cost 82,462 56,407

Carrying amount of financial liabilities

Measured at amortised cost 36,866 32,651

13 Debtors

2020

2019

£

£

Amounts falling due within one year:

Prepayments and accrued income 82,462 56,407

14 Creditors: amounts falling due within one year

2020

2019

£

£

Accruals and deferred income 36,866 32,651

**CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

15 Retirement benefit schemes

Defined contribution schemes

The Chinese Association of Tower Hamlets operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Chinese Association of Tower Hamlets in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £8,399 (2019 - £4,022).

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 April 2018 £ | Movement in funds | | | Balance at 1 April 2019 £ | Movement in funds | | | Transfers £ | Balance at 31 March 2020 £ |
|-------------------------------|---------------------------------|----------------------------|----------------------------|----------------|---------------------------------|----------------------------|----------------------------|----------------|----------------|----------------------------------|
| | | Incoming resources £ | Resources expended £ | Transfers £ | | Incoming resources £ | Resources expended £ | Transfers £ | | |
| Opportunity Centre Project | 1,403 | - | - | - | 1,403 | - | - | - | - | 1,403 |
| Youth Club | 222 | - | - | - | 222 | - | - | - | - | 222 |
| After School Homework Club | 2,342 | 4,469 | (4,296) | - | 2,515 | 1,539 | (1,893) | - | - | 2,161 |
| After School sporting | 4,938 | - | - | - | 4,938 | - | - | - | - | 4,938 |
| I Dare Project | 3,497 | - | - | - | 3,497 | - | - | - | - | 3,497 |
| Jack Petchey Project | 3,239 | 1,500 | (817) | - | 3,922 | 1,500 | (1,123) | - | - | 4,299 |
| Elderly Luncheon Club | - | 10,200 | (10,206) | 6 | - | 10,200 | (14,931) | 4,731 | - | - |
| Chinese School | - | 13,285 | (13,285) | - | - | 10,045 | (10,455) | 410 | - | - |
| Core | 4,484 | 2,000 | (2,110) | 110 | 4,484 | - | - | - | - | 4,484 |
| Chinese New Year Event | - | - | - | - | - | 2,000 | (1,934) | - | - | 66 |
| East End Community Foundation | - | - | - | - | - | 760 | - | (760) | - | - |
| | 20,125 | 31,454 | (30,714) | 116 | 20,981 | 26,044 | (30,336) | 4,381 | | 21,070 |

CHINESE ASSOCIATION OF TOWER HAMLETS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Balance at 1 April 2018 £ | Movement in funds Incoming resources £ | Balance at 1 April 2019 £ | Movement in funds Incoming resources £ | Balance at 31 March 2020 £ |
|----------------------------|---------------------------------|--|---------------------------------|--|----------------------------------|
| Equipment replacement fund | 4,140 | - | 4,140 | - | 4,140 |
| | <u>4,140</u> | <u>-</u> | <u>4,140</u> | <u>-</u> | <u>4,140</u> |

The trustees have designated funds of £4,140 to cover the future cost of IT & communication system of the Charity.

18 Analysis of net assets between funds

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|--|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2020 are represented by: | | | | | | |
| Tangible assets | 3,916 | - | 3,916 | 4,230 | - | 4,230 |
| Current assets/ (liabilities) | <u>402,773</u> | <u>21,070</u> | <u>423,843</u> | <u>361,769</u> | <u>20,865</u> | <u>386,774</u> |
| | <u>406,689</u> | <u>21,070</u> | <u>427,759</u> | <u>365,999</u> | <u>20,865</u> | <u>391,004</u> |

19 Operating lease commitments

At the reporting end date the Chinese Association of Tower Hamlets had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2020 £ | 2019 £ |
|----------------------------|---------------|---------------|
| Within one year | 28,394 | 15,881 |
| Between two and five years | <u>51,425</u> | <u>79,818</u> |
| | <u>79,819</u> | <u>95,699</u> |