

Registered Charity Number

1042435

Registered Company Number

02663906

ISLINGTON CHINESE ASSOCIATION

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2020

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Name, registered office of the charity

The full name of the charity is ISLINGTON CHINESE ASSOCIATION, (hereafter called ICA).

Its legal registration details are:

<i>Date of incorporation</i>	13 November 1991
<i>Company Registration Number</i>	02663906
<i>Registered Office</i>	21 Hatchard Road, London N19 4NG
<i>Charity Registration Number</i>	1042435
<i>Telephone number</i>	020 7263 5986

Objectives and activities of the Charity

Established in 1986, the Islington Chinese Association (ICA) works tirelessly in advancing the rights of Chinese people in London and beyond, building a vibrant and integrated community. Its aim is to promote diversity through integration, challenge limitations and facilitate social change.

ICA's focus is to work towards a fair and just society whereby Chinese people can assimilate into the wider society and enjoy living in the UK celebrating shared values.

ICA provides social services, promotes Chinese traditions and cultural heritage, serves as a bridge between Chinese immigrants and mainstream groups, promotes British/Chinese interests and engages in charitable activities.

The charity's activities include: running a luncheon club for locals and pensioners, promoting wellbeing and health through sports, social, cultural and arts programmes, outreach and befriending, enabling volunteer participation, facilitating a hub for youth meetings, providing homeless support with free breakfasts throughout the year and twice monthly vegetarian lunches, winter shelter between January and March. ICA is also a hub for community cohesion and hires out its rented premises for community groups and functions at community rates.

Chief Executive Officer

Ms Donna So (from August 2019 to 31 December 2020)

Interim Chief Executive Officer (Voluntary)

Dr Stephen Lui Nam Ng MBE (from 16 December 2020)

Bankers

Lloyds TSB, Highbury Corner Branch,
31 Holloway Road, London N7 8JU

Solicitors

Ms Wei Ling Choi LLB (Hons)
Kamberley Solicitors
100A Chase Side
London N14 5PH

Investment advisors

No investment advisors are appointed.

Trustees' report

For the year 2019-2020, we had a new CEO, Donna So, on board to replace Dr Stephen Ng upon his retirement in 2019. During the year a new co-opted member Christopher Ng, has joined the board of trustees and his experience will considerably strengthen the team. He was elected Chairman of the trustees at the AGM on 4 October 2020.

2020 has been a tumultuous year due to the Covid19 pandemic. Despite the five- month lock down ICA has not ceased its services to the community. We have creatively adapted our operations by delivering skeleton services online using Zoom. The health and wellbeing of members and staff have remained our top priority. A phone hot line was put in place to help those in need during the lock down when staff were working from home. The Centre including its luncheon club was re-opened in August running limited and controlled face-to-face activities alongside popular online classes. The trustees thank all the staff and volunteers who have worked hard to convert the premises into a Covid-19 secure environment by stringently following Government guidelines.

In particular we thank our Fundraising officer Katy Blair who succeeded in securing funding from Islington Council for our luncheon club service, Lottery Fund Awards for All funding for our Staying Well Balanced project, Macquarie Group Foundation, Islington Giving in London Community Response Wave to Government Loneliness Covid-19 Crisis Fund, City Bridge Trust for our Thriving Beats Surviving project, AVIVA Community crowd funding and Trust for London Connected Communities crowd funding. Funding enables ICA to expand its services to a wider community and will pave our way to providing more innovative and digital community services. Last but not least many thanks go to Father Ugo of St Gabriel's Catholic Church in creating a Community Hub.

We are also proud to say that ICA Cantonese Operatic Club managed to raise well over £2000 to host a live-streaming charity concert in support of the NHS Covid-19 Emergency Fund. This autumn concert has had to be cancelled at the 11th hour due to heightened Covid restrictions but it is heartwarming to note the generosity of the Chinese community despite the trying circumstances.

The trustees can also report that the Charity Commission has finally given approval to ICA to release its building fund of £176,140 from restricted to unrestricted status. This building fund was raised from membership donations about 20 years ago with the intention of purchasing a property. Sadly, the funds raised did not reach the target sum and the purchase did not materialize (Please also see Note 11 of the accounts).

We thank Ms Mei Sim Lai OBE DL FCA FCCA our Independent Examiner and our Honorary Legal Advisor Ms Wei Ling Choi for their continued support of ICA. In the years to come, we shall confidently invest in building the capacity of our teams of staff, volunteers and trustees to best respond to the needs of the community creating long lasting impact on the lives of the people we serve.

Mrs Hanifah Law

Trustee and Chairman

Islington Chinese Association

Report and accounts for the year ended 31 March 2020

The members of the Board of Trustees during the year ended 31 March 2020 and since that date were:-

OFFICERS

CHAIRMAN	Mrs Hanifah Law (resigned 4 October 2020) Mr Christopher Ng (appointed 4 October 2020)
SECRETARY	Mr Kenneth Wong
TREASURER	Ms Hinchee Hung

MC MEMBERS

Mr Brian Boylan
Ms Suk Wai Cheung Yildiz
Mr Jasper Wong (resigned 4 October 2020)
Ms Cheryl Hung (resigned 30 September 2019)
Ms Fiona Au
Mr Christopher Ng (co-opted during 2019/2020)

Statement of Directors' and Trustees' Responsibilities

The Charities Act and the Companies Act require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show the charity's transactions prepared in accordance with the small companies regime under the Companies Act 2006 and comply with regulations made under the Charities Act. Trustees 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.

Policies on reserves

Reserves are needed to meet the working capital requirements of the charity. ICA's policy is to maintain the Reserves Target at a minimum of 3-6 months budget expenditure. Based on 2020/21 current levels of overheads expenditure, this would be between £40,000 to £80,000. As at 31 March 2020 unrestricted reserves were £119,854 which represented approximately 9 months of expenditure. The trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Islington Chinese Association

Report and accounts for the year ended 31 March 2020

Risk Management

The trustees conduct an annual review of the major risks to which the charity is exposed. Internal control systems have been established to mitigate the risks the charity faces and these are reviewed from time to time. Significant external funding risks have led to the development of a strategic plan which allows for the diversification of funding and activities. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and all centre users.

Transactions and Financial position

The financial statements are set out on pages 8 to 14. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales and in accordance with the Financial Reporting Standard 102.

In 2019/20 funding accounted for 40% of ICA's incoming resources. The National Lottery Community Fund and the Islington Council are ICA's main funders. Islington Council's £20,000 Luncheon Club fund subsidizes nutritious and convivial lunches and brings many members out of potential isolation; a Voluntary & Community Sector Grants Fund of £15,000 is an invaluable contribution towards staff pay; without the steady support of Islington Council the Association would not be here to enrich the local community.

In 2019/20 the charity's activities generated a surplus of £25,214 (2019 £11,468) before depreciation. This exceptional surplus just about makes good the deficits of the previous two years. This represents a small cushion for the catastrophic effect of the Covid19 pandemic on ICA's finances and the trustees are confident that it can maintain its core services in the light of new sources of funding.

The Statement of Financial Activities for the year ended 31 March 2020 showed a net increase in resources for the year of £23,148 (2019 -£7,283) and the total unrestricted and restricted reserves at the year-end stood at £295,994 (2019 £272,845).

This report was approved by the Board of trustees on 28 January 2021

Hinchee Hung

Trustee and Treasurer

Independent examiner's report

for the year ended 31 March 2020

I report on the financial statements of Islington Chinese Association for the year ended 31 March 2020 which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

As the charity trustees (and also the directors of the company for the purposes of company law) you are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011(the 2011 Act) and that an independent examination is needed.

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

- a) examine the accounts under section 145 of the 2011 Act;
- b) follow the procedures laid down in the general Direction given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- c) 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 the review of the accounting records kept by the Charity and a comparison of the financial statements 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 show a 'true and fair' view and the report is limited to those matters set out on the statement below.

Independent Examiner's Statement

In accordance with my statement, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) 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 other methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have been met: or

2) to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached;

Mei Sim Lai OBE DL FCA FCCA
LaiPeters & Co, Chartered Accountants
Suite A, 6 Honduras Street
London EC1Y 0TH

28 January 2021

Statement of Financial activities

(incorporating the Income and Expenditure account)

	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total
	2020 £	2020 £	2020 £	2019 £
Incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary Income	5,263	20,000	25,263	25,953
Activities for generating funds	129,380	-	129,380	125,314
Investment Income	1,150	-	1,150	504
<i>Incoming resources from charitable activities</i>				
<i>Other Incoming resources</i>	16,974	80,397	97,371	87,755
Total incoming resources	152,767	100,397	253,164	239,526
 <i>Costs of generating funds</i>				
Costs of generating voluntary income	-	-	-	-
<i>Costs of charitable activities</i>	129,619	100,397	230,016	246,809
 Total resources expended	129,619	100,397	230,016	246,809
 Net incoming resources before transfers between funds	23,148	-	23,148	-7,283
 Gross transfers between funds	-	-	-	-
 Net incoming resources before Other recognized gains and losses	23,148	-	23,148	-7,283
 Other recognized gains and losses	-	-	-	-
Net movement in funds	23,148	-	23,148	-7,283
 Reconciliation of funds				
<i>Total funds brought forward</i>	96,705	176,140	272,845	280,129
Total Funds carried forward	119,854	176,140	295,994	272,845

All activities derive from continuing operations.

The notes on pages 9 to 13 form an integral part of these accounts.

Islington Chinese Association

Balance Sheet as at 31 March 2020

	Notes	2020 £	2019 £
Fixed assets			
Property, Plant & Equipment	8	5,754	4,047
Current assets			
Debtors	9	20,229	14,840
Inventories		802	2,663
Cash at bank and in hand		<u>318,451</u>	<u>282,631</u>
Total current assets		339,482	300,134
Creditors:-			
Amounts due within one year	10	<u>(49,242)</u>	<u>(31,336)</u>
Net current assets		290,240	268,798
Net assets		<u>295,994</u>	<u>272,845</u>
RESERVES			
Unrestricted income funds			
Unrestricted revenue accumulated funds		94,854	71,705
Designated revenue funds		<u>25,000</u>	<u>25,000</u>
Total unrestricted funds		119,854	96,705
Restricted general income funds			
Revenue accumulated funds	11	<u>176,140</u>	<u>176,140</u>
Total restricted funds		176,140	176,140
Total charity funds		<u>295,994</u>	<u>272,845</u>

The trustees are satisfied that for the year in question the charitable company was entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act 2011, the accounts have been examined by an Independent Examiner whose report appears on page 7.

The directors/trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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

Approved by the Board and signed on its behalf by:

Hinchee Hung
Trustee and Treasurer
28 January 2021

Notes to the Accounts for the year ended 31 March 2020

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation of the accounts

The financial statements have been prepared in accordance under the historical cost convention and comply with the Companies Act 2006 and in accordance with the Charity SORP. "Accounting and Reporting by Charities": Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 ". The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland". They are prepared in sterling which is the functional currency of the company.

Accounting convention

The charity is entirely dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid. At the time of approving these accounts the directors/ trustees have after assessing the situation, a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Incoming Resources

Incoming resources are accounted for when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants, donations and gifts and is included in the year in which they are received, unless they relate to a specific period when they will be recognized over the period to which they relate.

Deferred income

In accordance with the SORP, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Resources expended

Liabilities are recognized on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP. All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Charitable activities

All costs directly related to the meeting of the objectives of the charity including that of active fundraising are included in this heading.

Inventories

Stock of food and other items is valued at the lower of cost and net realizable value.

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Fixed assets and depreciation

All tangible fixed assets are stated at cost less accumulated depreciation and has been provided at the following rates in order to write off the assets (less their expected residual value) over their estimated useful economic lives.

Renovations & lease improvements	over remaining period of current lease
Office Furniture & Fittings	20% straight line
Equipment	50% straight line
Plant and machinery	20% straight line

Capital grants

The board of trustees considers that, in order to comply with the SORP, gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilized in the furtherance of the objectives of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

If the related assets are subject to restrictions by the grant making organization on their use and disposal, then these restrictions are noted in the fixed asset section of these accounts.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities

Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of trustees in furtherance of the objectives of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objectives to the charity.

The charity is incorporated under the Companies Acts and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

There were 491 members as at 31 March 2020 (2019 311 members).

3 Surplus /(Deficit) for the financial year	2020 £	2019 £
This is stated after crediting :-		
Revenue from ordinary activities	253,164	239,526
and after charging:-		
Depreciation of owned fixed assets	2,066	18,751
Rentals under operating leases	11,000	11,000
Independent examiner's fee	2,000	1,900

Islington Chinese Association

4 Costs of Charitable activities

	2020	2019
	£	£
Salaries & Staff costs	97,451	87,762
Administrative expenses	4,387	4,086
Premises and related costs	34,459	32,837
Professional fees	6,262	6,404
Activities costs	85,391	96,969
Depreciation	<u>2,066</u>	<u>18,751</u>
	<u>230,016</u>	<u>246,809</u>
Unrestricted	129,619	153,802
Restricted	<u>100,397</u>	<u>93,007</u>
	<u>230,016</u>	<u>246,809</u>

5 Investment Income

	2020	2019
	£	£
Bank deposit interest receivable	1150	504

6 Staff Costs and Emoluments

	2020	2019
	£	£
Gross Salaries & Employer's NIC	95,413	86,425
Staff Pensions Costs	2,038	1,337
Numbers of full time employees or full time equivalents		
Engaged on charitable activities	5	5
Engaged on management and administration	<u>1</u>	<u>1</u>
	<u>6</u>	<u>6</u>

There were no fees, expenses or other remuneration paid to the trustees.

There were no employees with emoluments in excess of £60,000 per annum.

7 Pensions

Existing employees of the charity were enrolled in the Workplace Pension Scheme with NEST which is funded by contributions from employee and employer. The company does not operate any other defined contribution scheme for the benefit of its employees. Contributions payable are recognized in Statement of Financial Activities when due.

Islington Chinese Association

8 Tangible fixed assets

	Renovations	Office Furniture Fittings	Plant & machinery	Total
	£	£	£	£
Asset cost, valuation or revalued amount				
At 1 April 2019	49,602	8,512	29,720	87,834
Additions	-	1,876	1,897	3,773
At 31 March 2020	49,602	10,388	31,617	91,607
Accumulated depreciation				
At 1 April 2019	49,602	6,016	28,169	83,787
Charge for the year		896	1,170	2,066
At 31 March 2020	49,602	6,912	29,339	85,853
Net Book Value at 31 March 2020	-	3,476	2,278	5,754
Net Book Value at 31 March 2019	-	2,496	1,551	4,047

9 Debtors

	2020	2019
	£	£
Prepaid Expenses	1,778	9,989
Trade Debtors	7,890	(110)
Other debtors	<u>10,561</u>	<u>4,961</u>
	<u>20,229</u>	<u>14,840</u>

10 Creditors: amounts due within one year

	2020	2019
	£	£
Trade & Operating Creditors	4,043	6,520
Deferred income	38,738	22,230
Accruals	<u>9,461</u>	<u>2,586</u>
	<u>49,242</u>	<u>31,336</u>

11 Restricted General Income funds

On 16 June 2020, orders issued by the Charity Commission gave permission for the Premises Appeal Fund of £176,140 less refunds requested by original donors of £11,310 amounting to £164,830 be transferred to unrestricted funds. This includes £34,458 if it is not claimed by original donors within 6 months of 16 June 2020. The trustees have agreed that this transfer be effected in the accounts for the year ended 31 March 2021.

Islington Chinese Association

12 Particulars of Individual Funds and analysis of assets and liabilities representing funds

	Unrestricte d funds £	Designate d funds £	Restrict ed funds £	Total funds £
As at 31 March 2020				
Tangible fixed assets	5,754			5,754
Current assets	138,342	25,000	176,140	339,482
Current liabilities	(49,243)			(49,243)
	94,854	25,000	176,140	295,994
Designated funds relate to:				
Improvements to premises		15,000		
Staff costs contingency		10,000		
Purchase of permanent premises(Note 11)			176,140	
As at 1 April 2019				
Tangible fixed assets	4,047			4,047
Current assets	98,994	25,000	176,140	300,134
Current liabilities	(31,336)			(31,336)
	71,705	25,000	176,140	272,845

13 Analysis of movements in funds as shown in the table above

	Incoming resources £	Outgoing resources £	Movement in funds £
Unrestricted general funds			
Donations	5,263		
Luncheon club	17,697		
Other activities and fundraising	111,683		
Bank interest income	1,150		
Hall and facilities hire	16,974		
	152,767	(129,619)	23,148
Restricted funds			
LB Islington Luncheon club & oiv events	20,500	(20,500)	-
Islington Council VCS	15,000	(15,000)	-
National Lottery Awards for All	6,600	(6,600)	-
National Lottery Community Fund	58,297	(58,297)	-
	100,397	(100,397)	-
Total	253,165	(230,016)	23,148