

Charity Registration No. 1051778

Company Registration No. 2575177 (England and Wales)

HARINGEY CHINESE CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HARINGEY CHINESE CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Management Committee

Mr Chan Keung Ho
Mr Gavin Fung
Mrs Men Lin Chen
Ms Winnie Li
Mr Khoi Lai Tang
Ms Denise Ng
Ms Helena Ng
Mr Hoi Yat Tsoi

Secretary

Mr Gavin Fung

Charity number

1051778

Company number

2575177

Registered office

211 Langham Road
London
N15 3LH

Auditor

Bacha & Bacha (Audit) Limited
Stirling House
107 Stirling Road
London
N22 5BN

Bankers

Co-Operative Bank Plc
195 High Road
Wood Green
London
N22 6DP

HARINGEY CHINESE CENTRE

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HARINGEY CHINESE CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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 charitable company's memorandum 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)".

Objectives and activities

The charitable company's objectives and activities of the charity are:

- To promote the benefit of the inhabitants of Haringey and the neighbourhoods, in particular, Chinese people, without distinction of sex or of political, religious or other opinions by associating the local authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving their quality of life.
- To establish or secure the establishment of a community centre to work with local statutory authorities in the maintenance and management of such a centre for activities promoted by the association and its constituent bodies in furtherance of the objects.
- To promote good relations in Haringey and its surrounding districts by endeavouring to eliminate discrimination on grounds of race and encouraging equality of opportunity between persons of different racial groups.
- To relieve the poverty of the Chinese community in Haringey by the provision of advice, aid and assistance to improve their quality of life and to help them integrate into the mainstream society to promote community involvement.

The policies adopted in furtherance of these objects are the provision of information, advice, advocacy and training; supporting vulnerable members by providing appropriate care, healthy living advice and referral to health services, reducing isolation by developing cultural and social activities and running joint events with Haringey Council and other local community organisations to combat exclusion.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake. Our Centre has continued to deliver a variety of services to meet the needs of the Chinese community in Haringey and the surrounding boroughs.

HARINGEY CHINESE CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

Services and activities provisions carried out during the year were:

- 1) Support Advice Service – We continued to provide the advice and support services for the local Chinese residents to access different housing related services including prevention of homelessness, housing repairs, rent arrears, tax credits, universal credits, various welfare and benefits claims, education, health services, utilities, social and living, interpretation and telephone enquiries, etc.
- 2) Saturday Chinese School - This year, we continued to provide 2 hours' Chinese language and culture online teaching to our students on Saturday morning between 10:30 a.m. to 12:30 p.m.. This year we had 105 students enrolled for different classes from Year 1 to Year 8 IGCSE level.
- 3) Health Talks/Health Exercises - The Acupuncturist, Mr. Ma continued to provide 'Tai Chi' exercise classes to promote the well-being of our members. He teaches 3 times a week from Monday to Wednesday. Online teaching is held in the morning between 9 a.m. to 10 a.m. The physical face-to-face teaching is held in the evening between 6 p.m. to 7 p.m.
- 4) Volunteers Group - We usually use volunteers to help and support our Chinese Community. Their work included teaching English, computing skills, use of mobile phone skills, social dance training or working as the teaching assistants to help our Chinese School teachers during the classroom teaching. All volunteers were stopped since March 2020 following the outbreak of the pandemic and have not been resumed since.
- 5) After School Club - The usual English and Mathematics tuition classes to improve students' literacy and numeracy skills have been put on hold since the outbreak of the pandemic since March 2020. This year some students have come to attend the "Tai Chi" health exercise classes in weekdays after school instead.
- 6) Pharmacy Collection Service - We continued to work with a local chemist who collected all the prescriptions from the GPs on behalf of our service users and packed their medications into a blister box system to ensure our clients were taking their daily medications safely, punctually and correctly.
- 7) Walk Event – This year we did not organise any outing activities such as one day trip or a few days' trips for our members because most of our members were still afraid of the Covid 19 pandemic. So, with a donation from a donor, we organised a weekly 'Walk' event for our older members between September and October to support their mental health and emotional wellbeing, helping them to relieve anxiety, fear and isolation at home in this unprecedented time of pandemic.
- 8) Women's Group – Some women have attended our 'Walk' events and started to socialise with people, meeting their friend in our centre. We also hope to restart our English class in the near future.

The effectiveness of our services and activities were measured by the outcomes and the feedbacks from our service users. Opinions, comments and suggestions were collected from our members for future initiatives and consideration of project provisions in order to meet the changing needs of the community.

We will continue to provide valuable services and activities for our members and to exploit more funding opportunities to develop more projects provisions. We will work together with Haringey Council and other organisations to promote networking, partnerships, community involvement and cohesion.

Financial review

The charity's total reserves as at the Balance Sheet date was £1,206,358 (2021 £991,082). Of this £10,551 (2021 £8,394) was restricted and £189,736 (2021 £189,736) was designated funds. Other reserves represent gains from revaluing the investment properties were £702,042 (2021 £457,553). The Charity's free reserves, not invested in fixed assets or designated for other purposes stood at £61,917 (2021 £82,660).

HARINGEY CHINESE CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's unrestricted expenditure, which the trustees estimate to be around £50,000. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The charity received total unrestricted income of £70,825 during the year (2021 £74,102). Of this, £25,640 (2021 £30,785) is from the Chinese School and rental income of £23,727 (2021 £25,079).

The charity expended £93,039 (2021 £89,437) on its charitable activities. The costs of running the Centre from which the majority of services are provided were £41,191 (2021 £47,841), none of which is covered by restricted income. The costs of running the school amounted to £50,377 (2021 £42,670).

Governance costs were £7,624 (2021 (£2,073)).

Net loss for the year, before revaluation of investment properties and transfers between funds amounted to (£19,214) (2021 (£15,335)).

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Although our centre's financial income has reduced in the past months since the outbreak of the pandemic and the local lockdowns, it did not prevent us from delivering our planned services by moving the existing face-to-face services online. Staff are working from home and using online or mobile services to satisfy our clients' needs. Following the removal of the pandemic lockdown restrictions in July 2021, the centre has re-opened but classes remained online.

In addition, our operating surplus and reserves in the past years have financially secured our sustainability to provide quality services and activities to meet the needs of our members.

Structure, governance and management

The charitable company is a company limited by guarantee, incorporated on 19 January 1991 and registered as Haringey Chinese Centre on 11 December 1995. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Chan Keung Ho
Mr Gavin Fung
Mrs Men Lin Chen
Ms Winnie Li
Mr Khoi Lai Tang
Ms Denise Ng
Ms Helena Ng
Mr Hoi Yat Tsoi

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

HARINGEY CHINESE CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

The Centre has a Management Committee of up to 8 members who meet approximately every 2 or 3 months and are responsible for the strategic direction and policy of the charity. Since the pandemic outbreak from March 2020, it was not possible for the management committee to meet up ; all the discussions and decisions were approved by emails or orally over the phone. Day to day responsibility for the provision of the services are run by the Centre Manager and supported by other staff and the Management Committee.

Recruitment of volunteers is through the website, newsletters or by recommendations by members. Volunteers Services were put on hold since the pandemic outbreak.

After the removal of the social contact restriction from mid July 2021, the centre was fully reopened to the public.

All members of the Management Committee give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the accounts.

Auditor

Bacha & Bacha (Audit) Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

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



Mr Gavin Fung

20 December 2022

HARINGEY CHINESE CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Haringey Chinese Centre for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

HARINGEY CHINESE CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HARINGEY CHINESE CENTRE

Opinion

We have audited the financial statements of Haringey Chinese Centre (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HARINGEY CHINESE CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HARINGEY CHINESE CENTRE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

HARINGEY CHINESE CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HARINGEY CHINESE CENTRE

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company,
- we assessed the extent of compliance with the laws and regulations identified through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HARINGEY CHINESE CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HARINGEY CHINESE CENTRE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Yogendranath Bacha BA (Hons) BFP FCA (Senior Statutory Auditor)
for and on behalf of Bacha & Bacha (Audit) Limited

21 December 2022

Chartered Accountants
Statutory Auditor

Stirling House
107 Stirling Road
London
N22 5BN

HARINGEY CHINESE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | | | |
| Donations and legacies | 2 | 2,920 | 3,000 | 5,920 | 8,108 | - | 8,108 |
| Charitable activities | 3 | 25,640 | - | 25,640 | 30,785 | - | 30,785 |
| Investments | 4 | 23,781 | - | 23,781 | 25,696 | - | 25,696 |
| Other income | 5 | 18,484 | - | 18,484 | 9,513 | - | 9,513 |
| Total income | | 70,825 | 3,000 | 73,825 | 74,102 | - | 74,102 |
| <u>Expenditure on:</u> | | | | | | | |
| Charitable activities | 6 | 92,196 | 843 | 93,039 | 89,437 | - | 89,437 |
| Net gains/(losses) on investments | 10 | 244,489 | - | 244,489 | 112,509 | - | 112,509 |
| Net income for the year/ Net movement in funds | | 223,118 | 2,157 | 225,275 | 97,174 | - | 97,174 |
| Fund balances at 1 April 2021 | | 972,688 | 8,394 | 981,082 | 875,514 | 8,394 | 883,908 |
| Fund balances at 31 March 2022 | | 1,195,806 | 10,551 | 1,206,357 | 972,688 | 8,394 | 981,082 |

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.

HARINGEY CHINESE CENTRE

BALANCE SHEET

AS AT 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|------------------|------------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | 242,111 | | 242,739 | |
| Investment properties | 12 | 822,755 | | 578,266 | |
| | | <u>1,064,866</u> | | <u>821,005</u> | |
| Current assets | | | | | |
| Debtors | 13 | 3,427 | | 16,145 | |
| Cash at bank and in hand | | 141,853 | | 156,543 | |
| | | <u>145,280</u> | | <u>172,688</u> | |
| Creditors: amounts falling due within one year | 15 | (3,789) | | (12,611) | |
| Net current assets | | | 141,491 | | 160,077 |
| Total assets less current liabilities | | | <u>1,206,357</u> | | <u>981,082</u> |
| Income funds | | | | | |
| Restricted funds | 16 | 10,551 | | 8,394 | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | | 189,736 | | 189,736 | |
| Other reserves | | 702,042 | | 457,553 | |
| General unrestricted funds | | 304,028 | | 325,399 | |
| Unrestricted funds | 18 | <u>1,195,806</u> | | <u>972,688</u> | |
| | | | 1,195,806 | | 972,688 |
| | | | <u>1,206,357</u> | | <u>981,082</u> |

The financial statements were approved by the Trustees on 20 December 2022

Mr Gavin Hung
Trustee

Company Registration No. 2575177

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Haringey Chinese Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 211 Langham Road, London, N15 3LH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees 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 charitable company 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 charitable company 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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of running the school, running the centre and the services it provides, the cost of working within the wider community and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's artistic programmes and activities. These costs have been allocated between expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes.

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:

| | |
|---------------------|----------------------|
| Land and buildings | not depreciated |
| Plant and equipment | 25% reducing balance |

Freehold land is not depreciated. Freehold property is not depreciated due to high residual value of the property.

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 the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company 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).

1.9 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.

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company 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.

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.

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 charitable company 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 charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.12 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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Donations and legacies

| | Unrestricted funds general 2022 £ | Restricted funds 2022 £ | Total Unrestricted funds general 2022 £ | 2021 £ |
|---------------------|---|----------------------------------|---|--------------|
| Donations and gifts | <u>2,920</u> | <u>3,000</u> | <u>5,920</u> | <u>8,108</u> |

3 Charitable activities

| | School 2022 £ | Total 2022 £ | School 2021 £ |
|------------------------------------|---------------------|--------------------|---------------------|
| Sales within charitable activities | <u>25,640</u> | <u>25,640</u> | <u>30,785</u> |

4 Investments

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|---------------------|---|---|
| Rental income | 23,727 | 25,079 |
| Interest receivable | 54 | 617 |
| | <u>23,781</u> | <u>25,696</u> |

5 Other income

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|--------------|---|---|
| Accupuncture | 18,484 | 8,798 |
| Other income | - | 715 |
| | <u>18,484</u> | <u>9,513</u> |

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

| | School | Outings | Centre activities | Total | School | Centre activities | Total |
|--|---------------|------------|-------------------|---------------|---------------|-------------------|---------------|
| | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ | £ |
| Staff costs | 38,494 | - | 31,147 | 69,641 | 32,014 | 40,745 | 72,759 |
| Depreciation and impairment | - | - | 627 | 627 | - | 841 | 841 |
| Insurance | - | - | - | - | 299 | - | 299 |
| School expenses | - | 843 | - | 843 | - | - | - |
| School expenses | 2,612 | - | - | 2,612 | 2,867 | - | 2,867 |
| | <u>41,106</u> | <u>843</u> | <u>31,774</u> | <u>73,723</u> | <u>35,180</u> | <u>41,586</u> | <u>76,766</u> |
| Share of support costs (see note 7) | 5,635 | - | 6,106 | 11,741 | 6,575 | 8,369 | 14,944 |
| Share of governance costs (see note 7) | 3,636 | - | 3,939 | 7,575 | (1,000) | (1,273) | (2,273) |
| | <u>50,377</u> | <u>843</u> | <u>41,819</u> | <u>93,039</u> | <u>40,755</u> | <u>48,682</u> | <u>89,437</u> |
| Analysis by fund | | | | | | | |
| Unrestricted funds - general | 50,377 | - | 41,819 | 92,196 | 40,755 | 48,682 | 89,437 |
| Restricted funds | - | 843 | - | 843 | - | - | - |
| | <u>50,377</u> | <u>843</u> | <u>41,819</u> | <u>93,039</u> | <u>40,755</u> | <u>48,682</u> | <u>89,437</u> |

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

| 7 Support costs | Support costs £ | Governance costs £ | 2022 £ | Support costs £ | Governance costs £ | 2021 £ |
|---|--------------------|-----------------------|-----------|--------------------|-----------------------|-----------|
| Premises costs | 2,486 | - | 2,486 | 2,400 | - | 2,400 |
| Insurance | 2,159 | - | 2,159 | 2,177 | - | 2,177 |
| Printing, postage and stationery | 270 | - | 270 | 48 | - | 48 |
| Repairs and maintenance | 552 | - | 552 | 4,190 | - | 4,190 |
| Telephone | 4,496 | - | 4,496 | 4,438 | - | 4,438 |
| Computer and website | 1,079 | - | 1,079 | 261 | - | 261 |
| Staff costs | 52 | - | 52 | - | - | - |
| Professional fees and subscriptions | 343 | - | 343 | 1,005 | - | 1,005 |
| Sundry expenses | 33 | - | 33 | 269 | - | 269 |
| Bank charges | 271 | - | 271 | 156 | - | 156 |
| Audit fees | - | 7,574 | 7,574 | - | 5,724 | 5,724 |
| Legal and professional | - | - | - | - | (7,997) | (7,997) |
| | 11,741 | 7,574 | 19,315 | 14,944 | (2,273) | 12,671 |
| Analysed between Charitable activities | 11,741 | 7,574 | 19,315 | 14,944 | (2,273) | 12,671 |

Governance costs includes payments to the auditors of £7,574 (2021- £5,724) for audit fees.

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

Travelling expenses totalling £Nil (2021 £Nil) was reimbursed to three trustees during the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|---|----------------|----------------|
| Full time staff working in the management of the centre | 2 | 2 |
| Part-time teachers | 8 | 8 |
| | <u>10</u> | <u>10</u> |

Employment costs

| | 2022 £ | 2021 £ |
|-----------------------|---------------|---------------|
| Wages and salaries | 67,568 | 70,598 |
| Social security costs | 1,539 | 1,620 |
| Other pension costs | 534 | 541 |
| | <u>69,641</u> | <u>72,759</u> |

There were no employees whose annual remuneration was £60,000 or more.

10 Net gains/(losses) on investments

| | Unrestricted funds Other reserves 2022 £ | Unrestricted funds Other reserves 2021 £ |
|--------------------------------------|---|---|
| Revaluation of investment properties | <u>244,489</u> | <u>112,509</u> |

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

| | Land and buildings £ | Plant and equipment £ | Total £ |
|------------------------------------|----------------------------|-----------------------------|------------|
| Cost | | | |
| At 1 April 2021 | 240,223 | 97,915 | 338,138 |
| At 31 March 2022 | 240,223 | 97,915 | 338,138 |
| Depreciation and impairment | | | |
| At 1 April 2021 | - | 95,398 | 95,398 |
| Depreciation charged in the year | - | 629 | 629 |
| At 31 March 2022 | - | 96,027 | 96,027 |
| Carrying amount | | | |
| At 31 March 2022 | 240,223 | 1,888 | 242,111 |
| At 31 March 2021 | 240,223 | 2,516 | 242,739 |

The asset under the heading of land and buildings is the property at 211 Langham Road which is shown at cost. It has an estimated market value of £521,292.

12 Investment property

| | 2022 £ |
|--|-----------|
| Fair value | |
| At 1 April 2021 | 578,266 |
| Net gains through fair value adjustments | 244,489 |
| At 31 March 2022 | 822,755 |

Investment property comprises two retail units in Langham Parade and Langham Road, London. The fair value of the investment property has been arrived at on the basis of a valuation carried out by Property Price Advice, who are not connected with the charitable company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been £120,713.

13 Debtors

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 750 | 1,750 |
| Other debtors | 869 | 12,587 |
| Prepayments and accrued income | 1,808 | 1,808 |
| | 3,427 | 16,145 |

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Loans and overdrafts

| | 2022 £ | 2021 £ |
|-------------------------|-----------|-----------|
| Bank overdrafts | 1,829 | - |
| Payable within one year | 1,829 | - |

15 Creditors: amounts falling due within one year

| | Notes | 2022 £ | 2021 £ |
|------------------------------------|-------|-----------|-----------|
| Bank overdrafts | 14 | 1,829 | - |
| Other taxation and social security | | (4,000) | 1,432 |
| Other creditors | | - | (59) |
| Accruals and deferred income | | 5,960 | 11,238 |
| | | 3,789 | 12,611 |

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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:

| | Movement in funds | | | Balance at |
|-------------------------|----------------------------|-----------------------|-----------------------|-----------------------------|
| | Balance at 1 April 2021 | Incoming resources | Resources expended | Balance at 31 March 2022 |
| | £ | £ | £ | £ |
| Centre development fund | 8,394 | 1,000 | - | 9,394 |
| Outing | - | 2,000 | (843) | 1,157 |
| | <u>8,394</u> | <u>3,000</u> | <u>(843)</u> | <u>10,551</u> |

Centre development fund is money given for the development of the centre.

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Unrestricted funds - Other reserves

The income funds of the charity include other reserves which are gains arising from fair value adjustments of the investment properties

| | Balance at 1 April 2021 | Resources expended | Revaluations, gains and losses | Balance at 31 March 2022 |
|----------------|----------------------------|-----------------------|--------------------------------------|-----------------------------|
| | £ | £ | £ | £ |
| Other reserves | 457,553 | - | 244,489 | 702,042 |

18 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 2021 | Movement in funds Incoming resources | Balance at 31 March 2022 |
|-------------------------|----------------------------|---|-----------------------------|
| | £ | £ | £ |
| Dilapidations | 35,000 | - | 35,000 |
| Centre development fund | 154,736 | - | 154,736 |
| | 189,736 | - | 189,736 |

The dilapidation fund is fund designated for the maintenance of the centre's two investment properties.

Centre development fund is fund designated for the development of the centre.

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

| 19 Analysis of net assets between funds | Unrestricted funds | | Designated funds | | Restricted funds | | Other reserves | | Total Unrestricted funds | | Designated funds | | Restricted funds | | Other reserves | | Total | |
|--|--------------------|---|------------------|---|------------------|---|----------------|---|--------------------------|---|------------------|---|------------------|---|----------------|---|---------|---|
| | 2022 | £ | 2022 | £ | 2022 | £ | 2022 | £ | 2022 | £ | 2021 | £ | 2021 | £ | 2021 | £ | 2021 | £ |
| Fund balances at 31 March 2022 are represented by: | | | | | | | | | | | | | | | | | | |
| Tangible assets | 242,111 | | - | | - | | - | | 242,111 | | - | | - | | - | | 242,739 | |
| Investment properties | - | | 120,713 | | - | | 702,042 | | 822,755 | | 120,713 | | - | | 222,287 | | 578,266 | |
| Current assets/(liabilities) | 61,917 | | 69,023 | | 10,551 | | - | | 141,491 | | 69,023 | | 8,394 | | - | | 160,077 | |
| | 304,028 | | 189,736 | | 10,551 | | 702,042 | | 1,206,357 | | 189,736 | | 8,394 | | 222,287 | | 981,082 | |

HARINGEY CHINESE CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2022 £ | 2021 £ |
|----------------------------|--------------|--------------|
| Within one year | 2,044 | 2,044 |
| Between two and five years | 1,192 | 3,236 |
| | <u>3,236</u> | <u>5,280</u> |

Lessor

The operating leases represent leases of retail premises to third parties. The leases are negotiated over terms of 3-5 years and rentals are fixed for the term of the lease.

At the reporting end date the charitable company had contracted with tenants for the following minimum lease payments:

| | 2022 £ | 2021 £ |
|----------------------------|---------------|----------------|
| Within one year | 23,000 | 23,000 |
| Between two and five years | 66,083 | 89,083 |
| | <u>89,083</u> | <u>112,083</u> |

21 Events after the reporting date

The charity's activities continued to be adversely impacted by the pandemic. With the lifting up of the social distancing restrictions, the charity expects its activities to be back to pre-pandemic levels by the end of 2022.