

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its Trustees and advisers	1
Trustees' report	2 - 7
Independent auditors' report on the financial statements	8 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 29

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	C Barker, National Chair (resigned 25 September 2020) P J Jones D S Blanchard (resigned 3 April 2020) C M Mitchell N Bustin P M Pretsell S Masters M P Jackson (co-opted 10 April 2020, appointed 8 August 2020)
Company registered number	02601222
Charity registered numbers	1053425 and SC 039513
Registered office	European Centre Bounstead Road Colchester Essex CO2 0DE
Independent auditors	Larking Gowen LLP Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL
Bankers	HSBC Bank plc 99 High Street Chelmsford Essex CM1 1EQ Bank of Scotland plc 10-16 King Edward Street Perth PH1 5UT

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the financial statements for the year ended 31 December 2020. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Taoist Tai Chi Society of Great Britain's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act (Scotland) Regulations 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", effective from 1 January 2019.

Structure, governance and management

a. CONSTITUTION

The company is registered as a charitable company limited by guarantee incorporated on 12 April 1991 and was set up by a Memorandum of Association, which was last updated on 28 May 2021.

Governing Documents

The Memorandum and Articles of Association and Byelaws are under continuous review by the National Board. This is part of an ongoing process to ensure that these documents give a wholly accurate and suitable description of the Society to the various legislative bodies. We are aware that both the Articles and Byelaws are in need of updating due to changes in company law, our wish to safeguard the teachings of Master Moy Lin Shin for future generations and our developing understanding of *Taoist Tai Chi*TM arts.

b. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The members of the National Board (NB), who are also the directors for the purposes of company law, who served during the year were:

C Barker (National President) - resigned 25.09.20
D S Blanchard - resigned 03.04.20
N Bustin
P J Jones
S Masters
C M Mitchell
P Pretsell
M P Jackson (co-opted 10 April 2020, appointed 8 August 2020)

The Society is run predominantly by volunteers as a way of training to develop selflessness and harmony through working together.

The Society is managed by the National Board (NB) whose members are appointed at the AGM. Members of the National Board are the Directors of the Company and Trustees of the Charity.

Trustees are selected from long serving members of the Society who have a good understanding of the nature of *Taoist Tai Chi*TM arts, and are committed to developing their training and the training of others.

In 2020 the Society was organised into fourteen branches reporting to the National Board through three regions; Eastern region coordinating 6 branches, Northern region coordinating 3 branches and the Western region, comprised of the remaining 5 branches.

The TTCS of GB benefits from the guidance and support of the Fung Loy Kok Institute of Taoism (FLK) and the European Regional Council (ERC), as well as all the other organisations around the world that follow similar objects and work in affiliation with FLK.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

c. RISK MANAGEMENT

The Society follows an annual accreditation procedure for leaders in training to ensure that all members receive appropriate opportunities to improve themselves and help others.

The Society has substantial insurance cover including public liability.

The NB continues to review policies and procedures on a regular basis. Support is also provided via chartered accountants Larking Gowen, and consultants for health and safety and employment, NatWest Mentor. Professional legal advice is sought from solicitors as and when needed.

The Trustees continue to assess potential risks to which the Society is exposed using Charities Commission guidance. A Risk Register is kept to record and assess the risks and the actions taken to minimise them, where appropriate.

A rapid response to the pandemic was taken mid-March 2020 by closing down all activities that brought people together in close proximity and everyone was encouraged to exercise and develop their self-discipline through individual practise in the safety of their own homes. Activities continued through online meetings, discussions and chanting sessions via video conferencing and other media to support the individual practise. The Society policy was one of 'not one death due to our activities.' In-person activities will not resume until the situation is as safe as it can be.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The objects of the TTCS of GB set out in the Memorandum and Articles of Association are:

(a) The protection and preservation of good health within the community throughout Great Britain and internationally through the promotion and practice of all levels of *Taoist Tai Chi*™ internal arts and methods.

(b) To advance education and training in Taoist Philosophy, Traditions and Arts as promoted by the Society's founder Master Moy Lin Shin.

By promoting the health benefits and making these arts available to all, in 2020, the Taoist Tai Chi Society of Great Britain complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

As previously stated in March 2020 the Society was quick to act in suspending in-person activities when the seriousness of the pandemic was understood.

This difficult time has proven a gift in terms of providing an opportunity for a deeper understanding of the necessity and benefit of self-practise and the communication of the broader picture of Master Moy Lin Shin's teachings.

Leaders all around the country arranged and led weekly video conference calls to keep members in touch and to encourage them to use *Taoist Tai Chi*™ arts during the pandemic to stay mentally and physically well and strong.

There have also been and continue to be, weekly international meetings where Mr Moy's teachings are shared by many who had direct contact with him when he was alive. This has made for a rich resource and given all members the opportunity to receive Mr Moy's teachings from international leaders. As members couldn't physically practice together, opportunities to come together and practise chanting, another of the *Taoist Tai*

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Chi™ arts, was offered at both international and national level.

During the summer outdoor sessions were organised for a short period when the virus seemed to be diminishing. It soon became apparent that this was not the case and all outside sessions ceased immediately.

Volunteers have continued to work diligently on improving the existing administration and on preparations for a return to in-person activities sometime in the future.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

The objects were met this year by offering opportunities to chant and learn more about Taoist Religion, Philosophy, Traditions and Arts as promoted by the Society's founder Master Moy Lin Shin, through video conference calls, phone calls, email and messaging.

There were regular national, regional and branch meetings and training sessions, led by the National and Regional leaders. This time has been an amazing opportunity to reflect and see how to move forward stronger offering more of Mr Moy's' teachings, to all members.

There were celebrations of Taoist and Confucian festivals throughout the year, open to all members.

c. PUBLIC BENEFIT

The Trustees have had due regard to the Charity Commission guidance on Public Benefit where relevant to their decision making.

Achievements and performance

a. REVIEW OF ACTIVITIES

Membership

241 new members enrolled during 2020 (935 enrolled in 2019), and at the end of the year total membership stood at 3320 (compared to 5168 at the end of 2019). 2089 members lapsed in 2020 (compared to 658 in 2019). These figures relate directly to not having in-person activities.

Administrative Structure

The National Board delegate responsibilities to the sub committees of Regional Council and Branch Committee offering more people the opportunity to learn about Taoism, balance and harmony, by working together for the administration.

Instruction

At the end of 2020 there were 158 leaders in training compared to 182 in 2020.

All leaders in training are volunteers and receive no material reward for their contribution. They participate in continuing and regular training and are accredited on an annual basis.

There are 14 members on the Leaders Training Committee.

The GB Board wish to express thanks to the FLK Board of directors and advisors, and members of the European Regional Council for their support, guidance and inspiration through this difficult time, prioritising our safety and health above all else.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Our Homes in Great Britain

The Society in GB currently owns two properties located in Colchester and Maldon. The building in Edinburgh, owned by FLK, has been sold since the year end. The building in Maldon is also in the process of being sold to help the Society financially, through this difficult time.

Employment

During 2020:

Wallace Gilbraith continued to be employed as a part-time web and ICT administrator

Carol Danenbergs continued to be employed as finance administrator

Paul Davies continued to be employed as general manager

Barbara Hardwick continued to be employed through an agency as a book keeper

b. FUNDRAISING

Fundraising continued through 2020. There was one 5 day programme in January before the full severity of the pandemic was understood. Throughout the year a number of members have made individual donations to the Society to help support the *Taoist Tai Chi*TM community through the pandemic. The trustees would like to offer heartfelt thanks to them for their generosity and compassion and to all those who continue to be members, showing a deep understanding and appreciation of Master Moy's teachings.

All funds are raised from among the members, those who enjoy the most benefit of supporting the aims and objectives.

c. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

Contribution of Volunteers

Volunteering is integral to the spirit of the Society and the training that is offered. All leaders and administrators carry out their roles on a voluntary basis and all members are encouraged to take advantage of volunteering opportunities.

Financial review

a. RESERVES POLICY

Usually, it is considered that the annual running costs will be more than met out of annual subscription income. However, the trustees endeavour to retain cash reserves to cover monthly costs in case of unexpected financial challenges. All other funds are made available to our International Projects Fund to meet our aim, of promoting and practising all levels of *Taoist Tai Chi*TM arts within the community throughout Great Britain and internationally, for the protection and preservation of good health.

To this end, the TTCS GB aims to have an approximate minimum of £120,000 in free reserve, to cover three months operating costs. We have placed no limit on the amount of reserves we may hold and the level is kept under regular review to ensure that there are sufficient reserves to fulfil the running of the Society in GB and to fully support our International Projects.

At the balance sheet date the charity's reserves, calculated as net current assets before deduction of the FLK balance, amounted to £387,584 (2019: £97,145).

This year, because of the uncertainty caused by the pandemic we have not donated much money to

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

International Projects. We are aware that there are some International Projects in need of assistance and expect to be in a position to help out, but we are being very cautious at present, having considered how much longer the pandemic may affect us and how much money we will need to see us through that period.

b. FINANCIAL REVIEW OF ACTIVITIES

Membership subscriptions decreased from £879,841 in 2019 to £634,386 in 2020. Total incoming resources decreased from £1,110,755 in 2019 to £691,342 in 2020. Direct charitable expenditure decreased from £886,866 to £264,494. Support costs decreased during the year from £153,232 in 2019 to £140,175 2020. Governance costs decreased from £9,068 to £9,000. Overall, net income for the year was £272,930 compared to £51,244 in 2019.

Membership subscriptions have decreased as we have been running online sessions rather than in person activities due to the pandemic and our wish not to cause anyone to come to harm because of what we do. Some members are only interested in the in person activities and so they stopped their payments.

Also, we have stopped all in person fundraising activities so there has been no income from them either.

Expenditure has decreased as we've been able to stop our hourly rentals and have reduced other costs from our charitable or fundraising activities as we are not having any in person.

c. INVESTMENTS POLICY

It is not intended that the Society hold money for long periods of time, but rather to use the money to support international projects that further the learning, practise and promotion of *Taoist Tai Chi*™ arts. Most Society funds for this reporting period have been held in business accounts, one of which is an interest bearing account.

Plans for the future

a. FUTURE DEVELOPMENTS

The aims of the Society are to continue to advance education and training in Taoist Philosophy, Traditions and Arts for the protection and preservation of good health within the community throughout Great Britain and internationally. At present we have set a goal of returning to in-person activities in January 2022 if it is safe to do so.

b. POST BALANCE SHEET EVENT

The property at Marionville Road in Edinburgh previously occupied by the society has, since the year end, been sold by the owners, FLK. See note 13 for further details.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

This report was approved by the Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'P M Pretsell', written over a horizontal line.

P M Pretsell
Trustee

Date: 28 September 2021

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAOIST TAI CHI SOCIETY OF GREAT BRITAIN

Opinion

We have audited the financial statements of Taoist Tai Chi Society of Great Britain (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 December 2020 and of its incoming resources and application of resources, including its income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAOIST TAI CHI SOCIETY OF GREAT BRITAIN (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- 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
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAOIST TAI CHI SOCIETY OF GREAT BRITAIN (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety; employment law; application of overseas grant awards and compliance with company and charity law and regulations.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry with management about any actual and potential litigations and claims against the company;
- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Review of approval of grant awards and monitoring of application of funds.

Because of the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAOIST TAI CHI SOCIETY OF GREAT BRITAIN (CONTINUED)

recognize the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Giles Kerkham FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

Date: 28 September 2021

Larking Gowen LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and legacies	3	6,012	6,012	24,250
Charitable activities	4	678,337	678,337	1,051,906
Fundraising	5	6,989	6,989	34,593
Investments	6	4	4	6
Total income		691,342	691,342	1,110,755
Expenditure on:				
Raising funds	7	4,743	4,743	10,345
Charitable activities	9	413,669	413,669	1,049,166
Total expenditure		418,412	418,412	1,059,511
Net movement in funds		272,930	272,930	51,244
Reconciliation of funds:				
Total funds brought forward		1,212,944	1,212,944	1,161,700
Net movement in funds		272,930	272,930	51,244
Total funds carried forward		1,485,874	1,485,874	1,212,944

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

The notes on pages 15 to 29 form part of these financial statements.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)
REGISTERED NUMBER: 02601222

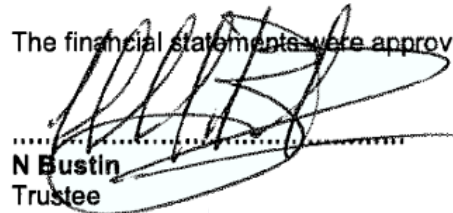
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,232,236	1,249,745
Current assets			
Stocks	14	3,157	3,798
Debtors	15	8,465	13,109
Cash at bank and in hand		479,032	270,497
		<u>490,654</u>	<u>287,404</u>
Creditors: amounts falling due within one year	16	(237,016)	(324,205)
Net current assets / liabilities		<u>253,638</u>	<u>(36,801)</u>
Total net assets		<u><u>1,485,874</u></u>	<u><u>1,212,944</u></u>
Charity funds			
Unrestricted funds		<u>1,485,874</u>	<u>1,212,944</u>
Total funds		<u><u>1,485,874</u></u>	<u><u>1,212,944</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


N Bustlin
 Trustee

Date: 28 September 2021

The notes on pages 15 to 29 form part of these financial statements.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	17	211,474	33,759
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,939)	-
Net cash (used in)/provided by investing activities		(2,939)	-
Change in cash and cash equivalents in the year		208,535	33,759
Cash and cash equivalents at the beginning of the year		270,497	236,738
Cash and cash equivalents at the end of the year	18	479,032	270,497

The notes on pages 15 to 29 form part of these financial statements

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Taoist Tai Chi Society of Great Britain is a company limited by guarantee incorporated in England and Wales, registered number 02601222. The registered office is European Centre, Bounstead Road, Colchester, Essex, C02 ODE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Taoist Tai Chi Society of Great Britain meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling and rounded to the nearest pound £.

2.2 Company status

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

2.3 Going concern

The Trustees have considered the company's position at the time of signing the financial statements, and in particular the impact of Covid-19 on the company and the wider economy. The Trustees have considered the current financial strength of the company, including cash available, and projections for the ongoing running costs.

Based on this, the Trustees have concluded that they have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future being no less than twelve months from the date of approving these accounts. They continue to adopt the going concern basis of accounting in preparing the financial statements

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold and other property	- 2% straight line
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 25% straight line

2.7 Interest receivable

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

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

2.15 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.16 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 company and which have not been designated for other purposes.

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

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	6,012	6,012	24,150
Legacies	-	-	100
	<u>6,012</u>	<u>6,012</u>	<u>24,250</u>
<i>Total 2019</i>	<u>24,250</u>	<u>24,250</u>	

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Member services	634,386	634,386	879,841
Workshops	15,879	15,879	152,099
Bed & breakfast	2,672	2,672	15,029
Banquets and social events	400	400	4,937
Local authority Covid-19 support grants	25,000	25,000	-
	<u>678,337</u>	<u>678,337</u>	<u>1,051,906</u>
<i>Total 2019</i>	<u>1,051,906</u>	<u>1,051,906</u>	

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Fundraising income

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Sale of goods	1,845	1,845	20,013
International fundraising	5,144	5,144	14,580
	<u>6,989</u>	<u>6,989</u>	<u>34,593</u>
<i>Total 2019</i>	<u><u>34,593</u></u>	<u><u>34,593</u></u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank interest receivable	4	4	6
	<u>6</u>	<u>6</u>	
<i>Total 2019</i>	<u><u>6</u></u>	<u><u>6</u></u>	

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Expenditure on raising funds

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Costs of raising funds	4,743	4,743	10,345
	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	10,345	10,345	
	<hr/>	<hr/>	

8. Charitable activities - grants paid

	2020 £	<i>2019 £</i>
Overseas donations	62,893	456,423
	<hr/>	<hr/>

Included within overseas donations are amounts donated to the following organisations:

£413 Taoist Tai Chi Society USA (2019 - £425,233)
£60,030 Taoist Tai Chi Society Spain (2019 - £26,638)
£2,450 Taoist Tai Chi Society Netherlands (2019 - £4,552)

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Member services	195,191	62,893	149,175	407,259
Workshops	3,190	-	-	3,190
Bed & breakfast	2,867	-	-	2,867
Banquets and social events	353	-	-	353
	<u>201,601</u>	<u>62,893</u>	<u>149,175</u>	<u>413,669</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Grant funding of activities 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Member services	402,718	456,423	162,300	1,021,441
Workshops	19,435	-	-	19,435
Bed & breakfast	3,719	-	-	3,719
Banquets and social events	4,571	-	-	4,571
	<u>430,443</u>	<u>456,423</u>	<u>162,300</u>	<u>1,049,166</u>

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Depreciation	20,448	21,755
Rent	77,950	296,866
Rates	39,036	22,740
Insurance	15,010	15,077
Light and heat	22,574	24,489
Repairs and consumables	20,173	21,791
Workshop costs	3,190	19,435
Banquets and social event costs	353	4,571
Bed and breakfast costs	2,867	3,719
	201,601	430,443

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	94,140	93,217
Agency staff	18,319	22,309
Telephone	6,783	6,626
Hire of equipment	1,967	2,079
Travelling expenses	1,985	2,058
Printing, postage & stationery	1,467	4,177
Legal and professional	10,152	11,185
Computer expenses	1,804	2,235
Sundry expenses	-	562
Bank charges	5,623	8,784
Profit on foreign exchange	(2,065)	-
Governance costs	9,000	9,068
	149,175	162,300

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Auditors' remuneration

	2020 £	2019 £
Auditors' remuneration	9,000	7,800
All non-audit services not included above	-	1,268
	<u>9,000</u>	<u>9,068</u>

11. Staff costs

	2020 £	2019 £
Wages and salaries	87,607	86,039
Social security costs	4,469	5,322
Contribution to defined contribution pension schemes	2,064	1,856
	<u>94,140</u>	<u>93,217</u>

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
	3	3
	<u>3</u>	<u>3</u>

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

Total key management personnel compensation for the year was £50,180 (2019 - £49,184), plus the related National Insurance amounting to £5,718 (2019 - £5,604).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £146 were reimbursed to 1 Trustee (2019 - £150) for travel costs incurred to attend a national board meeting.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets

	Freehold property £	Other property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2020	1,143,710	579,882	135,363	19,894	1,878,849
Additions	-	-	2,340	599	2,939
At 31 December 2020	<u>1,143,710</u>	<u>579,882</u>	<u>137,703</u>	<u>20,493</u>	<u>1,881,788</u>
Depreciation					
At 1 January 2020	405,602	75,081	129,254	19,167	629,104
Charge for the year	18,121	-	2,112	215	20,448
At 31 December 2020	<u>423,723</u>	<u>75,081</u>	<u>131,366</u>	<u>19,382</u>	<u>649,552</u>
Net book value					
At 31 December 2020	<u>719,987</u>	<u>504,801</u>	<u>6,337</u>	<u>1,111</u>	<u>1,232,236</u>
At 31 December 2019	<u>738,108</u>	<u>504,801</u>	<u>6,109</u>	<u>727</u>	<u>1,249,745</u>

Included in freehold property is land costing £165,000 (2019 - £165,000) which is not depreciated.

"Other property" consists of property improvements at Marionville Road in Edinburgh. The Society occupied this property by virtue of an agreement with the property's owners, Fung Loy Kok ("FLK"), dated 1 October 2011, under which it provides its charitable services at the property. The terms of the service agreement may be terminated by either party with 60 days' notice. The Trustees considered that the charity, in substance, controlled access to the benefits of the improvements that it had made to the property and therefore included them within the balance sheet.

FLK has since the year end sold the property at Marionville Road, completing on 13 September 2021. At the time of approving these accounts, the amount of £504,801 has been confirmed as payable to the charity pursuant to the agreement in place that FLK would compensate the Taoist Tai Chi Society of Great Britain for the book value of property improvements at the time of sale.

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>3,157</u>	<u>3,798</u>

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Debtors

	2020 £	2019 £
Due within one year		
Prepayments and accrued income	8,465	13,109
	<u>8,465</u>	<u>13,109</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	133,946	133,946
Trade creditors	2,278	2,627
Other taxation and social security	1,789	1,808
Other creditors	459	460
Accruals and deferred income	98,544	185,364
	<u>237,016</u>	<u>324,205</u>

	2020 £	2019 £
Deferred income at 1 January 2020	161,513	164,406
Resources deferred during the year	75,699	161,513
Amounts released from previous periods	(161,513)	(164,406)
	<u>75,699</u>	<u>161,513</u>

Deferred income as at 31 December 2020 comprised membership fees received in advance and advance receipts for the sale of t-shirts.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	272,930	51,244
Adjustments for:		
Depreciation charges	20,448	21,755
Decrease in stocks	641	1,249
Decrease in debtors	4,644	30
Decrease in creditors	(87,189)	(40,519)
Net cash provided by operating activities	211,474	33,759

18. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	479,032	270,497
Total cash and cash equivalents	479,032	270,497

19. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	270,497	208,535	479,032
Debt due within 1 year	(133,946)	-	(133,946)
	136,551	208,535	345,086

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,064 (2019 - £1,856). Contributions totalling £459 (2019 - £460) were payable to the fund at the balance sheet date and are included in creditors.

21. Operating lease commitments

At 31 December 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within 1 year	1,966	1,966
Between 1 and 5 years	3,500	5,465
	<u>5,466</u>	<u>7,431</u>

22. Related party transactions

During the year the charity traded with Capital Letters Property Limited, which is owned by the son of one of the Trustees. The company provided building services. The amounts invoiced during the year were as follows:

	2020 £	2019 £
Capital Letters Property Limited	312	142
	<u>312</u>	<u>142</u>

There are £Nil outstanding balances at the year end (2019 - £Nil) with Capital Letters Property Limited.

Although there is no formal control arrangement with Fung Loy Kok Institute of Taoism, FLK is considered to be a related party by virtue of the mutual relationships between the two organisations.

There is a loan balance of £133,946 owing to Fung Loy Kok Institute of Taoism (2019 - £133,946) (note 16).

Included within tangible fixed assets is 'other property' which relates to property improvements at Marionville Road in Edinburgh. The Society occupied this property by virtue of an agreement with Fung Loy Kok Institute of Taoism, the property owners. See note 13 for further details.

TAOIST TAI CHI SOCIETY OF GREAT BRITAIN
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

23. Post balance sheet events

As described in note 13, the property at Marionville Road in Edinburgh previously occupied by the society has, since the year end, been sold by the owners, FLK.