

**Company Registration Number : 4247363**  
**Charity Registration Number: 1092536**

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**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**ANNUAL TRUSTEES AND**  
**FINANCIAL STATEMENTS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**CHINESE ALLIANCE CHURCHES UNION (UK)**  
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**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

|                    |   |
|--------------------|---|
| Company Number     | 4247363   |
| Charity Number     | 1092536   |
| Registered Office  | Manchester Alliance Centre<br>Unit 9 The Quadrangle<br>Hulme Street<br>Manchester<br>M1 5GL   |
| Directors/Trustees | Yun Liem<br>Hoi Yee Chau<br>Ping Ping Sii<br>Kin Ming Ko<br>Ngok Loi Ho<br>Zhu Tzi Jim  |
| Member Churches    | Manchester Alliance Church<br>South London Alliance Church<br>Leeds Alliance Church<br>Manchester Alliance Mandarin Fellowship<br>East London Alliance Fellowship<br>Brighton Alliance Church |
| Accountant         | KM Chartered Accountants<br>1st Floor, Block C, The Wharf<br>Manchester Road<br>Burnley<br>BB11 1JG   |
| Bankers            | HSBC Bank plc<br>100 King Street<br>Manchester<br>M60 2HD<br><br>Barclays Bank Plc<br>PO Box 357<br>51 Mosley Street<br>Manchester<br>M60 2AU   |

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**TRUSTEES' AND DIRECTORS' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees of the Union (directors and trustees) present their report and the financial statements for the year ended 31 December 2020.

Incorporation

The Union was incorporated on 6th July 2001 under the Companies Act 1985 as a private limited company and the company is limited by guarantee.

Purpose

The Chinese Alliance Churches Union (UK) seeks to be an indigenous federation of Chinese evangelical churches according to the tradition of Christian and Missionary Alliance (abbreviated to C&MA), whose purposes are to proclaim Jesus Christ as Lord, to assist the advance of His Church in the United Kingdom, and to promote a missionary base for national and world-wide evangelization in affiliation with the Alliance World Fellowship

Objectives

1. To strengthen Christians in their understanding and commitment to the Lordship of Jesus Christ
2. To advance the work of national and world-wide mission primarily but not exclusively through church planting.
3. To foster the growth of Church as an indigenous body of Christ.
4. To become an active church-planting and missionary base of existing C&MA mission agenda

Public benefit

The Trustees confirm that in their oversight of CACU's activities, they have ensured that the charity's money and time resources have been used with due regard for public benefit.

Trustees selection and induction

All the trustees of the Union are nominated and is eligible for election at an annual general meeting of the Union. The newly elected trustees will be given a brief induction regarding their duties and responsibilities set out in the constitution and according to the guidelines of Companies House and Charity Commission

The Union Management Committee

The Union Management Committee shall consist of President, the Vice-President, Treasurer and other committee members.

The Committee members are the Directors /Trustees (voting members) of the Union and at the date of this report who have served during the year unless otherwise stated were:

|                        |                         |
|------------------------|-------------------------|
| Yun Liem               | (re-elected May 2018)   |
| Hoi Yee Chau           | (re-elected May 2018)   |
| Ping Ping Sii          | (re-elected May 2020)   |
| Kin Ming Ko            | (elected May 2018)      |
| Ngok Loi Ho            | (elected May 2020)      |
| Zhu Tzi Jim            | (elected December 2020) |
| Wing Yiu Einstein Chan | (resigned May 2020)     |
| Kiu Fai Tung           | (resigned May 2020)     |
| Siu Boon Ma            | (resigned May 2020)     |

All the Management Committee members of the Union are nominated and shall be eligible for election at an annual general meeting of the Union, and a General Secretary shall be appointed by the Committee annually. The Rev. Sam Sham has taken up the role of President and Rev. Wai Chor Chiu as Vice President.

Non Voting members

Rev Tai Ming Pang  
Rev Chai Ming Cheung,  
Pastor Tak Shun Lee,  
Pastor Kwok Fai Philip Wong

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**TRUSTEES' AND DIRECTORS' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Union Missionary Team, Employees and Voluntary Workers (end of Dec., 2020)

HKAM Team

Rev Tai Ming Pang and Mrs Yin Fun Pang  
Rev Sam Sham and Mrs Teresa Sham  
Rev Robert Law and Mrs Christine Law  
Pastor Kwok Fai Wong and Mrs Mei Po Mabel Wong

Pastoral Staff

Rev. Wai Chor Chiu (Minister in charge of MAC)  
Pastor Sze Ming Lau (MAC English Ministry)  
Pastor Yan Shi (SLAC)  
Pastor Tak Shun Lee (MAMF)  
Pastor Luis Sanchez (Part time to full time - Oct 2020 Missionary)

Administrative Staff

Mrs Chi Lin Pong : Union Financial Secretary  
Mrs Winnie C F Leung : MAC Business Secretary  
Ms Crystal Mei Fung Lai MAC Church Administrator (part time) - Started August 2020  
Mr Wing Chung Lam: MAC Church Administrator (full time) - Resigned August 2020

Membership

The Union consists of corporate members and individual members. All corporate members, which are represented by full members or associate members, and individuals as honorable members are admitted to the Union according to the rules set in the constitution.

President's report

CACUUK has three registered member churches (MAC, SLAC and LAC) and three associate member churches (ELAC, MAMF, BAC).

The revised CACUUK Constitution was completed at end of the year and envisage changes will be fully accepted by Charity Commission and adopted by passing Union special resolution early 2021. Once adopted will be put into operation. The Church Constitution Template has been completed and accepted by the Union EGM on 28th Nov 2020. There is a two years' period for the member churches to adopt this new church template.

Mrs. Lin Pong is CACUUK Secretary and also appointed to be CACU Directors Meeting secretary. She looks after the administration and finance of the CACUUK.

Because of Covid 19 that England has been locked down for most of the year, all the worship services and fellowships and other gatherings are all on line.

MAC third stage church building reconstruction has been completed. MAC has started a daughter group in the Sale's area in Manchester which is led by Rev. and Mrs. Robert Law.

Pastor Yan has taken up the Mandarin ministry, students ministry and prayer ministry at SLAC. SLAC is raising fund to purchase a church centre to do more outreach work.

Rev. and Mrs. Law had passed on the leadership of LAC to Rev. Cheung. Cheung family has settled in well and Rev. Cheung begins to preach, teach and pastoral care the church. Rev. Robert Law continues to run the fellowship for the Chinese students at Huddersfield University. Mrs. Christine Law has completed drafting the Church Constitution template for CACUUK.

Rev. and Mrs. Pang look after ELAC. They share the gospel with the Chinese from Mainland China. Rev. Pang also preach and organise activities for the students from two universities.

Pastor and Mrs. Lee still teach and pastoral care for the church. They will continue another 3 years in MAMF.

Pastor and Mrs. Wong still continue the church work in Brighton Alliance Church

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**TRUSTEES' AND DIRECTORS' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

President's report (Continued)

Staff prayer meetings are on-line. North England staff prayer meeting becomes all England staff prayer meeting. Attendances are Rev. and Mrs Sham, Rev. Chiu, Rev. and Mrs. Pang, Rev. and Mrs. Law, P. and Mrs. Lee, P. and Mrs. Wong, Rev. Cheung, P. Yan, P. Lau and Rev. Sanchez. Prayer meetings are once every two months.

The prayer meeting group for co-workers in south England is once every two months. There are 4 couples (Rev. and Mrs. Sham, Rev. and Mrs. Pang, Pastor and Mrs. Wong and Pastor and Mrs. Yan).

Rev. Luis Sanchez become CACUUK full time staff. He is a member in the mission group of CACUUK (Rev. Chiu as the chairman, members Rev. Sham and Rev Sanchez). This group helps CACUUK member churches to promote and develop non-Chinese and overseas mission.

2020 CACUUK has organised two online meetings for immigrants from HK. One for believers and the other one is for nonbelievers. We hope to help them to settle down in churches and in the UK. There are about 40+ attendances in both meetings.

CACUUK AGM was online and has elected 6 directors (1 elected at later date with an EGM). Plus 5 non-voting pastors, one sit-in pastor and one appointed secretary altogether we have 13 people in the meetings. We have online zoom meeting to promote cooperation and mission.

CACUUK is doing a teaching course for Lima Alliance Church in Peru. Rev. and Mrs. Sham and a sister from SLAC are tutors. There are 45 people attending the course "Life of Christ".

CACUUK publication Connect has linked 6 churches together to share news and prayer items so that brothers and sisters are more acquaintance to one another and to intercede for one another

Development in the year

This past year has seen the devastating impact of the COVID-19 pandemic affecting all our member churches. Most of them have been conducting Sunday worships using either video recording or live streaming on the internet since March. We want to thank God who enables our brothers & sisters to overcome tremendous difficulties to make this transition in very short notice.

The previously planned CACU Spring conference in 2020 has been postponed indefinitely and the CAWF Rendezvous 2020 conference which had been scheduled to take place in Manchester and London was cancelled altogether due to the unpredictable pandemic situation.

As a result of the national lockdown, this year's AGM was conducted via online meeting. We want to express our gratitude to those who have made it possible. The proposed new CACU constitution had to go through another revision and could not be submitted to the Charity Commission by the end of 2020. However, we are pleased to confirm that the new constitution has been approved by the Charity Commission in early 2021.

In response to the new BNO visa scheme set up by the UK government and the expectation of large influx of migrants from HK, various members churches have organised online meetings to support potential migrants, they have also formed special task groups to reachout to these new migrants and to provide support in adapting to life in the UK. We have also liaised with other Christian organisations to explore ways to face this new challenge. To date, we have made contact with a significant number of new migrant families and some of them have already started to join our Sunday worships and other church activities.

Rev Sanchez has continued his mission work among the ethnic minorities in Manchester and some of them have started to join the English Sunday worship regularly. The Sale ministry in Manchester also flourished due partly to the new migrants who have arrived in the UK via the BNO visa scheme. Most of our member churches have seen the arrival of new migrant families from HK and they have been reaching out and providing support proactively.

# **CHINESE ALLIANCE CHURCHES UNION (UK)** **TRUSTEES' AND DIRECTORS' ANNUAL REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

## Plans and Prospects for 2021

1. Assist member churches to develop their ministries, especially the need of new immigrants from Hong Kong.
2. Promote Church Constitution Template to be adopted by member churches.
3. Continue to pass on Alliance's traditions and spirits to pastors and leaders of member churches.
4. Organize co-workers' retreat to enhance relationship and communication so as to preach the gospel in UK.
5. Organize co-workers' prayer meetings to encourage intercession for one another.
6. Organize Retreat to enhance spiritual growth amongst Christians in the Alliance tradition. This year aim for the local Chinese families and ladies.
7. Assist CAWF Rendezvous 2021 (Online) to promote mission amongst younger generation Christians.
8. Encourage Christians to full time ministry and financial support full time students. To reserve future pastors for churches.
9. Encourage unregistered churches to register as full member churches.
10. Examine new area to plan new churches in UK.
11. Promote Muslim ministry.
12. Seek to start gospel work in Europe.

## Financial review

In 2020, the financial situation of the Union was stable. The net income from the property owned by the Union and the donation from the member churches has continued to support the routine work and development of the Union.  
The full details of the Union's business are recorded in its 2020 Annual Financial Statement.

The Union General fund for property fund and mission fund are as follows:

## Union Property Financial Report 2020

The Manchester Hulme Property is under the management of Union Management Committee. It continues to be used for union pastoral staff accommodation. The day to day management is done by the Union Office.

- (i) Annual Income / Rental = £8,400
- (ii) Expenses
  - Mortgage = £6,033.54
  - Services & Maintenance = £439.79
- (iii) Net Income = £1,926.67
- (iv) Accumulated Net Income Balance = £31,238.70

*(Note: all incomes and expenses are solely the responsibilities of Union Mission Fund)*

## 2020 Contributions towards the Union from member churches

| 2020         | MAC            | SLAC          | LAC           | MAMF          | ELAF          | BAC           | TOTAL          |
|--------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| General Fund | £13,302        | £2,361        | £2,140        | £1,732        | £1,558        | £1,212        | £22,305        |
| Mission Fund | £11,613        | £2,061        | £1,868        | £151          | £136          | £106          | £15,935        |
| <b>TOTAL</b> | <b>£24,915</b> | <b>£4,422</b> | <b>£4,008</b> | <b>£1,883</b> | <b>£1,694</b> | <b>£1,318</b> | <b>£38,240</b> |

The statement of Financial activities consists of the Union's General fund, Designated fund and restricted fund under the management of the Union's trustees and Directors.

The Statement of Financial Activities on page 8 shows a surplus for the year of £43763, and our reserves stand at £413240 in total. These are analysed in notes 14-16.

The Charity's free reserve is £10658, which the trustees consider is sufficient for the general running costs.

## Policy on reserves

It is the policy of the Union to maintain only a small level of unrestricted general fund reserve. As at 31 December 2020, the amount of reserve in General Fund was £10,658 which is approximately 25-30% of a typical year's running cost. The trustees consider this amount to be adequate to fulfil the main purpose of cash flow. There is also a provision within the union budgets for unforeseen expenditure and post budget projects of £800 each year.

The general fund is mainly use to cover admin and office expense and some ministry activities. Most major activities are planned well in advance and hence already included into the planned budgets and past actual expenditures have been found to reflect well against the budgets.

The general fund income is mainly from donation commitments from member churches. The donation commitments are determined and agreed by passing the budget each year one year in advance at the union AGM. Many of our member churches are growing churches and have demanding financial challenges, especially during this pandemic period.

In the event that the Union donation income were to drop, ie member churches unable to make the committed donations, the trustees believe the reserve is appropriate and adequate to maintain Union operation for a short time whilst additional funds may be raised.

The Union's Mission fund, a designated fund, has a substantial reserve. At Dec 2020, it has a reserve of £106791. The main income for the Union Mission Fund is from member churches. The Mission budget and members' donation contributions are determined and agreed, passed in resolution a year in advance at AGM.

The Union, under the direction of the trustees and committee, has made commitments to the expansion of Mission work in the UK. This fund has been used to financially support and subsidise the employments of several missionaries working at different member churches. The Union is currently supporting Rev Cheung at LAC on a three-year contract ending in June 2022; Pastor Lee at MAMF on a three-year contract ending in July 2021 and will continue to support his next new three-year contract; Pastor Lucho at CACU on a three-year contract ending in Sept 2023; Pastor Yan at LAC on a three-year contract ending in Apr 2022. Total fund already committed is £70999 for the next three years at £36916 for 2021, £22333 for 2022, and £11750 for 2023 respectively. After this period, it is the aim for member churches to have developed the financial potential to support these pastoral staff by themselves, without the subsidies from the Union.

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**TRUSTEES' AND DIRECTORS' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Policy on reserves (continued)

The Mission fund donations have been kept low and for a number of previous years frozen, mainly due to the high reserve available. The Union's confirmed commitment towards pastoral support will reduce our Mission Fund reserve to around £35000 by the end of 2023. The committee will be exploring and discussing new Mission projects on an ongoing basis and the Mission Fund (including the reserve) will be reviewed accordingly.

Risk Management

The trustees have a duty to identify and review the risks of which the charity is exposed and to ensure appropriate controls in place to provide reasonable assurance against fraud and error.

Trustees and Directors' responsibilities

Company Law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Union and of the statement of financial activities for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Union transactions and disclose with reasonable accuracy at any time the financial position of the Union 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 Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Taxation Status

Under S466 to S493 of the Corporation Taxes Act 2010 the Union has been granted status as a charity.

Small Company Provisions

The above report has been prepared in accordance with the small companies regime under the Companies Act 2006 and SORP (effective January 2015).

By the order of the Trustees and Directors

  
 Mr Yun Liem  
 Director

Date : 7 May 2021



**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**(Incorporating Income and Expenditure Account)**

|   | Notes | General<br>Fund<br>£ | Designated<br>Fund<br>£ | Restricted<br>Fund<br>£ | 2020<br>Total<br>£ | 2019<br>Total<br>£ |
|---|-------|----------------------|-------------------------|-------------------------|--------------------|--------------------|
| <u>Income from:</u>                         |       |                      |                         |                         |                    |                    |
| Donations                                   |       | 22,305               | 39,891                  | 341,105                 | 403,301            | 326,622            |
| Investment Income                           |       | 213                  | -                       | -                       | 213                | 446                |
| Other Income                                |       | 7,781                | 12,736                  | 223,765                 | 244,282            | 184,254            |
| Total Income                                |       | <u>30,299</u>        | <u>52,627</u>           | <u>564,870</u>          | <u>647,796</u>     | <u>511,322</u>     |
| <u>Expenditure on:</u>                      |       |                      |                         |                         |                    |                    |
| Direct Charity Expenditure                  | 2     | 14,202               | -                       | -                       | 14,202             | 15,301             |
| Administration of the Union                 | 3     | 5,161                | -                       | -                       | 5,161              | 3,255              |
| Projects Expenses                           | 4     | 4,872                | -                       | -                       | 4,872              | 12,194             |
| Other Charges                               | 5     | 638                  | -                       | -                       | 638                | 1,494              |
| Entrusted Funds Expenses                    | 6     | -                    | -                       | 493,623                 | 493,623            | 460,352            |
| Mission Fund Expenses                       | 7     | -                    | 64,432                  | 16,882                  | 81,314             | 63,613             |
| Governance Costs                            | 8     | 4,223                | -                       | -                       | 4,223              | 6,853              |
| Total Expenditure                           |       | <u>29,096</u>        | <u>64,432</u>           | <u>510,505</u>          | <u>604,033</u>     | <u>563,062</u>     |
| Net Income (expenditure) before transfers   |       | 1,203                | (11,805)                | 54,365                  | 43,763             | (51,740)           |
| Gross transfers between funds               |       | -                    | -                       | -                       | -                  | -                  |
| Net Movement in funds                       |       | <u>1,203</u>         | <u>(11,805)</u>         | <u>54,365</u>           | <u>43,763</u>      | <u>(51,740)</u>    |
| <b>Fund Balances as at 31 December 2019</b> |       | <u>9,455</u>         | <u>192,569</u>          | <u>167,453</u>          | <u>369,477</u>     | <u>421,217</u>     |
| <b>Fund Balances as at 31 December 2020</b> |       | <u>10,658</u>        | <u>180,764</u>          | <u>221,818</u>          | <u>413,240</u>     | <u>369,477</u>     |

The amount of net income under Companies Act reporting requirements agrees with the amount shown above as net income for the year.

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

Company Registration  
Number : 4247363

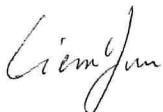
|   | Notes | 2020<br>£             | 2019<br>£             |
|---|-------|-----------------------|-----------------------|
| <b><u>Fixed Assets</u></b>                              |       |                       |                       |
| Tangible Fixed Assets                                   | 9     | <u>327,693</u>        | <u>335,643</u>        |
| <b><u>Current Assets</u></b>                            |       |                       |                       |
| Debtors   | 10    | 6,041                 | 2,081                 |
| Cash at Bank  |       | <u>245,151</u>        | <u>215,615</u>        |
|   |       | 251,192               | 217,696               |
| <b><u>Current Liabilities</u></b>                       |       |                       |                       |
| Creditors : Amounts falling due within one year         | 11    | <u>22,096</u>         | <u>30,587</u>         |
| <b>Total current assets less current liabilities</b>    |       | <u>229,096</u>        | <u>187,109</u>        |
| <b><u>Long term Liabilities</u></b>                     |       |                       |                       |
| Creditors : Amount falling due after more than one year | 12    | 143,549               | 153,275               |
| <b>Net Assets</b>                                       |       | <u><u>413,240</u></u> | <u><u>369,477</u></u> |
| <b><u>Funds</u></b>                                     |       |                       |                       |
| General   | 14    | 10,658                | 9,455                 |
| Designated  | 15    | 180,764               | 192,569               |
| Restricted  | 16    | 221,818               | 167,453               |
|   |       | <u><u>413,240</u></u> | <u><u>369,477</u></u> |

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime under the Companies Act 2006

Throughout this year, the Union was entitled to the audit exemption conferred by section 477 of the Companies Act 2006. No members of the Union have requested an audit by notice, being deposited under section 476 for the year.

The trustees and directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparing financial statements which give a true and fair view of the state of affairs of the Union as at the end of the financial period and of its net income for that period in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of the Act relating to financial statements, so far as they are applicable to the Union.

The financial statements were approved by the trustees and board of directors and signed on their behalf by:-



Mr Yun Liem  
Director  
Date : 7 May 2021

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

Company Registration  
Number : 4247363

|   | 2,020<br>£      | 2,019<br>£      |
|---|-----------------|-----------------|
| <b>Cash flows from operating activities:</b>                |                 |                 |
| Net income/(expenditure) for the reporting period           | 43,763          | (51,740)        |
| Adjustments for:  |                 |                 |
| Depreciation  | 7,950           | 7,950           |
| (Increase)/Decrease in Debtors                              | (3,960)         | (363)           |
| Increase/(Decrease) in Creditors                            | (7,798)         | 11,637          |
|   | <u>(3,808)</u>  | <u>19,224</u>   |
| Net Cash provided by operating activities                   | <u>39,955</u>   | <u>(32,517)</u> |
| <b>Financing activities</b>                                 |                 |                 |
| Repayment of borrowing                                      | (18,064)        | (18,255)        |
| Interest received from borrowing                            | 7,645           | 8,924           |
| Net cash provided by financing activities                   | <u>(10,419)</u> | <u>(9,331)</u>  |
| Net Cash provided by operating activities                   | 39,955          | (32,517)        |
| Net cash provided by financing activities                   | (10,419)        | (9,331)         |
| Change in cash and cash equivalents in the reporting period | <u>29,536</u>   | <u>(41,847)</u> |
| Cash and cash equivalents at 1 January                      | <u>215,615</u>  | <u>257,462</u>  |
| Cash and cash equivalents at 31 December                    | <u>245,151</u>  | <u>215,615</u>  |
| Cash and cash equivalents comprise:                         |                 |                 |
| Cash at bank  | 244,969         | 215,433         |
| Cash in hand  | 182             | 182             |
|   | <u>245,151</u>  | <u>215,615</u>  |

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Accounting Policies**

The principal accounting policies which have been applied consistently throughout the year are summarised below.

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

**b) Voluntary Income**

Voluntary income is received in cash by way of donations, gifts and legacies.

Cash donations, gifts and legacies are included in full in the statement of financial activities as soon as they are received.

Income received by Gift Aids is included in gross in the statement of financial activities as soon as they are received.

**c) Investment Income**

Bank interests are included in the statement of financial activities on accrual basis.

**d) Expenditure**

All expenditure is included in the statement of financial activities. The value of purchase invoices received before the year end but not paid until after the year end has also been included in the statement of financial activities. Individual items of office furniture and equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

**e) Taxation**

The Union has been granted charitable status by HM Revenue and Customs and as such no tax charge arises on the results for the year.

**f) Tax rebate**

The Union can claim back the tax from HM Revenue and Customs on the income donated by its members who have signed Gift Aid declarations.

**g) Tangible fixed assets and depreciation**

Long leasehold building is capitalised at the purchase cost and depreciation is charged to write off the cost on a straight line basis over its expected useful life of 50 years.

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | General<br>Fund<br>£ | Designated<br>Fund<br>£ | Restricted<br>Fund<br>£ | 2020<br>Total<br>£ | 2019<br>Total<br>£ |
|--|----------------------|-------------------------|-------------------------|--------------------|--------------------|
| <b><u>2. Direct Charity Expenditure</u></b>  |                      |                         |                         |                    |                    |
| Staff Work Expenses                          | 1,106                |                         |                         | 1,106              | 1,694              |
| Hospitality                                  | -                    |                         |                         | -                  | -                  |
| Personnel Employment                         | 13,096               |                         |                         | 13,096             | 13,607             |
|  | <u>14,202</u>        | <u>-</u>                | <u>-</u>                | <u>14,202</u>      | <u>15,301</u>      |
| <b><u>3. Administration of the Union</u></b> |                      |                         |                         |                    |                    |
| Office Space Expenditure                     | 4,800                |                         |                         | 4,800              | 1,800              |
| Printing, Stationery and Advertising         | (19)                 |                         |                         | (19)               | 726                |
| Telephone and Internet Charges               | 380                  |                         |                         | 380                | 543                |
| Computer Equipment and Accessories           | -                    |                         |                         | -                  | 186                |
|  | <u>5,161</u>         | <u>-</u>                | <u>-</u>                | <u>5,161</u>       | <u>3,255</u>       |
| <b><u>4. Projects Expenses</u></b>           |                      |                         |                         |                    |                    |
| Programs and camps                           | 4,872                |                         |                         | 4,872              | 12,194             |
|  | <u>4,872</u>         | <u>-</u>                | <u>-</u>                | <u>4,872</u>       | <u>12,194</u>      |
| <b><u>5. Other Charges</u></b>               |                      |                         |                         |                    |                    |
| Insurance                                    | 599                  |                         |                         | 599                | 719                |
| Sundry                                       | 39                   |                         |                         | 39                 | 30                 |
| Donations                                    | -                    |                         |                         | -                  | -                  |
| AGM  | -                    |                         |                         | -                  | 745                |
|  | <u>638</u>           | <u>-</u>                | <u>-</u>                | <u>638</u>         | <u>1,494</u>       |
| <b><u>6. Entrusted Funds Expenses</u></b>    |                      |                         |                         |                    |                    |
| HKAM Fund                                    |                      |                         | 251,484                 | 251,484            | 249,808            |
| MAC Fund                                     |                      |                         | 92,215                  | 92,215             | 92,773             |
| LAC Fund                                     |                      |                         | 49,680                  | 49,680             | 29,486             |
| SLAC Fund                                    |                      |                         | 31,117                  | 31,117             | 20,775             |
| MAMF Fund                                    |                      |                         | 69,127                  | 69,127             | 67,510             |
|  | <u>-</u>             | <u>-</u>                | <u>493,623</u>          | <u>493,623</u>     | <u>460,352</u>     |
| <b><u>7. Mission Funds Expenses</u></b>      |                      |                         |                         |                    |                    |
| Mission expenses                             |                      | 54,853                  |                         | 54,853             | 34,326             |
| Property expenses                            |                      | 9,579                   | 16,882                  | 26,461             | 29,287             |
|  | <u>-</u>             | <u>64,432</u>           | <u>16,882</u>           | <u>81,314</u>      | <u>63,613</u>      |
| <b><u>8. Governance Costs</u></b>            |                      |                         |                         |                    |                    |
| Independent Examiner's fees                  | 730                  |                         |                         | 730                | 750                |
| Professional fees                            | 3,493                |                         |                         | 3,493              | 6,103              |
|  | <u>4,223</u>         | <u>-</u>                | <u>-</u>                | <u>4,223</u>       | <u>6,853</u>       |

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

| <u>9. Tangible Fixed Assets</u>                            | Leasehold Buildings | Total          |
|--|---------------------|----------------|
| Cost   |                     |                |
| At 1 January 2020  | 335,643             | 335,643        |
| Additions  | -                   | -              |
|  | <u>335,643</u>      | <u>335,643</u> |
| Depreciation   |                     |                |
| At 1 January 2020  | 61,846              | 61,846         |
| Charge for the year  | 7,950               | 7,950          |
|  | <u>69,796</u>       | <u>69,796</u>  |
| At 31 December 2020  |                     |                |
|  | <u>327,693</u>      | <u>327,693</u> |
| At 31 December 2019  | <u>335,643</u>      | <u>335,643</u> |
|  | 2020                | 2019           |
|  | £                   | £              |
| <u>10. Debtors</u>   |                     |                |
| Prepayment   | 299                 | 2081           |
| Accrued Income   | <u>5,742</u>        | <u>-</u>       |
|  | <u>6,041</u>        | <u>2,081</u>   |
| <u>11. Creditors : Amounts falling due within one year</u> |                     |                |
| Mortgage (Note 12)   | 17,556              | 18,249         |
| Accrued expenses   | <u>4,540</u>        | <u>12,338</u>  |
|  | <u>22,096</u>       | <u>30,587</u>  |
| <u>12. Creditors: Amount falling due after one year</u>    |                     |                |
| Mortgages  | <u>143,549</u>      | <u>153,275</u> |
|  | <u>143,549</u>      | <u>153,275</u> |

The bank loans are repayable by 240 monthly instalments as follows and are currently based on equal capital repayments :

|                            |                |
|----------------------------|----------------|
| In one year or less        | 17,556         |
| Between one and two years  | 17,556         |
| Between two and five years | 70,224         |
| After five years           | <u>55,769</u>  |
|                            | <u>161,105</u> |

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

|   | £                    | 2020<br>£                          |
|---|----------------------|------------------------------------|
| <u>13. Analysis of Net Assets Between Funds</u> |                      |                                    |
|   | General<br>Fund<br>£ | Designated<br>Fund<br>£            |
|   |                      | Restricted<br>Fund (Property)<br>£ |
|   |                      | Restricted<br>Fund<br>£            |
|   |                      | Total<br>Fund<br>£                 |
| Property  | -                    | 123,913                            |
| Debtors   | 1,757                | 2,538                              |
| Cash at Bank and in Hand                        | 10,581               | 109,592                            |
| Creditors < 1 year                              | (1,680)              | (8,372)                            |
| Creditors > 1 year                              | -                    | (46,907)                           |
|   | 10,658               | 180,764                            |
|   |                      | 131,317                            |
|   |                      | 90,501                             |
|   |                      | 413,240                            |

**14. General Funds**

|                  | Balance<br>01/01/2020<br>£ | Movements in funds  |                        | Balance<br>31/12/2020<br>£ |
|------------------|----------------------------|---------------------|------------------------|----------------------------|
|                  |                            | Income<br>from<br>£ | Expenditure<br>on<br>£ |                            |
| General Reserves | 9,455                      | 30,299              | 29,096                 | 10,658                     |
|                  | <u>9,455</u>               | <u>30,299</u>       | <u>29,096</u>          | <u>10,658</u>              |

**15. Designated Funds**

|              | Balance<br>01/01/2020<br>£ | Movements in funds  |                        | Balance<br>31/12/2020<br>£ |
|--------------|----------------------------|---------------------|------------------------|----------------------------|
|              |                            | Income<br>from<br>£ | Expenditure<br>on<br>£ |                            |
| Mission Fund | 192,569                    | 52,627              | 64,432                 | 180,764                    |
|              | <u>192,569</u>             | <u>52,627</u>       | <u>64,432</u>          | <u>180,764</u>             |

**Mission Fund**

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used for the advancement of national and world-wide mission primarily, inclusive of maintenance of missionary activities, but not exclusively through church planting.

**Designated Fund**

A designated fund is a particular form of unrestricted fund, consisting of amounts of unrestricted funds which have been allocated or designated for specific purposes by the Union itself. The use of designated funds for their designated purposes will remain at the decision of the directors.

**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**16. Restricted Funds**

|                                   | Balance        | Movements in funds |                | Balance        |
|-----------------------------------|----------------|--------------------|----------------|----------------|
|                                   | 01/01/2020     | Income             | Expenditure    | 31/12/2020     |
|                                   | £              | from               | on             | £              |
| HKAM Personnel Fund               | 21,707         | 253,924            | 251,484        | 24,147         |
| MAC Personnel Fund                | -              | 92,215             | 92,215         | -              |
| LAC (YAF) General Fund            | 126            | 179                | -              | 305            |
| LAC (YAF) General Fund-Designated | (7,221)        | 58,721             | 49,680         | 1,820          |
| SLAC General Fund                 | (600)          | 47,923             | 31,117         | 16,206         |
| MAMF General Fund                 | 23,356         | 93,794             | 69,127         | 48,023         |
| <u>Union Property Fund</u>        |                |                    |                |                |
| 9 St Sigrist property             | 94,280         | 18,114             | 16,882         | 95,512         |
| LAC Property Fund                 | 35,805         |                    |                | 35,805         |
|                                   | <u>167,453</u> | <u>564,870</u>     | <u>510,505</u> | <u>221,818</u> |

**HKAM Personnel Fund**

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used for the employment of staff working for Hong Kong Alliance Mission.

**MAC Personnel Fund**

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used for the employment of staff working for Manchester Alliance Church.

**SLAC General Fund**

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used as general fund for the South London Alliance Church.

**LAC General Fund (formerly known as YAF)**

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used as general fund for Leeds Alliance church (formerly known as Yorkshire Alliance Fellowship).

**MAMF General Fund**

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used as general fund for Manchester Alliance Mandarin Fellowship.

**Union Property Fund**

SLAC has used the sum of £100,000 and took a mortgage loan of £141000 with Barclays to purchase an apartment at 9 St Sigrist in Kingston-Upon-Thames in September 2013. The apartment is let out generating an income to pay the mortgage. The property is under the Union Property Fund which is under the restricted fund of the Union. The Union property fund assists the union in managing any properties purchased with the funding of member congregations.

**Restricted Fund**

Restricted funds are funds subject to specific conditions, imposed by the donors and binding on the directors or committee members of the Union. They represent unexpended restricted income and/or assets to which restrictions as to their use apply. The conditions may alternatively be imposed not by the donors but by the trusts relating to the donation.



**CHINESE ALLIANCE CHURCHES UNION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**17. Company guarantee**

Every member of the Association undertakes to contribute such amount as may be required not exceeding £ 1 to the assets of the association if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of association's debts and liabilities contracted before he ceased to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves.

**18. Remuneration of employees**

2020 2019

The average number of employees during the year is 16. The total remuneration paid to employees are as follows:

|                               |               |               |
|-------------------------------|---------------|---------------|
| Salary                        | 319302        | 282505        |
| Employer's National Insurance | 20897         | 19038         |
| Employer's Pension            | 17969         | 15232         |
|                               | <u>358168</u> | <u>316775</u> |

Remuneration paid to employees are reimbursed by the relevant funds as follows:

|  |               |               |
|--|---------------|---------------|
| HKAM Personnel Fund                        | 146140        | 142460        |
| MAC Personnel Fund                         | 91958         | 92236         |
| MAMF Fund                                  | 10000         | 10000         |
| LAC Fund                                   | 17687         | 6443          |
| SLAC Fund                                  | 16021         | 10149         |
| General Fund                               | 13096         | 12407         |
| Mission Fund                               | 38474         | 24811         |
| Funds from sponsored churches through HKAM | 24792         | 18269         |
|  | <u>358168</u> | <u>316775</u> |

Remuneration breakdown aboved does not include relocation costs and pension management costs.  
The pension scheme is a defined contribution scheme.

## **CHINESE ALLIANCE CHURCHES UNION (UK)**

### **INDEPENDENT EXAMINERS REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF CHINESE ALLIANCE CHURCHES UNION (UK)**

I report on the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 5 to 12.

#### **Responsibilities and basis of report**

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

#### **Independent examiner's statement**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act.

I confirm that I am qualified to undertake the examination because I am a member the Association of chartered certified accountants, which is one of the listed bodies.

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

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

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



Mark Heaton FCCA FCIE DChA

KM Chartered Accountants  
1st Floor, Block C, The Wharf  
Manchester Road  
Burnley  
BB11 1JG

Date