

Company registration number: 07106567

Charity registration number: 1135892

# The Chinese Overseas Christian Mission

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Michael J Emery & Co Limited  
22 St John Street  
Newport Pagnell  
Buckinghamshire  
MK16 8HJ

# **The Chinese Overseas Christian Mission**

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## **The Chinese Overseas Christian Mission**

### **Reference and Administrative Details**

<b>Trustees/Directors</b>	Revd Siew Huat Ong Dr Wesley Lai David Wells James Lo
<b>Secretary</b>	David Wells
<b>Council</b>	Revd Siew Huat Ong, Chairman of council Dr Wesley Lai, Vice-chairman of council David Wells, Secretary of council James Lo, Treasurer of council Revd Johnny Chan, Council member Revd Bert Han, Council member Prof Raymond Heng, Council member Jin Li, Council member Carmen Ng, Council member Keith Lau, Council member Rachel Li, Council member
<b>Principal Office</b>	2 Padstow Avenue Fishermead Milton Keynes Buckinghamshire MK6 2ES
<b>Company Registration Number</b>	07106567
<b>Charity Registration Number</b>	1135892

## **The Chinese Overseas Christian Mission**

### **Reference and Administrative Details**

<b>Solicitors</b>	Ellis-Fermor & Negus Limited 2 Devonshire Avenue Beeston Nottingham Nottinghamshire NG9 1BS
<b>Bankers</b>	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ  Nordea 341 85 Ljungby  HSBC Milton Keynes Midsummer Place Branch Midsummer Place 19 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 3GB  Bank of America P O Box 15284 Wilmington DE 19850  HSBC Ealing Broadway Branch 46 The Broadway LONDON W5 5JR
<b>Senior Management Team</b>	Henry Tsz Fung Lu, General director Revd Kam Hung Ho, Director of administration Rebecca Mao, Director of member care Connie Yu
<b>Auditor</b>	Michael J Emery & Co Limited 22 St John Street Newport Pagnell Buckinghamshire MK16 8HJ



# **The Chinese Overseas Christian Mission**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2020.

### **Objectives and activities**

#### ***Objects and aims***

The Mission's objectives are as follows:-

To preach the Gospel of Jesus Christ primarily to people of Chinese ethnic origin in Europe.

To establish and foster self-supporting groups of Chinese Christians in Europe.

To encourage mutual fellowships and co-operation amongst the Chinese Christians in Europe.

To encourage mutual fellowships and co-operation with the local Evangelical churches, societies and agencies in ministering to the needs of the Chinese people.

To encourage mutual fellowships and co-operation in the task of world evangelisation and building up the Universal Church.

To prepare and equip Chinese Christians to serve God in their countries of residence.

#### ***Objectives, strategies and activities***

The principal activity of the Mission is that of spreading the Christian Gospel, through evangelism, primarily to people of Chinese ethnic origin, especially in Great Britain and Europe. The Mission has a specific role in providing training and literature for this work.

#### ***Public benefit***

The objectives of preaching the gospel of Jesus Christ and teaching the doctrines of the Christian religion are met in the evangelistic, teaching and training ministry of the staff team. All but one couple are UK based, but some travel to the European continent. Many conferences and training events are held at the Mission Centre at Milton Keynes as well as in local churches, and the Mission also promotes Christian conferences in conjunction with groups drawn from Chinese churches. The Mission continues to run a book room to make available Bibles and Christian literature, and publishes online magazines for the Chinese community. Additionally, the Mission works with local groups of Chinese Christians in the establishment and development of self-supporting churches.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### ***Use of volunteers***

The charity benefits substantially from unpaid volunteers who contribute to its objectives. The value of their help cannot be quantified by the trustees.

#### ***Achievements and performance***

# **The Chinese Overseas Christian Mission**

## **Trustees' Report**

### ***Policy on reserves***

The policy is to have a minimum cash reserve of £500,000, in addition to the fixed assets of the Mission. This is regularly reviewed by the Trustees and Council each year. The current minimum was established in 2013 and will be reviewed after Covid-19's effects have lessened. Key factors are the fact that as a proportion of the mission's budget it is smaller relative to the size of the mission than it was originally and the fact that a significant portion of the Mission's income is from overseas, and this has some inherent risk. It has yet to be seen how the situation in some of our supporting countries will play out due to Covid-19 and other factors. Income derived from within the UK continues to be significant.

### ***Principal funding sources***

Primarily funding comes from individuals and churches in sympathy with the aims of the Mission. Small amounts of funding come from the sale of books and investment income derived from the reserve deposit accounts. No fundraising activities from the general public are undertaken.

### ***Investment policy and objectives***

The policy of the Mission is to take a conservative view of risk, and accordingly investment of the Mission's reserves and any surplus income accruing from time to time is made in deposit accounts with banks offering accounts to the charitable sector. Income from such accounts is then used for the charitable purposes of the Mission.

### **Plans for future periods**

#### ***Aims and key objectives for future periods***

1. The ongoing implementation of the new strategic plan referred to above.
2. The refreshment of the Council membership as a number of long-standing members reach retirement.
3. New Chinese immigration from Hong Kong will substantially change the resident Chinese community in the UK and this may test the flexibility of the strategic plan.
4. Completion of the property refurbishment programme.

### **Structure, governance and management**

#### ***Nature of governing document***

The Mission is controlled by a Council which operates under the Carver method of governance, and is established as a company limited by guarantee, as defined by the Companies Act 2006.

#### ***Recruitment and appointment of trustees***

Recruitment and appointment are dealt with in accordance with the Articles of Association.

#### ***Induction and training of trustees***

The Company Secretary gives an outline of Council duties to all members each year and new members also receive relevant booklets pertinent to the responsibilities of charity trustees.

# **The Chinese Overseas Christian Mission**

## **Trustees' Report**

### ***Arrangements for setting key management personnel remuneration***

The charity benefits from having a stable senior staff team, the members of which work tirelessly to advance the objectives of COCM. Their remuneration is by reference to the remuneration policy for all staff members. That policy is based on the national teacher's pay scale for England, with incremental increases for length of service, and annual reviews for inflation. This policy seeks to make fair provision for the charity's staff, but remuneration is not set with a view to matching the "market rate" for staff in comparable positions in other charities. The charity does not regard itself as competing for the services of such people, and the scales adopted do not provide a large differential between senior and junior staff.

### ***Organisational structure***

There is a Council (of which the company directors are ex officio members) which sets the policies and approves the broad strategy of the Mission. The Council adopted the Carver method of governance some years ago, and under this sets limitation policies to guide the General Director and staff team as they implement the agreed strategy. The General Director then reports to Council in line with the strategy and the policies set by Council. These policies were reviewed and amended in 2015 and will be reviewed again following the strategic plan renewal. The Chairman, Vice Chairman, Secretary and Treasurer are the directors of the company, dealing with regulatory matters and providing a further link between the General Director and senior staff on the one hand and the Council on the other. The Directors arrange to have periodic meetings with the General Director and members of the Leadership Team.

The charity has for many years benefitted from having representation in other countries. This takes the form of locally registered and self-governing companies in Hong Kong, Malaysia and the USA which are accountable to the regulatory authorities in those countries. In other countries such as Singapore and Canada there are individual supporters who voluntarily encourage people to support the work of COCM. None of the missionary work of COCM is carried out in those locations. The purpose of the local Boards is to act as partners to COCM through their provision of support and encouragement for the work of COCM and to assist in the recruitment of suitable staff. Through these partnerships, Christians in these other countries are enabled to express their commitment to the vision of COCM for meeting the spiritual needs of the Chinese people in the UK and Europe.

### ***Risk management***

The Council has a duty to identify and review the risks which may affect the Mission and to put in place controls to minimise risk and to provide reasonable assurance that fraud and error are minimised and to note and implement advice received from the auditors.

### ***Financial instruments***

### ***Objectives and policies***

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

### ***Cash flow risk***

A significant proportion of the charity's income is derived from overseas and is received in foreign currencies, exposing the charity's cash flows to the risk of exchange rate fluctuations and any overseas economic and/or political instability.

The charity has a conservative policy on reserves and currently has £1,153,536 in liquid cash reserves that can be accessed to meet the immediate cash flow requirements of the charity.

## **The Chinese Overseas Christian Mission**

### **Trustees' Report**

#### ***Credit risk***

The charity's principal financial assets are bank balances and cash, and trade and other receivables.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

The charity has adequate funds available to cover ongoing operations and any future activities and does not currently require any overdraft, loan facilities or debt finance to maintain liquidity.

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 21 June 2021 and signed on its behalf by:



.....  
David Wells

Company Secretary and Trustee

## **The Chinese Overseas Christian Mission**

### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of The Chinese Overseas Christian Mission for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 25 June 2021 and signed on its behalf by:

  
.....

David Wells

Company Secretary and Trustee

## **The Chinese Overseas Christian Mission**

### **Independent Auditor's Report to the Members of The Chinese Overseas Christian Mission**

#### **Opinion**

We have audited the financial statements of The Chinese Overseas Christian Mission (the 'charity') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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 auditor's 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.

## **The Chinese Overseas Christian Mission**

### **Independent Auditor's Report to the Members of The Chinese Overseas Christian Mission**

#### **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; and
- 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 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 where the Companies Act 2006 requires 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.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.



## **The Chinese Overseas Christian Mission**

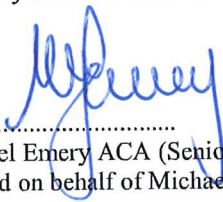
### **Independent Auditor's Report to the Members of The Chinese Overseas Christian Mission**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
.....  
Michael Emery ACA (Senior Statutory Auditor)  
For and on behalf of Michael J Emery & Co Limited, Statutory Auditor

22 St John Street  
Newport Pagnell  
Buckinghamshire  
MK16 8HJ

Date:.....  




## The Chinese Overseas Christian Mission

### Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	1,145,703	15,083	1,160,786	1,318,696
Charitable activities	4	73,019	-	73,019	214,871
Investment income	5	1,825	-	1,825	7,331
Total Income		<u>1,220,547</u>	<u>15,083</u>	<u>1,235,630</u>	<u>1,540,898</u>
<b>Expenditure on:</b>					
Charitable activities	6	<u>1,219,984</u>	<u>19,578</u>	<u>1,239,562</u>	<u>1,540,160</u>
Total Expenditure		<u>1,219,984</u>	<u>19,578</u>	<u>1,239,562</u>	<u>1,540,160</u>
Net income/(expenditure)		<u>563</u>	<u>(4,495)</u>	<u>(3,932)</u>	<u>738</u>
Net movement in funds		563	(4,495)	(3,932)	738
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>4,936,953</u>	<u>87,587</u>	<u>5,024,540</u>	<u>5,023,802</u>
Total funds carried forward	20	<u><u>4,937,516</u></u>	<u><u>83,092</u></u>	<u><u>5,020,608</u></u>	<u><u>5,024,540</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 20.

# The Chinese Overseas Christian Mission

(Registration number: 07106567)  
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	3,686,193	3,706,603
<b>Current assets</b>			
Stocks	14	43,539	44,728
Debtors	15	173,914	150,687
Cash at bank and in hand		<u>1,153,536</u>	<u>1,173,086</u>
		1,370,989	1,368,501
<b>Creditors: Amounts falling due within one year</b>	16	<u>(36,574)</u>	<u>(50,564)</u>
<b>Net current assets</b>		<u>1,334,415</u>	<u>1,317,937</u>
<b>Net assets</b>		<u>5,020,608</u>	<u>5,024,540</u>
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		83,092	87,587
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>4,937,516</u>	<u>4,936,953</u>
<b>Total funds</b>	20	<u>5,020,608</u>	<u>5,024,540</u>

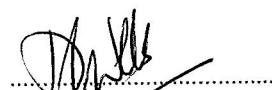
For the financial year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 13 to 31 were approved by the trustees, and authorised for issue on 25.11.2021 and signed on their behalf by:



David Wells  
Company Secretary and Trustee

# The Chinese Overseas Christian Mission

## Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(3,932)	738
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		20,412	24,773
Investment income	5	(1,825)	(7,331)
(Profit)/loss on disposal of tangible fixed assets held for the charity's own use	8	<u>(100)</u>	<u>-</u>
		14,555	18,180
<b>Working capital adjustments</b>			
(Increase)/decrease in stocks		1,189	(3,174)
(Increase)/decrease in debtors		(23,228)	4,504
Increase/(decrease) in creditors		<u>(13,991)</u>	<u>(16,113)</u>
Net cash flows from operating activities		<u>(21,475)</u>	<u>3,397</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	1,825	7,331
Purchase of tangible fixed assets	13	-	(3,600)
Sale of tangible fixed assets		<u>100</u>	<u>-</u>
Net cash flows from investing activities		<u>1,925</u>	<u>3,731</u>
Net (decrease)/increase in cash and cash equivalents		(19,550)	7,128
Cash and cash equivalents at 1 January		<u>1,173,086</u>	<u>1,165,958</u>
Cash and cash equivalents at 31 December		<u><u>1,153,536</u></u>	<u><u>1,173,086</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

## **The Chinese Overseas Christian Mission**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 Charity status**

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

2 Padstow Avenue  
Fishermead  
Milton Keynes  
Buckinghamshire  
MK6 2ES

#### **2 Accounting policies**

##### **General information**

The charity is established as a company limited by guarantee and was incorporated in England and Wales.

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Companies Act 2006 and the Charities Act 2011.

##### **Basis of preparation**

The Chinese Overseas Christian Mission 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 notes.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

In the assessment of the trustees there are no material uncertainties about the charity's ability to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Income and endowments**

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

## **The Chinese Overseas Christian Mission**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

#### ***Gifts in kind***

Gifts in kind are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, and the receipt of economic benefit from the use of the item by the charity is probable and can be measured reliably.

On receipt, gifts in kind are recognised at the amount that the charity would have been willing to pay to obtain equivalent services or facilities in an 'at arms' length transaction' on the open market. A corresponding amount is then recognised in expenditure or fixed/current assets within the period of receipt.

Gifts in kind are allocated to the appropriate fund in accordance with any conditions stipulated by the donor.

#### ***Charitable activities***

Income from charitable activities including book sales and income from conferences, is recognised when the goods or services are physically provided, it is probable that the income will be received, and it can be measured with reasonable accuracy.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

## **The Chinese Overseas Christian Mission**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and provisions for impairment.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	In accordance with the property
Motor vehicles	25% on cost
Furniture, fittings and equipment	At varying rates on cost

#### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the weighted average method.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **The Chinese Overseas Christian Mission**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### **Hire purchase and finance leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### **Pensions and other post retirement obligations**

The Charity operates a defined contribution pension scheme for the benefit of its employees. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument

## **The Chinese Overseas Christian Mission**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



## The Chinese Overseas Christian Mission

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### **Debt instruments**

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

### **3 Income from donations and legacies**

	<b>Unrestricted funds</b>			
	<b>General</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>funds</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Donations and legacies;				
Donations from individuals and churches	1,145,703	15,083	1,160,786	1,209,205
Legacies	-	-	-	109,491
	<u>1,145,703</u>	<u>15,083</u>	<u>1,160,786</u>	<u>1,318,696</u>

# The Chinese Overseas Christian Mission

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 4 Income from charitable activities

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Camps and conferences	33,739	33,739	146,969
Missions and honorarium	15,608	15,608	27,952
Book sales	22,556	22,556	39,660
Education and training	1,116	1,116	290
	<u>73,019</u>	<u>73,019</u>	<u>214,871</u>

### 5 Investment income

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	1,825	1,825	7,331
	<u>1,825</u>	<u>1,825</u>	<u>7,331</u>

### 6 Expenditure on charitable activities

	Unrestricted funds		Restricted funds	Total 2020	Total 2019
	Designated £	General £	£	£	£
Missions and honorarium	11,563	1,154,564	-	1,166,127	1,331,934
Camps and conferences	233	23,266	-	23,499	137,169
Book sales	233	23,271	-	23,504	40,271
Education and training	259	6,595	19,578	26,432	30,786
	<u>12,288</u>	<u>1,207,696</u>	<u>19,578</u>	<u>1,239,562</u>	<u>1,540,160</u>

## The Chinese Overseas Christian Mission

### Notes to the Financial Statements for the Year Ended 31 December 2020

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2020 £	Total 2019 £
Camps and conferences	17,301	-	6,198	23,499	137,169
Missions and honorary	859,104	-	307,023	1,166,127	1,331,934
Book sales	17,306	-	6,198	23,504	40,271
Education and training	3,178	16,400	6,854	26,432	30,786
	<u>896,889</u>	<u>16,400</u>	<u>326,273</u>	<u>1,239,562</u>	<u>1,540,160</u>

# The Chinese Overseas Christian Mission

## Notes to the Financial Statements for the Year Ended 31 December 2020

### Expenditure on activities undertaken directly

	Camps and conferences £	Missions and honourarium £	Book sales £	Education and training £	Total 2020 £	Total 2019 £
Staff salaries	-	589,438	-	-	589,438	580,727
Publications and magazines	-	10,596	-	-	10,596	34,539
Scholarship fees	-	-	-	16,400	16,400	16,400
Work and travel expenses	-	12,203	-	-	12,203	36,576
Missionary in preparation	-	-	-	3,178	3,178	4,346
Staff housing allowance and accommodation	-	157,714	-	-	157,714	156,346
Overseas board - Hong Kong	-	24,262	-	-	24,262	24,071
Conferences	16,717	-	-	-	16,717	89,308
Book room purchases	-	-	17,306	-	17,306	28,272
Other missionary staff costs	-	64,891	-	-	64,891	65,669
Conference catering	584	-	-	-	584	1,875
	<u>17,301</u>	<u>859,104</u>	<u>17,306</u>	<u>19,578</u>	<u>913,289</u>	<u>1,038,129</u>

In addition to the expenditure analysed above, there are also governance and support costs of £326,273 (2019 - £502,031) which relate directly to charitable activities. See note 7 for further details.

### 7 Analysis of governance and support costs

#### Governance and support costs allocated to charitable activities

	Governance costs £	Finance costs £	Staff costs £	Admin costs £	Premises costs including depreciation £	Total 2020 £	Total 2019 £
Missions and honourarium	8,921	19,175	115,024	46,133	117,770	307,023	434,006
Camps and conferences	180	387	2,322	931	2,378	6,198	45,986
Book sales	180	387	2,322	931	2,378	6,198	11,999
Education and training	199	428	2,568	1,031	2,628	6,854	10,040
	<u>9,480</u>	<u>20,377</u>	<u>122,236</u>	<u>49,026</u>	<u>125,154</u>	<u>326,273</u>	<u>502,031</u>

# The Chinese Overseas Christian Mission

## Notes to the Financial Statements for the Year Ended 31 December 2020

### Governance and support costs per fund

	Unrestricted funds		Total 2020	Total 2019
	Designated £	General £	£	£
Staff costs				
Wages and salaries	-	105,795	105,795	100,083
Social security costs	-	2,912	2,912	9,035
Pension costs	-	7,635	7,635	7,282
Other staff costs	-	5,894	5,894	26,665
Audit fees				
Audit of the financial statements	-	7,200	7,200	7,525
Legal and professional fees	-	2,280	2,280	1,557
Depreciation, amortisation and other similar costs	12,288	8,023	20,311	24,773
Other governance and support costs	-	174,246	174,246	325,110
	<u>12,288</u>	<u>313,985</u>	<u>326,273</u>	<u>502,030</u>

### 8 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2020 £	2019 £
(Profit)/loss on disposal of fixed assets held for the charity's own use	(100)	-
Depreciation of fixed assets	<u>20,411</u>	<u>24,773</u>

## The Chinese Overseas Christian Mission

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Donations made by the trustees without any conditions attached totalled £5,000 for the year (2019 - £5,000).

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	609,361	590,283
Social security costs	43,389	56,035
Pension costs	53,030	50,809
	<u>705,780</u>	<u>697,127</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2020 No	2019 No
All departments	<u>35</u>	<u>37</u>

34 (2019 - 35) of the above employees participated in the Defined Contribution Pension Schemes.

No employee received emoluments of more than £60,000 during the year.

The total remuneration of the key management personnel of the Charity was £119,965 (2019: £87,761).

#### 11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>7,200</u>	<u>7,525</u>

#### 12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

## The Chinese Overseas Christian Mission

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2020	3,790,656	50,354	18,081	3,859,091
Disposals	<u>-</u>	<u>-</u>	<u>(2,515)</u>	<u>(2,515)</u>
At 31 December 2020	<u>3,790,656</u>	<u>50,354</u>	<u>15,566</u>	<u>3,856,576</u>
<b>Depreciation</b>				
At 1 January 2020	98,303	39,402	14,781	152,486
Charge for the year	12,288	7,224	900	20,412
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>(2,515)</u>	<u>(2,515)</u>
At 31 December 2020	<u>110,591</u>	<u>46,626</u>	<u>13,166</u>	<u>170,383</u>
<b>Net book value</b>				
At 31 December 2020	<u>3,680,065</u>	<u>3,728</u>	<u>2,400</u>	<u>3,686,193</u>
At 31 December 2019	<u>3,692,353</u>	<u>10,952</u>	<u>3,300</u>	<u>3,706,605</u>

Included within the net book value of land and buildings above is £3,680,065 (2019: £3,692,353) in respect of freehold land and buildings and £Nil (2019 - £Nil) in respect of leaseholds.

#### 14 Stock

	2020 £	2019 £
Stocks	<u>43,539</u>	<u>44,728</u>

The cost of stock recognised as an expense in the year amounted to £17,307 (2019 - £28,272).

#### 15 Debtors

	2020 £	2019 £
Trade debtors	32,262	18,802
Prepayments	7,976	13,568
Other debtors	<u>133,676</u>	<u>118,317</u>
	<u>173,914</u>	<u>150,687</u>

## The Chinese Overseas Christian Mission

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	6,218	17,013
Other taxation and social security	13,369	9,426
Other creditors	4,674	3,814
Accruals	<u>12,313</u>	<u>20,311</u>
	<u>36,574</u>	<u>50,564</u>

#### 17 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
<b>Land and buildings</b>		
Within one year	<u>55,440</u>	<u>43,980</u>

The total of operating lease payments recognised as an expense within the SOFA totalled £48,890 (2019: £47,904).

#### 18 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £53,030 (2019 - £50,809).

#### 19 Commitments

##### Pension commitments

The financial statements include provision for employer's pension contributions accruing in the period which have yet to be paid over to the scheme provider. Commitments provided for in the accounts amounted to £4,675 (2019 - £3,814). Commitments not provided for in the accounts amounted to £Nil (2019 - £Nil).



# The Chinese Overseas Christian Mission

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 20 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>				
<i>General</i>				
General fund	1,244,600	1,220,547	(1,207,696)	1,257,451
<i>Designated</i>				
Designated fund	<u>3,692,353</u>	<u>-</u>	<u>(12,288)</u>	<u>3,680,065</u>
<b>Total Unrestricted funds</b>	4,936,953	1,220,547	(1,219,984)	4,937,516
<b>Restricted funds</b>				
Restricted fund	<u>87,587</u>	<u>15,083</u>	<u>(19,578)</u>	<u>83,092</u>
<b>Total funds</b>	<u>5,024,540</u>	<u>1,235,630</u>	<u>(1,239,562)</u>	<u>5,020,608</u>
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>				
<i>General</i>				
General fund	1,216,365	1,532,108	(1,503,873)	1,244,600
<i>Designated</i>				
Designated fund	<u>3,704,641</u>	<u>-</u>	<u>(12,288)</u>	<u>3,692,353</u>
<b>Total unrestricted funds</b>	4,921,006	1,532,108	(1,516,161)	4,936,953
<b>Restricted funds</b>				
Restricted fund	<u>102,796</u>	<u>8,790</u>	<u>(23,999)</u>	<u>87,587</u>
<b>Total funds</b>	<u>5,023,802</u>	<u>1,540,898</u>	<u>(1,540,160)</u>	<u>5,024,540</u>

## The Chinese Overseas Christian Mission

### Notes to the Financial Statements for the Year Ended 31 December 2020

The specific purposes for which the funds are to be applied are as follows:

Unrestricted general fund:

Unrestricted general funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted fund:

Restricted funds comprises four distinct funds -

1) The scholarship fund which exists to help gifted and dedicated Chinese Christians to receive theological and bible training at a college with which the mission is in sympathy.

2) The missionary in preparation fund for the training and mentoring of students that will potentially join the COCM staff team

3) A fund to support the development of a ministry based in Bath, England.

4) A fund comprising donations and legacies received specifically to fund the costs of renovating the charity's headquarter premises in Milton Keynes

Unrestricted designated fund:

The designated fund contains the freehold land and buildings owned by the Mission. Movements on the fund during 2020 represents the annual depreciation charged on said properties.

#### 21 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £	£	£
Tangible fixed assets	6,128	3,680,065	-	3,686,193
Current assets	1,287,897	-	83,092	1,370,989
Current liabilities	(36,574)	-	-	(36,574)
Total net assets	<u>1,257,451</u>	<u>3,680,065</u>	<u>83,092</u>	<u>5,020,608</u>

	Unrestricted funds		Restricted funds	Total funds at 31 December 2019
	General £	Designated £	£	£
Tangible fixed assets	14,250	3,692,353	-	3,706,603
Current assets	1,280,914	-	87,587	1,368,501
Current liabilities	(50,564)	-	-	(50,564)
Total net assets	<u>1,244,600</u>	<u>3,692,353</u>	<u>87,587</u>	<u>5,024,540</u>

## **The Chinese Overseas Christian Mission**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **22 Financial instruments**

##### **Categorisation of financial instruments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Financial assets that are debt instruments measured at amortised cost	<u>32,262</u>	<u>18,802</u>
Financial liabilities measured at amortised cost	<u>6,218</u>	<u>17,013</u>

#### **23 Transfer of operations from unincorporated charity**

In 2009, the trustees of The Chinese Overseas Christian Mission (Charity No. 232651) came to the decision that the charity would be better served if it was to operate as an incorporated entity. On that basis, The Chinese Overseas Christian Mission (Charity No. 1135892) was established as the successor to the charitable trust. In the subsequent 3 year period the trustees were actively engaged in the process of transferring all of the charity's assets and operations to the incorporated entity and this was completed in 2013.

The trustees have endeavoured to transfer all of the bank accounts over to the Limited Company but a small number of bank accounts remain in the Trust's name. The money held in these accounts belongs to the Limited Company and was transferred by means of a gift in 2013. The net balance of these accounts as at 31 December 2020 is £17,952 (2019: £11,553). These are included within the balance sheet of the Limited Company.

The Trust has remained dormant throughout the current and previous periods and on this basis no consolidated financial statements have been prepared for the year ended 31 December 2020.