

# **Hungarian Cultural Association**

## **Directors' / Trustees' Annual Report 2019/20**

**for the Financial Year ending 31 August 2020**

**Thanking our key supporters:**

**Bethlen Gabor Alap Zrt  
Federation of Hungarians in England  
Hungarian Cultural Centre London**



## Directors' / Trustees' Annual Report 2019/20

Prepared in accordance with the special provisions provided for smaller companies by Part 15 of the Companies Act 2006 and the Charities SORP (FRS102) guidelines for charities.

This is the Company's ninth Annual Report since incorporation on 15 April 2011, for the Financial Year from 1 September 2019 to 31 August 2020.

### Reference and administrative information

Name of the company / charity: Short name:	Hungarian Cultural Association HCA
Any other name by which the company / charity makes itself known:	Hungarian School and Cultural Association Guildford Magyar Iskola és Kulturális Egyesület Guildford
Charity registration number in England and Wales:	1144110
Company registration number:	7606402
The address of the principal office of the charity:	2 Elles Avenue, Guildford, GU1 2QH
The names of the charity's trustees or trustee(s) for the charity on the date the report was approved:	Maria Chambers, Katalin Hegedus Andrea Norman-Walker (from 10 March 2019), Dora Blazsek-Dixon (from 1 September 2019)
The names of any other person who served as a charity trustee in the financial year:	none



## **Structure, Governance and Management**

### **The nature of the governing document and how the charity is constituted:**

The Hungarian Cultural Association is a Company Limited by Guarantee, constituted with a Memorandum and Articles of Association.

### **How the Charity is constituted:**

The Hungarian Cultural Association (HCA) was established on 15 April 2011 as a company limited by guarantee and was registered as a Charity in October 2011. The HCA has continued the activities founded by its predecessor organisation, the Hungarian Cultural Group Guildford (HCG) established in March 2009.

### **The methods adopted for the recruitment and appointment of new trustees:**

The Hungarian Cultural Association invites all its beneficiary members, volunteers and contracted staff to participate in the governance of the charity. It has invited any member or associated partner to apply for Trustee positions. New Trustees/Directors can be appointed by a resolution of the Board of Trustees/Directors or at the AGM. Trustees will resign on a rotation basis, but can be re-elected at the AGM. During the Financial Year, all Trustees resigned and were re-appointed on the AGM in January 2020 and again in January 2021.

### **Objectives and Activities:**

#### **A summary of the objects of the charity as set out in its governing document:**

The charity's objects as set out in the Articles of Association agreed on 16 September 2011 and accepted by the Charity Commission are as follows:

- (1) To advance the education of the public in the subject of Hungarian Culture (language and literature, music, art and craft, folk dance, history, etc.) in particular, but not exclusively, amongst families with Hungarian connections in the Surrey area.
- (2) The prevention or relief of poverty, sickness and distress amongst families with Hungarian connections in Surrey or nationwide by providing grants, items and services to individuals in need.

#### **Summary of the main activities undertaken in relation to those objects:**

The charity achieves its aims through delivering regular educational sessions of Hungarian language and literature, folk dancing, singing and music, history, traditional art and craft to children aged 0-18 years as well as to adults who wish to learn Hungarian as a foreign language.

There are also regular music, folk music and dancing, puppet show and poetry events, as well as educational trips to museums and botanical gardens open for all people from the wider community. Members with financial or other disadvantages can participate in activities free or at reduced price to ensure events and educational sessions are open to all. The charity also provides support and advice for people in need and aids personal development and employability through volunteering opportunities and coaching.

**The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit.**



## **Achievements and Performance**

The Charity had **170** beneficiary members representing individuals aged 0-80, many of them families with 1-3 children. They represent all segments of society from Surrey, Hampshire, Sussex, London and the Home Counties. There were **3343 beneficiaries** (members and non-members) who took part in the HCA's activities and events in Guildford and London in this financial year between September 2019 and August 2020. At the start of the COVID pandemic in March 2020, the Charity suspended its face-to-face activities and provided most of its services online, combined face to face activities with virtual, maintaining a steady membership and even reaching regions elsewhere in the UK. There was a significant decline in the number of re-enrolled families in September 2020 due to the fear of contracting the virus and those families are yet to return to the group and some families found it hard to engage in online activities so we anticipate a significant challenge in re-engaging with these families. Despite the pandemic, significant numbers of new families joined us during the on-line operation from all over the UK.

## **Education**

Our unique **Hungarian Cultural Identity Programme** (HCIP) entered into its 10<sup>th</sup> year and we celebrated the 10<sup>th</sup> anniversary of the foundation of the charity with a number of events during 2019. We benefited from working in partnership with St John's Centre Guildford, St Thomas of Canterbury Catholic Primary School Guildford, Hungarian Cultural Centre London, St John's the Baptist Catholic Secondary School Woking and St Stephen's House London.

The HCIP delivered educational activities in 6 age groups: 0-3, 4-5, 6-7, 8-10, 11+, adults in Guildford and London, with fortnightly face to face sessions between September 2019 – March 2020, weekly distance learning support in April 2020, weekly on-line sessions from May – July 2020 and educational trips in August 2020. Sessions are ranging from 40 – 120 minutes/week and cover: Hungarian language and literature, singing and music, folkdance, traditional craft, free play and library, delivered by 6 teachers and 4 volunteers, between 10.30 -14.00 on Saturdays on 20 occasion/ year face to face in separate rooms or on-line in the learners' homes. Total number of sessions per child were 70-100 this year, for approximately 60-100 learners this year. They also benefited from our excellent teaching resources including a Hungarian children's library, traditional folk costumes, and laptops. All school aged learners received a free learning pack at the beginning of the year.

The 15+ group were preparing for the ECL exam that was unfortunately cancelled due to the pandemic and is yet to be rearranged. This group was following the ECL curriculum.

The 6-7 year-old group focused on learning to read and write in Hungarian using a method developed by one of our teachers, using the foundations of the phonics method. All age groups participated in singing and music, language, folkdance, craft free play on each teaching day.

The organisation offered a series of monthly Kodály-based music sessions on 6 occasions for young children (aged 0-5) and their families at the Hungarian Cultural Centre in London.

Throughout the year, HCA offered **Open Days** where new families had an opportunity to try our educational sessions.

Between May and August 2020, **1058 children and adult participants benefited from our on-line sessions and educational trips.**



## Events

Along with the teaching programme, Hungarian cultural events play an integral part of the HCIP. We delivered the following events:

In **September**, the famous Hungarian writer **Bálint Agnes's** well known and loved children's stories about "**Mazsola és Tádé**" were performed by Ametist Hungarian Puppet Theatre to the amusement of children and adults alike. We were honoured to welcome the granddaughter of the writer at the event.

In **October**, the 5-member **Kolompos Ensemble** visited us from Hungary giving a splendid **Hungarian Folk Concert and Dance** event. They entertained our families with traditional Hungarian songs and dances from various regions of Hungary celebrating the Harvest, together with making some "wine" with our families using a traditional grape press.

Also in **October**, the **Solti György Youth String Orchestra** visited us from Budapest for the second classical music concert for children. The orchestra also played at two local schools in Surrey and over 800 students and teachers benefited from their fantastic playing at St John the Baptist Catholic Secondary School Woking and St Thomas of Canterbury Catholic Primary School in Guildford. The Orchestra performed at an open event at St Stephen's House in London. The events were attended by Lady Solti and the mayors of Woking and Guildford and representatives from the Hungarian Cultural Centre and the Hungarian Embassy.

In **November**, we commemorated the 100th anniversary of the death of the celebrated Hungarian poet **Endre Ady**. Ibolya Mészáros performed a touching monodrama based on the diary of the poet's young wife, Csinszka.

In **December**, we had our eleventh **St Nicholas Day Celebration**, where a **Hungarian Puppet Theatre performed a traditional winter tale**, and the children and parents sang traditional Mikulás songs and recited Hungarian poems together. Traditional food and drinks accompanied the evening, and the children received their traditional gift bags from our Hungarian Santa.

In **February**, our patron **Vilmos Gryllus**, award-winning singer-songwriter gave his **fifth Children's Concert** to a full house; the night before he sang a collection of Hungarian poems to our youth groups teachers and guests for the fourth time.

In **March**, we were able to organise a **folk dance house event in Guildford with the Folktone Band**, where dancers were arriving from London, Reading and the South-East. English and Hungarian participants alike enjoyed learning dances and songs from Transylvania and then dancing until the late hours of the evening.

In **March**, to mark the National Day of 15 March, 5 children aged 8-18 and their teachers were preparing to perform songs, dances and poems at the **Embassy of Hungary in London** to celebrate the anniversary of the Revolution in 1848-49. This event was unfortunately cancelled by the Embassy due to the COVID-19 restrictions introduced by the Hungarian government the same week, but the performance still went ahead with the parents and children as part of the regular teaching events on 14th March. This was the last face-to-face in-door event the Charity was able to organise in this financial year and was accordingly an important marker of community cohesion.

Due to COVID restrictions, all further events were cancelled until the summer, when the relaxed restrictions permitted an **outdoor excursion** in **August** (with observation of the pandemic guidelines) for families living near Guildford in Stoke Park. This provided a much-needed boost to the HCA community spirit and permitted families to exchange ideas and relax the pressure that the pandemic placed on families with small children.



The **Guildford Hungarian Folk Dancing** group for young people and adults held three workshops where a new region's heritage was discovered by participants. They learnt new folk songs and dances from **Magyarlapád** under the guidance of Imre and Panka Herman who delivered the workshops in London and Guildford.

The charity continued to collaborate with other UK-based Hungarian schools (Birmingham, Bristol) on events.

The organisation took on the role of a mentor for a Kőrösi Csoma Sándor Program (KCSP) grant holder, who arrived in October 2019 and worked with us 20 hours per week to support our operations, giving particularly valuable help in producing distance learning materials for our children and families during the first lockdown.

Both educational and cultural projects were supported by the Bethlen Gábor Alap foundation that provided vital financial support to deliver such high quality Hungarian cultural events in Guildford, Woking, London, Bristol and Birmingham.

HCA provided bursaries of up to 100% to families in difficult circumstances to ensure financial means do not limit access to its activities.

The organisation has shown its resilience during the pandemic to maintain both the quality and frequency of activities, and keep up a sustained community spirit. These activities have continued in the 2020-2021 financial year



## **Financial Review**

In this financial year the charity's turnover was £34,671 (2019: £43,706)

In this financial year, although the turnover has reduced compared to the prior year, the Charity was still able to improve its financial health while maintaining its level of activities. Reserves at the end of the Financial Year stood at £14,936 – an increase of £3,881 since last year - although of this reserve, £3,789 was only received by bank transfer in October 2020, after the closure of the financial year. The healthy financial position enabled the Charity to maintain the fee structure introduced the year before. This level of reserve was agreed on the AGM in January 2021 to be maintained at this level due to the uncertainties of the pandemic as this still does not fully cover the annual cost of running the Charity, should income steeply reduce in the future. A small proportion of the reserve may be used for organising online cultural events free of charge or at reduced cost in the next Financial Year that may otherwise not be financially viable.

There were no funds in deficit during the financial year and the charity has no concerns or uncertainties about its ability to carry out its activities in the medium term, even if grant financing becomes less accessible. The Charity has obtained further grant financing in the Financial Year 2020/21 and is confident it will continue to operate as a going concern.

In the financial year 2019/2020, the Charity obtained grants from one donor organisation and was able to cooperate with other Hungarian schools and community organisations.

The grant donor in this financial year – for the third year running – was the Bethlen Gabor Alapkezelő Zrt (Bethlen Gabor Fund Management Private Limited Company, BGA Zrt) in Hungary, responsible for the promotion of Hungarian culture, language and heritage outside Hungary. HCA had four projects funded by BGA Zrt in this financial year. Three projects started in the previous financial year and concluded in this financial year. One project for Teaching in 2020 was fully covered in this financial year but funding was retrospectively transferred in October 2020.

- The first grant, in the amount of £13,771, aimed to organise 5 concerts for families by the renowned Solti Youth Orchestra in October 2019. In this financial year, £6,358 was spent on travel and accommodation costs and project management against the deferred income from the last financial year. All project funding was spent by 31/12/2019.
- 
- The second grant provided £4,110 to support regular teaching activities: this was spent on the travel costs and fees of the teachers at the school. Of this fund, £726 was spent in the current financial year, against the deferred income from the last financial year. All project funding was spent by 31/12/2019.
- 
- The third grant was £5,480 for the organisation of further cultural events between February 2019 and March 2020. In the current financial year £3,087 was spent on artists' fees and travel as well as venue hire, against the deferred income from the last financial year. All funds were spent by 10/3/2020.
- 
- The fourth grant provided £3,789 to support regular teaching activities in 2020: this was spent on the travel costs and fees of the teachers at the school and rent for premises. It was fully covered in this financial year from the Charity's own reserves against the funding approval received in May 2020, the funding was retrospectively transferred in October 2020. All project funding was spent by 31/8/2020.

At the same time - and even during the lockdown - the Charity's regular sources of income continued:



including membership fees and course fees, income from events and regular fundraising – particularly through the sale of traditional food, folk costumes and Hungarian books and toys. The Charity also continues to receive funding from corporate matching and salary donation schemes. This year again, no Gift Aid request was submitted because the amounts are immaterial. The successful receipt of the grants this year meant that for the third consecutive year, HCA exceeded the £25,000 limit for an independent assessment and will submit this Trustees' Annual Report to the Charity Commission.

Further details are available in the Financial Accounts below.



## **THE 2019-2020 HCA Team**

Mária Chambers	Trustee/Director (Operations and Education, Safeguarding)
Katalin Hegedüs	Trustee/Director (Finance)
Andrea Norman-Walker	Trustee/Director (Policies)
Dr Teodóra Perger	Trustee/Director (Health and Safety, Library Manager) (until 10/3/2019)
Dóra Blazsek-Dixon	Trustee/Director (Library Manager from 10/3/2019)

### **Patrons**

Dr Beáta Pászthy	Former Director of the HCC London
Dr Ilona Gállné Gróh	Head of Ringato music foundation, Forrai Award winning music teacher
Veronika Marék	Janikovszky Éva Award and József Attila Award winning writer
Vilmos Gryllus	Kossuth Award and Prima Prémium Award winning singer-songwriter
Margaret Olivers	Chairman of the British Kodaly Academy, music and Montessori teacher
Kolompos Ensemble	Hungarian folk band

### **Operative Team**

Mária Chambers	Session Leader – Music and Language 0-5, Music 5-11, Folk dance
Niki Cseh	Session Leader – Kindergarten
Katalin Hegedüs	Session Leader – Language 5-7, Folk dance
Judit Horváthy	Session Leader – Language 7-9 and 10-14
Katalin Vincze	Session Leader – Language 7-9 and 10-14, Adults
Péter Pál Tóth	Session Leader - Language 15-18, Adults
Rita Kardulesz	KCSP grant holder – Teaching Assistant



## Financial Accounts as at 31 August 2020 - Hungarian Cultural Association

Registered Charity in England and Wales reg. Number 1144110

Company Limited by Guarantee in England and Wales, company number 7606402

Prepared in accordance with the special provisions provided for smaller companies by Part 15 of the Companies Act 2006 and the Charities SORP (FRS102) guidelines for charities.

For the Financial Year ending 31 August 2019, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The accounts give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of its Profit and Loss for the Financial Year in accordance with the requirements of Sections 394- 396, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company. All figures rounded to the nearest pound (£).

### Balance Sheet

Balance Sheet	Current Financial Year (1 September 2019 - 31 August 2020)			Prior Financial Year (1 September 2018 - 31 August 2019)			Notes
	Restricted funds	Unrestricted funds	Total	Restricted funds	Unrestricted funds	Total	
<b>Assets</b>							
Fixed Assets	1,400	-	1,400	2,451	-	2,451	
<b>Total Fixed Assets</b>	<b>1,400</b>	<b>-</b>	<b>1,400</b>	<b>2,451</b>	<b>-</b>	<b>2,451</b>	(1)
<b>Debtors</b>							
Accounts Receivable	3,789	-	3,789	-	-	-	(3)
Provision for Bad Debts	-	-	-	-	-	-	(4)
<b>Cash and Bank Account</b>							
Current bank account	-	11,178	11,178	10,171	10,708	20,879	(5)
Petty Cash	-	79	79	-	10	10	
<b>Total Current Assets</b>	<b>3,789</b>	<b>11,257</b>	<b>15,046</b>	<b>10,171</b>	<b>10,718</b>	<b>20,890</b>	
<b>Total Assets</b>	<b>5,189</b>	<b>11,257</b>	<b>16,446</b>	<b>12,622</b>	<b>10,718</b>	<b>23,340</b>	
<b>Liabilities due within one year:</b>							
<b>Payables</b>							
Cheques Issued, not yet cleared	-	-	-	-	209	209	(7)
Accounts Payable	-	410	410	-	-	-	(7)
Reserve for breakage	-	200	200	-	200	200	(7)
Deferred Income	-	900	900	10,171	1,705	11,876	(9)
Tax Payable	-	-	-	-	-	-	(8)
<b>Total Current Liabilities</b>	<b>-</b>	<b>1,510</b>	<b>1,510</b>	<b>10,171</b>	<b>2,114</b>	<b>12,285</b>	
<b>Net Current Assets before Accruals</b>	<b>3,789</b>	<b>9,747</b>	<b>13,536</b>	<b>0</b>	<b>8,604</b>	<b>8,604</b>	
<b>Total Assets less Current Liabilities</b>	<b>5,189</b>	<b>9,747</b>	<b>14,936</b>	<b>2,451</b>	<b>8,604</b>	<b>11,055</b>	
<b>Liabilities due after more than one year</b>							(6)
<b>Net Assets</b>	<b>5,189</b>	<b>9,747</b>	<b>14,936</b>	<b>2,451</b>	<b>8,604</b>	<b>11,055</b>	
<b>Charity Funding Available (Capital and Reserves)</b>							
Share Capital	-	-	-	-	-	-	(11)
<b>Retained Earnings</b>							
Retained earnings from current year (P&L)	(1,050)	4,931	3,881	2,451	5,987	8,438	
Retained earnings from previous year	2,451	8,604	11,055	-	2,617	2,617	
Transfer of reserves	3,789	(3,789)	-	-	-	-	
<b>Total Capital and Reserves</b>	<b>5,189</b>	<b>9,746</b>	<b>14,936</b>	<b>2,451</b>	<b>8,604</b>	<b>11,055</b>	



## Statement of Financial Activities (Profit and Loss Account)

Statement of Financial Activities (Profit and Loss Account)	Current Financial Year (1 September 2019 - 31 August 2020)			Current Financial Year (1 September 2018 - 31 August 2019)			Notes
	Restricted funds	Unrestricted fund:	Total	Restricted funds	Unrestricted funds	Total	
<b>Incoming Resources (Turnover)</b>							
<b>Incoming Resources from Generated Funds</b>							
In-kind Volunteer Hours	-	1,150	1,150	-	1,770	1,770	(14)
In Kind Donations for Sale	-	20	20	-	47	47	(14)
Donations and Other Income	13,960	1,747	15,707	22,008	2,363	24,372	(12)
<b>Incoming Resources from Charitable Activities</b>							(13)
Fundraising Income	-	4,389	4,389	-	4,527	4,527	
Event Fee Income	-	4,278	4,278	-	4,131	4,131	
Course Fee Income	-	8,647	8,647	-	7,624	7,624	
Professional Services Provided	-	-	-	-	700	700	
Membership Fee Income	-	480	480	-	535	535	
<b>Total Incoming Resources (Turnover)</b>	<b>13,960</b>	<b>20,711</b>	<b>34,671</b>	<b>22,008</b>	<b>21,697</b>	<b>43,706</b>	
<b>Resources Expended (Expenses)</b>							(16)
<b>Cost of Fundraising Activities</b>							
In kind donation – cost of fundraising activities	-	20	20	-	47	47	
Cost of Fundraising Activities - Bufo Expenses	-	1,532	1,532	-	1,815	1,815	
<b>Cost of Charitable Activities</b>							
Teaching Fees	4,311	756	5,068	1,655	1,822	3,477	
Management Fees	2,215	5,603	7,818	860	4,670	5,530	
In-Kind Volunteer Hours	-	1,150	1,150	-	1,770	1,770	
Teaching Materials	-	758	758	1,736	875	2,610	
Rent	168	2,519	2,687	2,287	746	3,033	
Volunteers Expenses	-	221	221	-	280	280	
Artist Performance/Professional Fees	2,791	292	3,083	2,305	440	2,745	
Marketing and Advertising Costs	-	98	98	-	152	152	
Travel and Entertainment	4,387	1,611	5,998	9,915	2,059	11,974	
Insurance Premiums	-	-	-	-	280	280	
Depreciation	1,050	-	1,050	700	-	700	
Other Expenses	88	1,219	1,307	99	755	855	
<b>Total Expenses</b>	<b>15,010</b>	<b>15,780</b>	<b>30,790</b>	<b>19,557</b>	<b>15,711</b>	<b>35,268</b>	
<b>Net Incoming Resources (Net Operating Income)</b>	<b>(1,050)</b>	<b>4,931</b>	<b>3,881</b>	<b>2,451</b>	<b>5,986</b>	<b>8,437</b>	
Income related to Investments and Financial Activities			-			-	
Expenses related to Investments and Financial Activities			-			-	
<b>Net Profit before Tax relating to Ordinary Activities</b>	<b>(1,050)</b>	<b>4,931</b>	<b>3,881</b>	<b>2,451</b>	<b>5,986</b>	<b>8,437</b>	
Corporate Tax Payable			-			-	
<b>Profit on Ordinary Activities after Taxation</b>	<b>(1,050)</b>	<b>4,931</b>	<b>3,881</b>	<b>2,451</b>	<b>5,986</b>	<b>8,437</b>	
<b>Profit for the Financial Year</b>	<b>(1,050)</b>	<b>4,931</b>	<b>3,881</b>	<b>2,451</b>	<b>5,986</b>	<b>8,437</b>	



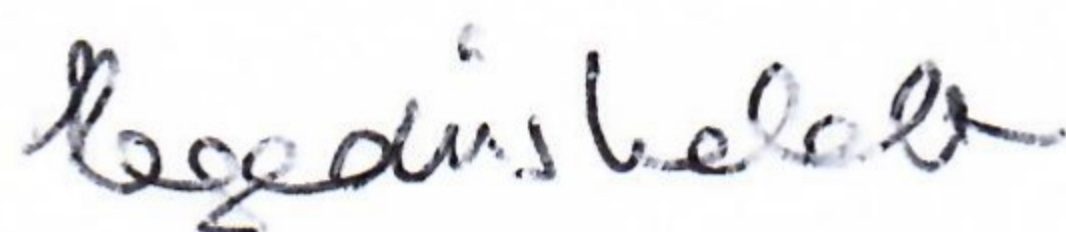
## Summary of Fund Movements

Outline summary of Fund Movements - Current Year (2019/20)	Opening Balance	Incoming Resources	Outgoing Resources	Gains/ Losses	Transfers	Carried Forward
Unrestricted Funds	8604	20711	15779	4931	(3,789)	9747
Restricted Funds	2451	13960	15010	(1,050)	3789	5189
Endowment Funds	0					
Total Fund Movements Current Year	11055	34671	30789	3881	0	14936

Outline summary of Fund Movements - Last Year (2018/19)	Opening Balance	Incoming Resources	Outgoing Resources	Gains/Losses	Transfers	Carried Forward
Unrestricted Funds	2618	21697	15711	5987	0	8604
Restricted Funds	0	22008	19557	2,451	0	2451
Endowment Funds	0					
Total Fund Movements Current Year	2618	43705	35268	8438	0	11055

Trustee's Annual Report and Financial Accounts approved by the Board of Directors/Trustees on 3rd May 2021.

Signed on behalf of the Board of Directors/Trustees:



Katalin Hegedus  
Director / Trustee



Maria Chambers  
Director / Trustee



## Notes to the Accounts for the Financial Year ending 31 August 2020

Hungarian Cultural Association

Registered Charity in England and Wales reg. Number 1144110

Company Limited by Guarantee in England and Wales, company number 7606402

Prepared in accordance with the special provisions provided for smaller companies by Part 15 of the Companies Act 2006 and the Charities SORP (FRS102) guidelines for charities.

All figures are rounded to the nearest pound (£).

The Accounts show a true and fair view, and were prepared on the going concern assumptions and using the accruals concept and provide information that is relevant, reliable, comparable and understandable.

Financial Review Policy on reserves:

The charity aims to hold the equivalent the running costs of three school terms (c. £15,000) as reserve due to the uncertainties of the pandemic. The reserves reported in the Accounts have reached the target level, and are now expected to be maintained. A small portion of the reserves may be used for online events at reduced cost or free of charge that are not otherwise financially viable.

Details of any fund materially in deficit and the circumstances giving rise to the deficit and steps being taken to eliminate the deficit:

The Hungarian Cultural Association has not had funds in deficit at any time during the financial year ending 31 August 2020.

Funds held as Custodian Trustee:

The Hungarian Cultural Association does not hold funds as Custodian Trustee.

Detailed Notes to the Accounts:

### 1. Fixed Assets

The Company has a policy to only capitalise assets with values in excess of £500. In the previous financial year 2018/19 the company purchased 8 laptops from the BGA Zrt grant for the "Digital Hungarian School". Although the individual purchase value was under £500, the Trustees decided to capitalise the assets and depreciate them over 3 years. The purchase was made from a grant which contains certain restrictions, so the assets are shown as restricted assets.

Original Cost of Fixed Assets: £ 3,151

Cumulated Depreciation: £ 1,751

Net Balance Sheet Value: £ 1,400

The resale value of all teaching materials currently in use by the Company but shown at zero value on the Balance Sheet is estimated at £2,500 and consists of around 250 library books, teaching reference books and teaching materials, 50 sets of folk costumes for adults and children, musical instruments and children's toys.

### 2. Stocks

The Company does not capitalise any stocks purchased and therefore calculates no revaluation or depreciation. Stocks, if any, would be valued at the lower of cost and net realisable value.

### 3. Debtors

£3,789 Bethlen Gabor BGA Zrt Teaching 2020 grant was received by bank transfer in October 2020,



after the accounts were closed. This was in agreement with the grant donor and the amount was not treated as overdue.

#### 4. Provisions

The Company has no activities that would require any Provisions.

#### 5. Financial Assets

The Company has no Financial Assets other than a non-interest-bearing bank current account for transactional purposes.

#### 6. Creditors over one year

The Company has no long-term financial or other liabilities.

#### 7. Creditors within one year

Payables of £410 relate to August Invoices paid in September. Reserves for breakage relate to a deposit cheque of £200 held by St John's Centre and it expired in September 2020 as the Company no longer uses the premises.

#### 8. Tax

The Company is not subject to Corporation Tax as all its activities are exempt under Charity tax regulations. The Company has no employees, therefore it pays no PAYE and NI contributions.

#### 9. Deferred Income

£900 relates to course fees and event fees paid in advance in August for the term starting in September 2020, and deferred for the following financial year. None of these pre-paid fees had to be refunded and were realised as income in September 2020.

#### 10. Prepaid and Accrued Expenses

There were no prepaid and accrued expenses this financial year.

#### 11. Capital

The Company has no share capital, as it is registered as a Company Limited by Guarantee. The total amount of guarantee is £30.

12. All donations were received from BGA Zrt and relate to four separate grants, as detailed in the activities section of the Annual Report.

13. The main source of unrestricted income for the organisation is from its regular courses and events as well as the membership fees received. The Company also conducts fundraising activities (e.g. Hungarian food buffet, book and folk costume sales), all related to Hungarian culture.

14. The Treasurer (Katalin Hegedus) contributed 115 hours of professional management, accounting and financial services in-kind. These services were considered at a value of £10/h. additionally, approximately 400 professional hours were contributed in the course of the financial year by volunteers in teaching, operational and administrative services, event management, catering and other services that had not been tracked and therefore were not accounted for. Volunteer hours for non-professional services are not represented in the accounts but have exceeded 400 hours in the year. Cakes and books donated for sale and eligible for Gift Aid were recognised at a value of £20. Other in-kind donation of books, toys, provision of travel, storage and other services not eligible for Gift Aid were not represented in the accounts but exceeded £1,000 in total value.



15. Donation and Other Income includes the following major items

Katalin Hegedüs, HSBC Employer's matching scheme: £1,000

Reimbursement of travel costs by third parties – Hungarian Embassy, BGA Zrt and others £466

16. The Company's major expense line items are below.

Fundraising Cost of Sales (buffet and sales items): £1,532

Rent: £2,687

Professional Fees for Performing Artists: £3,083

Fees paid for the teachers, all of whom are self-employed and work on a fixed-term contract basis: £5,068, of which £1,650 represents related party transactions.

Management Fees: £7,818, of which £6,943 represents related party transactions.

Travel costs for Performing Artists: £505

Travel costs of Teachers and volunteers: £1,208

Details of the expenses are given in the Profit and Loss Account. All costs were attributed to the activity where it was incurred. Management fees and teaching fees were tracked based on actual hours spent on the activity.

For related party transactions including Directors' Remunerations as permitted by the Articles of Association and agreed by the Board of Trustees see the below table.



## Transactions with trustees and related parties

If the charity has any transactions with related parties (other than the trustee expenses explained in guidance notes) details of such transactions should be provided in this note. If there are no transactions to report, please enter "True" in the box or "False" if there are transactions to report.

### Trustee remuneration and benefits

This year

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity (True or False)

FALSE

In the period the charity has paid trustees remuneration and benefits. Please give the amount of, and legal authority for, any remuneration or other benefits paid to a trustee by the charity or any institution or company connected with it.

Name of trustee	Legal authority (eg order, governing document)	Amounts paid or benefit value				
		Remuneration	Pension contribution	Redundancy (including loss of office)/ex gratia	Other	TOTAL
		£	£	£	£	£
Maria Chambers	Articles of Association and Management Contract	6,943	-	-	-	6,943
Maria Chambers	Articles of Association and Teaching Contract	1,650	-	-	-	1,650

Please give details of why remuneration or other employment benefits were paid.

As agreed by the Board of Directors and Trustees, and permitted by the Article of Association, Maria Chambers received remuneration for managing the Charity's day-to-day operations, recruitment and teaching activities, coordinating event management, including liaison with artists and external organisations. She is also a key member of the teaching team.

Where an ex gratia payment has been made to a trustee, provide an explanation of the nature of the payment.

n/a

If a third party has been reimbursed for providing one or more trustees, state the nature of the payment and amount of the reimbursement.

n/a

State the number of trustees to whom retirement benefits are accruing under a defined contribution pension scheme.

n/a

Last year

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity (True or False)

FALSE

In the period the charity has paid trustees remuneration and benefits. Please give the amount of, and legal authority for, any remuneration or other benefits paid to a trustee by the charity or any institution or company connected with it.

Name of trustee	Legal authority (eg order, governing document)	Amounts paid or benefit value				
		Remuneration	Pension contribution	Redundancy (including loss of office)/ex gratia	Other	TOTAL
		£	£	£	£	£
Maria Chambers	Articles of Association and Management Contract	4,935	-	-	-	4,935
Maria Chambers	Articles of Association and Teaching Contract	1,020	-	-	-	1,020

Please give details of why remuneration or other employment benefits were paid.

As agreed by the Board of Directors and Trustees, and permitted by the Article of Association, Maria Chambers received remuneration for managing the Charity's day-to-day operations, recruitment and teaching activities, coordinating event management, including liaison with artists and external organisations. She is also a key member of the teaching team.

Where an ex gratia payment has been made to a trustee, provide an explanation of the nature of the payment.

n/a

If a third party has been reimbursed for providing one or more trustees, state the nature of the payment and amount of the reimbursement.

n/a

State the number of trustees to whom retirement benefits are accruing under a defined contribution pension scheme.

n/a



## Trustees' expenses

If the charity has paid trustees expenses for fulfilling their duties, details of such transactions should be provided in this note. If there are no transactions to report, please enter "True" in the box below. If there are transactions to report, please enter "False".

No trustee expenses have been incurred (True or False)

Type of expenses reimbursed	This year	Last year
	£	£
Travel	779	1,328
Subsistence	-	-
Accommodation	-	-
Other (please specify):	146	60
	-	-
<b>TOTAL</b>	<b>925</b>	<b>1,388</b>

Please provide the number of trustees reimbursed for expenses or who had expenses paid by the charity

2	2
---	---

## Transaction(s) with related parties

Please give details of any transaction undertaken by (or on behalf of) the charity in which a related party has a material interest, including where funds have been held as agent for related parties. If there are no such transactions, please enter 'true' in the box provided.

This year

There have been no related party transactions in the reporting period (True or False)

Name of the trustee or related party	Relationship to charity	Description of the transaction(s)	Amount	Balance at period end	Provision for bad debts at period end	Amounts written off during reporting period
			£	£	£	£
Maria Chambers	Director/Trustee	Purchases made behalf of the Charity	3,077	-	-	-
Katalin Hegedus	Director/Trustee	Purchases made behalf of the Charity	504	-	-	-

In relation to the transactions above, please provide the terms and conditions, including any security and the nature of any payment (consideration) to be provided in settlement.

These transactions were in relation to the purchase of items that require credit card. The charity cannot have a credit card as it only permits transactions with dual signature. The expense forms are checked by another Trustee before reimbursement. Expenses are reimbursed at cost.

For any related party, please provide details of any guarantees given or received.

Last year

There have been no related party transactions in the reporting period (True or False)

Name of the trustee or related party	Relationship to charity	Description of the transaction(s)	Amount	Balance at period end	Provision for bad debts at period end	Amounts written off during reporting period
			£	£	£	£
Maria Chambers	Director/Trustee	Purchases made behalf of the Charity	8,000	-	-	-
Katalin Hegedus	Director/Trustee	Purchases made behalf of the Charity	541	-	-	-

In relation to the transactions above, please provide the terms and conditions, including any security and the nature of any payment (consideration) to be provided in settlement.

These transactions were in relation to the purchase of items that require credit card. The charity cannot have a credit card as it only permits transactions with dual signature. The expense forms are checked by another Trustee before reimbursement. Expenses are reimbursed at cost.

For any related party, please provide details of any guarantees given or received.





**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

## Independent examiner's report on the accounts

### Section A

### Independent Examiner's Report

Report to the  
trustees/directors/  
members of

**HUNGARIAN CULTURAL ASSOCIATION**

On accounts for the year  
ended

**31/08/2020**

Charity no.:

**1144110**

Company no.:

**7606402**

Set out on pages

**1 - 2**

(remember to include the page numbers of additional sheets)

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31/08/2020.

#### Responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company 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 for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity'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

I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below \*) which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

*\* Please delete the words in the brackets if they do not apply.*

Signed:

Date:

**28/4/2021**



Name: PETER SIMON DAVEY

Relevant professional  
qualification(s) or body  
(if any):

Address: 19 THE RIDGEWAY  
FETCHAM  
SURREY KT22 9BB

**Section B****Disclosure**

Only complete if the examiner needs to highlight material matters of concern  
(see CC32, Independent examination of charity accounts: directions and  
guidance for examiners).

Give here brief details of  
any items that the  
examiner wishes to  
disclose.

NONE