

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

Charity Registration No. 1160354

Company Registration No. 09167049 (England and Wales)

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Sir T Shebbeare
J Furse
M Shui

Charity number 1160354

Company number 09167049

Principal address 32A Gerrard Street
London
W1D 6JA

Registered office 32A Gerrard Street
London
W1D 6JA

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

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The Trustees present their report and accounts for the year ended 31 December 2020 which is also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Accounts of Association, the Companies Act 2006 and The Charities Act 2011. The Statement of Recommended Practice, 'Accounting and Reporting by Charities' in accordance with FRS 102.

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In preparing our accounts, careful consideration has been given to the Charity Commission's guidance on both public benefit and fee charging. China Exchange remained committed to making activities accessible. All our 2020 projects were delivered without admission fees and only our walking tours were fee paying.

The accounts undistributed in 2020 were retained due to the public health context created by the global pandemic.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and accounts for the year ended 31 December 2020 which is also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and The Charities Act 2011, the Statement of Recommended Practice, "Accounting and Reporting by Charities" in accordance with FRS 102.

Objectives and activities

The charity's objects are to promote for the public benefit Chinese art, culture and heritage.

Our aim is to offer an insight into a wide range of issues spanning from culture, business, the environment, heritage, education, enterprise, medicine, religion, economy, anthropology to architecture and philosophy. It will promote the most civilised and responsible interests of all these important issues in the modern day, through the prisms of Britain and China.

The strategies employed are:

- A programme of activities that create opportunities for people to learn more about China, Chinese culture and London's Chinatown.
- Creating projects that appeal to a wide range of people who, perhaps, have not considered the influence that China, Chinese culture or London's Chinatown have on their lives and through cultivating a relationship with them stimulate their curiosity and understanding about these areas; and
- Holding activities that relate directly to China, Chinese culture and London's Chinatown but that are different to those currently available in London and the rest of the UK.

In shaping our activities, careful consideration has been given to the Charity Commission's guidance on both public benefit and fee charging. China Exchange remained committed to making activities accessible. All our 2020 projects were delivered without admission fees and only our walking tours were fee paying.

The activities undertaken in 2020 were curtailed due to the public health context created by the global pandemic.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2020

China Exchange began 2020 with a celebration of its 5th anniversary and the first leg of a touring exhibition of *The Making of Chinatown*. Two artists started residencies at China Exchange and workshops were held with volunteers and community members. Over 400 people enjoyed the organisation's celebrations for the Lunar New Year.

In November, China Exchange launched the first products from its Made in Chinatown range – products created by artists, volunteers and community members that are rooted in the area's heritage. Production was delayed further by the pandemic and Brexit shortages, but pre-orders were taken and fulfilled before the end of January 2021.

Walking tours were adapted for the changing public health context, delivering them to smaller groups and developing a virtual model to allow the activities to continue in 2021.

A grant was secured to address the increase in racism towards people of East and South East Asian heritage following the pandemic.

The trustees have given regard to the public benefit requirements and consider that the limited activities delivered by China Exchange in 2020 continue to deliver the obligations of the organisation.

In 2020, China Exchange engaged 22 volunteers who donated a collective total of 180 hours to China Exchange. The organisation tested models for hybrid volunteering and piloted different ways of working that informed the charity's 2021 programmes.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

China Exchange welcomed 1071 people at physical events in 2020.

The momentum laid by our 2019 achievements was stymied in 2020. The survival of China Exchange and the organisation's ability to adjust rapidly while continuing some forms of programming that met the organisation's duties to public benefit are the charity's main achievements for 2020.

Our programming included:

- Made in Chinatown, a project funded by Rothschild Foundation to bring together artists, community members and volunteers to create unique products rooted in Chinatown's heritage. The project engaged two artists in residencies, trained 12 volunteers and welcomed over 80 community members to related workshops. The original plan to create hand crafted items proved impossible during repeated lockdowns. The approach was adapted to use the material generated through workshops to produce thoughtful and sensitive designs that could be used on small batch produced items and sold online. Volunteers led the development of the Made in Chinatown branding and related materials. A local Chinatown supermarket placed a large order to stock items in their store.
- The Making of Chinatown touring exhibition, funded by Linbury Trust via the Winston Churchill Memorial Trust, started with a month at Westminster City Archives and moved to Deptford Library for a day before the first UK lockdown. The remainder of the tour was postponed.
- Lockdown heritage at risk research: during the first 2020 lockdown, 14 volunteers undertook desk-based research to understand more about the premises use in Chinatown over time. Using Google maps historical data, the group identified which businesses had been operating for more than 10+ years. This created a register of potential heritage at risk for when businesses are able to re-open (or not) following the pandemic. The project allowed China Exchange to test remote volunteering opportunities and methods.
- Chinatown Stories community led walking tours: our volunteer led tours remained popular in 2020 when in person events were permitted. The programme was adapted to meet the changing needs and requirements of the pandemic restrictions. Four in person tours were delivered in the months when activities were permitted.

Financial review

Renting out the charity's premises when it is not in use by China Exchange for charitable purposes usually contributes substantially to the organisation's operating costs. The public health context made this income impossible to secure and highlighted an existing and identified risk in the organisation's operating model. China Exchange was awarded Culture Recovery Fund support and another project-based grant in 2020 (for 2021 activity). This continued the organisation's work to secure funds from a wider variety of sources.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use at the end of 2020 should be maintained at a level equivalent to 5-10% of the organisation's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2020

The pandemic brought an abrupt halt to China Exchange's positive start to 2020 with the sudden and necessary end to public programming, the charity's venue hire income and all activities. In the immediate financial uncertainty, the staff team were furloughed and the premises mothballed until the options became clearer.

Venue hire contracts were swiftly renegotiated to accommodate the changing public health context and emergency funding was secured through the DCMS Culture Recovery Fund via the Arts Council. The organisation worked with volunteers remotely to allow projects to continue under lockdown restrictions. During 2020, China Exchange adapted a number of projects and ways of working. The organisation moved further towards project-based activities rather than stand-alone one off events. Participant feedback from 2015-2019 demonstrated that the organisation can deliver greater impact through project-based work and that this may present a stronger route to public benefit and the organisation's goals.

The occasional hire of the charity's Chinatown premises remained central to the organisation's income during 2020. The organisation would not have survived without the emergency funding provided by the national and local government and a rent holiday from our landlord.

The Trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charities governing document are the Articles of Association.

The charity is constituted as a company limited by guarantee and not having share capital.

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

Sir T Shebbeare

J Furse

M Shui

The Trustees are appointed by the Board of Trustees.

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

An Indemnity policy was in force at the year end date. The Indemnity Policy is for the benefit of the Directors and Officers.

The board of trustees administers the charity. The board normally meets quarterly. The Chief Executive Officer approved by the trustees managed the day-to-day operations with close links to the chairperson, Mei Shui. The Chief Executive has delegated authority for operational matters including finance and employment.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The charity is an Equal Opportunities employer and will therefore consider applications from all abilities, race, gender and sexual orientation, not just or specifically disabled people.

Employee involvement

The charity's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information provided by the Chief Executive Officer to achieve a common awareness on the part of all employees of the financial and economic factors affecting the charity's performance.

Reference and administrative details

Charity number: 1160354
Company Number: 09167049
Registered Office: 32A Gerrard Street, London, W1D 6JA

Independent Examiner: T Bansal, Jamen Jones Chartered Accountants, 77 Manor Way, North Harrow, Middlesex HA2 6BZ
Bankers: HSBC Plc, 69 Pall Mall, London, SW1Y 5EY

Key management personnel:

Chief Executive Officer F Aitken-Turff
Finance & HR Manager D Gerrard

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


M Shui

Director

Dated: 20/9/2021

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

I report on the financial statements of the charity for the year ended 31 December 2020, which are set out on pages 7 to 20.

Respective responsibilities of Trustees and examiner

The Trustees, who are also the directors of China Exchange (UK) (A company limited by guarantee) for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a member of the ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Ted Bansal FCA
Independent Examiner
Jamen Jones
77 Manor Way
North Harrow
Middlesex
HA2 6BZ

Dated: 20/9/2021

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Notes							
Income and endowments from:							
Donations and legacies	3	4,202	211,421	215,623	26,658	77,517	104,175
Charitable activities	4	102,564	-	102,564	277,653	-	277,653
Other income	5	20	-	20	15,154	-	15,154
Total income		106,786	211,421	318,207	319,465	77,517	396,982
Expenditure on:							
Raising funds	6	93,531	-	93,531	197,947	-	197,947
Charitable activities	7	47,968	121,487	169,455	88,810	63,448	152,258
Total resources expended		141,499	121,487	262,986	286,757	63,448	350,205
Net (outgoing)/incoming resources before transfers		(34,713)	89,934	55,221	32,708	14,069	46,777
Gross transfers between funds		11,892	(11,892)	-	-	-	-
Net (expenditure)/income for the year/Net movement in funds		(22,821)	78,042	55,221	32,708	14,069	46,777
Fund balances at 1 January 2020		123,184	14,069	137,253	90,477	-	90,477
Fund balances at 31 December 2020		100,363	92,111	192,474	123,185	14,069	137,254

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	24,517	31,178
Current assets			
Debtors	12	18,856	27,977
Cash at bank and in hand		204,898	142,209
		223,754	170,186
Creditors: amounts falling due within one year	13	(55,797)	(64,110)
Net current assets		167,957	106,076
Total assets less current liabilities		192,474	137,254
Income funds			
Restricted funds	15	92,111	14,069
Unrestricted funds		100,363	123,185
		192,474	137,254

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on

X 
M Shui
Trustee

Company Registration No. 09167049

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

China Exchange (UK) (A company limited by guarantee) is a private company limited by guarantee incorporated in England and Wales. The registered office is 32A Gerrard Street, London, W1D 6JA.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from charitable activities is recognised on an accruals basis, and net of VAT.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Assets donated for resale are included as incoming resources within activities for generating funds and capitalised as fixed assets.

1.5 Expenditure

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

- Costs of raising funds comprise the costs of commercial trading including the supply of beverages in a bar and their associated support costs.
- Expenditure on charitable activities includes the costs event advertising and event hosting costs, undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

Support costs attributable to charitable events have been allocated on a pro-rata basis of the charitable income and non charitable income.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Over the term of the lease
Plant and machinery	33% straight line
Fixtures, fittings & equipment	2% and 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are treated as other support costs within the statement of financial activities.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Donated Services

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

In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.13 Deferred Income

Creditors include deferred income which has been generated from activities in line with the period in which the use of charities venue will generate an economic benefit.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	4,202	-	4,202	26,658	-	26,658
Grants	-	211,421	211,421	-	77,517	77,517
	<u>4,202</u>	<u>211,421</u>	<u>215,623</u>	<u>26,658</u>	<u>77,517</u>	<u>104,175</u>

The company was not able to obtain services from high profile individuals as guest speakers in 2020 due to the Covid-19 pandemic. The value of these services to the charity is Nil (2019 - £6,000). The estimated notional value of these services is recognised within incoming resources as a donation, and an equivalent charge included within advertising and marketing.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	Venue Hire	Event Income	Total 2020	Total 2019
	2020	2020	£	£
Sales within charitable activities	98,883	3,681	102,564	277,653

5 Other income

	2020	2019
	£	£
Other income	20	15,154

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	6,586	19,050
Advertising	870	458
Other fundraising costs	-	6,000
Fundraising and publicity	7,456	25,508
<u>Trading costs</u>		
Other trading activities	9,861	3,403
Staff costs	-	22,821
Support costs	76,214	146,215
Trading costs	86,075	172,439
	93,531	197,947

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7

Charitable activities

	2020	2019	2020	2019	Venue Hire 2020	Venue Hire 2019
	£	£	£	£	£	£
Staff costs	114,216	50,224	-	-		
Other direct costs	20,372	24,829	-	-		
	134,588	75,053	-	-		
Share of support costs (see note 8)	33,978	70,965	-	-		
Share of governance costs (see note 8)	889	6,240	-	-		
	169,455	152,258				
Analysis by fund						
Unrestricted funds	47,968	88,810				
Restricted funds	121,487	63,448				
	169,455	152,258				
For the year ended 31 December 2019						
Unrestricted funds	88,810					
Restricted funds	63,448					
	152,258					

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	61,485	-	61,485	125,930	Income analysis
Depreciation	6,661	-	6,661	9,416	Income analysis
Establishment costs	21,049	-	21,049	35,135	Income analysis
Computers & Equipment	1,728	-	1,728	7,034	Income analysis
General overheads	17,325	-	17,325	27,896	Income analysis
Accountancy	-	2,820	2,820	3,600	Governance
Legal and professional	-	13	13	14,409	Governance
	<u>108,248</u>	<u>2,833</u>	<u>111,081</u>	<u>223,420</u>	
Analysed between					
Trading	74,270	1,944	76,214	146,215	
Charitable activities	33,978	889	34,867	77,205	
	<u>108,248</u>	<u>2,833</u>	<u>111,081</u>	<u>223,420</u>	

9 Trustees

The charity trustees (or any persons connected with them) were not paid or received any other benefits from charity. The Trustees were not reimbursed expenses during the year and no trustee received payment for professional or other services supplied to the charity.

10 Employees

The average monthly number employees (excluding trustees) during the year was:18

	2020 Number	2019 Number
Employees	<u>18</u>	<u>17</u>
Employment costs	2020 £	2019 £
Wages and salaries	<u>175,701</u>	<u>198,975</u>

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

(Continued)

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

11 Tangible fixed assets

	2020			2019
11a Tangible fixed assets	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2020	22,280	17,562	39,241	79,083
At 31 December 2020	22,280	17,562	39,241	79,083
Depreciation and impairment				
At 1 January 2020	6,926	17,562	30,078	54,566
At 31 December 2020	6,926	17,562	30,078	54,566
Carrying amount				
At 31 December 2020	15,354	-	9,163	24,517
At 31 December 2019	19,034	1,472	10,672	31,178

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	947	7,439
Other debtors	-	4,553
Prepayments and accrued income	17,909	15,985
	18,856	27,977

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		4,374	15,200
Deferred income	14	18,554	15,900
Trade creditors		4,924	6,106
Other creditors		1,551	870
Accruals and deferred income		26,394	26,034
		<u>55,797</u>	<u>64,110</u>

14 Deferred income

	2020 £	2019 £
Other deferred income	<u>18,554</u>	<u>15,900</u>

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Incoming resources	Resources expended	Balance at January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£
Heritage Lottery Fund	68,000	(63,448)	4,552	600	(4,617)	-	535
Rothschild Foundation	9,517	-	9,517	-	(8,287)	-	1,230
Job Retention Scheme Grant	-	-	-	71,142	(71,142)	-	-
Arts Council Culture Recovery Fund	-	-	-	131,064	(37,441)	(11,892)	81,731
Winston Churchill Memorial Trust	-	-	-	8,615	-	-	8,615
	<u>77,517</u>	<u>(63,448)</u>	<u>14,069</u>	<u>211,421</u>	<u>(121,487)</u>	<u>(11,892)</u>	<u>92,111</u>

The Grant from the Heritage Lottery funding was for an Exhibition presenting the history of the Chinese community in Chinatown 1960.

The Grant from the Rothschild foundation was for the Made in Chinatown Project.

The Grant from the Coronavirus Job Retention scheme was claimed while employees were furlough during the Covid-19 pandemic.

The Grant from the Arts Council Culture recovery fund was provided to help the charity through the Covid-10 pandemic..

The Grant from the Winston Churchill Memorial Trust was made for the Chinatown Recovery Project.

The Transfer from the Arts Council Culture Recovery fund represents the use of funding to settle the company's VAT liability and is recorded in the Statement of Financial Activities on page 7.

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:						
Tangible assets	24,517	-	24,517	31,178	-	31,178
Current assets/ (liabilities)	75,846	92,111	167,957	92,007	14,069	106,076
	<u>100,363</u>	<u>92,111</u>	<u>192,474</u>	<u>123,185</u>	<u>14,069</u>	<u>137,254</u>

17 Operating lease commitments

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

	2020	2019
	£	£
Within one year	23,966	22,346
Between two and five years	89,384	89,384
In over five years	92,384	114,730
	<u>205,734</u>	<u>226,460</u>
Reduction in rent payments recognised in profit or loss arising from the COVID-19 pandemic	<u>16,760</u>	<u>-</u>

The operating leases represent leases to third parties. The leases are negotiated over terms of 15 years and rentals are fixed for 5 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	<u>79,507</u>	<u>77,558</u>

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Limited by Guarantee

The company is limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity, while they are a member and for one year after they cease to be a member.

19 Limited by Guarantee

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