

Charity registration number 1160354

Company registration number 09167049 (England and Wales)

CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	EH Y Yu	(Appointed 10 March 2022)
	G Huang	(Appointed 10 March 2022)
	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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CHINA EXCHANGE (UK) (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and accounts for the year ended 31 December 2021 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 2021 projects were delivered without admission fees and only our walking tours were fee paying.

The activities undertaken in 2021 were impacted heavily by the public health context created by the global pandemic. This made online activities more prevalent and a number of projects had to be delivered with a more flexible timeline to be able to complete them.

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

China Exchange ended 2021 in a positive cash position with a small but committed team in place and with prospects for 2022. These modest achievements bely the complexity and relentless pressure of the public health context, rising anti-Chinese sentiment, and the financial uncertainty that have characterised this year.

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

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

FOR THE YEAR ENDED 31 DECEMBER 2021

- Completing the Chinatown Recovery project focused on covid-related racism with a well-received report and meetings with MPs, the Met Police and the Deputy Leader of Westminster Council. The project allowed China Exchange to test community and co-design models and to train volunteers and casual team members in a range of anti-racism practices. A group of 12 volunteers contributed to the project.
- Documenting and archiving more Chinatown oral histories and used these stories to create a Chinatown Food Heritage Trail. The project was developed with eight volunteers who underwent oral history and intangible food heritage recording training. The trail launched in 2022;
- Continuing the Made in Chinatown project where artists work with community members and volunteers to create unique designs that explore London Chinatown's heritage. These designs are then turned into small batch produced products and sold to raise funds for future rounds of the programme. In 2021, China Exchange held two artist residencies – one focused on responding to anti-Asian hate and the other on exploring intangible food heritage. The residencies involved workshops with Chinatown restaurant workers, the London Chinese Community Centre's youth club, and 18 other members of the public connected to the area. The programme was supported by 12 active volunteers who contributed to both the artistic process as well as running market stalls and pop-up shops throughout the year.
- Holding a large-scale consultation involving more than 70 people on the ways in which East and South East Asian (ESEA) heritage and history can be represented ahead of finalising designs for the Chinatown history boards, which will be installed in 2022. This consultation provided insight into the range of sentiments about how history should be displayed and recorded, and allows for our work to be developed with greater nuance and sensitivity.
- Continuing with our much-disrupted Making of Chinatown exhibition tour postponed in 2020. The exhibition was displayed for 12 weeks during the year and was seen by over 7,000 visitors.

The trustees have given regard to the public benefit requirements and consider that the limited activities delivered by China Exchange in 2021 continue to meet the obligations of the organisation.

Achievements and performance

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 2021.

With the underpinning of the DCMS Culture Recovery Fund rounds 1 and 2, we were able to secure a future and we have:

- Welcomed over 8,900 people to our activities;
- Raised over £117, 000 through grants and direct fundraising;

Sustained a community of 42 volunteers who have contributed a combined total of 3,200 hours during 2021.

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

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

China Exchange was awarded Culture Recovery Fund support for 2021 activity, and raised funds for 2022 activity through grant support. For 2021, the charity secured further funding from the Churchill Fellowship and support from The National Lottery Awards for All fund. This continued the organisation's shift from securing funds primarily through large donations and sponsorship. 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 more challenging to secure in 2021 and highlighted one of the key risks in the organisation's operating model. By the end of 2021, advance bookings for 2022 demonstrated that this funding model can support China Exchange in a more stable public health context

It is the policy of the charity that unrestricted funds which have not been designated for a specific use at the end of 2021 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.

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:

EH Y Yu (Appointed 10 March 2022)

G Huang (Appointed 10 March 2022)

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 Officer 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 2021

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.

EHY Yu ~~M Shui~~ 
Director

Dated: 17/10/2022

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 2021, which are set out on pages 6 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: 17/10/2022

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

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>						
Donations and legacies	3	32,688	147,234	179,922	4,202	211,421
Charitable activities	4	126,517	-	126,517	102,564	-
Other income	5	738	-	738	20	-
Total income		159,943	147,234	307,177	106,786	211,421
<u>Expenditure on:</u>						
Raising funds	6	48,856	-	48,856	93,531	-
Charitable activities	7	63,072	217,059	280,131	47,968	121,487
Total expenditure		111,928	217,059	328,987	141,499	121,487
Net incoming/(outgoing) resources before transfers		48,015	(69,825)	(21,810)	(34,713)	89,934
Gross transfers between funds		6,986	(6,986)	-	11,892	(11,892)
Net income/(expenditure) for the year/ Net movement in funds		55,001	(76,811)	(21,810)	(22,821)	78,042
Fund balances at 1 January 2021		100,363	92,111	192,474	123,184	14,069
Fund balances at 31 December 2021		155,364	15,300	170,664	100,363	92,111

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		24,707		24,517
Current assets					
Debtors	12	38,777		18,856	
Cash at bank and in hand		144,907		204,898	
		<u>183,684</u>		<u>223,754</u>	
Creditors: amounts falling due within one year	13	<u>(37,727)</u>		<u>(55,797)</u>	
Net current assets			145,957		167,957
Total assets less current liabilities			<u>170,664</u>		<u>192,474</u>
Income funds					
Restricted funds	15	15,300		92,111	
Unrestricted funds		155,364		100,363	
		<u>170,664</u>		<u>192,474</u>	

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 2021.

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 17/10/2022

PP.

MSH

Trustee

EH Y. Yu

Company registration number 09167049

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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
Computers	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 the statement of financial activities.

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 2021

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 2021

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
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	3,760	-	3,760	4,202	-	4,202
Grants	28,928	147,234	176,162	-	211,421	211,421
	<u>32,688</u>	<u>147,234</u>	<u>179,922</u>	<u>4,202</u>	<u>211,421</u>	<u>215,623</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	Venue Hire	Event Income	Total 2021	Total 2020
	2021	2021		
	£	£	£	£
Sales within charitable activities	121,766	4,751	126,517	102,564

5 Other income

	2021	2020
	£	£
Other income	738	20

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	5,585	6,586
Advertising	-	870
Fundraising and publicity	5,585	7,456
<u>Trading costs</u>		
Other trading activities	2,168	9,861
Support costs	41,103	76,214
Trading costs	43,271	86,075
	48,856	93,531

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7

Charitable activities

	Venue Hire 2021 £	Venue Hire 2020 £
Staff costs	48,919	114,216
Other direct costs	198,939	20,372
	<u>247,858</u>	<u>134,588</u>
Share of support costs (see note 8)	31,673	33,978
Share of governance costs (see note 8)	600	889
	<u>280,131</u>	<u>169,455</u>
Analysis by fund		
Unrestricted funds	63,072	47,968
Restricted funds	217,059	121,487
	<u>280,131</u>	<u>169,455</u>
For the year ended 31 December 2020		
Unrestricted funds	47,968	
Restricted funds	121,487	
	<u>169,455</u>	

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Staff costs	39,223	-	39,223	61,485	Income analysis
Depreciation	5,632	-	5,632	6,661	Income analysis
Establishment costs	19,605	-	19,605	21,049	Income analysis
Computers & Equipment	786	-	786	1,728	Income analysis
General overheads	6,763	-	6,763	17,325	Income analysis
Accountancy	-	1,204	1,204	2,820	Governance
Legal and professional	-	163	163	13	Governance
	<u>72,009</u>	<u>1,367</u>	<u>73,376</u>	<u>111,081</u>	
Analysed between					
Trading	40,336	767	41,103	76,214	
Charitable activities	31,673	600	32,273	34,867	
	<u>72,009</u>	<u>1,367</u>	<u>73,376</u>	<u>111,081</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

	2021 Number	2020 Number
Employees	<u>16</u>	<u>18</u>
Employment costs	2021 £	2020 £
Wages and salaries	<u>88,142</u>	<u>175,701</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Employees

(Continued)

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

				2021	2020
11 Tangible fixed assets					
	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2021	22,280	17,562	39,241	-	79,083
Additions	-	-	-	5,822	5,822
Disposals	-	(255)	(680)	-	(935)
At 31 December 2021	22,280	17,307	38,561	5,822	83,970
Depreciation and impairment					
At 1 January 2021	6,926	17,562	30,078	1,718	56,284
Depreciation charged in the year	3,680	-	414	(180)	3,914
Eliminated in respect of disposals	-	(255)	(680)	-	(935)
At 31 December 2021	10,606	17,307	29,812	1,538	59,263
Carrying amount					
At 31 December 2021	11,674	-	8,749	4,284	24,707
At 31 December 2020	15,354	-	9,163	-	24,517

12 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	702	947
Other debtors	24,381	-
Prepayments and accrued income	13,694	17,909
	38,777	18,856

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		2,347	4,374
Deferred income	14	5,798	18,554
Trade creditors		3,729	4,924
Other creditors		1,549	1,551
Accruals and deferred income		24,304	26,394
		<u>37,727</u>	<u>55,797</u>

14 Deferred income

	2021 £	2020 £
Other deferred income	<u>5,798</u>	<u>18,554</u>

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Deferred income is included within:		
Current liabilities	<u>5,798</u>	<u>18,554</u>
Movements in the year:		
Deferred income at 1 January 2021	18,554	15,900
Released from previous periods	<u>(12,756)</u>	<u>2,654</u>
Deferred income at 31 December 2021	<u>5,798</u>	<u>18,554</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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:

	Balance at 1 January 2020	Movement in funds				Transfers	Balance at 1 January 2021	Movement in funds				Transfers	Balance at 31 December 2021
		Incoming resources	Resources expended	£	£			Incoming resources	Resources expended	£	£		
Heritage Lottery Fund	4,552	600	(4,617)	-	535	-	(535)	-	-	-	-	-	
Rothschild Foundation	9,517	-	(8,287)	-	1,230	-	31	-	1,261	-	1,261	-	
Job Retention Scheme Grant	-	71,142	(71,142)	-	-	-	(11,449)	-	-	-	-	-	
Arts Council Culture Recovery Fund	-	131,064	(37,441)	(11,892)	81,731	95,828	(169,171)	(6,986)	1,402	-	1,402	-	
Winston Churchill Memorial Trust	-	8,615	-	-	8,615	-	(6,597)	-	2,018	-	2,018	-	
Champion Chinatown (Crowdfunded)	-	-	-	-	-	22,660	(19,613)	-	3,047	-	3,047	-	
The National Lottery Community Fund	-	-	-	-	-	10,000	(3,054)	-	6,946	-	6,946	-	
Government Kickstarter	-	-	-	-	-	7,297	(6,671)	-	626	-	626	-	
	14,069	211,421	(121,487)	(11,892)	92,111	147,234	(217,059)	(6,986)	15,300		15,300		

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Restricted funds

(Continued)

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-19 pandemic.

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

The Champion Chinatown (crowd funded) was made to fund the Champion Chinatown project.

The National Lottery for all fund was made to support the Made in Chinatown 2021 project

The Government Kickstarter fund was provided to support the recruitment of new staff.

The Transfer from the Arts Council Culture Recovery fund represents the use of funds for fixed asset purchases recorded in the balance sheet.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	24,707	-	24,707	24,517	-	24,517
Current assets/ (liabilities)	145,957	-	145,957	75,846	92,111	167,957
	<u>170,664</u>	<u>-</u>	<u>170,664</u>	<u>100,363</u>	<u>92,111</u>	<u>192,474</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:

	2021 £	2020 £
Within one year	23,561	23,966
Between two and five years	89,384	89,384
In over five years	70,038	92,384
	<u>182,983</u>	<u>205,734</u>
Reduction in rent payments recognised in profit or loss arising from the COVID-19 pandemic	-	16,760

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.

	2021 £	2020 £
Aggregate compensation	<u>79,507</u>	<u>79,507</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

