

Charity registration number: 1164736



International China Concern

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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International China Concern Reference and Administrative Details

Trustees

Simon Philip Gates (Board Chair)
Philip Richard Hubbard (Retired 28th November 2020)
Juan Long (Appointed May 16th 2020)
Wanrong Ma
Robert Cathal Molloy
Katharine Mary Simpson
Simon Christopher Upcott FCA, BFP (appointed May 16th 2020)

Principal Office

The CastleGate
Melbourne Street
Newcastle upon Tyne
NE1 2JQ

Charity Registration Number

1164736

Independent Examiner

G W Schulz ACMA
Independent Examiners Ltd
2 Broadbridge Business Centre
Delling Lane
Bosham
PO18 8NF

International China Concern

Trustees' Report

The Trustees have pleasure in presenting their annual report and the financial statements for International China Concern (ICC UK) for the year ended 31 December 2020.

Objectives and activities

• Policies and objectives

ICC UK functions to raise awareness, funds, and resources for the work of International China Concern (Childcare) Ltd (ICC International) in China by stewarding and communicating with our growing UK donor base. Fundraising activities include regular giving, special appeals and campaigns, bequests and events. ICC UK makes regular donations to ICC International to support the international operations in China. The Trustees re-affirmed support should be directed to the work of ICC International.

ICC International is a Christian development organisation that creates full lives for China's vulnerable children by bringing them love, hope and opportunity through:

- Innovating projects that provide holistic care and support services to China's vulnerable children and reduce the likelihood of abandonment in China
- Providing training services that address the needs of China's developing social welfare system in the areas of management, support and disability services
- Advocating on behalf of China's vulnerable children to all sectors of government and society
- Empowering Chinese leaders and their communities to respond to the needs of China's abandoned and disabled

Achievements and performance

• Review of activities

In 2020, ICC UK saw two board members join the board of trustees, and one trustee retired. The new board worked well together throughout 2020 adopting to a new way of working due to Covid-19 as all meetings became virtual. All trustees took an active part in the life of ICC UK and the board continued to be involved in the development of the National Office.

2020 saw many challenges due to Covid, however our team worked well achieving above budget income which was a magnificent achievement when many other charities struggled to find funding. We bade farewell to two key members of staff and welcomed and established two new members who have quickly found direction and established themselves.

The board continued to be involved with delivering the UK strategy document. It supported the development of the charity in acquiring new donors through a training and coaching partnership with Moceanic. It approved and oversaw the delayed transition from a trust into a CIO.

The board met via Zoom on five occasions and all meetings were minuted. The trustees continued to have individual responsibilities for different areas on the board including finance and human resources.

Throughout 2020, the board worked very closely with the National Office Director, who has continued to ensure the smooth running and development of the UK office.

Financial review

• Going Concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees retain from part of restricted and unrestricted income an appropriate amount to cover their running expenses, which is consistently applied and regularly reviewed.

- **Reserves**

The trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs, taking into account the charity's size and level of financial commitments held. The trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The trustees will endeavour not to set aside funds unnecessarily.

Structure, governance and management

- **Constitution**

International China Concern is a registered Charitable Incorporated Organisation, number 1164736, and was originally set up in 2015 as the intended successor to the ICC UK's activities and assets previously undertaken by International China Concern UK trust, a charitable entity registered with the Charity Commission ("the Trust", reference number 1069349).

The trustees of both the CIO and the Trust have, from the date the CIO was established, acted in a way which is consistent with the activities, income, expenses, assets and liabilities of the Trust having been transferred to the CIO. Consistent with that, certain activities, income and expenses have been transferred to the CIO, commencing in 2017, however, other income and operating expense and principally cash assets have remained with the Trust, pending an orderly formal wind down of the Trust.

Having taken independent advice on this matter, and in order to present a more helpful view of the financial position of the ICC's activities in the UK to all stakeholders, the trustees decided to prepare a single set of accounts for the CIO encompassing all the activities, income, expenses, assets and liabilities of ICC UK for the year ended 31 December 2017 onwards, to include also any transactions or assets in the legal name of the Trust. In so doing, the trustees consider they have acted in the best interests of both organisations.

The trustees have put in place plans to complete the process of moving all remaining income, expenses and assets transacted in the name of the Trust into the CIO as soon as is practicable.

- **Methods of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected by the board of Trustees.

- **Organisational structure and decision-making policies**

The Trustees conduct quarterly board meetings in person or via Zoom. Day-to-day running of ICC UK's activities is delegated to its staff team, under the direction of the ICC UK National Director. The Trustees regularly review their performance against agreed targets and objectives.

- **Related party relationships**

ICC UK works intrinsically with other worldwide offices which share the same name and charitable objects, and funds are sent to ICC International to be forwarded to its projects in China.

- **Financial risk management**

The Trustees regularly assess the major risks to which the charity is exposed, and are satisfied that systems and procedures are in place to mitigate those risks.

International China Concern

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report and accounts were approved by the trustees of the charity on 15th May 2021 and signed on its behalf by:

Simon Philip Gates
Board Chair

International China Concern

Independent Examiner's Report to the trustees of International China Concern

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2019 which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

As the charity's trustees of International China Concern you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the International China Concern's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since International China Concern's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Chartered Institute of Management Accountants UK, which is one of the listed bodies.

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

1. accounting records were not kept in respect of International China Concern as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

G W Schulz ACMA

Independent Examiners Ltd
2 Broadbridge Business Centre
Delling Lane
Bosham
PO18 8NF

15th May 2021

International China Concern
(Registration number: 1164736)

Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted Funds			Restricted funds £	Total 2020 £	Total 2019 £
		Unrestricted General £	Designated Funds £	Total Unrestricted £			
Income and Endowments from:							
Charitable activities		234,090	21,250	255,340	251,726	507,066	379,230
Expenditure on:							
Charitable activities		(229,893)	(11,121)	(241,014)	(251,726)	(492,740)	(441,522)
Total expenditure		(229,893)	(11,121)	(241,014)	(251,726)	(492,740)	(441,522)
Net (expenditure)/income		4,197	10,129	14,326	-	14,326	(62,292)
Net movement in funds		4,197	10,129	14,326	-	14,326	(62,292)
Reconciliation of fund							
Total funds brought forward		76,193	-	76,193	-	76,193	138,485
Total funds carried forward	11	80,390	10,129	90,519	-	90,519	76,193

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

The funds breakdown for 2019 is shown in note 11.

The notes on pages 9 to 14 form an integral part of these financial statements.

International China Concern
(Registration number: 1164736)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Debtors	8	4,050	1,031
Cash at bank and in hand	9	118,758	94,918
		<u>122,808</u>	<u>95,949</u>
Creditors: Amounts falling due within one year	10	<u>(32,289)</u>	<u>(19,756)</u>
Net assets		<u>90,519</u>	<u>76,193</u>
Funds of the charity:			
Income funds			
Unrestricted Funds:			
Designated funds		10,129	-
Unrestricted General Funds		<u>80,390</u>	<u>76,193</u>
Total funds	11	<u>90,519</u>	<u>76,193</u>

The financial statements on pages 6 to 13 were approved by the trustees, and authorised for issue on 15th May 2021 and signed on their behalf by:

Simon Philip Gates
Board Chair

The notes on pages 9 to 14 form an integral part of these financial statements.

International China Concern
(Registration number: 1164736)
Cash Flow Statement for the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net Cash (expenditure)/income		14,326	(62,292)
Adjustments to cash flows from non-cash items			
Investment Income		-	-
Working Capital Adjustments			
Decrease/(increase) in debtors	8	(3,019)	(1,031)
(Decrease)/increase in creditors	10	12,533	18,706
Net cash flows from operating activities		23,840	(44,617)
Cash Flows from investing activities			
Interest receivable and similar income		-	-
Net (decrease)/increase in cash and cash equivalents		23,840	(44,617)
Cash and cash equivalents at 1 January		94,918	139,535
Cash and cash equivalents at 31 December		118,758	94,918

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

International China Concern

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

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

International China Concern meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Taxation

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

Liability Recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

International China Concern

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

Trade debtors

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

Cash and cash equivalents

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity. Restricted funds are maintained where the donor has specified a purpose for the donation made. These restrictions often arise as a result of the regular appeals for special offerings. Designated funds are monies set aside from the general funds for a specific purpose, as determined by and at the sole discretion of the Trustees.

Public Benefit

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or "aims" that are for the public benefit. Details of how the charity has achieved this are provided in the Trustees report. The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Trustees have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

Fixed Assets

Fixed Assets are capitalised if they can be used for more than one year and cost at least £1,500. They are valued at cost or, if gifted, at the value to the charity on receipt.

International China Concern
Notes to the Financial Statements for the Year Ended 31 December 2020

2. Income from charitable activities

	Unrestricted Funds			Restricted Funds	Total 2020	Total 2019
	Unrestricted General	Designated Funds	Total Unrestricted Funds			
	£	£	£	£	£	£
Administrative support	5,700	-	5,700	-	5,700	7,919
Changsha Child Support	-	-	-	32,129	32,129	47,330
China Teams Support	-	-	-	-	-	13,352
Hengyang Child Support	-	-	-	90,128	90,128	104,779
FPP Support	-	-	-	21,727	21,727	2,631
Volunteers Support	-	-	-	360	360	-
Exceptional gift- ICC International	-	-	-	85,000	85,000	-
Where Most Needed	203,073	-	203,073	-	203,723	161,016
Other Income	39	-	39	-	39	3,014
Sub Total excluding Gift Aid	208,812	-	208,812	229,344	438,156	340,041
Gift Aid Tax Reclaimed	25,278	21,250	46,528	22,382	68,910	39,189
Total Income	234,090	21,250	255,340	251,726	507,066	379,230

Donations received towards:

Administrative Support - overheads of ICC UK.

Changsha Child Support - providing residential care for children and young adults in Changsha by ICC International.

China Teams Support - people joining ICC International Short-Term Teams working in China.

Hengyang Child Support - providing residential care for children and young adults in Hengyang by ICC International.

FPP Support - Family Partners Programme in China, providing family support services to many families raising children with disabilities, ran by ICC International.

Volunteer Support - ICC International volunteers working in China.

Exceptional gift International Reserves - An exceptional gift of £85,000 from a UK donor to provide financial security and stability for ICC international as a reserve fund in case of any unexpected financial costs that would have an impact on cash flow. This gift has been entrusted to the international leadership spend as appropriate.

Designated Funds (Development Fund) - Reflecting the intent and generosity of the donor, the Trustees determined that the £21,250 gift aid on the £85,000 exceptional gift should be allocated to the Development Fund, a designated but unrestricted fund to be used to support the development and growth of ICC UK's operations

International China Concern
Notes to the Financial Statements for the Year Ended 31 December 2020

3. Expenditure on charitable activities

Note	Unrestricted Funds			Total Restricted	Total 2020	Total 2019
	Unrestricted General	Development Fund	Total Unrestricted			
	£	£	£	£	£	£
Activities & Events	-	-	-	-	-	4,721
Advertising & Marketing	6,530	-	6,530	-	6,530	773
Development Fund	-	11,121	11,121	-	11,121	-
Hengyang Therapy Equipment	-	-	-	3,163	3,163	-
Banking Charges and Fees	3,725	-	3,725	-	3,725	708
Staff Costs	80,173	-	80,173	-	80,173	94,776
Grants — ICC International	170,922	-	170,922	195,641	366,563	310,770
Licences & Subscriptions	4,205	-	4,205	-	4,205	3,998
Printing, Postage & Stationery	6,616	-	6,616	-	6,616	8,618
Recruitment Costs	-	-	-	-	-	855
Rent & Rates	4,101	-	4,101	-	4,101	3,270
Sundry Expenses	379	-	379	-	379	482
Telephone Costs	854	-	854	-	854	455
Training & Development	794	-	794	-	794	1,261
Travel and Subsistence	-	-	-	-	-	1,980
Insurance Costs	1,884	-	1,884	-	1,884	839
Legal & Professional Fees	3,258	-	3,258	-	3,258	5,871
Trustees Expenses	-	-	-	-	-	1,423
Allocation of Administration Costs	(52,922)	-	(52,922)	52,922	-	-
Foreign currency (gains)/losses	(628)	-	(628)	-	(628)	722
Total Expenditure	229,893	11,121	241,014	251,726	492,740	441,522

Allocation of Administration Costs - Administrative costs are allocated to all funds in a manner which takes into account the size, purpose and cost of securing the underlying donation.

International China Concern

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

4. Trustees remuneration and expenses

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

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

5. Staff costs

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full-time equivalents was 3 (2019:4)

	2020	2019
	£	£
Wages and Salaries	76,524	85,523
Employers NIC	1,322	3,386
Pension	2,327	5,867
	<u>80,173</u>	<u>94,776</u>

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

6. Taxation

The charity is a registered charity and is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes. The trustees consider that the conditions for full exemption have been met such that ICC is exempt from such taxation in the reporting periods 2020 and 2019.

7. Tangible Fixed Assets

The charity held no fixed assets or fixed asset investments during this or the previous financial year.

International China Concern

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

8. Debtors

	2020 £	2019 £
Gift Aid	4,050	-
Prepayments	-	1,031
Total Debtors	4,050	1,031

9. Cash and cash equivalents

	2020 £	2019 £
Cash at bank	118,758	94,918

10. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals for ICC Grants	28,793	12,717
Independent examiners fee	1,050	2,280
Other Accruals	2,446	4,759
Total Accruals	32,289	19,756

11. Funds

	Balance at 1 January 2020 £	Incoming Resources £	Resources Expended £	Balance at 31 December 2020 £
Unrestricted Funds:				
Designated Funds	-	21,250	(11,121)	10,129
Unrestricted General Funds	76,193	234,090	(229,893)	80,390
Total Unrestricted Funds	76,193	255,340	(241,014)	90,519
Restricted Funds	-	251,726	(251,726)	-
Total Funds	76,193	507,066	(492,740)	90,519

	Balance at 1 January 2019 £	Incoming Resources £	Resources Expended £	Balance at 31 December 2019 £
Unrestricted Funds	138,485	211,138	(273,430)	76,193
Restricted Funds	-	168,092	(168,092)	-
Total Funds	138,485	379,230	(441,522)	76,193

12. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,327 (2019 - £5,867). £463 (2019 - £998) was payable to the fund at the balance sheet date and is included in creditors.