

Charity number: 1187265

W. WING YIP AND BROTHERS FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2021

LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Ms. J. Loynton
B.J. Yip
A.S.Y.W. Yip
J.R. Bates
E. Yap
D.S.S.W. Yip
K.C.Y. Yap – Chairman

**CHARITY
REGISTRATION NUMBER**

1187265

PRINCIPAL OFFICE

375 Nechells Park Road
Nechells
Birmingham
B7 5NT

Independent Examiner

Helen Blundell LLB FCA FCIE DChA
MHA MacIntyre Hudson
Chartered Accountants and Registered Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

BANKERS

Barclays Bank PLC
PO Box 5960
1 Snowhill
Snow Hill Queensway
Birmingham
BX3 2BB

TRUSTEES' ANNUAL REPORT

The trustees present their report and the financial statements for the year ended 31st July 2021.

Legal and administrative information set out on page 1 forms part of this report.

The Foundation is a registered charity, number 1187265, and is a charitable incorporated organisation governed by its constitution dated 8 January 2020.

Prior to the registration as a CIO the charity operated as an unincorporated charity (number 326999). The Transfer of assets took place on 2 February 2021 and the old charity subsequently closed.

The objects of the charity are the relief of poverty, sickness and old age, and the advancement of education and religions.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Practice.

ORGANISATION

The first trustees appointed by the sponsor under the terms of the Trust Deed were W. Wing Yip and his two brothers (family trustees) and two non-family trustees. On a vacancy occurring, a new trustee may be appointed by the remaining trustees. The number of trustees may be increased at the discretion of the trustees to include the sons of the first named family trustees provided that the number of family trustees does not exceed ten persons.

The trustees who have held office throughout the year are listed on page 1.

The trustees have reviewed the original Trust Deed this year together with the legal status of The Foundation. As reported last year, the Trustees had concluded that it would now be appropriate to incorporate The Foundation as a Charitable Incorporated Organisation (CIO) and instructions were given to proceed with this last year. Following delays due to various reasons, not least the COVID Pandemic, the transfer of the property and finalisation of the Incorporation process had not been completed last year but the property and most of the assets had been transferred by 31 July 2021. The incorporation has also been used as an opportunity to review and update the governing documentation to reflect a more current constitution and this has been achieved for the CIO.

REVIEW OF ACTIVITIES, FUTURE STRATEGY AND PUBLIC BENEFIT

The objects of the charity are as stated above, and the trustees have achieved these objects by:

- financing bursaries to students and specific educational grants
- making donations to community welfare projects
- making donations to medical research and the relief of suffering

TRUSTEES' ANNUAL REPORT (CONTINUED)**GRANT-MAKING POLICY**

In addition, grants and donations are awarded to educational institutions in the UK.

All these bursaries and grants made a contribution to the fees and living expenses of the students concerned to enable them to complete their studies.

The educational grants are the main focus of the charity, but donations are also made to charities who are engaged in community welfare, and medical research and care for the sick although the charity does not make grants of a religious nature. All these donations enable the recipient bodies to continue and improve the services offered to those in need and in this way are of public benefit. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Foundation's aim and objective, in planning future activities and setting the grant making policy for the year.

The level of achievement of the charity's objectives is monitored by the receipt of reports from the universities, schools, community bodies, medical charities and other recipients confirming how the donations have enabled them to continue or improve their services.

The Foundation does not fund-raise. It is entirely reliant on income from its investments, which consist of freehold property leased to sitting tenants, and quoted investments. During last year the property was fully let although the collection of rent has proved challenging during the last two years due to the effects of the Global Pandemic. This has been exacerbated as apart from one tenant, the others are all involved in retail / hospitality sectors. Whilst the Trustees have been satisfied historically with the return achieved by the property, they now feel the interests of The Foundation would be better served by disposing of it and investing the proceeds in assets where there is greater certainty of receiving the income. They have therefore decided to market it with a view to disposing of it and are currently seeking a valuation as a first step in this process. The trustees have the power to invest in such assets as they see fit.

As reported last year, the Trustees have agreed to make awards to up to four students at Loughborough University for the duration of their degree course. Once again, this year, five students were successful in applying for this award, an increase over the normal annual number unfortunately as students previously supported dropped out this year.

Chinese Community Health and Wellbeing Service was supported this year with a donation of £10,000 which is an organisation whose objects are closely aligned with those of The Foundation.

The Trustees intend to continue their Grant Making Policy that the Foundation will not, as a general rule, support very large charitable applicants, projects and travel undertaken by individuals or religious organisations. Instead, it will focus on worthwhile, smaller charities and applicants where the support will make a real difference.

TRUSTEES' ANNUAL REPORT (CONTINUED)

As previously reported, the Trustees are mindful that the Foundation has considerable reserves and have now introduced a system whereby all applications are recorded, circulated and then properly considered at Trustee meetings so that the overall level of grants being made return to an appropriate level. As also reported previously, they had been considering supporting a major project to celebrate the 50th Anniversary of the Wing Yip Business. The COVID 19 Pandemic delayed any progress with this, and it may be that once the property has been disposed of a major project will again be considered by the Trustees.

FINANCIAL REVIEW**Review of Financial Activities**

The statement of financial activities is shown on page 7. During the year the trustees made grants totalling £64,500 (2020: £74,370). Details of all grants made are shown on pages 12 and 13.

As a result of the requirements of the Charities SORP to account for grants awarded in the year in which the pledge is made rather than the year in which the grant is paid the amount of grants shown in the accounts can show significant fluctuations from year to year.

The net increase in funds for the year was £91,842 including £16,306 surplus on revaluation of investments (2020: surplus £1,009 after £17,701 loss on revaluation of investments).

RESERVES POLICY

The trustees consider that the level of free reserves, which are those funds not invested in fixed assets, should be approximately three months of expended resources which over the last three years equates to £40,000. At the year-end retained free reserves were £422,562 (2020: £348,148) as a result of previously accumulating funds to acquire additional property to provide income to enable the charity to increase its grants and donations. Following the decision to abandon this policy, the trustees intend to review the reserves policy once the property has been disposed of and grant levels have returned to pre Pandemic levels. Total reserves, being free reserves plus funds invested in fixed assets, at the year-end were £1,443,725 (2020: £1,351,883).

RISK MANAGEMENT

The trustees have assessed the major risks to which the charity is exposed in relation to the operation and finances of the trust. The main risk is the loss of income from property arising from tenants vacating their units or failing to meet their financial commitments. This risk is managed by the use of the property department of a Wing Yip group company to manage the property and ensure that it is well-maintained and rental payments are monitored so that any potential problems are detected and remedied at an early stage. The trustees are satisfied that this and other systems of internal control are in place to mitigate exposure to risks.

As stated above under Organisation, the trustees have now incorporated The Foundation as a Charitable Incorporated Organisation (CIO) which also forms part of their risk mitigating policy. They have also decided to dispose of the property which will substantially reduce the income risk to The Foundation and thereby provide certainty of the amounts available for future grant making.

TRUSTEES' ANNUAL REPORT (CONTINUED)**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

The law applicable to charities in England and Wales 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:

STATEMENT OF TRUSTEES' RESPONSIBILITIES (CONTINUED)

- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping 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 SORP 2015 (FRS 102). They 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.

Approved by the Board of Trustees on 30 May 2022 and signed on its behalf by:-

.....) B. J. Yip

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TRUSTEES

.....) J. R. Bates, FCA, DChA

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
W. WING YIP AND BROTHERS FOUNDATION****Independent Examiner's Report to the Trustees of W. Wing Yip and Brothers Foundation**

I report to the charity Trustees on my examination of the financial statements of the charity for the year ended 31 July 2020.

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work or for this report.

Responsibilities and Basis of Report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity'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 2011 Act.

Independent Examiner's Statement

Your attention is drawn to the fact that the charity has prepared the financial statements in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I can confirm that no 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 the charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements 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 financial statements to be reached.

Signed:

Helen Blundell LLB FCA FCIE DChA
MHA MacIntyre Hudson

Chartered Accountants
Rutland House
148 Edmund Street
Birmingham
B3 2FD

Dated: 30 May 2022

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JULY 2021**

	Notes	Unrestricted funds	
		2021	2020
		£	£
INCOME AND EXPENDITURE			
INCOME			
Investment income:			
Rents receivable		142,524	105,599
Bank interest receivable		815	1,408
Dividends received		1,122	2,453
TOTAL INCOME		<u>144,461</u>	<u>109,460</u>
EXPENDITURE			
Expenditure on charitable activities:	3		
Education		50,000	42,700
Community welfare		1,500	6,890
Medical research and relief of suffering		13,000	24,780
Religious activities		-	-
		<u>64,500</u>	<u>74,370</u>
Cost of raising funds			
Investment management costs	4	(1,506)	6,765
Other costs	5	5,931	9,615
		<u>4,425</u>	<u>16,380</u>
TOTAL EXPENDITURE		<u>68,925</u>	<u>90,750</u>
Unrealised gain/(loss) on investments	6	16,306	(17,701)
NET INCOME		<u>91,842</u>	<u>1,009</u>
Balance brought forward		1,351,883	1,350,874
BALANCE CARRIED FORWARD		<u>1,443,725</u>	<u>1,351,883</u>

All of the above transactions relate to unrestricted funds.

There are no recognised gains or resources other than the net movement in funds.

**BALANCE SHEET
AS AT 31ST JULY 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	7	1,021,163	1,003,735
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	8	80,565	21,858
Cash at bank - current account		259,192	204,513
investment account		201,445	201,393
		<hr/>	<hr/>
		541,202	427,764
CURRENT LIABILITIES			
Amounts falling due within one year	9	118,640	79,616
		<hr/>	<hr/>
NET CURRENT ASSETS		422,562	348,148
		<hr/>	<hr/>
NET ASSETS		1,443,725	1,351,883
		<hr/>	<hr/>
UNRESTRICTED FUNDS		1,443,725	1,351,883
		<hr/>	<hr/>

Approved by the Board of Trustees on 30 May 2022 and signed on its behalf by:

.....) B.J. Yip

)

TRUSTEES

.....) J. R. BATES, FCA, DChA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) General information and basis of preparation**

W. Wing Yip and Brothers Foundation is a charitable incorporated organisation registered in England and Wales.

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at fair value. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015). The financial statements have been prepared in accordance with applicable UK Accounting Standards (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following the SORP 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102 and the trustees consider that there are no material uncertainties about its ability to continue as a going concern.

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

Merger accounting

With effect from 2 February 2021, the assets, liabilities and contracts of the predecessor unincorporated charity, registration number 326999, were transferred in to the CIO, registration number 1187265 for nil consideration. The trustees of the predecessor charity became the trustees of the new CIO and all contracts and assets were transferred with effect from that date. The business combination was in substance a merger, as defined in chapter 27 of the Charities SORP (FRS102) and therefore these financial statements reflect the activities of the charity in both years as if it had been operating as a continuing entity for the whole period.

b) Income

Investment income including rents receivable is accounted for in the period in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that the income will be received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021****c) Expenditure**

Costs are included on an accruals basis when there is a legal or constructive obligation to make payments to third parties, settlement is probable, and the obligation can be measured reliably.

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is not binding or is dependent on the occurrence of another event.

d) Fixed asset investments

Investments are stated in the financial statements at market value, which the trustees consider equate to a fair value and is arrived at as follows:

- Freehold property - based upon the reasonable fair estimate of the trustees and subject to periodic professional valuation.
- Quoted investments - closing mid-market value at the balance sheet date.

e) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable payable within one year are recorded at transaction price.

f) Funds

All funds are unrestricted and may be used by the trustees for any purpose in furtherance of the charitable objectives.

g) Judgements and key sources of estimation uncertainty

There are no judgements (apart from those involving estimates) that have been made in the process of applying the accounting policies that have a significant effect on amounts recognised in the financial statements.

There are no other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

h) Cashflow Statement

The charity has taken advantage of the exemption in SORP not to produce a cash flow statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021**

2. TRUSTEES AND KEY MANAGEMENT PERSONNEL REMUNERATION

None of the trustees receives any remuneration, other benefits or expenses from the charity.

There are no employees of the charity and therefore no individuals earning more than £60,000 per annum.

3. GRANTS	2021	2020
	£	£
<u>Educational</u>		
Overseas Chinese Association School	3,000	3,000
Birmingham Chinese School	3,000	2,000
Croydon Chinese School	-	(1,500)
Chinese Education Cultural Community Centre	-	200
Loughborough University	44,000	39,000
	<hr/> 50,000	<hr/> 42,700
<u>Community Welfare</u>		
Birmingham Chinese Community Centre	-	1,000
Insight Counselling	500	1,000
Nechells Community Centre	-	500
The Way	-	1,000
Up n Away	-	1,000
Sunny Days Childrens' Fund	-	300
Help Appeal – County Air Ambulance	1,000	-
Sundry Donations to Community Events	-	2,090
	<hr/> 1,500	<hr/> 6,890

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021**

3. GRANTS PAID (continued)	2021	2020
	£	£
<u>Medical Research and Relief of Suffering</u>		
University Hospitals Birmingham – Parkinson’s Monitors	-	17,500
Brainwave Centre	-	300
Childrens Liver Disease Foundation	-	500
Cure Parkinsons Trust	-	300
Lennox Childrens’ Cancer Fund	-	300
Chinese Community Health Information Centre	-	5,880
Chinese Community Health and Wellbeing Service	10,000	-
Birmingham St Mary’s Hospice	3,000	-
	<hr/> 13,000	<hr/> 24,780
	<hr/>	<hr/>
Total grants paid	<hr/> 64,500	<hr/> 74,370
	<hr/>	<hr/>
4. INVESTMENT MANAGEMENT COSTS	2021	2020
	£	£
Legal and professional charges	494	6,765
Rates	(2,000)	-
	<hr/> 1,506	<hr/> 6,765
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021**

5. OTHER COSTS

	2021	2020
	£	£
Independent Examination fee (governance)	3,250	2,850
Bank charges	8	24
Insurance	1,426	2,686
Legal fees re incorporation	1,247	4,055
	<hr/>	<hr/>
	5,931	9,615
	<hr/>	<hr/>

6. UNREALISED GAINS/(LOSSES) ON INVESTMENTS

	2021	2020
	£	£
Gain/(loss) on revaluation of quoted investments	16,306	(17,701)
	<hr/>	<hr/>

7. INVESTMENTS

FREEHOLD PROPERTY

	2021	2020
	£	£
Fair value at beginning of year	960,000	960,000
Loss on revaluation	-	-
	<hr/>	<hr/>
Fair value at end of year	960,000	960,000
	<hr/>	<hr/>

QUOTED INVESTMENTS

	2021	2020
	£	£
Fair value at beginning of year	43,735	58,983
Addition	1,122	2,453
Gain/(loss) on revaluation	16,306	(17,701)
	<hr/>	<hr/>
Fair value at end of year	61,163	43,735
	<hr/>	<hr/>
TOTAL FIXED ASSETS	1,021,163	1,003,735
	<hr/>	<hr/>

The above assets are all in the UK.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021**

7. INVESTMENTS (continued)

The freehold property was revalued on 15 July 2016 by an external valuer, Mr Luke M. Sutton, BSc (Hons) MRCIS of Lambert Smith Hampton in accordance with the requirements of RICS Valuation Professional Standards 2014.

The valuation was on the basis of market value. The valuer's opinion of market value was derived using recent comparable market transactions on arm's length terms. The trustees believe this valuation represents a fair value for inclusion in the financial statements.

The quoted investments are stated at fair value being the quoted price at the year end.

8. DEBTORS	2021	2020
	£	£
Rents receivable	71,526	13,435
Prepayments	5,783	5,634
Other debtors	3,256	2,789
	<hr/>	<hr/>
	80,565	21,858
	<hr/>	<hr/>

9. CREDITORS	2021	2020
	£	£
Amounts falling due within one year:		
Grants payable	86,000	66,000
Income received in advance	19,667	8,269
Accruals	5,601	5,052
Other creditors	7,372	295
	<hr/>	<hr/>
	118,640	79,616
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021**

10. RELATED PARTY TRANSACTIONS

During the year property management fees of £nil (2020: £2,000) were paid to a W. Wing Yip group company, of which Messrs. W. Wing Yip, R.A. Brittain, B.J. Yip, H.Y. Yap, A.S.Y.W. Yip and J. R. Bates are directors; Mr. W. Wing Yip and E. Yap are also shareholders.

11. MERGER OF PREDECESSOR CHARITY

On 2 February 2021, the assets, liabilities and agreements of the predecessor unincorporated charity registration number 326999, were transferred into a CIO, registration number 1187265 for £Nil consideration. The trustees of the predecessor charity became the trustees of the new CIO and all agreements and intellectual property were transferred on that date.

At the time of the merger, the net assets of the CIO were £NIL, and the predecessor charity were £1,434,629, represented by unrestricted funds.

The analysis of the main components of the Statement of Financial Activities for the year ended 31 July 2021 between the CIO and the predecessor charity were as follows:

	Predecessor Charity £	CIO £	Total £
Incoming resources	84,093	60,368	144,461
Outgoing resources	(11,713)	(57,212)	(68,925)
Other gains	<u>8,153</u>	<u>8,153</u>	<u>16,306</u>
Surplus	82,746	13,521	91,842