



Kung Ho Association

9 Kenrick Place, London W1H 3FF

Annual Report and Financial Statements



Registered Charity Number: 291613

Available at: www.charity-commission.gov.uk

Kung Ho Association

Annual Report of the Management Committee for the Year Ended 5 April 2023

The management committee presents its annual report and financial statements for the year ended 5 April 2023.

Reference and administration information

Name of Charity: Kung Ho Association

Registered Charity Number: 291613

Address: 9 Kenrick Place, London W1H 3FF

Management Committee: Some members of the management committee are also the trustees of the association.

Ms T. Y. Lam	(Chairperson)
Y. B. Pang	(Treasurer)
Y. L. Lau	
K. T. Ho	
K. T. Pang	
Ms Y. Y. Chow	
W. S. Lee	

Bankers:	Bank of China 90 Cannon Street London EC4N 6HA	HSBC Bank plc 8 Canada Square London E14 5HQ
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Independent Examiner: Sunny Liu BA FCCA
Liu's Accountancy
4 Saxon Road
Walton on Thames
Surrey KT12 3HD

Covid-19 Pandemic and its Impact

The pandemic continued to have a fundamental impact on Kung Ho Association and its Chinese school operations during the current financial year. No Sunday schooling, sporting or fundraising events were possible due to the imposed restrictive measures on social distancing and gatherings. The management committee discontinued the online provisions for the Chinese School in 2022 and continued to work towards the re-opening of the main Sunday Chinese lessons.

Structure, governance and management

Kung Ho is an unincorporated charitable association, governed by a written constitution adopted in April 1947. Members of Kung Ho's management committee are elected at the AGM on a two-year term of office. Additional committee members may be co-opted to the management committee during the year. The committee conducted meetings via telephone during the year.

Principal objectives and activities

The principal function of the association remains in charitable activities that directly or indirectly benefit the minority Chinese living in London. Subject to the comments made relating to the pandemic and its impact, the association had run Chinese school classes on Sundays at Westminster College prior to March 2021. For over four decades since its inception in 1968 these classes have benefited thousands of Chinese children, as well as many of those from other ethnic background. The school follows a curricular programme that guides students to attaining excellent grades in GCSE Chinese, a recognised academic qualification in the UK.

Kung Ho's main objectives for next year are:

1. To communicate with prospective parents and students, and to re-start the proactive recruitment of students for the Sunday Chinese schooling from September 2022.
2. To provide information on Kung Ho Chinese School, its opening times, a calendar of activities and other communication with parents and students via its social media page, subject to satisfactory student recruitment for the new academic year.
3. To develop potential income streams (including rental income) to support the ongoing School activities.

Volunteers and members

Volunteers

Prior to the temporary suspension of the School activities, the Kung Ho Association has 6 volunteers and 8 management committee members.

Members

In terms of its membership, the Association has taken an informal approach to the recording members' details and enforcement of rules. With a steady but marginally increasing number of members, the management committee proposed the introduction of a more formal register where personal and membership details could be properly recorded and maintained with due consideration to all current and applicable data protection laws.

Achievements and performance

Background

Kung Ho considers itself an umbrella charitable association that serves to represent and develop a coherent voice for the ethnic Chinese living in London. Generations of students have achieved excellent attainment from the Chinese school in their formal academic training with us every Sunday during school term time. Our students have retained and, for some, regained pride in their cultural roots and values. Many of our former students return to the school as volunteer teachers, further reinforcing the communal aspects of our work.

In conclusion, it has been another very challenging year in relation to services delivered to our members and children at the Chinese school. The management committee continued to recognise the importance of having the association's accounts up to date. The Association would like to thank Liu's Accountancy for their advice and independent examination.

Financial review

The income resources decreased by 2% to £36,468 (2022: £37,550) while resources expended have increased by 29% to £17,752 (2022: £13,803), creating a net surplus to the funds of £18,896 (2022: net surplus of £23,747). This represents a 6% increase of the association's brought forward funds (2022: 8% increase).

Owing to consequential effects and impacts of Covid-19, no official annual dinner took place during the year. The association's cash balance represented 54% of total net assets during the year (2022: 48%).

- Reserves and investment policies

During the year the management committee continued its banking facilities with Bank of China and HSBC, the existing bankers. As the association's reserves are limited and all funds held by the association earn interest tied to the banks' respective base rates, the management committee does not have an investment policy at present. It will review both this and the reserves policy when the association's reserves increase. The free reserves as at the year-end amounted to £163,564 (2022: £141,045).

- Risk assessment

The management committee does not believe the association is subject to any substantial risks beyond the liabilities disclosed in the financial statements. The association has no employees and owns a freehold property at 9 Kenrick Place, London. It holds building and contents insurance policies.

The management committee accepts that the association's reputation could be at risk through a serious complaint regarding a teacher's conduct. In addition to the existing training programme for all volunteer teachers, the management committee is considering formalising the recruitment vetting process of volunteers, which will be reviewed on a regular basis. The process includes the enhanced Criminal Records Bureau on volunteers and committed members.

Accounting and reporting responsibilities

The management committee is responsible for preparing financial statements for each financial year, which gives a true and fair view of the association's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the management committee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgement and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the association will continue in operation.

The management committee is responsible for:

- keeping accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable the management committee to ensure that the annual financial statements comply with the applicable Charities Acts; and
- safeguarding the association assets and for taking reasonable steps for prevention and detection of fraud and other irregularities.

Trustees' declaration

The report was approved by the trustees on 18 December 2023 and signed on their behalf by:

Chairperson

Treasurer

Kung Ho Association

Overall Statement of Financial Activities For the Year Ended 5 April 2023

		Unrestricted funds	Endowment funds	2023	2022
	Notes	£	£	£	£
Income resources					
Income resources from generating funds					
- Activities for generating funds					
Gross takings from events	3	652		652	-
School shop sales				-	-
Donations received				-	500
Sundry income				-	-
- Investment income: bank interest					
Rental income		35,996		35,996	37,050
Incoming resources from charitable resources					
- Subscription & fees				-	-
Total incoming resources		36,648	-	36,648	37,550
Resources expended					
	4-8				
Cost of generating funds					
- Fundraising costs					
Payments for events		3,853		3,853	1,930
Telephone, advertising & promotions		480		480	100
Sundry expenses		1,150		1,150	312
- Investment costs: bank charges					
		748		748	54
Charitable activities (school operations)					
Premises expenses			4,824	4,824	3,733
Repairs & renewals			590	590	452
Travelling				-	1,140
Printing, postage & stationery	8			8	45
Others (including roundings)				-	-
Insurance			893	893	831
Depreciation			5,206	5,206	5,206
Governance costs					
				-	-
Total resources expended		6,239	11,513	17,752	13,803
Net movement in funds					
		30,409	(11,513)	18,896	23,747
Total funds brought forward	16	145,160	163,905	309,065	285,318
Transfers, adjustments & rounding	15	(8,712)	6,307	(2,405)	-
Total funds carried forward		166,857	158,699	325,556	309,065

Kung Ho Association

Statement of Financial Activities - The Association For the Year Ended 5 April 2023

	Notes	Unrestricted funds £	Endowment funds £	2023 £	2022 £
Income resources					
Income resources from generating funds					
- Activities for generating funds					
Gross takings from events	3	652		652	-
School shop sales					
Donations received	3	-		-	500
Sundry income		-		-	-
- Investment income: bank interest					
Rental income		35,996		35,996	37,050
Incoming resources from charitable resources					
- Subscription & fees		-		-	-
Total incoming resources		36,648	-	36,648	37,550
Resources expended					
Cost of generating funds					
- Fundraising costs					
Payments for events & donations	3	3,853		3,853	-
Telephone, advertising & promotions		480		480	100
Sundry expenses		1,150		1,150	312
- Investment costs: bank charges					
		748		748	54
Charitable activities (school operations)					
Premises expenses			570	570	405
Repairs & renewals			590	590	452
Travelling		-		-	-
Printing, postage & stationery		8		8	45
Others (including roundings)					
Insurance			893	893	831
Depreciation			5,206	5,206	5,206
Governance costs		-		-	-
Total resources expended		6,239	7,259	13,498	7,405
Net movement in funds					
		30,409	(7,259)	23,150	30,145
Total funds brought forward	16	138,546	156,680	263,418	233,273
Total funds carried forward		168,955	149,421	286,568	263,418

Kung Ho Association

Statement of Financial Activities - Kung Ho Chinese School For the Year Ended 5 April 2023

	Notes	Unrestricted funds £	Endowment funds £	2023 £	2022 £
Income resources					
Income resources from generating funds					
- Activities for generating funds					
Gross takings from events				-	-
School shop sales		-		-	-
Donations received		-		-	-
Sundry income		-		-	-
- Investment income: bank interest		-		-	-
Rental income		-		-	-
Incoming resources from charitable resources					
- Subscription & fees		-		-	-
Total incoming resources		-	-	-	-
Resources expended					
Cost of generating funds					
- Fundraising costs					
Payments for events		-		-	1,930
Telephone, advertising & promotions		-		-	-
Sundry expenses		-		-	-
- Investment costs: bank charges					
Charitable activities (school operations)					
Premises expenses			4,254	4,254	3,328
Repairs & renewals			-	-	-
Travelling		-		-	1,140
Printing, postage & stationery		-		-	-
Others (including roundings)				-	-
Insurance				-	-
Depreciation			-	-	-
Governance costs		-		-	-
Total resources expended		-	4,254	4,254	6,398
Net movement in funds					
Total funds brought forward	16	-	(4,254)	(4,254)	(6,398)
Total funds carried forward		42,949	(25,579)	17,370	23,768
		42,949	(29,833)	13,116	17,370

Kung Ho Association**Overall Balance Sheet
For the Year Ended 5 April 2023**

		Unrestricted funds	Endowment funds	2023	2022
	Notes	£	£	£	£
Fixed assets					
- Tangible fixed assets	9	-	158,699	158,699	163,905
- Investments	10	-	-	-	-
Total fixed assets		-	158,699	158,699	163,905
Current assets					
- Debtors	11	3,293	-	3,293	4,115
- Cash at bank and in hand		174,337	-	174,337	149,064
Total current assets		177,630	-	177,630	153,179
Creditors:					
- amounts falling due within one year	12	10,773	-	10,773	8,019
Total assets less current liabilities		166,857	158,699	325,556	309,065
Creditors:					
- amounts falling due after one year		-	-	-	-
Net assets		166,857	158,699	325,556	309,065
Funds of the charity	13				
Fund balance brought forward		145,160	163,905	309,065	287,722
Incoming resources		34,243	-	34,243	35,145
Outgoing resources		(6,239)	(11,513)	(17,752)	(13,802)
Transfers	15	(6,307)	6,307	-	-
Gains and losses		-	-	-	-
Fund balance carried forward		166,857	158,699	325,556	309,065

The notes on pages 12 to 17 form part of these financial statements.

Approved by the trustees on 18 December 2023 and signed on their behalf by:

Chairman

Treasurer

Kung Ho Association

Balance Sheet - The Association For the Year Ended 5 April 2023

		Unrestricted Endowment		2023	2022
	Notes	funds £	funds £	£	£
Fixed assets					
- Tangible fixed assets	9		158,699	158,699	163,905
- Investments	10		-	-	-
Total fixed assets		-	158,699	158,699	163,905
Current assets					
- Debtors	11	3,293		3,293	4,115
- Cash at bank and in hand		149,169	-	149,169	123,896
Total current assets		152,462	-	152,462	128,011
Creditors:					
- amounts falling due within one year	12	-		-	1,500
Total assets less current liabilities		152,462	158,699	311,161	290,416
Creditors:					
- amounts falling due after one year				-	-
Net assets		152,462	158,699	311,161	290,416
Funds of the charity					
Fund balance brought forward		126,511	163,905	290,416	262,676
Incoming resources		34,243	-	34,243	35,145
Outgoing resources		(6,239)	(7,259)	(13,498)	(7,405)
Transfers	15	(2,053)	2,053	-	-
Gains and losses		-	-	-	-
Fund balance carried forward		152,462	158,699	311,161	290,416

Kung Ho Association

Balance Sheet - Kung Ho Chinese School For the Year Ended 5 April 2023

	Notes	Unrestricted funds £	Endowment funds £	2023 £	2022 £
Fixed assets					
- Tangible fixed assets	9		-	-	-
- Investments	10		-	-	-
Total fixed assets		-	-	-	-
Current assets					
- Debtors	11	-		-	-
- Cash at bank and in hand		25,168	-	25,168	25,168
Total current assets		25,168	-	25,168	25,168
Creditors:					
- amounts falling due within one year	12	10,773		10,773	6,519
Total assets less current liabilities		14,395	-	14,395	18,649
Creditors:					
- amounts falling due after one year		-		-	-
Net assets		14,395	-	14,395	18,649
Funds of the charity					
Fund balance brought forward		18,649	-	18,649	25,046
Incoming resources		-	-	-	-
Outgoing resources		-	(4,254)	(4,254)	(6,397)
Transfers	15	(4,254)	4,254	-	-
Gains and losses		-	-	-	-
Fund balance carried forward		14,395	-	14,395	18,649

Note 1 Basis of preparation

1. Basis of accounting

These financial statements have been prepared on the basis of historic cost in accordance with:

- Accounting and Reporting by Charities – Statement of Recommended Practice (issued in March 2008) and applicable accounting standards;
- Financial Standards for Smaller Enterprises; and
- The Charities Acts 2016, 2011 and related regulations.

In particular the Statement of Financial Activities shows resources classified to properly reflect the activities of the association. The financial statements have been prepared on a deferred income and accruals basis.

2. Change in basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

3. Changes to previous accounts

No changes have been made to accounts for previous years.

Note 2 Accounting policies

Incoming resources

1. Recognition of incoming resources

These are included in the financial statements when:

- the association becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

2. Incoming resources with related expenditures

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in financial statements.

3. Grants and donations

Grants and donations are only included in the financial statements when the association has unconditional entitlement to the resources.

4. Subscription income and school fees

Subscriptions from members cover a 12 month period and are renewable annually, depending on when the association received the initial subscription. School fees cover a 12 month academic year runs from 1 September to the following 31 August. Fees are payable at the start of each academic year on enrolment or re-enrolment of students.

5. Tax reclaims on donations and gifts

Incoming resources from tax reclaims are included in the financial statements at the same time as the gift to which they relate.

6. Contractual income and performance related grants

This is only included in the financial statements once the related goods or services have been delivered.

7. Gifts in kind

Gifts in kind are accounted for at a reasonable estimate of their value to the association or the amount actually realised.

Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the association.

Gifts in kind for use by the association are included in the financial statements as incoming resources when receivable.

8. Donated services and facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the association is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the association of the services or facility received.

9. Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

10. Investment income

This is included in the accounts when received.

11. Investment gains and losses

This includes any gain or loss resulting from revaluing investments to market value at the end of the year, and on the sale of investments.

Expenditure and liabilities

12. Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the association to pay out resources.

13. Governance costs

Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

14. Grants with performance conditions

Where the association gives a grant with conditions for its payment being a specific level of services or output to be provided, such grants are only recognised in the financial statements once the recipient of the grant has provided the specified service or output.

15. Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grants which remain in the control of the association.

16. Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Assets

17. Tangible fixed assets for use by the association

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

18. Investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

19. Stocks and work in progress

These are valued at the lower of cost or market value.

Note 3 Analysis of incoming resources

	2023	2022
	£	£
Gross takings from events		
Annual dinner	-	500
Badminton tournament	652	-
Chinese New Year celebrations	-	-
Total takings from events	652	500

Note 4 Analysis of resources expended

	2023	2022
	£	£
Payments for events		
Annual dinner	-	-
Badminton tournament	1,333	-
Chinese New Year celebrations	2,520	-
Total payments for events	3,853	-

Note 5 Support costs

The association has not analysed its support costs using activity categories.

Note 6 Details of certain items of expenditure

1. Trustee expenses

No expenses were paid to trustees during the year.

2. Fees for examination of the accounts

No fees were paid for any external statutory scrutiny of accounts or other services provided by the independent examiner.

Note 7 Paid employees

The association has no paid employees during the year.

Note 8 Grant making

1. Total value of grants

The association has not made grants or donations which in aggregate form a material part of the charitable activities undertaken.

2. Grant making costs

The association does not identify and/or allocate support costs associated with grant making.

3. Grant made to institutions

The association has not made grants or donations to particular institutions that are material in the context of its grant making.

Note 9 Tangible fixed assets

1. Cost or valuation

				Freehold Property £	Fixtures, fittings & equipment £	Total £
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(a) Association:

Balance brought forward				260,314	2,533	262,847
Additions				-	-	-
Disposals				-	-	-
Balance carried forward				260,314	2,533	262,847

(b) Chinese School:

Balance brought forward				-	7,527	7,527
Depreciation charge for year				-	-	-
Disposals				-	-	-
Balance carried forward				-	7,527	7,527

2. Accumulated depreciation and impairment provisions

				Freehold Property £	Fixtures, fittings & equipment £	Total £
--	--	--	--	---------------------------	---	------------

	Basis Rate	Straight-line 50 years	Straight-line 4 years	
(a) Association:				
Balance brought forward		96,409	2,533	98,942
Depreciation charge for year		5,206	-	5,206
Disposals		-	-	-
Balance carried forward		101,615	2,533	104,148

					Fixtures, fittings & equipment	Total
				Freehold Property		
				£	£	£

				Basis Rate	Straight-line 50 years	Straight-line 4 years	
(b) Chinese School:							
Balance brought forward					-	7,527	7,527
Depreciation charge for year					-	-	-
Disposals					-	-	-
Balance carried forward					-	7,527	7,527

3. Net book value

(a) Association:

Brought forward	163,905	-	163,905
Carried forward	158,699	-	158,699

(b) Chinese School:

Brought forward			-	-	-
Carried forward			-	-	-
Total net book value carried forward			158,699	-	158,699

4. Revaluation

The fixed assets have not been re-valued during the year.

Note 10 Investment assets

The association has no investment assets.

Note 11 Debtors and prepayments

The association has no overall debtors or prepayments as at the balance sheet date. The association has an intra-balance of £3,293 (2022: £4,115) with its Chinese school; the balance cancels out on consolidation – also see Note 12 and Note 16.

Note 12 Creditors and accruals

The Chinese school has an intra-balance of £3,293 creditors (2022: £4,115) with the association; the balance cancels out on consolidation – also see Note 11 and Note 16.

1. Analysis of creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	-	1,500
Total	-	1,500

2. Security over assets

There is no loan, overdraft or other creditor that holds a charge or other security over any assets of the association.

Note 13 Endowment and restricted income funds

The association holds an expendable endowment fund in respect of its freehold property at 9 Kenrick Place, London.

Note 14 Transactions with related parties

The association has no transactions with related parties (other than the trustee expenses explained in Note 6).

Note 15 Transfers between funds

Property-related expenditures including the depreciation charge on tangible fixed assets, building insurance, repairs and the part-time caretaker cost have been allocated against the endowment funds. The association receives rental income from the property. The transfer between unrestricted and endowment funds at the balance sheet date comprises of the above expenditure movements during the year and is notional in relation to the non-cash depreciation charge on assets.

Note 16 Intra-balances between the Association and the School

The management committee has agreed to cancel the intra-balances of debtors and creditors between the association and the school in avoid the build up of significant balance sheet items. The balances cancel out on consolidation and have no impact on the overall balance sheet or profit and loss account.

Kung Ho Association

Independent Examiner's Report to the Trustees of Kung Ho Association

I report on the financial statements of Kung Ho Association for the year ended 5 April 2023, which are set out on pages 6 to 17.

This report is made solely to the association's trustees, as a body, in accordance with Section 43(3) of the Charities Act 1993 (the Act). My examination has been undertaken so that I might state to the 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 association and the association's trustees as a body for my examination, for this report or for the opinion I have formed.

Respective responsibilities of trustees and examiner

The association's trustees are responsible for the preparation of the financial statements and accompanying notes. The trustees consider that the audit requirement of Section 43(2) of the Act does not apply and that an independent examination is needed. It is my responsibility to:

- examine the financial statements in accordance with Section 43(3)(a) of the Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under Section 43(7)(b) of the Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the association 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 I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

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

- which gives me reasonable cause to believe that, in any material respect, the requirements to:
 - o keep proper accounting records in accordance with Section 41 of the Act; and
 - o prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Sunny Liu BA FCCA
Liu's Accountancy
4 Saxon Road
Walton on Thames
Surrey KT12 3HD

18 December 2023