

Islington Chinese Association
Report and accounts for the year ended 31 March 2021
Registered Charity Number
Registered Company Number

1042435
02663906

ISLINGTON CHINESE ASSOCIATION

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2021**



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Legal and Administrative information

The full name of the charity is ISLINGTON CHINESE ASSOCIATION, (hereafter called ICA).
Its legal registration details are:

Date of incorporation	13 November 1991
Company Registration Number	02663906
Registered Office	21 Hatchard Road, London N19 4NG
Charity Registration Number	1042435
Telephone number	020 7263 5986

Bankers	Lloyds TSB, Highbury Corner Branch, 31 Holloway Road, London N7 8JU
Solicitors	Ms Wei Ling Choi LLB (Hons) Kamberley Solicitors 100A Chase Side, London N14 5PH

Chief Executive Officer

Ms Donna So (from August 2019 to 15 December 2020)

Dr Stephen Lui Nam Ng MBE, *Interim and Voluntary* (from 16 December 2020 to 8 June 2021)

Ms Belinda Lip (from 19 July 2021)

Management Committee officers and members who served on the Board of Directors during the year end up to the date of signature of the financial statements were:

CHAIRMAN	Mrs Hanifah Law (resigned 4 October 2020) Mr Christopher Ng (appointed 4 October 2020, resigned 14 October 2021)
ACTING CHAIRMAN & TREASURER	Mr Joseph Lee (appointed 14 October 2021)
VICE CHAIR	Ms Hinchee Hung (appointed 5 June 2021, resigned 5 August 2021)
SECRETARY	Mr Kenneth Wong (resigned 5 June 2021) Ms Fiona Au (appointed 5 June 2021; resigned 31 July 2021) Mr. Joseph Long (appointed 14 October 2021)
TREASURER	Ms Hinchee Hung (resigned 5 June 2021) Ms Doris Yeung (appointed 1 August 2021, resigned 8 October 2021)

MC MEMBERS

Mr Brian Boylan

Ms Suk Wai Cheung Yildiz

Mr. Jasper Wong (resigned 4 October 2020)

Dr. Stephen Ng MBE (co-opted 23 June 2021, elected 1 August 2021)

Mr. Gregory Yin (co-opted 4 October 2020, resigned 11 December 2020)

Mr. Joseph Lee (elected 1 August 2021)

Mr. Joseph Long (elected 1 August 2021)

Trustees' report

Objectives and activities of the Charity

Established in 1986, the Islington Chinese association (ICA) works tirelessly in advancing the rights of Chinese people in London and beyond, building a vibrant and integrated community. Its aim is to promote diversity through integration, challenge limitations and facilitate social change.

ICA's focus is to work towards a fair and just society whereby Chinese people can assimilate into the wider society and enjoy living in the UK and celebrating its shared values. ICA provides social services, promotes Chinese traditions and cultural heritage, serves as a bridge between Chinese immigrants and mainstream groups, promotes British/Chinese interests and engages in other charitable activities.

The charity's activities include: running a luncheon club for locals and pensioners, promoting wellbeing and health through sports, social, cultural and arts programmes, outreach and befriending, enabling volunteer participation, facilitating a hub for youth meetings, providing support to the homeless with free breakfasts throughout the year and twice monthly vegetarian lunches as well as winter shelter between January and March.

ICA is a hub for community cohesion and hires out its rented premises for community groups and functions at community rates.

A year in review

The Covid pandemic significantly made the year 2020/21 a difficult and turbulent one. The ICA community has had to weather the shock of losing our members to Covid, to disease and shielding. Our services have been interrupted by multiple lockdowns and the uncertainty that that brings. Some of our staff have had to endure loss of earnings through furlough.

But despite that ICA has been resilient. The trustees have considered the impact and risks of Covid and have taken measures to ensure that safety measures are in place. We have adapted our service offers to accommodate, first, virtual events, then moved to hybrid models with each stage of lockdown easing. The priority has always been our staff and members first.

Finally, in April 2021, we reopened the centre with caution, resuming luncheon club facilities in the car park, and in May we added limited indoor physical activities. ICA will continue to be in the vanguard of community centres to reopen.

Time for reflection as we move ahead

In the past year the new Board of Trustees have distilled a set of 4 Core values to permeate the charity's decision making-Be brave; Be open and accountable; focus on the bigger picture; Be inclusive. In line with these core values the Board has prescribed Strategic Plans and steered a clear way forward. We hope that all the stakeholders are seeing the benefit of our plans.

ICA will grow its membership. We will reach out to younger members of the Chinese Community, be they new arrivals or established residents and offer new activities that cater to their broad needs and leisure hours. All these, without compromising our offerings for older members of retirement age.

In the financial year ICA rejoiced in receiving funding from the City Bridge Trust for a 5 year project entitled 'Thriving Beats Surviving', which we refer to as TBS. ICA is delighted to have had its 'realising

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effective Community' project extended for 7 months. A Cripplegate Foundation funded project has enabled us to add a Digital Services co-ordinator to the staff team. For a brief period ICA has also had funding for our 'New normal new challenge' project tackling hate crime. Last but not least ICA is ever grateful to Islington Council for their continued support of our Luncheon Club activities.

The TBS project has re-invigorated us all. The boundary of vision for this project does not stop at our centre gates. We will be reaching out to other Chinese community centres to skill share, form partnerships with other charities in our gradual efforts to deliver befriending services to non-English speaking Chinese elderly members. Over the course of 2021 we will be publishing more informational resources online on ICA's website. We will make better usage of social media and move resolutely toward modernising ICA's systems, for example in replacing cash handling with more covid-safe contactless payment facilities.

The coronavirus pandemic will not evaporate this year or indeed next. But where government guidelines permit we will create more ICA services to attract the young and the old. We want members to return to the Centre to enjoy these facilities. We want us all to thrive, and not just survive.

To borrow a phrase ICA intends to Build Back Better.

Financial review

The Financial statements are set out on pages 8 to 14.

In 2020/21 grant funding accounted for 86% of ICA's incoming resources as recurring activities generating income significantly decreased due to the pandemic and its subsequent restrictions to the wider community. The National Lottery Community fund and Islington Council were the main funders during the year under review. Islington council's £13,000 Luncheon Club grant subsidises nutritious and convivial lunches and brings many members out of potential isolation. In addition Cripplegate Foundation provided a grant of £19,000 to increase the Digital capabilities of the Centre during the year and City Bridge Trust's grant instalment of £12,000 for the Thriving Beats Surviving project was received in the last quarter of the financial year. Without the steady support of these funders, ICA would not be here to enrich the local community.

In 2020/21 the charity's activities generated a deficit of £4,036 (2020 Surplus £25,214) before depreciation -reflecting a financial year with minimal in person activity at the Centre and absence of the popular lunch club for the majority of the year due to the restrictions as a result of the pandemic. The deficit was minimised with the furlough of some of the staff team and injection of new funding received during the year. The trustees are confident that with the lifting of restrictions and its renewed offer of activities for the elderly and new members ICA can return to a surplus position in the coming year.

The Statement of financial Activities for the year ended 31 March 2021 showed a net decrease in incoming resources for the year of £112,541 (2020: increase of £23,148) and the total restricted and unrestricted reserves at the year end stood at £ 279,885 (2020: £295,994).

Reserves Policy

Reserves are needed to meet the working capital requirements of the charity. ICA's policy is to maintain the Reserves Target at a minimum of 3-6 months budget expenditure Based on the 2020/21

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current levels of overhead expenditure, this would be between £40,000 to £80,000.

As at 31 March 2021, unrestricted reserves were £278,676 which represented approximately 7 months of expenditure. The trustees are confident that at this level they would be able to continue the activities of the charity in the event of a significant drop in funding.

Investment Policy

Funds held by ICA are managed by the trustees. No investment advisors have been appointed.

Risk Management

The trustees conduct an annual review of the major risks to which the charity is exposed and in particular the risks arising from covid-19 since 2020. Internal control systems have been established to mitigate the risks the charity faces and these are reviewed from time to time. Significant external funding risks have led to the development of a strategic plan which allows for the diversification of funding and activities. Procedures are in place to ensure compliance with health and safety regulations for staff, volunteers and all centre users.

This report was approved by the Board of trustees on 1/11/2021 and signed on its behalf by



Joseph Lee
Acting Chair and Treasurer

Statement of Directors' and Trustees' Responsibilities

Charity law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditures for the financial year. In preparing those, these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be 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 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 to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent examiner's report

for the year ended 31 March 2021

I report on the financial statements of Islington Chinese Association for the year ended 31 March 2021 which are set out on pages 8 to 14.

Respective responsibilities of the trustees and examiner

As the charity trustees (and also the directors of the company for the purposes of company law) you are responsible for the preparation of the financial statements. 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.

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:

- a) examine the accounts under section 145 of the 2011 Act
- b) follow the procedures laid down in the General Direction given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- c) state whether any particular matters have come to my attention

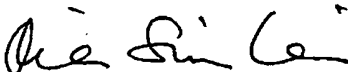
Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes the review of the accounting records kept by the Charity and a comparison of the financial statements with those records. It includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the trustees concerning 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 show a 'true and fair' view and the report is limited to those matters set out on the statement below.

Independent examiner' Statement

In accordance with my statement , no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - (i) to keep proper records in accordance with section 386 of the Companies Act 2006 ; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting Requirements of section 396 of the companies act 2006 and with the other methods and principles of the Statement of Recommended Practice: Accounting and reporting for Charities have been met : or
- 2) to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached.



Mei Sim Lai OBE DL FCA FCCA
LaiPeters & Co. Chartered Accountants
Suite a, 6 Honduras Street
London EC1Y 0TH

1/11/2021

Islington Chinese Association

Statement of Financial activities (including Income and Expenditure accounts) For the year ended 31 March 2021

	2021		2020	
	Unrestricted funds	Restricted funds	Total funds	Total funds
Incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary Income	10,892	7,346	18,238	25,263
Activities for generating funds	4,805	-	4,805	129,380
Investment Income	183	-	183	1,150
<i>Incoming resources from charitable activities</i>				-
<i>Other incoming resources</i>	1,464	95,540	97,004	97,371
Government grant (CJRS " furlough " scheme)	20,394	-	20,394	-
Total incoming resources	37,738	102,886	140,624	253,164
<i>Costs of generating funds</i>				
Costs of generating voluntary income	44,556	101,677	146,233	230,016
<i>Costs of charitable activities</i>				
Total resources expended	44,556	101,677	146,233	230,016
Net incoming resources before transfers between funds	(6,818)	1,209	(5,609)	23,148
Gross transfers between funds	176,140	(176,140)	-	-
Net incoming resources before other recognised gains and losses	169,322	(174,931)	(5,609)	23,148
Repayment of property fund donations	(10,500)	-	(10,500)	-
Net movement in funds	158,822	(174,931)	(16,109)	23,148
Reconciliation of funds				
<i>Total funds brought forward</i>	119,854	176,140	295,994	272,846
Total funds carried forward	278,676	1,209	279,885	295,994

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Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed Assets			
Property, Plant & Equipment	8	5,390	5,754
Current assets			
Debtors	9	1,133	20,229
Inventories			802
Cash at bank and in hand		334,793	318,451
Total current assets		335,926	339,482
Creditors			
Amounts due within one year	10	(61,431)	(49,242)
Net current assets		274,495	290,240
Net assets		279,885	295,994
RESERVES			
Unrestricted income funds			
Unrestricted revenue accumulated funds		253,676	94,854
Designated revenue funds	11	25,000	25,000
Total unrestricted funds		278,676	119,854
Restricted funds			
Revenue accumulated property fund		-	176,140
Other restricted Funds		1,209	-
Total restricted funds		1,209	176,140
Total charity funds		279,885	295,994

The directors/trustees are satisfied that for the year in question the charitable company was entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act 2011, the accounts have been examined by an Independent Examiner whose report appears on page 7.

The directors/trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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

Approved by the Board on 1/11/2021 and signed on its behalf by:


 Joseph Lee
 Acting Chair and Treasurer

Islington Chinese Association

Notes to the Accounts for the year ended 31 March 2021

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year except for depreciation on fixed assets. They have been consistently applied within the same accounts.

Basis of preparation of the accounts

The financial statements have been prepared in accordance under the historical cost convention and comply with the Companies Act 2006 and in accordance with the Charity SORP. "Accounting and Reporting by Charities": Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 ". The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland". They are prepared in sterling which is the functional currency of the company.

Accounting convention

The charity is entirely dependent on continuing grant aid and as a consequence the going concern basis is also dependent on continuing grant aid. The directors/trustees have considered future cash flows and the going concern position of the charity in the light of COVID-19. They are satisfied that the charity has adequate resources to continue in business for the next 12 months and foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Incoming Resources

Incoming resources are accounted for when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants, donations and gifts and is included in the year in which they are received, unless they relate to a specific period when they will be recognized over the period to which they relate.

Deferred income

In accordance with the SORP, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Resources expended

Liabilities are recognized on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP. All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Charitable activities

All costs directly related to the meeting of the objectives of the charity including that of active fundraising are included in this heading.

Inventories

Stock of food and other items is valued at the lower of cost and net realizable value.

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Fixed assets and depreciation

All tangible fixed assets are stated at cost less accumulated depreciation and has been provided at the following rates in order to write off the assets (less their expected residual value) over their estimated useful economic lives.

Renovations & lease improvements	over remaining period of current lease
Office Furniture & Fittings	3 years (2020: 5 years)
Equipment	3 years (2020: 2 years)
Plant and machinery	3 years (2020: 5 years)

The period of write off was changed to 3 years in the year. However the opening figures have not been restated to reflect this change of accounting policy as the amounts involved are not considered to be material.

Capital grants

The board of trustees considers that, in order to comply with the SORP, gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilized in the furtherance of the objectives of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

If the related assets are subject to restrictions by the grant making organization on their use and disposal, then these restrictions are noted in the fixed asset section of these accounts.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities

Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of trustees in furtherance of the objectives of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objectives to the charity.

The charity is incorporated under the Companies Acts and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

There were 195 members as at 31 March 2021 (2020 491 members).

3 Surplus /(Deficit) for the financial year	2021	2020
	£	£
This is stated after crediting/charging:		
Revenue from ordinary activities:	140,624	253,164
Depreciation of owned fixed assets	1,573	2,066
Rentals under operating leases	11,000	11,000
Independent examiner's fee	2,000	2,000

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4 Costs of Charitable activities

	2021	2020
	£	£
Salaries & Staff costs	107,240	97,451
Administrative expenses	2,646	4,387
Premises and related costs	24,533	34,459
Professional fees	4,377	6,262
Activities costs	5,862	85,391
Depreciation	1,573	2,066
	<u>146,233</u>	<u>230,016</u>
Unrestricted	44,556	129,619
Restricted	<u>101,677</u>	<u>100,397</u>
	<u>146,233</u>	<u>230,016</u>

5 Investment Income

	2021	2020
	£	£
Bank deposit interest receivable	183	504

6 Staff Costs and Emoluments

	2021	2020
	£	£
Gross Salaries & Employer's NIC	105,082	86,425
Staff Pensions Costs	2,159	
1,337		
Numbers of full time employees or full time equivalents		
Engaged on charitable activities	5	5
Engaged on management and administration	1	1
	<u>6</u>	<u>6</u>

During the year, £761 was reimbursed for expenses claimed by a trustee.

There were no employees with emoluments in excess of £60,000 per annum.

7 Pensions

Existing employees of the charity were enrolled in the Workplace Pension Scheme with NEST which is funded by contributions from employee and employer. The company does not operate any other defined contributions scheme for the benefit of its employees. Contributions payable are recognized in Statement of Financial Activities when due.

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8 Tangible Fixed Assets

	Renovations	Office, Furnitures and Fittings	Plant & Machinery	Restricted Fund assets
	£	£	£	£
Asset cost, valuation or revalued amount				
At 1 April 2020	49,602	10,388	31,617	-
Additions	-	-	-	1,435
At 31 March 2021	49,602	10,388	31,617	1,435
Accumulated Depreciation				
At 1 April 2020	49,602	6,912	29,339	-
Charge for the year	-	1,058	266	226
At 31 March 2021	49,602	7,970	29,605	226
Net Book Value at 31 March 2021	-	2,418	2,012	1,209
Net Book Value at 31 March 2020	-	3,476	2,278	-

The total Net Book value of tangible fixed assets at 31 March 2021 amounted to £ 5,390 (2020 £ 5,754).

9 Debtors

	2021	2020
	£	£
Prepaid Expenses	1,133	1,778
Trade Debtors	-	7,890
Other debtors	-	10,561
	<u>1,133</u>	<u>20,229</u>

10 Creditors: amounts due within one year

	2021	2020
	£	£
Trade & Operating Creditors	3,197	4,043
Deferred income	53,985	38,738
Accruals	<u>3,875</u>	<u>9,461</u>
	<u>61,057</u>	<u>49,242</u>

As of 31 March 2021, there is unused restricted funds of £53,985 held from all restricted funds mainly composed of City Bridge Trust funds of £12,000 supporting the 'Thriving Beats Surviving' efforts, of £15,000 from Big Lottery Community supporting the 'Realising Effective Community' project and £12,654 from Islington Council for the Luncheon Club.

Refer to note 13 for Analysis of movement in unrestricted general funds and restricted funds.

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11 Restricted General Income funds

On 16 June 2020, orders issued by the Charity Commission gave permission for the Premises Appeal Fund of £176,140 less refunds requested by original donors of £11,310 amounting to £164,830 be transferred to unrestricted funds. This includes £34,458 of unclaimed donations by original donors which were unclaimed by the set deadline of 16 June 2021. During the year 3 repayments of £10,500 were paid to those who requested refunds and the remaining balance has been transferred to unrestricted funds.

12 Particulars of Individual Funds and analysis of assets and liabilities representing funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds
As at 31 March 2021				
Tangible fixed assets	4,181		1,209	
Current assets	310,926	25,000	-	335,931
Current liabilities	(61,431)	-	-	(61,431)
	<u>253,676</u>	<u>25,000</u>	<u>1,209</u>	<u>279,885</u>
Designated funds relate to				
Improvement to premises		15,000		
Staff costs contingency		10,000		
Purchase of permanent premises				
As at 31 March 2020				
Tangible fixed assets	5,754	-	-	5,754
Current assets	138,343	25,000	176,140	339,483
Current liabilities	(49,243)	-	-	(49,243)
	<u>94,854</u>	<u>25,000</u>	<u>176,140</u>	<u>295,994</u>

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13 Analysis of movement in funds as shown in the table above

	Incoming resources £	Outgoing resources £	Movement in funds £
Unrestricted general funds			
Donations	10,692		
Luncheon club	2,206		
Other activities and fundraising	2,663		
Bank interest income	183		
Hall and facilities hire	1,600		
Government grant (" furlough" scheme)	20,394		
	37,738	(44,556)	(6,818)
Restricted funds			
LB Islington Luncheon club	7,346	(7,346)	-
Islington Council VCS	11,250	(11,250)	-
National Lottery Awards for All	4,220	(4,220)	-
National Lottery Community Fund	80,070	(78,861)	1,209
	102,886	101,677	1209
Sub-total			
	140,624	(146,233)	(5,609)
Total			