

CONFUCIUS & TAO ASSOCIATION (UK)

**(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED
CHARITY)**

REPORT AND ACCOUNTS

for the year ended 31 July 2015

COMPANY NO: 07323872 (ENGLAND & WALES)

REGISTERED CHARITY NO: 1138997

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CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
REPORT AND ACCOUNTS
For the year ended 31 JULY 2015

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CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
OFFICERS AND PROFESSIONAL ADVISERS
For the year ended 31 July 2015

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Trustees/Directors	D M H Chin (Chairman) C Y He J C Khaw H G Phua (Treasurer)
Company Number	07323872 (England & Wales)
Registered Charity Number	1138997
Registered Office	<u>To 21.04.2015</u> 33 St Davis Square London E14 3WA <u>From 21.04.2015</u> The Lord Brooke 47 Shernhall Street Walthamstow London E17 3EY
Charity's address	The Lord Brooke 47 Shernhall Street Walthamstow London E17 3EY
Independent Examiner	Mei Sim Lai OBE DL FCA FCCA LaiPeters & Co Chartered Accountants New Broad Street House 35 New Broad Street London EC2M 1NH
Bankers	HSBC Bank Canada Place Canary Wharf London E14 5AH

CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
TRUSTEES' REPORT
For the year ended 31 July 2015

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The trustees present their report and the accounts for the year ended 31 July 2015.

CONSTITUTION

Confucius Tao Association (UK) is a company limited by guarantee with no share capital incorporated on 22 July 2010. The company was granted charity status on 12 November 2010 and is governed by its Memorandum and Articles of Association.

OBJECTIVES OF THE CHARITY

The objects of the charity are:

1. To advance religion for the public benefit by promoting Buddhism and the teachings of the great Tao
2. To promote the mental or spiritual improvement of the community for the public benefit by sponsoring the teachings of Confucius
3. To promote religious and racial harmony for the public benefit by enhancing mutual understanding amongst all races and cultures in United Kingdom
4. To relieve those in need by provision of charitable, physical or moral assistance , for the public benefit

PUBLIC BENEFIT

The trustees have considered their duty as outlined in Section 4 of the Companies Act 2006 to have due regard to the Charity Commission's guidance on public benefit . The purpose of the charity is enshrined in its objectives as outlined above. The trustees ensure that this purpose is carried out for the public benefit by delivering a range of suitable activities.

GOVERNANCE AND ORGANISATION

The trustees are responsible for the general control and management of the charity. One person is appointed as the Chairperson of the trustees and duties and responsibilities are allocated amongst the trustees and members. Meetings of the trustees are held throughout the year to deal with matters relating to the running of the charity and activities for members. The charity does not have any employees.

DIRECTORS/TRUSTEES

The trustees who have served during the year under review and to the date of signing these accounts are:

D M H Chin (Chairman)
C Y He
J C Khaw
H G Phua (Treasurer)

Each of the above trustees is also a member and director of the company and each is liable to contribute an amount not exceeding £1 in the event of the company being wound up.

RISK MANAGEMENT

The trustees are aware of the major operational and business risks which the charity faces and are confident that adequate systems are in place to mitigate any significant risks.

RESERVES POLICY

The trustees have examined the requirement for free reserves which are those unrestricted funds not invested in fixed assets, designated for special purposes or otherwise committed. The trustees consider that there are sufficient unrestricted funds to carry out the activities of the charity and to meet its running costs for at least 6 months ahead.

INVESTMENT POWERS AND POLICY

The charity's investment powers are governed by the Memorandum and Articles of Association. This permits the charity's funds to be invested in investments, securities or property as may be thought fit but only after obtaining appropriate advice from a Financial Expert.

ACHIEVEMENTS AND ACTIVITIES DURING 2014/15

The key achievement of the charity for the year under review was the acquisition of a freehold premises at 47 Shernhall Street, Walthamstow. Refurbishment of the property commenced in November 2014 together with the application for the change of use for the building.

During the refurbishment period, members of the organisation continued with its fundraising activity. All other public activities described during the 2013/14 period were suspended pending the completion of the refurbishment and application for change of use.

The charity operates in London. However it has informal links with other independent charity organisations based in Birmingham and Glasgow. Fundraising was carried out in those locations for the charity. The charity also raised funds from supporters based in New Zealand and other countries during the year.

Members from London supported a Youth Seminar organized by a similar independent charity based in Birmingham during the April Easter holiday.

PURCHASE OF FREEHOLD PROPERTY FOR USE AS TEMPLE

The charity was successful in purchasing the Freehold property at 47 Shernhall Street, Walthamstow that was put up for sale in July 2014. The purchase of the property was completed in August 2014. The cost of the Freehold Property was £740,000. With related professional and other costs of £4259, the total costs of the Freehold Property amounted to £744,259. Further costs of £85,277 were spent on improving the property and converting it into suitable accommodation for the use of the charity. The trustees have agreed a budget of up to £150,000 for additional work on the property including completing the fitting out of it with fixtures and equipment.

The purchase and subsequent improvement costs were funded by donations raised in the past few years to date specifically for this purpose. As at 31 July 2015 the total loans relating to the property that have been generously provided by supporters of the charity amounted to £410,774 (2014 £403,774). These are interest free loans with no fixed repayment terms.

CONFUCIUS & TAO ASSOCIATION (UK)

(A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL AND A REGISTERED CHARITY)

TRUSTEES'REPORT

For the year ended 31 July 2015

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The charity has submitted a planning application to its local Council, the London Borough of Waltham Forest for change of use of the property to a temple. The application was rejected by the Council on 27 January 2016. The trustees are disappointed with the Council's decision and have obtained professional advice on the next course of action. Further consultations with the Council have since taken place but at the date of these accounts a decision has not yet been made on re-applying for planning permission.

FINANCIAL REVIEW

The charity achieved a surplus of £103,508 (2014 £89,912) primarily due to its success in raising funds from its members and supporters in London, Glasgow, Birmingham and from overseas. As at 31 July 2015, the total reserves of the charity amounted to £475,965 (2014 £372,457).

FUTURE PLANS

The trustees have to focus on resolving the planning issue with the Local Council . Meanwhile the improvement work to the property is continuing mainly with the help of volunteers

STATEMENT OF DIRECTORS'/TRUSTEES'RESPONSIBILITIES

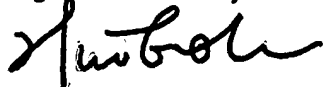
The directors/trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors/trustees to prepare financial statements for each financial year. Under the law the directors have to elect to prepare the financial statements in accordance with United Kingdom generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounting statements are required by law to give a true and fair view of the state of affairs of the company and of its surplus or deficit of the company for at period. In preparing these financial statements the directors/trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Observe the methods and principles in the Charities SORP
- State whether applicable accounting standards and statements of accounting practice have been followed, subject to any departure disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis and in accordance with applicable accounting standards

The directors/trustees are responsible for keeping proper accounting records which 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 Companies Act 2006. 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.

This report was approved by the Board of Trustees on 31 May 2016
and signed on its behalf by



H G PHUA

Trustee

CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)

INDEPENDENT EXAMINER'S REPORT
For the year ended 31 July 2015

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I report on the financial statements of Confucius & Tao Association (UK) ("the charity") for the year ended 31 July 2015 which are set out on pages 6 to 11.

Respective responsibilities of the Trustees and Independent Examiner

The trustees of the charity (who are also directors of the company for the purposes of company law) are responsible for preparing the financial statements. The trustees of the charity consider that an audit is not required for the year (under section 144 (2) of the Charities Act 2011 ("the 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, I have:

-examined the accounts under section 145 of the 2011 Act

-followed the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act; and

-stated whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with General Directives given by the Charity Commission and regulation 11 of the 2006 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeks explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Companies Act 2006 which are consistent with the method and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the Financial statements to be reached



Mei Sim Lai OBE DL FCA FCCA
LaiPeters & Co, Chartered Accountants
New Broad Street House
35 New Broad Street
London EC2M 1NH
31 May 2016:

CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 July 2015

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	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
INCOMING RESOURCES					
Incoming resources from generated Funds					
<i>Voluntary income</i>					
Donations , grants and similar incoming resources	3	48,366	150,509	198,875	120,690
Interest receivable	3		92	92	571
Total incoming resources		48,366	150,601	198,967	121,261
RESOURCES EXPENDED					
Charitable activities	4	38,275	56,074	94,349	30,389
Governance costs	5	1,110	-	1,110	1,110
Total resources expended		39,385	56,074	95,459	31,349
Net incoming resources		8,981	94,527	103,508	89,912
Reconciliation of funds					
Total funds brought forward		20,841	351,616	372,457	282,545
Total funds carried forward		29,822	446,143	475,965	372,457

The charity had no gains or losses during the year other than those shown above. All the above results are derived from continuing activities

The notes on pages 6 to 11 form part of these financial statements.

CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
BALANCE SHEET
31 July 2015

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	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	2	831,849	745,531
CURRENT ASSETS			
Debtors	7	24,670	16,755
Cash at Bank	8	<u>43,412</u>	<u>15,985</u>
		68,082	32,740
CREDITORS: amounts falling due within one year			
Creditors	9	(13,192)	(2,040)
NET CURRENT ASSETS		<u>54,890</u>	<u>30,700</u>
		886,739	776,231
CREDITORS: amounts falling due after more than one year	10	(410,774)	(403,774)
		<u>475,965</u>	<u>372,457</u>
RESERVES			
Unrestricted funds		29,822	20,841
Restricted funds	11	<u>446,143</u>	<u>351,616</u>
TOTAL RESERVES		<u>475,965</u>	<u>372,457</u>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31 July 2015:

- The company was entitled to exemption from audit under section 477 of the Companies Act 2006 ("the Act")
- Members have not 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 5.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

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

The accounts were approved and authorised for issue by the Board on 31 May 2016 and signed on behalf of the Board of trustees by:



H G PHUA
Trustee

1. ACCOUNTING POLICIES

(a) Basis of preparation of accounts

The accounts are prepared under the historical cost convention and comply with the Companies Act 2006 and with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards.

(b) Incoming resources

Income representing the value of gifts, donations and contributions from members is recognised in full in the statement of Financial Activities when receivable.

(c) Resources expended

Resources expended include attributable VAT which cannot be recovered

(d) Unrestricted and Restricted Funds

Unrestricted funds are donations and other income receivable or generated for the charity without a specified purpose and are available for the general use of the charity.

Restricted Funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to these accounts.

(e) Depreciation

Depreciation is provided at rates calculated to write off the costs of fixed assets, less their residual value, over their expected useful lives on the following basis:

Freehold buildings	5% straight line
Fixtures and equipment	25% reducing balance

(f) Foreign exchange

Transactions in respect of donations from overseas, denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange at the balance sheet date.

CONFUCIUS & TAO ASSOCIATION (UK)
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NOTES TO THE ACCOUNTS
For the year ended 31 July 2015

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2. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures and Equipment £	Total £
Cost			
At beginning of year	744,259	3,281	747,540
Additions during year	85,277	57,115	142,392
Cost at end of year	<u>829,536</u>	<u>60,396</u>	<u>889,932</u>
Depreciation			
At beginning of year	-	2,009	2,009
Charge for year	41,477	14,597	56,074
At end of year	<u>41,477</u>	<u>16,606</u>	<u>58,083</u>
Net Book Value			
31 July 2015	<u>788,059</u>	<u>43,790</u>	<u>831,849</u>
31 July 2014	<u>744,259</u>	<u>1,272</u>	<u>745,531</u>

3. INCOMING RESOURCES

	<u>2015</u> £	<u>2014</u> £
Unrestricted donations	42,528	20,210
Sale of donated goods	2,380	-
Gift Aid recoverable	3,087	1,901
Uniforms	371	72
Total unrestricted incoming resources	<u>48,366</u>	<u>22,183</u>
Donations to pay rent	-	14,000
Donations for property, fixtures & equipment	129,939	73,732
Gift Aid recoverable	<u>20,570</u>	<u>10,775</u>
	150,509	98,507
Bank interest	92	571
Total Restricted incoming resources	<u>150,601</u>	<u>99,078</u>
Total Incoming resources	<u>198,967</u>	<u>121,261</u>

CONFUCIUS & TAO ASSOCIATION (UK)
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NOTES TO THE ACCOUNTS
For the year ended 31 July 2015

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4. RESOURCES EXPENDED

	2015	2014
	£	£
Charitable activities		
Meetings, events and seminar expenses	9,380	7,152
Support costs:		
Rent of premises	2,500	16,800
Utilities	15,348	3,038
Insurance	1,580	-
Professional Fees	8,961	-
Printing & Stationery	111	84
General Expenses	391	484
Bank charges	4	127
Depreciation of Freehold buildings	41,477	-
Depreciation of Fixtures & Equipment	14,597	424
Donation to China Earthquake	-	2,280
Total cost of charitable activities	<u>94,349</u>	<u>30,389</u>

5. GOVERNANCE COSTS

	2015	2014
	£	£
Independent Examiner's Fee (including VAT)	960	960
Other	150	-
	<u>1,110</u>	<u>960</u>

6 TRUSTEES' REMUNERATION

The trustees are not remunerated and no expenses were claimed by the trustees during the year.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Prepayment	1,013	-
Rent Deposit	-	1,100
Gift Aid recoverable	<u>23,657</u>	<u>15,655</u>
	<u>24,670</u>	<u>16,755</u>

8. CASH AT BANK AND IN HAND

	2015	2014
	£	£
Cash at Bank- Current account	7,935	14,100
Cash at Bank- Savings account	<u>35,477</u>	<u>1,885</u>
	<u>43,412</u>	<u>15,985</u>

CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
NOTES TO THE ACCOUNTS
For the year ended 31 July 2015

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9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Accruals	<u>13,192</u>	<u>2,040</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Loans to assist with the purchase of a building for use as a temple and improvements to building afterwards	<u>410,774</u>	<u>403,774</u>

The above loans have been provided by supporters of the charity on an interest free basis. No repayment terms have been fixed as this will be mutually decided and applied at a later date.

11. RESTRICTED FUNDS

	2015	2014
	£	£
BUILDING FUND		
At beginning of year	351,616	266,838
Net increase in year	94,527	85,078
At end of year	<u>446,143</u>	<u>351,616</u>
OTHER RESTRICTED FUNDS		
Donations in year to pay rent	-	14,000
Utilised in year	-	(14,000)
Professional fees		
At end of year	-	-
Total of Restricted Funds at end of year	<u>446,143</u>	<u>351,616</u>

12. CONTROL

The charitable company was controlled during the year by the board of Directors/trustees.

13. RELATED PARTIES TRANSACTIONS

Donations and loans have been received from the Trustees during the year. Apart from this there were no other related parties transactions during the year.