

CONFUCIUS & TAO ASSOCIATION (UK)

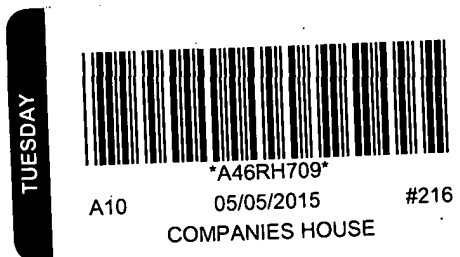
**(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED
CHARITY)**

REPORT AND ACCOUNTS

for the year ended 31 July 2014

COMPANY NO: 07323872 (ENGLAND & WALES)

REGISTERED CHARITY NO: 1138997



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 2014

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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 2014

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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 Public House 47 Shernhall Street Walthamstow London E17 3EY |
| Charity's address | The Lord Brooke Public House 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 2014

PAGE 2

The trustees present their report and the accounts for the year ended 31 July 2014.

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)
Y P O Chin (resigned 31 May 2014)
T H Chua (resigned 31 May 2014)
C Y He (appointed 31 May 2014)
J C Khaw
H G Phua (Treasurer)
K Y Wong (resigned 31 May 2014)

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 2013/14

During the year under review the charity continued to carry out its charitable activities at its rented meeting place for members situated at 1A Livingstone Road, Walthamstow London E17 9AU. It also held seminars to promote the teachings of Buddhism, Confucius and the Great Tao. In addition to prayer meetings, other activities included seminars on Tao and the teachings of Confucius, children's Sutra class, Mother's Day Celebration, Chinese Mid Autumn celebration. Members made moon cakes for sale during the Moon cake Festival to fundraise for the future purchase of a temple in London.

The charity operates in London. However it has informal links with other independent charity organisations based in Birmingham and Glasgow and fundraising is carried out in those locations for the charity.

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 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. The purchase costs were funded by donations raised in the past few years to date specifically for this purpose and total loans of £403,774 interest free loans with no fixed repayment terms generously provided by the supporters of the charity. The charity has submitted a planning application to the local council for change of use to a temple. This process is ongoing and in the meantime renovation works have also been started.

FINANCIAL REVIEW

The charity achieved a net surplus of £89,912 (2013 £ 129,005) primarily due its success in raising donations from its members and supporters in London, Glasgow and Birmingham. As at 31 July 2014, the Total reserves of the charity amounted to £ 372,457 (2013 £282,545).

FUTURE PLANS

Now that the charity has the new temple premises the trustees and members of the charity will continue to develop and expand its charitable activities and they will also be continuing fundraising activities for the charity.

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

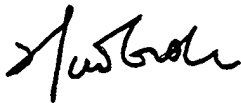
followed, subject to any departure disclosed and explained in the financial statements.

- 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 30 April 2015

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 2014

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I report on the financial statements of Confucius & Tao Association (UK) ("the charity") for the year ended 31 July 2014 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
30 April 2015

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 2014

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| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2013 £ | Total 2013 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated Funds | | | | | |
| <i>Voluntary income</i> | | | | | |
| Donations , grants and similar incoming resources | 3 | 22,183 | 98,507 | 120,690 | 159,294 |
| Investment income | 3 | | 571 | 571 | 358 |
| Total incoming resources | | 22,183 | 99,078 | 121,261 | 159,652 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | 4 | 16,389 | 14,000 | 30,389 | 29,687 |
| Governance costs | 5 | 960 | - | 960 | 960 |
| Total resources expended | | 17,349 | 14,000 | 31,349 | 30,647 |
| Net incoming resources | | 4,834 | 85,078 | 89,912 | 129,005 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 16,007 | 266,838 | 282,545 | 153,540 |
| Total funds carried forward | | 20,841 | 351,616 | 372,457 | 282,545 |

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 2014

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| | Notes | 2014 £ | 2013 £ |
|--|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 2 | 745,531 | 1,696 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 16,755 | 4,079 |
| Cash at Bank and in hand | 8 | <u>15,985</u> | <u>436,703</u> |
| | | 32,740 | 440,782 |
| CREDITORS: amounts falling due within one year | | | |
| Creditors | 9 | (2,040) | (1,159) |
| NET CURRENT ASSETS | | | |
| | | <u>30,700</u> | <u>439,623</u> |
| | | 776,231 | 441,319 |
| CREDITORS: amounts falling due after more than one year | | | |
| | 10 | (403,774) | (158,774) |
| | | <u>372,457</u> | <u>282,545</u> |
| RESERVES | | | |
| Unrestricted funds | | 20,841 | 16,007 |
| Restricted funds | 11 | <u>351,616</u> | <u>266,538</u> |
| TOTAL RESERVES | | <u>372,457</u> | <u>282,545</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 2014:

- 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 30 April 2015 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:

| | |
|------------------------|----------------------|
| Fixtures and equipment | 25% reducing balance |
|------------------------|----------------------|

No amortisation has been provided on the Freehold Property purchased at the end of the accounting year.

(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)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
NOTES TO THE ACCOUNTS
For the year ended 31 July 2014

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2. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Fixtures and Equipment £ | Total £ |
|-----------------------|------------------------------------|---|--------------------|
| Cost | | | |
| At beginning of year | - | 3,281 | 3,281 |
| Addition during year | 744,259 | - | 744,259 |
| Cost at end of year | <u>744,259</u> | <u>3,281</u> | <u>747,540</u> |
| Depreciation | | | |
| At beginning of year | - | 1,585 | 1,585 |
| Charge for year | - | 424 | 424 |
| At end of year | - | <u>2,009</u> | <u>2,009</u> |
| Net Book Value | | | |
| 31 July 2014 | <u>744,259</u> | <u>1,272</u> | <u>745,531</u> |
| 31 July 2013 | = | <u>1,696</u> | <u>2,044</u> |

3. INCOMING RESOURCES

| | 2014 £ | 2013 £ |
|---------------------------------------|-------------------|-------------------|
| Unrestricted donations | 20,210 | 19,547 |
| Sale of donated goods | - | - |
| Gift Aid recoverable | 1,901 | 462 |
| Uniforms | 72 | 385 |
| Total unrestricted incoming resources | <u>22,183</u> | <u>20,394</u> |
| Donations to pay rent | 14,000 | 9,200 |
| Donations to purchase building | 73,732 | 127,025 |
| Gift Aid recoverable | 10,775 | 2,625 |
| Bank interest | 571 | 358 |
| Total Restricted incoming resources | <u>99,078</u> | <u>139,258</u> |
| Total Incoming resources | <u>121,261</u> | <u>159,652</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 2014

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4. RESOURCES EXPENDED

| | 2014 | 2013 |
|--|----------------------|----------------------|
| | £ | £ |
| Charitable activities | | |
| Meetings, events and seminar expenses | 7,152 | 5,911 |
| Support costs: | | |
| Rent of premises | 16,800 | 16,800 |
| Utilities | 3,038 | 3,834 |
| Repairs & Maintenance | - | - |
| Professional Fees | - | 1,800 |
| Printing & Stationery | 84 | 150 |
| General Expenses | 484 | 356 |
| Uniforms | - | 190 |
| Bank charges | 127 | 72 |
| Depreciation of Fixtures & Equipment | 424 | 565 |
| Donation to China Earthquake | 2,280 | - |
| Total cost of charitable activities | <u>30,389</u> | <u>29,687</u> |

5. GOVERNANCE COSTS

| | 2014 | 2013 |
|--|-------------------|-------------------|
| | £ | £ |
| Independent Examiner's Fee (including VAT) | 960 | 960 |
| Companies House filing fee | - | 14 |
| | <u>960</u> | <u>974</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

| | 2014 | 2013 |
|----------------------|----------------------|---------------------|
| | £ | £ |
| Rent Deposit | 1,100 | 1,100 |
| Gift Aid recoverable | <u>15,655</u> | <u>2,979</u> |
| | <u>16,755</u> | <u>4,079</u> |

8. CASH AT BANK AND IN HAND

| | 2014 | 2013 |
|-------------------------------|----------------------|-----------------------|
| | £ | £ |
| Cash at Bank- Current account | 14,100 | 16,310 |
| Cash at Bank- Savings account | 1,885 | 420,393 |
| Cash in Hand | - | - |
| | <u>15,985</u> | <u>436,703</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 2014

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9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 | 2013 |
|----------|--------------|--------------|
| | £ | £ |
| Accruals | <u>2,040</u> | <u>1,159</u> |

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

| | 2014 | 2013 |
|---|---------|---------|
| | £ | £ |
| Loans to assist with the purchase of a building for use as a temple | 403,774 | 158,774 |

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 following the purchase of the Freehold Property at the end of the accounting year.

11. RESTRICTED FUNDS

| | 2013 | 2012 |
|--------------------------|---------|---------|
| | £ | £ |
| BUILDING FUND | | |
| At beginning of year | 266,538 | 138,280 |
| Funds raised during year | 84,507 | 129,700 |
| Bank interest | 571 | 2,675 |

| | | |
|----------------|----------------|----------------|
| At end of year | <u>351,616</u> | <u>286,338</u> |
|----------------|----------------|----------------|

OTHER RESTRICTED FUNDS

| | | |
|-------------------------------|----------|---------|
| Donations in year to pay rent | 14,000 | 9,200 |
| Utilised in year | (14,000) | (9,200) |
| Professional fees | — | (1,800) |

| | | |
|----------------|---|---------|
| At end of year | - | (1,800) |
|----------------|---|---------|

| | | |
|--|----------------|----------------|
| Total of Restricted Funds at end of year | <u>351,616</u> | <u>266,538</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.