

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 2020

COMPANY NO: 07323872 (ENGLAND & WALES)

REGISTERED CHARITY NO: 1138997

FRIDAY



AA3JCMS0

A10

30/04/2021

#118

COMPANIES HOUSE

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 2020

CONTENTS

	Page
Officers and professional advisers	1
Trustees' report	2-4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance sheet	7
Notes to the accounts	8-11

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 2020

PAGE 1

Trustees/Directors	D M H Chin (Chairman) C Y He T Y Cheung H G Phun (Treasurer)
Company Number	07323872 (England & Wales)
Registered Charity Number	1138997
Registered Office	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 Lai Peters & Co Chartered Accountants Suite A 6 Honduras Street London EC1Y 0TH
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 2020

PAGE 2

The trustees present their report and accounts for the year ended 31 July 2020.

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 the 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 as its work is carried out by the trustees and its members and volunteers.

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
T Y Cheung
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.

CONFUCIUS & TAO ASSOCIATION (UK)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARECAPITAL AND A REGISTERED CHARITY)
TRUSTEES' REPORT
For the year ended 31 July 2020

PAGE 3

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.

GOING CONCERN AND IMPACT OF COVID-19

The trustees have assessed the Going Concern position of the Charity in the light of COVID-19 and adopted appropriate measures to ensure the safety of all members, supporters and those who have dealings with the organisation.

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 2019/2020

During the period under review, the organisation continued with its usual charitable activities as far as able but due to COVID-19 all activities at the charity's premises ceased from February 2020 onwards. The Tea Bar closed in January 2020. All activities have moved online where possible including seminars, praying and chanting.

The organisation continued with its fundraising activity but doing it online mainly. This included encouraging members and supporters to donate to Buddha Status during Chinese New Year and donating lotus flowers during the Mid-Autumn Festival.

There has been no further progress on the re-submission of the application to the local Council for the change of use of the property. All formal activities relating to using the premises as a place of worship until the outcome of the resubmission of the planning permission is known have continued to be suspended during the year to date.

The charity operates in London but has informal links with other independent charity organisations based in Birmingham and Glasgow. Fundraising was 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 The Lord Broke, 47 Shernhall Street, Walthamstow 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 £4,259, the total costs of the Freehold Property amounted to £744,259. Further costs were spent on improving the property and converting it into suitable accommodation for the charity, including completing the fitting out of it with fixtures and equipment. At 31 July 2020, the total costs incurred amounted to £829,536 (Note 2). Depreciation has been provided on the buildings element of the cost. The original purchase and subsequent improvement costs were funded by donations raised in past years specifically for this purpose. As at 31 July 2020 the total loans relating to the property that have been generously provided by supporters of the charity amounted to £248,774 (2019 £268,774). 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 2020

PAGE: 4

The charity submitted a planning application to its local Council, the London Borough of Waltham Forest for change of use of the property from A4 to D1 use. The application was rejected by the Council on 27 January 2016. The trustees were 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 the planning re-application is still pending.

FINANCIAL REVIEW

The charity had a deficit of £22,472 (2019 Deficit £13,543) for the year. Total incoming resources for the year amounted to £62,324 (2019 £74,270). As at 31 July 2020, the total reserves of the charity amounted to £407,290 (2019 £429,762).

FUTURE PLANS

The trustees are monitoring the ongoing impact of the pandemic and will continue with safety measures as well as ensuring that the charity complies with lockdown measures and government guidance.

STATEMENT OF DIRECTORS' / TRUSTEES' RESPONSIBILITIES

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

Company law requires the directors/trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure. 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 unless it is inappropriate to presume that the charity will continue in operation.

The directors/trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 2021 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 2020

PAGE 5

I report on the financial statements of Confucius & Tao Association (UK) ("the charity") for the year ended 31 July 2020 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
Lai Peters & Co, Chartered Accountants
Suite A
6 Honduras Street
London EC2M 1NH
30 April 2021

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 2020

PAGE 6

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOMING RESOURCES					
Incoming resources from generated Funds					
<i>Voluntary income</i>					
Donations, grants and similar incoming resources	3	62,270	-	62,270	74,223
Interest receivable	3		54	54	47
Total incoming resources		62,270	54	62,324	74,270
RESOURCES EXPENDED					
Raising funds	4	15,466		15,466	9,344
Charitable activities	4	19,754	49,576	69,330	78,469
Total resources expended		35,220	49,576	84,796	87,813
Net (outgoing)/incoming resources		27,050	(49,522)	(22,472)	(13,543)
Reconciliation of funds					
Total funds brought forward		244,319	185,443	429,762	443,305
Total funds carried forward		271,369	135,921	407,290	429,762

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 2020

PAGE 7

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	2	595,504	645,080
CURRENT ASSETS			
Debtors	7	11,680	5,426
Cash at Bank	8	<u>49,840</u>	<u>49,071</u>
		61,520	54,497
CREDITORS: amounts falling due within one year			
Creditors and Loans	9,10	<u>(242,734)</u>	<u>(269,815)</u>
NET CURRENT ASSETS		<u>(188,214)</u>	<u>(215,318)</u>
RESERVES		<u>407,290</u>	<u>429,762</u>
Unrestricted funds		271,369	244,319
Restricted funds	11	<u>135,921</u>	<u>185,443</u>
TOTAL RESERVES		<u>407,290</u>	<u>429,762</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 2020:

- 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 2021 and signed on behalf of the Board of trustees by:



H G PHUA
Trustee

Company registration No 07323872 (England & Wales)

1. ACCOUNTING POLICIES

(a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and comply with the Companies Act 2006. They are prepared in sterling which is the functional currency of the charity. The financial statements have been prepared in accordance with the Statement of Recommended Practice and Reporting by Charities - SORP FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Going Concern

The trustees have considered the going concern position of the charity particularly in the light of the pandemic and its impact on cashflows. They have come to the conclusion that the charity has adequate resources to continue in business for the next 12 months.

(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)
(A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL AND A REGISTERED CHARITY)
NOTES TO THE ACCOUNTS
For the year ended 31 July 2020

PAGE 9

2. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures and Equipment £	Total £
Cost			
At beginning of year	829,536	80,991	910,527
Additions during year	-	-	-
Cost at end of year	<u>829,536</u>	<u>80,991</u>	<u>910,527</u>
Depreciation			
At beginning of year	207,385	58,062	265,447
Charge for year	41,477	8,099	49,576
At end of year	<u>248,862</u>	<u>66,161</u>	<u>315,023</u>
Net Book Value			
31 July 2020	<u>580,674</u>	<u>14,830</u>	<u>595,504</u>
31 July 2019	<u>622,151</u>	<u>22,929</u>	<u>645,080</u>

3. INCOMING RESOURCES

	<u>2020</u> £	<u>2019</u> £
Unrestricted donations	37,525	51,499
Sale of donated and other goods	17,043	13,775
Tea Bar	2,046	3,587
Gift Aid recoverable	5,568	5,358
Uniforms	88	4
Total unrestricted incoming resources	<u>62,270</u>	<u>74,223</u>
Bank interest receivable - restricted	54	47
Total Incoming resources	<u>62,324</u>	<u>74,270</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 2020

PAGE 10

4. RESOURCES EXPENDED

	2020	2019
	£	£
Raising funds:		
Cost of goods sold	13,147	7,341
Tea Bar	<u>2,312</u>	<u>2,003</u>
	<u>15,466</u>	<u>2,344</u>
Charitable activities		
Meetings, events and seminar expenses	782	3,378
Support costs:		
Utilities	12,334	18,813
Insurance	1,591	1,583
Professional Fees	26	163
Printing & Stationery	70	225
General Expenses	3,991	3,563
Governance costs	960	960
Total cost of charitable activities (unrestricted)	<u>19,754</u>	<u>28,685</u>
Depreciation of Freehold buildings (restricted)	41,477	41,477
Depreciation of Fixtures and Equipment (restricted)	8,099	8,307
Total cost of charitable activities	<u>69,330</u>	<u>78,469</u>

5. GOVERNANCE COSTS

	2020	2019
	£	£
Independent Examiner's Fee (including VAT)	960	960

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

	2020	2019
	£	£
Prepayment	774	88
Gift Aid recoverable	<u>10,906</u>	<u>5,338</u>
	<u>11,680</u>	<u>5,426</u>

8. CASH AT BANK

	2020	2019
	£	£
Cash at Bank- Current account	18,730	19,114
Cash at Bank- Savings account	<u>31,110</u>	<u>29,957</u>
	<u>49,840</u>	<u>49,071</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 2020

PAGE 11

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Accruals	<u>260</u>	<u>1,041</u>

10. LOANS

	2020	2019
	£	£
Loans to assist with the purchase of a building for use of the charity and improvements to building afterwards	<u>248,774</u>	<u>268,774</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 the appropriate date.

11. RESTRICTED FUNDS

	2020	2019
	£	£
BUILDING FUND		
At beginning of year	185,443	235,180
Net increase in year	54	47
Depreciation of buildings and Fixtures & Equipment for year	(49,576)	(49,784)
At end of year	<u>135,921</u>	<u>185,443</u>

12. CONTROL

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

13. RELATED PARTIES TRANSACTIONS

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

14. EMPLOYEES

The charity did not have any employees during the period under review.