

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 2023

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 2023

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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 2023

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Trustees/Directors	D M H Chin (Chairman) C Y He T Y Cheung H G Phua (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)
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TRUSTEES' REPORT
For the year ended 31 July 2023

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The trustees present their report and accounts for the year ended 31 July 2023.

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.

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 2022/2023

During the period under review, the organisation continued with its usual charitable activities. The Tea Bar called Lotus Bloom Café has been re-opened after the new renovation in June 2022. Some of the charitable activities are still held online and some are at the property where possible including seminars and other events.

We have applied and were granted the rental licence in March 2023 by the Council for the flat at the property. There was no further progress on the re-submission of the application to the local Council for the change of use of the property.

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 BY THE CHARITY

The charity was successful in purchasing the Freehold property at The Lord Brooke, 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. Last year, costs were incurred relating to the work needed to create a tea bar on the premises. At 31 July 2023, the total costs on the property amounted to £834,712 (Note 2). Depreciation has been provided on the buildings element of the cost. The original purchase and subsequent improvement costs were funded by donations specifically for this purpose. As at 31 July 2023 the total loans relating to the property that have been generously provided by supporters of the charity amounted to £94,480 (2022 £126,780) These are interest free loans with no fixed repayment terms.

CONFUCIUS & TAO ASSOCIATION (UK)
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TRUSTEES' REPORT
For the year ended 31 July 2023

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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 application has not yet been resubmitted.

FINANCIAL REVIEW

The charity had a deficit of £33,981 (2022 Surplus £33,981) for the year. Total incoming resources for the year amounted to £93,971 (2022 £112,452). As at 31 July 2023, the total reserves of the charity amounted to £452,637 (2022 £454,502).

FUTURE PLANS & DEVELOPMENTS

The trustees continue to review and monitor the situation as regards the use of the property to carry out its charitable work and efforts are being made to raise more funds from its supporters.

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 29 April 2024 and signed on its behalf by



H G PHUA
Trustee

CONFUCIUS & TAO ASSOCIATION (UK)

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INDEPENDENT EXAMINER'S REPORT

For the year ended 31 July 2023

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I report on the financial statements of Confucius & Tao Association (UK) ("the charity") for the year ended 31 July 2023 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
Suite A
6 Honduras Street
London EC2M 1NH
29 April 2024

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 2023

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	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
INCOMING RESOURCES					
Incoming resources from generated Funds					
<i>Voluntary income</i>					
Donations, grants and other incoming resources	3	93,882	-	93,882	112,440
Interest receivable	3		89	89	12
Total incoming resources		93,882	89	93,971	112,452
RESOURCES EXPENDED					
Raising funds	4	20,115		20,115	11,787
Charitable activities		27,404	48,317	75,721	66,684
Total resources expended		47,519	47,760	95,836	78,471
Net (outgoing)/incoming resources		46,363	(48,228)	(1,865)	33,981
Transfer of funds		(5,192)	5,192		
Total funds brought forward		411,466	43,036	454,502	420,521
Total funds carried forward		452,637	-	452,637	454,502

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)
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BALANCE SHEET
31 July 2023

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	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible fixed assets	2	480,643	520,702
CURRENT ASSETS			
Debtors	7	5,536	5,605
Cash at bank & in hand		<u>62,138</u>	<u>56,075</u>
		67,674	61,680
CREDITORS: amounts falling due within one year			
Creditors and Loans	9,10	<u>(95,680)</u>	<u>(127,880)</u>
		<u>(28,006)</u>	<u>(66,200)</u>
	17	<u>452,637</u>	<u>454,502</u>
RESERVES			
Unrestricted funds		452,637	411,466
Restricted funds	11	-	<u>43,036</u>
TOTAL RESERVES		<u>452,637</u>	<u>454,502</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 2023:

- 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 29 April 2024 and signed on behalf of the Board of trustees by:



H G PHUA
Trustee
Company 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 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.

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NOTES TO THE ACCOUNTS
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2. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures and Equipment £	Total £
Cost			
At beginning of year	834,712	93,957	928,669
Additions during year	-	8,258	8,258
Cost at end of year	<u>834,712</u>	<u>102,215</u>	<u>936,927</u>
Depreciation			
At beginning of year	332,075	75,892	407,967
Charge for year	41,736	6,581	48,317
At end of year	<u>373,811</u>	<u>82,473</u>	<u>456,284</u>
Net Book Value			
31 July 2023	<u>460,901</u>	<u>19,742</u>	<u>480,643</u>
31 July 2022	<u>502,637</u>	<u>18,065</u>	<u>520,702</u>

In the opinion of the trustees the current market value of the freehold property is well in excess of £1.2 million based on increases in property prices in the area but in the absence of a formal valuation the actual amount is not known.

3. INCOMING RESOURCES

	2023 £	2022 £
Unrestricted donations	58,730	89,260
Sale of donated and other goods	8,397	6,544
Tea Bar	8,713	3,771
Gift Aid recoverable	5,389	5,256
Income from car parking	4,850	-
Meetings and events	6,584	7,390
Uniforms	1,219	219
Total unrestricted incoming resources	<u>93,882</u>	<u>112,440</u>
Bank interest receivable - restricted	89	12
Total Incoming resources	<u>93,971</u>	<u>112,452</u>

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4. RESOURCES EXPENDED

	2023	2022
	£	£
Raising funds:		
Cost of goods sold	8,048	8,253
Tea Bar costs	12,067	3,534
	<u>20,115</u>	<u>11,787</u>
Charitable activities		
Meetings, events and seminar expenses	2,525	-
Support costs:		
Utilities	12,856	10,739
Insurance	2,402	2,178
Professional Fees	2,919	949
Printing & Stationery	56	131
General Expenses & office costs	5,446	3,827
Governance costs	1,200	1,100
Total cost of charitable activities (unrestricted)	<u>27,404</u>	<u>18,924</u>
Depreciation of Freehold buildings (restricted)	<u>41,736</u>	<u>41,736</u>
Depreciation of Fixtures and Equipment (restricted)	<u>6,581</u>	<u>6,024</u>
Total cost of charitable activities	<u>95,836</u>	<u>78,471</u>

5. GOVERNANCE COSTS

	2023	2022
	£	£
Independent Examiner's Fee	1,200	1,100

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

	2023	2022
	£	£
Prepayment	100	349
Gift Aid recoverable	<u>5,436</u>	<u>5,256</u>
	<u>5,536</u>	<u>5,605</u>

8. CASH AT BANK

	2023	2022
	£	£
Cash in hand	200	200
Cash at Bank- Current account	59,697	55,589
Cash at Bank- Savings account	<u>2,241</u>	<u>286</u>
	<u>62,138</u>	<u>56,075</u>

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NOTES TO THE ACCOUNTS
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9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accruals	<u>1,200</u>	<u>1,100</u>

10. LOANS

	2023	2022
	£	£
Loans to assist with the purchase of a building for use by the charity	94,480	126,780

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

	2023	2022
	£	£
BUILDING FUND		
At beginning of year	43,036	90,784
Net interest in year	89	12
Depreciation of buildings and Fixtures & Equipment for year	(48,317)	(47,760)
Transfer from unrestricted funds	<u>5,192</u>	-
At end of year	<u>-</u>	<u>43,036</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