

**MANCHESTER CHINESE CENTRE**

**COMPANY REGISTRATION NUMBER: 5641623**  
**REGISTERED CHARITY NUMBER: 1114121**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

Community Accountancy Service Ltd.,  
The Grange, Pilgrim Drive,  
Beswick,  
Manchester M11 3TQ

WEDNESDAY



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**MANCHESTER CHINESE CENTRE**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018**

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## MANCHESTER CHINESE CENTRE

### **Report of the Trustees for the Year Ending 31<sup>ST</sup> December 2018**

The trustees present their annual directors' report and financial statements of the charity for the year ending 31<sup>st</sup> December 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **Reference and administrative information**

Charity Name: Manchester Chinese Centre

Charity Number: 1114121

Company No: 5641623

### **Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

The trustees and officers serving during the year and since the year end were as follows:

- Ms Cindy Mei Ling Mok
- Mrs Jenny Wong
- Mrs Quyen Tran

Committee: Ka Fung But, Denise Yoeh ,Mrs. Cecilia Fung (not listed at Companies House)

### **Company Secretary**

Mrs Quyen Tran

### **Key management personnel: Trustees and Directors**

Ms Cindy Mei Ling Mok and Mrs Jenny Wong

### **Registered Office**

67 Ardwick Green North, Ardwick, Manchester, M12 6FX

### **Independent Examiners**

Community Accountancy Service Limited

The Grange, Pilgrim Drive

Beswick, Manchester

M11 3TQ

### **Bankers**

The Cooperative Bank plc, Balloon Street, Manchester

## **MANCHESTER CHINESE CENTRE**

### **Objectives and activities**

The purpose of the charity is to offer a variety of educational benefits to Chinese children, including English and Chinese language skills and I.T.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives in planning future activities and setting the policies for the year.

The charity furthers its charitable purposes for the public benefit through

- Enhancing community cohesion by assisting Chinese nationals, refugees and immigrants throughout Greater Manchester to integrate and access opportunities, enabling them to participate fully in the society.
- We achieve this by bringing together a diverse range of learning opportunities, such as leisure activities in arts, culture and sport. We also offer information and advice available through our centre seven days per week.

We provide:

Welfare and legal advice service every Sunday and Monday 1pm- 6pm;

- Free advice for school info for all Chinese parents;
- Signposting to public services;
- ESOL English, working closely with WEA, every Monday and Tuesday;
- Interpreting courses on Wednesdays,
- Child care courses every Thursday;
- Elderly Chinese Opera Club (aged 55-85) running every Tuesday from 2pm -10pm, comprising 50-60 members;

### **Structure, governance and management**

Manchester Chinese Centre is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1<sup>st</sup> December 2005. It has been registered as a charity organisation with the Charity Commission since 9<sup>th</sup> May 2006.

### **Appointment of trustees**

As set out in the Articles of Association the appointment of trustees shall be subject to a minimum of three. At each meeting one third of the directors shall retire by rotation and offer themselves for re-election.

### **Trustee induction and training**

On appointment the Trustees are given an induction to their roles and responsibilities and access to relevant literature from the Charity Commission, Companies House etc.

### **Organisation**

The board of trustees administers the charity. The board normally meets 4 times a year. A Manager is appointed by the trustees to manage the day-to-day operations of the charity.

## MANCHESTER CHINESE CENTRE

### Related parties and co-operation with other organisations

None of our trustees receive remuneration for acting in their trustee role. Other payments are shown in Note 11. Any connection between a trustee and a senior manager with any service providers must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year such related party transactions are reported in Note 11.

### Review of our achievements and performance

The main achievements during the year were:

#### 2018 Community work:

- **Community Service** was provided: interpreting to support NHS, Social Care, Children Services.
- **Chinese Elderly Cantonese Opera** (age 55-85). Support was provided to the group. This club is run every Tuesday from 14:00-21:00 with about 50-60 members from Greater Manchester, Stoke on Trent, Warrington, Leeds and Liverpool. MCC provided one huge studio for them to play live music and practise their Opera skill, one room to store their instruments, one room for tea, coffee and light food; also an extra quiet room for them to talk and relax. Volunteers were recruited to visit the group to chat to them. Sometimes MCC organised workshops like beauty therapist, haircut, healthy eating or provided IT information. Caring for "Isolated Elderly" is vital.
- **Manchester City Council run an essential Health and safeguarding free course** and First Aid course for the local community. MCC provided the rooms, tea and coffee to support the training courses.
- **School workshop:** MCC provided Chinese Educational Workshops for Manchester local schools and community. A total of 17 schools were involved.
- **Legal and Welfare Service:** volunteer solicitor Nicole has been providing free welfare and legal advice to people in the community who have language barriers. Advice includes family welfare, illness, personal debt, housing, refugee and domestic abuse.
- **8 Feb 2018 Chinese New Year:** MCC worked in partnership with Salford University. A Chinese Professional Artists workshop was held at Salford University to raise awareness of Chinese Culture and Language in the community and networking through family events, helping the Chinese community to integrate with local people. The cost was £1,455. 600 people in the community were invited to attend, 138 volunteers ran the workshop and two huge shows in the theatre. Absolutely amazing!
- **Fundraising for the Homeless:** MCC provided Chinese costumes for hire, taking photos for people in the community in return for a donation. £248.74 was raised for Coffee4Craig's Homeless program.
- **Chinese New Year and Festival:** MCC had a team of volunteers working on the Homeless project by providing 500 hot meals across Manchester and Salford. MCC collected and delivered from the food bank to different organisations across Manchester. MCC worked closely with Coffee4Craig, Chinese Temple and Highway Hope Church.
- **Chinese Archive at Central library:** MCC worked on the Manchester Chinatown Archive Collection at Manchester Central Library. Children were sent to work at Central Library as school working experience.

## MANCHESTER CHINESE CENTRE

- **The River at Manchester** 1300 Ashton Old Road, Openshaw, Manchester, M11 1JG since 2013 till now. MCC provided help by collecting clothes, household things and furniture from our supplementary parents. This charity work is helping people made vulnerable through domestic abuse and those marginalised by poverty and unemployment.
- **Jan 2018 CBeebies show:** MCC helped with recruiting Chinese children and helped with performance activities. It is well known that there is a lack of opportunity in the media, filming and broadcasting field for Chinese children. It is important for Chinese children to explore acting and the performing arts. CBeebies run a casting session at the Chinese Centre on Wednesday 30<sup>th</sup> May 2018. They were looking for children who are confident talkers with great imagination, who enjoy drama and role-play games and be able to work well with other children.
- **3 April 2018 Chinese Dance Drama "The Embroidery Girl":** the performance was at The Dance House Theatre, Manchester. MCC helped the organiser MsL to promote the event. MCC's talented music teachers, Yuxuan Su played the Chinese Guzheng (harp) and Ying Ying Han played the cello. Both of them performed two spectacular and magical pieces of music prior to the actual performance. "The Embroidery Girl" was the story of the Suzhou embroidery masters introduced to the world for the first time. The production was performed by Jiang Su Wuxi Song and Dance Theatre which is well known for their professional productions in the Jiangsu area. The costumes were fantastically intricate and detailed, and the performance was infinitely watchable. The elements and performances complimented each other perfectly, creating a visually stunning and moving performance. It is good to improve the lifestyle of the Chinese community. Through this event the community has learnt about high quality production, beautiful and professional dancers and musicians. Much knowledge about China's traditional and cultural heritage was gained and many memories were made. MCC were very proud to be involved with Jiang Su Wuxi Song and Dance Theatre Group.

**17 June 2018 Manchester Day Parade:** MCC was delighted to join one of the North West's biggest and best community celebration, the Manchester Day Parade. MCC have been working with Walk the Plank since 2009 to deliver elaborate floats which explore Chinese culture. It gets better every year – and MCC are very proud to be working with them. The overarching theme for this year was "The Word on the Street for Manchester" – and in response the design was based upon Chinese calligraphy. For subject matter, it was decided to focus upon Confucian philosophy – and focus on its effects on the wider Chinese community. The Boat, was the centrepiece. It was decided that the float would take the form of a traditional Chinese ship, to symbolise the boats that took generations and generations of Chinese migrants from the mainland to various countries across the globe. The ship design was influenced by the Chinese ship which is embedded on the mural above the Chinatown car park. On the three sails of the ship, proverbs were written which we believe embodied the sentiment of many Chinese immigrants.

- **26 May 2018 Music Festival:** MCC organised the Chinese Music Festival at St James and Emmanuel Church, Didsbury. This year, a record 61 groups or solo performers took part, doubling last year's figures. There was a wide range of talent showcased at the festival from pianists, violinists and Guzheng players as well as singers and dancers.

## MANCHESTER CHINESE CENTRE

- **School Exchange between China and Manchester:** MCC helped Manchester Grammar School undertake an exchange programme to visit China. It was a great achievement for all parties.

### Education:

- **Homework Club** has been supporting 43 children with their mainstream school's homework. MCC's volunteers are helping children to read and listening to their problems.
- **Volunteer Linda Chan, works as a School Welfare Adviser.** She offers help to parents and teenage children. She has been supporting parents and children through difficult times, teenage problems and children in need.
- MCC provided **work experience** for young people from school or university and job seekers. High school children could work in school as a teacher's assistant.
- **30 June and 1 July 2018 Poetry Festival:** the Poetry reading event is for all ages. It is a great event to encourage the children to learn Chinese language by reading aloud and confidently. The children performed at the Ardwick Park and Church.
- **June 2018 Exam at MCC School:** 14 candidates were entered for Chinese GCSE language. 12 candidates achieved A\*, 1 achieved A and 1 achieved B.
- **GCE (A level) Exam at MCC:** 6 candidates for Chinese achieved B and C.
- **Northwest Chinese School:** MCC helped them to enter 15 GCSE candidates.
- **Other School:** MCC helped them enter 9 GCSE and GCE candidates.
- **Mainstream School:** MCC helped 5 schools to deal with the Chinese GCSE exam.
- **Chinese Church School:** MCC organised their exam administration work and JQC is not happy with the safe's size. The space is too small to store 3 schools' exam papers. MCC have informed the Chinese Church School to look in to this matter and to find a solution.
- **MCC School Fee:** Sept 2018 school fee for Pinyin, GCSE and A level is £245. Year 1-7 is £210. We have increased the number of young children age 5-7 to join Pinyin classes. Most of the children would not carry on with their A level due to a change of the exam system.
- **358 children; ages 3-16** attending our Supplementary School in Sept 2018 and gradually increased to 410 children in June 2019.
- **Dragon Heart Day Nursery:** The OFSTED inspection was held in July 2018 and was awarded "GOOD" rating. Recruitment of staff did not improve. Staff wages increased again. There were concerns about overheads. The Sick Pay Policy was changed by the government. Agency staff were recruited to cover sickness leave which doubled the cost. In the past 2 years it was not possible to balance our accounts. Sadly, we decided to close the nursery by the end of December 2018.
- **WEA Adult Education** is struggling with funding. They are unable to find funding to support some of the courses. They are supporting refugees, Job Seekers or lower income families. Learners will be self supported if their family income is over 16k.

### Financial review

The attached statements show the current state of the Charity's finances, which the Trustees consider to be satisfactory. Total income in the year was £169,913 and total expenses £153,693 returning a surplus of £16,220 (2017 £11,170). The major sources of income were education and interpreting services.

## **MANCHESTER CHINESE CENTRE**

### **Investment powers and policy**

The trustees, having regard to the liquidity requirements of operating the charity, have kept available funds in an interest bearing deposit account.

### **Reserves policy and going concern**

The balance held in unrestricted reserves as at 31st December 2018 was £81,777 of which £68,270 are free reserves, after allowing for funds tied up in tangible fixed assets.

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 3 months of running costs (currently £38,250). The trustees consider that this level will provide sufficient funds to give stability to the services offered by the charity.

### **Risk management**

The trustees have conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

### **Plans for Future Periods / Ongoing projects**

#### **Education:**

We made changes to our GCSE and GCE from September 2018. In June 2019, the exam board changed their exam specification (9-1) includes both familiar and new topics. Their contents have been structured across five themes. This flexible programme of study allows time for a focussed revision period at the end of the course. Content and assessments that provide an engaging real-world focus which meant day to day language use. The authentic situations and stimuli enable students to see language in context and learn about the culture of the target language country. Their exams allow for spontaneity and test Chinese grammar as well as providing plenty of opportunities for students.

To be able to meet the above UK exam specification, we decided to change our text book and curriculum in September 2019. We will use HSK text book; also will provide extra Chinese Government Hanban exam which allows our students to take HSK exam yearly. It has 6 different levels.

We need to prepare and invest in the following training before September 2019:

Parent questionnaires

Marketing

Plan new school curriculum

Order HSK text book

Re-train teachers and staff

Register with Chinese Hanban as exam centre



## MANCHESTER CHINESE CENTRE

### Trustees responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Manchester Chinese Centre for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting principles and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgments 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 a going concern basis unless it is appropriate 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 Companies Act 2006. 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.

By order of the board of trustees



Quyen Tran - Trustee

Date: 9<sup>th</sup> August 2019

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MANCHESTER CHINESE CENTRE

I report on the accounts of the company for the year ended 31<sup>st</sup> December 2018, which are set out on pages 9 to 18.

### Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. 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. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

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:

- examine the accounts under section 145 of the 2011 Act ;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(b) of the 2011 Act; and
- to state whether 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 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 accounts, and seeking explanations from you as trustees concerning any 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 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, comply with the accounting requirements of section 396 of the Companies Act 2006, ; and
  - with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



EL Anderson MA FCA CTA  
Community Accountancy Service Ltd  
The Grange, Pilgrim Drive  
Beswick, Manchester, M11 3TQ

Date: 9<sup>th</sup> August 2019

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income & Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

				Year Ended 31.12.18	Year Ended 31.12.17
<b>INCOME FROM:</b>	<b>Notes</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>	<b>Total Funds £</b>
<b>Incoming Resources from Generated Funds</b>					
Donations & Legacies		4,098	-	4,098	6,684
Investment Income		1	-	1	1
Other Trading Activities	5	45,195	-	45,195	53,366
Charitable Activities	4	120,619	-	120,619	101,502
<b>TOTAL</b>		<b>169,913</b>	<b>-</b>	<b>169,913</b>	<b>161,553</b>
<b>EXPENDITURE ON:</b>					
Raising Funds	6	(36,850)	-	(36,850)	(38,452)
Charitable Expenditure	7	(116,843)	-	(116,843)	(111,931)
<b>TOTAL</b>		<b>(153,693)</b>	<b>-</b>	<b>(153,693)</b>	<b>(150,383)</b>
<b>NET INCOMING (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>16,220</b>	<b>-</b>	<b>16,220</b>	<b>11,170</b>
Gross Transfers between funds	17	-	-	-	-
<b>RECONCILIATION OF FUNDS</b>		<b>16,220</b>	<b>-</b>	<b>16,220</b>	<b>11,170</b>
Total Funds Brought Forward		65,557	-	65,557	54,387
<b>TOTAL FUNDS CARRIED F/WD</b>	<b>17</b>	<b>81,777</b>	<b>-</b>	<b>81,777</b>	<b>65,557</b>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 12 to 18 form part of these accounts.

**MANCHESTER CHINESE CENTRE**

Co.Reg. No. 5641623

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**BALANCE SHEET AS AT 31 DECEMBER 2018**

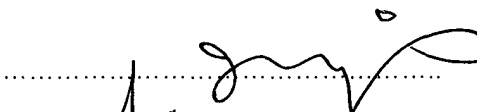
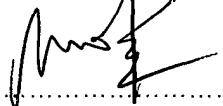
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	12	13,507	20,692
<b>CURRENT ASSETS</b>			
Stock	13	50	250
Debtors	14	5,099	12,416
Cash at Bank and in Hand		79,884	51,095
		<u>85,033</u>	<u>63,761</u>
<b>LIABILITIES:</b>			
Amounts falling due within one year	15	<u>(16,763)</u>	<u>(18,896)</u>
<b>NET CURRENT ASSETS</b>		68,270	44,865
		<u><u>81,777</u></u>	<u><u>65,557</u></u>
<b>THE FUNDS OF THE CHARITY</b>			
Restricted Funds	17	-	-
Unrestricted Funds	17	81,777	65,557
<b>TOTAL CHARITY FUNDS</b>		<u><u>81,777</u></u>	<u><u>65,557</u></u>

For the year in question the company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required The company to obtain an audit of its accounts for the year in question in accordance with section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act 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 on behalf of the Board of Trustees:

.....  
  
.....  


Trustee Jenny Wong

Trustee Cindy Mok

Date: 9th August 2019

The notes on pages 12 to 18 form part of these accounts.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31st DECEMBER 2018

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH  
FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net movement in funds	16,220	11,170
Add back depreciation	8,133	8,239
Deduct investment income	(1)	(1)
Decrease/(increase) in debtors	7,317	4,132
Increase/(decrease) in creditors	(2,133)	(4,014)
Decrease/(increase) in stock	200	250
<b>Net cash used in operating activities</b>	<b>29,736</b>	<b>19,776</b>
<b>Cash flows from investment activities:</b>		
Interest	1	1
Purchase of fixed assets	(948)	(6,640)
<b>Net cash provided by investing activities</b>	<b>(947)</b>	<b>(6,639)</b>
 Increase/(decrease) in cash and cash equivalents during the year	 28,789	 13,137
 Cash and cash equivalents brought forward	 51,095	 37,958
<b>Cash and cash equivalents carried forward</b>	<b>79,884</b>	<b>51,095</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

**1. ACCOUNTING POLICIES****(a) Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

**(b) Funds structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are no restricted funds at the year end.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion have created a fund for a specific purpose.

Further details of each fund are disclosed in note 17.

**(c) Income recognition**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fee and grant income are reflected in the accounts when receivable. Grants are recognised when the conditions for their receipt have been met - this may be based on performance of a task or purchase of goods or services. Grants which relate to a specified future period are deferred.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Operating income represents grants, contracts, tuition fees, rental and sundry income receivable.

**(d) Expenditure Recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

**(e) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**(f) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on staff time and facilities used in each activity.

The allocation of support and governance costs is analysed in note 8.

**(g) Charitable Activities**

Costs of charitable activities include governance costs and an apportionment of support costs as shown in Note 7.

**(h) Tangible fixed assets and depreciation**

Fixed assets are included in the accounts at net book value. Additions of a single item or a group of similar assets exceeding £500, are capitalised at cost (valuation for donated assets). Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful lives as follows:-

Leasehold Improvements	5 years
Fixtures, Fittings & Equipment	5 years
Computer Equipment	5 years

**(i) Taxation**

The organisation is exempt from income tax by reason of its charitable status. Income tax suffered on investment income is reclaimed in full. The Charity is registered for VAT.

**(j) Pensions**

The charity makes contributions to an auto enrolment pension scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

**(k) Contingent liabilities**

A contingent liability is identified and disclosed for those transactions resulting from a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control.

**2 NET INCOME FOR THE YEAR**

	2018 £	2017 £
This is stated after charging:		
Depreciation - owned assets	8,133	8,239
Independent Examiners Fees	1,260	1,245
Other financial services	-	-

**3 TAX ON SURPLUS ON ORDINARY ACTIVITIES**

(See taxation policy note above)

**4 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Tuition & Exam Fees	116,305		116,305	94,869
Events & Workshops	2,672		2,672	3,995
Membership	420		420	520
Room Hire (Education)	1,100		1,100	1,880
Book Sales	122		122	45
Other Income	-		-	193
	120,619	-	120,619	101,502

**5 INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Interpreting	42,493	-	42,493	45,998
Management & Use of Facilities	2,702	-	2,702	7,368
	<u>45,195</u>	<u>-</u>	<u>45,195</u>	<u>53,366</u>

**6 COST OF RAISING FUNDS**

	£	£	£	£
Employment Costs	3,852	-	3,852	3,597
Freelance Interpreters	29,199	-	29,199	30,973
Professional Indemnity Insurance	386	-	386	520
Premises Costs	3,413	-	3,413	3,362
	<u>36,850</u>	<u>-</u>	<u>36,850</u>	<u>38,452</u>

**7 EXPENDITURE**

	Interpreting Service	Tuition & Workshops	Total 2018	Total 2017
	£	£	£	£
Employment Costs	-	3,587	3,587	3,213
Freelance Tutors	-	30,730	30,730	25,482
Travelling Expenses	121	122	243	177
Training & Conferences	-	-	-	304
Teaching Materials	-	3,802	3,802	2,432
Exam Fees	-	2,311	2,311	2,371
CRB Checks & Work Permits	171	171	342	278
Venue Hire	-	348	348	622
Publications & Subscriptions	72	73	145	186
Workshops & Activities	-	3,495	3,495	5,081
Hospitality	-	966	966	977
Support Costs	13,923	55,691	69,614	69,542
Governance Costs	504	756	1,260	1,266
	<u>14,791</u>	<u>102,052</u>	<u>116,843</u>	<u>111,931</u>



**8 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS**

	<i>Basis of Apportionment</i>	<b>General</b>	<b>Governance</b>	<b>Total</b>
		<b>Support</b>		
		<b>£</b>	<b>£</b>	<b>£</b>
Employment Costs	<i>Time Spent</i>	16,775		16,775
Freelance Staff	<i>Time Spent</i>	3,769		3,769
Rent & Business Tax	<i>Space Used</i>	25,420		25,420
Heat, Light & Water	<i>Space Used</i>	1,993		1,993
Telephone	<i>Space Used</i>	1,136		1,136
Cleaning	<i>Space Used</i>	1,638		1,638
Printing, Postage & Stationery	<i>Space Used</i>	2,773		2,773
Insurance	<i>Space Used</i>	540		540
Repairs, Renewals & Maintenance	<i>Space Used</i>	3,109		3,109
Computer & Internet Expenses	<i>Space Used</i>	1,437		1,437
Minor Equipment	<i>Space Used</i>	680		680
Depreciation	<i>Space Used</i>	8,133		8,133
Donation		249		249
Sundries		362		362
Professional Fees		600		600
Book-keeping & Accountancy		1,000	1,260	2,260
		<u>69,614</u>	<u>1,260</u>	<u>70,874</u>

**9 STAFF NUMBERS AND COSTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	24,015	26,465
Social Security Costs	-	-
Pension Costs	199	104
	<u>24,214</u>	<u>26,569</u>
No employee earned £60,000 per annum or more.		
The charity employed 4 individuals during the year.		
The average number of employees by full time equivalent was:		
Management & Administration	1	1
Provision of Services	1	1
	<u>2</u>	<u>2</u>

The charity considers its key management personnel comprises the trustees and manager. The total employment benefits, including employer pension contributions of the key management personnel was £10,760 (previous year: £9,637).  
No employee earned £60,000 p.a. or more.

**10 CAPITAL COMMITMENTS**

Contracted for but not provided

£ nil      £ nil

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (cont...)

**11 TRUSTEES' REMUNERATION AND EXPENSES**

Except as disclosed below no remuneration, directly or indirectly out of the funds of the charity, was paid or payable during the period, to any trustee or to any persons known to be connected with any of them.

Except as disclosed below no reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the period.

One trustee Mrs J. Wong (Fortress Property) was paid £27,996 for rent of the premises for the year and £180 towards telephone costs.

Under the Memorandum of Association Paragraph 5e a director may be receive rent for premises let by the director if the amount of the rent and other terms of the lease are reasonable and proper. A rent review was carried out by Scanlans Chartered Surveyors in 2016 and established a market rent for the premises.

A salary of £10,400 was also paid to Mrs Jenny Wong and pension contribution of £79.

Under the Memorandum of Association Paragraph 5b a director may be employed by the charity, or enter into a contract for the supply of goods and services to the charity, other than for acting as a director.

**Related Parties**

At the year end a total of £195 was due from Fortress Properties in respect of professional fees paid by the charity in connection with the proposed extension. A further sum of £4,369 was paid back to the charity during the year by Fortress Properties. Mrs Wong was owed £180 by the charity at the year end in respect of expenses.

**12 TANGIBLE FIXED ASSETS**

	Leasehold Improvements	Computers Equipment	Fixtures & Equipment	Total
<b>COST</b>	£	£	£	£
As At 1 January 2018	47,611	2,279	10,941	60,831
Additions	948			948
Disposals				-
At 31 December 2018	48,559	2,279	10,941	61,779
<b>DEPRECIATION</b>				
As At 1 January 2018	29,703	2,279	8,157	40,139
Charge for Year	7,068		1,065	8,133
Disposals				-
At 31 December 2018	36,771	2,279	9,222	48,272
<b>NET BOOK VALUE</b>				
At 31 December 2018	11,788	-	1,719	13,507
At 31 December 2017	17,908	-	2,784	20,692

**13 STOCK**

	2018 £	2017 £
Stock	50	250
	50	250

**14 DEBTORS**

	2018 £	2017 £
Other Debtors	4,417	11,746
Prepayments	682	670
	5,099	12,416

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (cont...)

**15 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Other Creditors	6,041	6,810
Other Taxes & Social Security Costs	6,331	5,988
Accruals	4,391	6,098
	<u>16,763</u>	<u>18,896</u>

**16 CONTINGENT LIABILITIES**

	2018	2017
	£	£
At 31 December	-	-

**17 MOVEMENT IN FUNDS**

	Balance at 1.1.18	Incoming	Transfers	Outgoing	Balance at 31.12.18
	£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>					
General	65,557	169,913		(153,693)	81,777
	<u>65,557</u>	<u>169,913</u>	-	<u>(153,693)</u>	<u>81,777</u>
<b>TOTAL FUNDS</b>	<u>65,557</u>	<u>169,913</u>	-	<u>(153,693)</u>	<u>81,777</u>

**18 ANALYSIS OF CHARITABLE FUNDS**

	Tangible Fixed Assets £	Net Current Assets £	Total £
<b>RESTRICTED FUNDS:</b>	-	-	-
<b>UNRESTRICTED FUNDS:</b>	13,507	68,270	81,777
	<u>13,507</u>	<u>68,270</u>	<u>81,777</u>

**19 FUNDS ADMINISTERED FOR A THIRD PARTY**

The charity facilitated the undertaking of a school trip for Manchester Grammar School (MGS) and Wuhan International Exchange Centre in China.  
Neither the income or expenses of this trip relate to the charity and are therefore not reflected in the Statement of Financial Activities

	£
Monies received by the charity from MGS	53,418
Remitted to Cai Gexin for Wuhan International Exchange Centre	(53,225)
Bank Charges	<u>(193)</u>
Balance held at 31.12.18	<u>-</u>

**20 COMPANY STATUS**

The charitable company is limited by guarantee and all members have agreed to contribute a sum not exceeding £10 in the event of a winding up.

**21 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31st December 2018 (2017 £nil).

**22 FINANCIAL INSTRUMENTS**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised on a transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at an amortised cost using the effective interest method.

**YEAR ENDED 31 DECEMBER 2018 (cont...)**

**23 GOING CONCERN**

The company's main source of income is tuition fees and interpreting services. The Trustees having regard to future budgets and the current level of reserves consider that it is appropriate to prepare the accounts on a going concern basis and, consequently the accounts do not include any adjustments that would be necessary if the funding sources should cease.

**24 POST BALANCE SHEET EVENTS**

The trustees consider that there are no significant post balance sheet events that impact on the financial statements as presented.

**25 CONTROLLING PARTIES**

The company is under the joint control of the volunteer Board of Trustees named on Page 1.