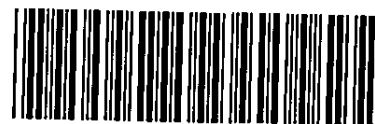


Registered number: SC335413
Charity number: SC023606

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

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EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2012**

Trustees

Mrs Sue Song
Mrs May Livsey
Mrs Wai Li
Mr Stefan Kaempf (appointed 21 June 2012)

Company registered number

SC335413

Charity registered number

SC023606

Registered office

c/o 5 Lonsdale Terrace
Edinburgh
EH3 9HN

Company secretary

Stefan Kaempf

Accountants

French Duncan LLP
Chartered Accountants
56 Palmerston Place
Edinburgh
EH12 5AY

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2012

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Edinburgh Chinese School (the company) for the ended 30 June 2012. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

✱ **Constitution**

The company, which is a recognised charity in Scotland, is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 18 December 2007 .

✱ **Method of Appointment or Election of Trustees**

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

✱ **Policies Adopted for the Induction and Training of Trustees**

Should any new trustees be appointed they will be given whatever training they require and be provided with a full brief of the work and history of the charity.

For the past year, one teacher attended training in London organised by UKAPCE and one director with a teacher attended a two day first-aid training course in Edinburgh in line with health and safety requirements.

✱ **Organisational Structure and Decision Making**

The Trustees are legally responsible for the overall governance, strategy, and direction of the charity. Trustees meet on a regular basis, however, day to day management of the charity is delegated to the School's Head Teacher Mrs Kim Wrong.

✱ **Risk Management**

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2012

OBJECTIVES

The principal objectives of the charity are :

1. to offer anyone an opportunity to learn Chinese languages (Cantonese and Mandarin) and culture
2. to promote racial harmony through language teaching and other educational activities
3. to raise awareness and mutual understanding among different races and cultures in society

The charity runs a school based at Drummond Community High School in Edinburgh which offers individuals the opportunity to aim for GCSE and GCE Level qualifications in Cantonese and Mandarin. The charity also runs various clubs and extra curricular activities to help promote Chinese culture.

✱ **REVIEW OF THE YEAR**

Cultural Activities and Projects

All school activities were carried out according to the scheduled calendar.

Teacher, supply teacher, volunteer application forms, sickness form, receipt book and expense claim form were updated to enable directors to easily monitor the school operations during the year.

The school directors and adviser have tried their best to reduce the room let charges which were introduced in April 2012. A meeting was held with the Children and Families Department and countless e-mails were exchanged between Edinburgh Chinese School and Drummond Community High School but no progress has been made in this respect.

The Silk String Quartet Chinese Orchestra from London paid a visit to the school and they performed Chinese folk music for our students and teachers for free.

A few girls in our dance class had the opportunity to perform at the Churchill Theatre for a Chinese New Year event.

✱ **GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

FINANCIAL REVIEW

✱ **Reserves Policy**

The total reserves for the 12 month period to 30 June 2012 were £3,209 (Restricted Funds £279 and Unrestricted Funds £2,930).

The total reserves for the previous 12 month period to 30 June 2011 were £5,186 (Restricted Funds £279 and Unrestricted Funds £4,907).

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2012

*** Results for the year**

The review compares the finances for the 12 month period to 30 June 2011 and the 12 month period to 30 June 2012.

The accounting policies under which the financial statements have been prepared are detailed on page 10.

The school experienced a very challenging environment similar to all other sectors in the past 12 months. Funding has been reduced but the charity is opposed to increasing any financial burden on the parents and students.

The charity's 'unrestricted' charitable activities for the 12 month period to 30 June 2012 resulted in a deficit of £1,977 (see net income / (expenditure) before transfers on page 8), compared with a surplus of £3,475 for the previous 12 month period to 30 June 2011.

Overall, the charity spent £13,195 (2011 - £12,712) on its core activities.

*** FUTURE DEVELOPMENTS**

Improve the quality of teaching and learning by:

1. Continuing to evaluate and observe classes
2. Continuing teacher training via the UK Chinese Language Teaching Networks
3. Review and develop the supply cover system by recruiting a team of supply teachers
4. Provide induction and establish a quality monitoring system
5. Establish a team of volunteer classroom assistants to provide classroom activities support
6. Performing textbook reviews
7. Improving the publication and publicity information provided to the public by reviewing the school leaflet and improve the website
8. Plan more fundraising activities to increase financial resources
9. Performing a policy review to document and update current policies

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2012

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Edinburgh Chinese School for the purposes of company law) 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

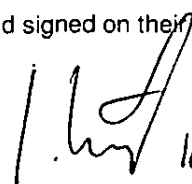
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 16 January 2013 and signed on their behalf by:

Mr Stefan Kaempf, Trustee


16 Jan - 2013

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EDINBURGH CHINESE SCHOOL

I report on the financial statements of the company for the year ended 30 June 2012 which are set out on pages 8 to 14.

This report is made solely to the company's Trustees, as a body, in accordance with regulation 11 of the Charities Accounts (Scotland) Regulations 2006. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

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 financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (the Accounts Regulations). The Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the 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 regulation 11 of the Accounts Regulations. An examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 I do not express an audit opinion on the view given by the accounts.

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2012

INDEPENDENT EXAMINER'S STATEMENT

In the course of 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 44(1) (a) of the 2005 Act and regulation 4 of the Accounts Regulations; and
 - to prepare financial statements which accord with the accounting records and comply with regulation 8 of the Accounts Regulations
- have 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.

Signed:  Dated: 16 January 2013

Bruce W Gellatly CA

French Duncan LLP
Chartered Accountants
56 Palmerston Place
Edinburgh
EH12 5AY

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating income and expenditure account)
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	1,457	1,457	5,590
Investment income	3	-	-	-	7
Incoming resources from charitable activities	4	-	9,897	9,897	10,848
TOTAL INCOMING RESOURCES		-	11,354	11,354	16,445
RESOURCES EXPENDED					
Charitable activities	6	-	13,331	13,331	12,970
TOTAL RESOURCES EXPENDED		-	13,331	13,331	12,970
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR					
		-	(1,977)	(1,977)	3,475
<i>Total funds at 1 July 2011</i>		<i>279</i>	<i>4,907</i>	<i>5,186</i>	<i>1,711</i>
TOTAL FUNDS AT 30 JUNE 2012		279	2,930	3,209	5,186

The notes on pages 10 to 14 form part of these financial statements.

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: SC335413

BALANCE SHEET
AS AT 30 JUNE 2012

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Debtors	9	195		195	
Cash at bank and in hand		13,047		14,736	
		<u>13,242</u>		<u>14,931</u>	
CREDITORS: amounts falling due within one year					
	10	(10,033)		(9,745)	
NET CURRENT ASSETS			<u>3,209</u>		<u>5,186</u>
NET ASSETS			<u>3,209</u>		<u>5,186</u>
CHARITY FUNDS					
Restricted funds	11		279		279
Unrestricted funds	11		2,930		4,907
TOTAL FUNDS			<u>3,209</u>		<u>5,186</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

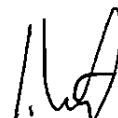
The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2012 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 16 January 2013 and signed on their behalf, by:

Mr Stefan Kaempf, Trustee

The notes on pages 10 to 14 form part of these financial statements.



16-Jan-2013

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

2. VOLUNTARY INCOME

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Donations	-	1,457	1,457	5,590

3. INVESTMENT INCOME

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Bank interest receivable	-	-	-	7

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Chinese School	-	9,408	9,408	10,848
Chinese New Year	-	361	361	-
Talent Show	-	128	128	-
	-	9,897	9,897	10,848

5. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Chinese School	-	13,195	13,195	12,712
Chinese New Year	-	98	98	258
Talent Show	-	38	38	-
	-	13,331	13,331	12,970

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

6. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £	Total 2011 £
Chinese School	13,195	-	13,195	12,712
Chinese New Year	98	-	98	258
Talent Show	38	-	38	-
Total	13,331	-	13,331	12,970

7. DIRECT COSTS

	Chinese School £	Chinese New Year £	Talent Show £	Total 2012 £	Total 2011 £
Teachers' fees	3,604	-	-	3,604	4,840
School assistants' fees	240	-	-	240	20
Teaching materials, books and training	4,340	-	-	4,340	2,815
Other costs	5,011	98	38	5,147	5,295
Total	13,195	98	38	13,331	12,970

8. NET INCOME / (EXPENDITURE)

During the year, no Trustees received any remuneration (2011 - £NIL).
During the year, no Trustees received any benefits in kind (2011 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2011 - £NIL).

9. DEBTORS

	2012 £	2011 £
Prepayments and accrued income	195	195

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

10. CREDITORS:
Amounts falling due within one year

	2012 £	2011 £
Accruals and deferred income	10,033	9,745

11. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Unrestricted funds				
General Funds	4,907	11,354	(13,331)	2,930
Restricted funds				
Scottish Community Foundation	279	-	-	279
Total of funds	5,186	11,354	(13,331)	3,209

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	4,907	11,354	(13,331)	2,930
Restricted funds	279	-	-	279
	5,186	11,354	(13,331)	3,209

Scottish Community Foundation

These funds were donated to cover the cost of running a 'healthy living during recession' project for mothers to learn and share tips to eat healthily under financial pressure.

EDINBURGH CHINESE SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Current assets	279	12,963	13,242	14,931
Creditors due within one year	-	(10,033)	(10,033)	(9,745)
	<u>279</u>	<u>2,930</u>	<u>3,209</u>	<u>5,186</u>