

Charity Registration No. SC023606 (Scotland)

Company Registration No. SC335413 (Scotland)

EDINBURGH CHINESE SCHOOL
TRUSTEES' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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EDINBURGH CHINESE SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms W Lee	
	Mrs M K Song	
	Mr B W K Tong	
	Mr M Kriegel	(Appointed 4 November 2017)
	Mr M C Kwong	(Appointed 29 September 2018)
	Ms E Ma	(Appointed 19 May 2018)
Secretary	Ms E Ma	
Charity number (Scotland)	SC023606	
Company number	SC335413	
Registered office	1F2 32a Warrender Park Terrace Edinburgh EH9 1ED	
Independent examiner	French Duncan LLP 56 Palmerston Place Edinburgh EH12 5AY	

EDINBURGH CHINESE SCHOOL

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EDINBURGH CHINESE SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2018

The trustees present their report and financial statements for the year ended 30 June 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the company's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

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

Most school activities were carried out according to the scheduled calendar. Apart from providing Mandarin and Cantonese lessons to school children and adults, the school organised and participated in a wide range of cultural activities and events.

The headteacher and teachers arranged some performances, workshops and mooncakes tasting for celebrating the Mid-Autumn Festival. Our Chinese New Year celebration was attended by 150 people. There were performances from our students, students of Edinburgh University and Yee's Hung Ga Edinburgh performed the Lion Dance and Kung Fu. Parents were enthusiastically involved in fund raising activities. The school put up some Chinese New Year decorations and set up a workshop in Jenners department store for promoting Chinese Culture.

We participated in the reading and writing competitions held by UKAPCE (UK Association for the Promotion of Chinese Education) and UKFCS (UK Federation of Chinese Schools). Our students performed very well in both competitions and won several awards.

The board has upgraded the school website and continues to maintain its content. To meet the legal requirement, GDPR notice was sent out to all the parents and students by emails and also posted on school website in May. It was the first year for our students to sit SQA or GCSE Chinese examination. They all achieved excellent results.

EDINBURGH CHINESE SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2018**

Financial review **Results for the year**

The review compares the finances for the 12 month period to 30 June 2018 and the 12 month period to 30 June 2017.

The accounting policies under which the financial statements have been prepared are detailed on pages 7 and 8.

The charity's 'unrestricted' charitable activities for the 12 month period to 30 June 2018 resulted in a surplus of £4,087 compared with a surplus of £313 for the previous 12 month period to 30 June 2017.

Overall, the charity spent £8,327 (2017 - £10,671) on its core activities.

Reserves Policy

The charity maintains unrestricted funds not committed for a specific use at a level equivalent to approximately twelve months of annual expenditure.

The total reserves for the 12 month period to 30 June 2018 were £18,379 all of which were unrestricted.

The total reserves for the previous 12 month period to 30 June 2017 were £14,292 all of which were unrestricted.

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.

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.

Future developments

The School Board and Headteacher will be working closely to improve the quality of teaching and learning through the following activities:

1. Encouraging and providing funding for teachers to attend external training courses
2. Reviewing the class diary format to monitor the teaching content and classroom activities
3. Continuing to recruit volunteers as classroom and school assistants
4. Actively participating in UK wide cultural and Chinese languages activities
5. Developing the Mandarin and Cantonese classes
6. Improving communication with parents and encouraging parents' involvement in a flexible manner
7. Developing extra-curriculum activities and interest class for students
8. Improving and developing learning ability to let students confidently sit the SQA National 5, Higher and even Advanced Higher Chinese examination

EDINBURGH CHINESE SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr W Lam	(Resigned 14 September 2017)
Ms W Lee	
Mrs M K Song	
Ms G Cui	(Resigned 16 June 2018)
Ms S Li	(Resigned 15 September 2018)
Mr B W K Tong	
Mr J Chow	(Resigned 26 June 2018)
Mr M Kriegel	(Appointed 4 November 2017)
Mr M C Kwong	(Appointed 29 September 2018)
Ms H Cheung	(Appointed 4 November 2017 and resigned 19 May 2018)
Ms E Ma	(Appointed 19 May 2018)

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.

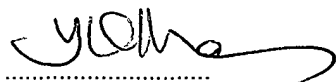
Organisational Structure and Decision Making

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.

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.

The trustees' report was approved by the Board of Trustees and signed on their behalf by:



Ms E Ma

Secretary

Dated: 21/02/2019

EDINBURGH CHINESE SCHOOL

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 2018, which are set out on pages 5 to 12.

Respective responsibilities of trustees and examiner

The company's trustees, who are also the directors of Edinburgh Chinese School 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 Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 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 statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity 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 seeks explanations from the 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 financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Antony J Sinclair CA

French Duncan LLP
56 Palmerston Place
Edinburgh
EH12 5AY

Dated: 08/03/2019.

EDINBURGH CHINESE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2018

		Unrestricted funds 2018 £	Total 2017 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	2	3,108	700
Charitable activities	3	10,656	11,754
Other income	4	-	300
Total income		13,764	12,754
<u>Expenditure on:</u>			
Charitable activities	5	9,677	12,441
Net income for the year/ Net movement in funds		4,087	313
Fund balances at 1 July 2017		14,292	13,979
Fund balances at 30 June 2018		18,379	14,292

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EDINBURGH CHINESE SCHOOL

BALANCE SHEET

AS AT 30 JUNE 2018

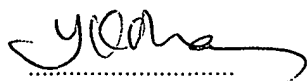
	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	10	209		202	
Cash at bank and in hand		23,575		21,894	
		<u>23,784</u>		<u>22,096</u>	
Creditors: amounts falling due within one year	11	(5,405)		(7,804)	
Net current assets			18,379		14,292
Income funds					
Unrestricted funds	13		18,379		14,292
			<u>18,379</u>		<u>14,292</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16/02/2019 and signed on their behalf, by:



Ms E Ma
Trustee

Company Registration No. SC335413

EDINBURGH CHINESE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Charity information

Edinburgh Chinese School is a private company limited by guarantee incorporated in Scotland. The registered office is 1F2 32a Warrender Park Terrace, Edinburgh, EH9 1ED.

1.1 Accounting convention

The financial statements have been prepared in accordance with the company's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016). The company is a Public Benefit Entity as defined by FRS 102.

The company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

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

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

All expenditure is inclusive of irrecoverable VAT.

EDINBURGH CHINESE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

2 Donations and legacies

	Unrestricted funds	Total
	2018 £	2017 £
Donations and gifts	3,108	700

3 Charitable activities

	Chinese New Year £	Chinese School £	Total 2018 £	Total 2017 £
Income from charitable activities	220	10,436	10,656	11,754

4 Other income

	Unrestricted funds	Total
	2018 £	2017 £
Other income	-	300

EDINBURGH CHINESE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

5 Charitable activities

	2018 £	2017 £
Teachers' fees	2,036	2,730
Teaching materials, books and training	1,786	2,319
Other costs	4,505	5,622
	<u>8,327</u>	<u>10,671</u>
Share of governance costs (see note 6)	1,350	1,770
	<u>9,677</u>	<u>12,441</u>
Analysis by fund		
Unrestricted funds	<u>9,677</u>	
For the year ended 30 June 2017		
Unrestricted funds		12,424
Restricted funds		17
		<u>12,441</u>

6 Support costs

	Support costs £	Governance costs £	2018 £	2017 £
Independent Examiners Fee	-	1,350	1,350	1,770
	<u>-</u>	<u>1,350</u>	<u>1,350</u>	<u>1,770</u>
Analysed between				
Charitable activities	-	1,350	1,350	1,770
	<u>-</u>	<u>1,350</u>	<u>1,350</u>	<u>1,770</u>

Governance costs includes payments to the independent examiners of £1,350 (2017- £1,770) for independent examination fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the company during the year.

8 Employees

There were no employees during the year.

EDINBURGH CHINESE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

9	Financial instruments	2018	2017
		£	£
	Carrying amount of financial liabilities		
	Measured at amortised cost	5,405	7,804
		<u> </u>	<u> </u>
10	Debtors	2018	2017
		£	£
	Amounts falling due within one year:		
	Prepayments and accrued income	209	202
		<u> </u>	<u> </u>
11	Creditors: amounts falling due within one year	2018	2017
		£	£
	Accruals and deferred income	5,405	7,804
		<u> </u>	<u> </u>

Included within accruals and deferred income are school fees totalling £3,791 (2017 - £6,146) received in advance for the following school year.

EDINBURGH CHINESE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

12 Restricted funds

	Movement in funds				
	Balance at 1 July 2016	Incoming resources	Resources expended	Balance at 1 July 2017	Balance at 30 June 2018
	£	£	£	£	£
Scottish Community Foundation	17	-	(17)	-	-

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.

13 Unrestricted funds

	Movement in funds			Movement in funds			
	Balance at 1 July 2016	Incoming resources	Resources expended	Balance at 1 July 2017	Incoming resources	Resources expended	Balance at 30 June 2018
	£	£	£	£	£	£	£
General funds	13,962	12,754	(12,424)	14,292	13,764	(9,677)	18,379
	<u>13,962</u>	<u>12,754</u>	<u>(12,424)</u>	<u>14,292</u>	<u>13,764</u>	<u>(9,677)</u>	<u>18,379</u>

EDINBURGH CHINESE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

14 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).