

**THE EDINBURGH CHINESE
COMMUNITY SCHOOL**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023

CHARITY NO: SC030510

WHITELAW WELLS
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

THE EDINBURGH CHINESE COMMUNITY SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023

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THE EDINBURGH CHINESE COMMUNITY SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023

REPORT OF THE TRUSTEES

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 July 2023.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Articles of Association, 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).

OBJECTIVES AND ACTIVITIES

The principal object of the School is to advance the education of the public in Chinese language, heritage and identity.

The aims and activities of the School are to:

1. Promote Chinese culture, particularly among the younger generation
2. Promote the learning and teaching of the Chinese language
3. Promote cultural exchange within the community to lead to greater racial harmony.

Grant Making Policy

The Board operates a policy to occasionally contribute a proportion of its income to other organisations. The Board reviews the level of the contributions each year.

Volunteers

Many volunteers give up their time to help out at the School, particularly at weekends and in the evenings. We are greatly indebted to these volunteers for their commitment and support.

ACHIEVEMENTS AND PERFORMANCE

During the 2022/2023 academic year, we are pleased to report the following examination results:

- | | |
|-------------------|----|
| 1. SQA National 5 | 3A |
| 2. SQA Higher | 6A |

- The school resumed face to face lessons in Liberton High School after 2.5 years online lessons.
- The school hosted a very successful Chinese New Year online celebration on 28th January 2023.
- In the 2023 UK national Chinese reading competition, 5 of our students won medals.
- Our Chinese school students attended the Edinburgh Carnival Festival parade on 16th July 2023.
- Our Music Ensemble team performed in Edinburgh Carnival Festival on 16th July 2023.

For 2022/2023 school year, we had a total of 125 language students in 6 Cantonese classes and 9 Mandarin classes. The school resumed all the activity classes. In total, we had 53 students in 8 activity classes. The school sent one teacher to China to receive training in July 2023. Our more experienced teachers supervised the new teachers and teaching assistants to build a more successful teaching team.

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YEAR ENDED 31 JULY 2023

REPORT OF THE TRUSTEES

FINANCIAL REVIEW

The principal funding sources were from donations, school fees and special events. Total income for the period was £25,979 (2022: £13,155), including a restricted grant of £nil (2022: £nil). The net expenditure on unrestricted funds, which are the operational reserves of the charity, for the year was £12,961 (2022: net expenditure £10,330). This leaves an unrestricted fund surplus at 31 July 2023 of £61,646 (2022: £74,607).

Reserves policy

The unrestricted fund represents the free reserves of the School, arising from past operating results. The trustees wish to follow best practice and continue to maintain reserves at a level that would cover six months operating expenditure, in the event of a reduction in income, which based on current expenditure amounts to approximately £19,500. Reserves at the year end are in excess of this due to a number of large donations over the last few years so the reserves policy is met and we are looking to monitor this in light of ongoing restrictions and lockdown measures.

PLANS FOR FUTURE PERIODS

The Edinburgh City Council has increased the school rent for 2 consecutive years (2022-2023 and 2023-2024), which caused a high impact to the school finance. To have sufficient fund to run the school in the future, the school needs to increase tuition fees for a few years.

The school will continue to recruit volunteer teaching assistants to help the teachers deliver good quality lessons. Also, the school will continue to work with Liberton High School to provide IT equipment for the teachers who need computers to deliver lessons in classrooms.

For the year ahead, we will continue to encourage teachers to attend training in China during summer holidays. The school will continue to encourage the students to take part in Mandarin reading competition and improve their Mandarin reading skills. The school will also continue to provide good quality activity classes and encourage more students to learn Chinese music instruments and dance.

We will continue to promote our school in multiple channels, such as school website and Facebook, to recruit new students. Also, we will continue to encourage our students and Music Ensemble team to perform inside and outside of our school.

For the 2023/2024 school year, the school has hired Liberton High School sports centre for the parents to pay membership fees to play badminton when their children are studying Chinese in our school each Saturday afternoon. We will continue to do so in the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The School is a charitable, unincorporated organisation. It was recognised as a charity in Scotland with effect from 9 September 2000.

THE EDINBURGH CHINESE COMMUNITY SCHOOL

FINANCIAL STATEMENTS

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REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONT'D)

Appointment of Trustees

All of the Trustees are appointed or reappointed by the members at the annual general meeting which is usually held in November each year. The appointed Trustees hold office for two years and at the end of a two-year term, are eligible for re-election. However, the office bearers, being Chair, Vice Chair, Treasurer and Secretary are re-appointed every year by the board of Trustees. The Trustees are collectively responsible for the management of the School.

Organisational Structure

Membership of the organisation is open to all individuals who agree to the aims and objectives of the constitution. Membership can be categories as Ordinary Membership, Executive Committee Membership and Honorary Membership.

Honorary Membership will only be conferred on individuals who have made a significant contribution to The School and will be subject to ratification by Members at either a Special Meeting or the Annual General Meeting.

Parents of children who are studying at The School will automatically qualify for membership: single membership is conferred irrespective of the number of children attending the school. Where a current student is aged 18 years or over he or she will automatically qualify for membership in their own legal right. All new members must register with the Executive Committee.

Individuals wishing to have ordinary Membership where they do not have children currently attending The School or who are not themselves students at The School must be approved by the Executive Committee.

Membership will not require payment of a subscription or a charge.

The School is a community based school and acknowledges support of the following organisations:
Edinburgh and District Chinese Association;
The Edinburgh Chinese Association;
The Edinburgh Chinese Elderly Support Association; and
The Edinburgh Chinese Women's Association.

THE EDINBURGH CHINESE COMMUNITY SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023

REPORT OF THE TRUSTEES

REFERENCE AND ADMINISTRATIVE DETAILS

Scottish Charity Number SC030510

Registered Charity Name The Edinburgh Chinese Community School

Trustees

(Chair)

(Vice chair)

(Treasurer)

(resigned on 26 November 2022)

(resigned on 26 November 2022)

(appointed 26 November 2022)

(appointed 26 November 2022)

Principal Office

41 Argyle Place
Edinburgh
EH9 1JT

Operational Address

c/o Liberton High School
Gilmerton Road
Edinburgh
EH17 7PT

Independent Examiner

Whitelaw Wells
9 Ainslie Place
EDINBURGH
EH3 6AT

Bankers

Bank of Scotland
Princes Exchange
3 Earl Grey Street
EDINBURGH
EH3 9BN

THE EDINBURGH CHINESE COMMUNITY SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023

REPORT OF THE TRUSTEES

Statement of Trustees' Responsibilities

The charity trustees 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).

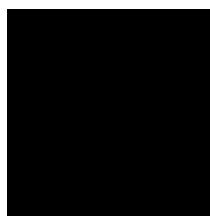
The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which 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 Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information on the congregation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by:-



.....

22 April 2024

YEAR ENDED 31 JULY 2023

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES**

I report on the financial statements for the year ended 31 July 2023, set out on pages 9 to 15.

Respective responsibilities of the Trustees and the Independent Examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's 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 accounts 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 is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 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 accounts.

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 2006 Accounts Regulations (as amended); and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended) 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.



Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

Date: 22 April 2024

THE EDINBURGH CHINESE COMMUNITY SCHOOL

INCOME AND EXPENDITURE ACCOUNT INCORPORATING STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Total 2023 £	Total 2022 £
Income and endowments from:			
<i>Donations, legacies, and grants</i>	2	4,099	300
<i>Charitable activities</i>			
School fees	3	21,880	12,855
		_____	_____
Total Income		25,979	13,155
		_____	_____
Expenditure on:			
<i>Charitable activities</i>		38,940	23,485
		_____	_____
Total Expenditure	4	38,940	23,485
		_____	_____
Net Expenditure and movement in funds		(12,961)	(10,330)
Reconciliation of funds			
Total funds at 1 August 2022		74,607	84,937
		_____	_____
Total funds at 31 July 2023		61,646	74,607
		=====	=====

The Charity has no recognised gains or losses other than the results for the period as set out above.
All activities of the Charity are classed as continuing and unrestricted in both the current and prior year.

The notes on pages 11 to 15 are an integral part of this financial statements.

THE EDINBURGH CHINESE COMMUNITY SCHOOL

BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	7		-		-
Current assets					
Cash at bank and in hand		76,811		75,627	
		<u>76,811</u>		<u>75,627</u>	
Creditors: Amounts falling due within one year	8	(15,165)		(1,020)	
		<u>(15,165)</u>		<u>(1,020)</u>	
Net current assets			61,646		74,607
			<u>61,646</u>		<u>74,607</u>
Total assets less current liabilities			61,646		74,607
			<u>61,646</u>		<u>74,607</u>
Funds					
Unrestricted funds			61,646		74,607
			<u>61,646</u>		<u>74,607</u>
			<u>61,646</u>		<u>74,607</u>

These accounts were approved by the board of Trustees on 22 April 2024 and signed on their behalf by:



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) 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 (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity meets the definition of a public benefit entity under FRS102.

The charity has taken advantage of the exemption from the requirement to prepare a Statement of Cash Flows as permitted under FRS 102 and the Charities FRS 102 SORP.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Directors' going concern assessment considers a period of at least 12 months from the date of signing of these financial statements.

(b) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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.

Donations, legacies and similar incoming resources included in the year in which they are receivable, which is when the school becomes entitled to the resource.

Deferred income represents amounts received in this period but relating to future periods and is released to incoming resources in the period for which it has been received.

(c) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investment manager's fees.
- Expenditure on charitable activities includes the costs incurred by the charity in delivery of its activities and services to its beneficiaries and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies (Cont'd)

(d) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

(e) Depreciation

Tangible fixed assets are initially recorded at cost. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:-

Furniture and Equipment	15% years straight line
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Expenditure on furniture, fittings and play equipment costing less than £250 has been charged to the income and expenditure account, unless bought from specific capital funding.

(f) Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

(g) Financial instruments

Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. They are classified as "basic" in accordance with FRS102 and are accounted for at the settlement amount due, which equates to the cost. Financial assets comprise investments and cash. Financial liabilities comprise accruals.

(h) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE EDINBURGH CHINESE COMMUNITY SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

2. Income from Donations, Legacies and Grants

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Donations	4,099	-	4,099	300
	<hr/>	<hr/>	<hr/>	<hr/>
	4,099	-	4,099	300
	<hr/>	<hr/>	<hr/>	<hr/>

Income from donations, legacies and grants was £4,099 (2022: £300) of which £4,099 (2022: £300) was unrestricted and £nil (2022: £nil) was restricted.

3. Income from Charitable Activities

	2023	2022
	£	£
School fees	21,880	12,855
	<hr/>	<hr/>
	21,880	12,855
	<hr/>	<hr/>

Income from charitable activities was £21,880 (2022: £12,855) of which £21,880 (2022: £12,855) was unrestricted.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

4. Analysis of Expenses

	Charitable Activities	2023	2022
	£	£	£
Salaries, staff expenses & tutor costs (note 5)	26,387	26,387	18,524
Materials, books & other school resources	1,216	1,216	1,599
Post and stationery	355	355	39
Computer costs	-	-	1,199
Insurance	203	203	384
Event Expenses	1,416	1,416	-
Travel	65	65	-
Rent	7,321	7,321	-
Other Expenditure	237	237	-
<i>Governance costs:</i>			
Accountancy	1,207	1,207	1,287
Independent examination fee	533	533	453
	<hr/>	<hr/>	<hr/>
	38,940	38,940	23,485
	<hr/>	<hr/>	<hr/>

Expenditure was £38,940 (2022: £23,485) of which £38,940 (2022: £23,485) was unrestricted. Restricted expenditure in the year amounted to £nil (2022: £nil).

Further analysis of the charitable activities is not provided as the Trustees believe the Charity only has one main activity.

5. Staff Numbers and Costs

	2023	2022
	£	£
Staff salaries	26,387	18,524
Employer's NIC	-	-
Employer's Pension	-	-
	<hr/>	<hr/>
	26,387	18,524
	<hr/>	<hr/>

The average weekly number of employees during the year was: 22 (2022: 15). These were wholly part-time. No employee received remuneration of more than £60,000.

THE EDINBURGH CHINESE COMMUNITY SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

6. Trustees Remuneration and Relates Party Transactions

No member of the Board of Trustees received remuneration or reimbursement of expenses during the year.

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

7. Tangible fixed assets

	Furniture & equipment £
At cost	
Balance at 1 August 2022 and 31 July 2023	5,156
Depreciation	
Balance at 1 August 2022 and 31 July 2023	5,156
Net book value	
At 31 July 2023	-
At 31 July 2022	-

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals	6,315	1,020
Deferred income	8,850	-
	15,165	1,020

DEFERRED INCOME

	2023 £	2022 £
Total deferred income at 1 August 2022	-	-
Amounts released during the year	-	-
Amounts deferred during the year	8,850	-
Total deferred income at 31 July 2023	8,850	-

Deferred income represents School fees of £8,850 (2022: £Nil) received for which income entitlement conditions have not been met.