

SCOTLAND CHINA EDUCATION NETWORK
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the period from 3 December 2015 to 31 December 2016

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

Scottish Charitable Incorporated Organisation SC046171

Principal Office: 12a Ravelston Park, Edinburgh EH4 3DX

Website: <http://www.scen.info>

Trustees

J McClure CBE – Chair (appointed 3 December 2015)

S Macaulay – (appointed 3 December 2015)

J Chittleburgh – Treasurer – (appointed 3 December 2015)

M Anderson – (appointed 3 December 2015)

Bankers

Royal Bank of Scotland
West End Office
142-144 Princes Street
Edinburgh
EH2 4EQ

Independent examiner

Michael Crerar CA
Geoghegans
6 St Colme Street
Edinburgh
EH3 6AD

Accountants

Chiene + Tait LLP
61 Dublin Street
Edinburgh
EH3 6NL

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

The trustees present their annual report and financial statements of the charity for the period from 3 December 2015 to 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, 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 published on 16 July 2014.

Objectives and Activities

The Charity was established on 3 December 2015.

The purpose of the Scotland China Education Network is the advancement of education through the promotion of the teaching and learning of Chinese and about China in Scotland. In particular, SCEN aims:

- to promote educational links between Scotland and China by bringing together those involved in SCEN events and projects, to support each other and to share good practice, in partnership with local, national and international bodies.
- to support the work of the Scottish Governments International Division and Learning Directorate, the Cross Party Group on China at the Scottish Parliament and all national and local educational bodies in their plans to develop the learning of Chinese language, culture, history and society in Scotland.

A review of our achievements and performance

During the period the Trustees promoted the teaching and learning of Chinese and about Scotland through events (such as conferences), wide-ranging planning discussions and properly evaluated and researched projects.

1. The Trustees agreed the following SCEN Policy 2016

- To support Local Authorities, Head teachers, Schools and national agencies in Scotland, in their efforts to implement the national languages strategy and connections with China in Scotland's schools.
- To work with Universities and Colleges, to support their teaching work in Chinese and about China, research into the teaching and learning of Chinese, and collaborative research projects with Universities in China.
- To work with the Scottish Government, in particular the China and Americas Team and the Curriculum Unit and its Languages Team, in helping to meet the targets and evaluate the progress of Scotland's China Strategy and its Languages Plan.
- To respond to the needs and the issues raised by all sectors at the Cross Party Group on China at the Scottish Parliament, including the wide range of commercial interests represented by the China Scotland Business Forum, the 48 Group Club (The Icebreakers) and the China Britain Business Council.
- To support the relationship between Hanban and the Confucius Institutes and Confucius Classroom Hubs in Scotland.

To link with the First Secretary for Scottish Affairs and the UK Embassy in Beijing, the Embassy for the PR of China in London and the Consulate General in Edinburgh, to support Scotland's links with China and to facilitate its participation in UK connections.

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2016

A review of our achievements and performance (continued)

2. A wide range of partners from universities, colleges and schools (including students in primary, secondary and tertiary education) were engaged in meetings to consider the implementation of the educational objectives of the Scottish Government's strategy for stronger engagement with China and its 1+2 Languages Plan, and other issues concerning China's relationship with Scotland:
 - **The SCEN Advisory Council**, 17 June at Lasswade High School, 7 October 2016 at Glenalmond College, Perth.
 - **The Languages Think Tank**, 2 February 2016 and 26 August 2016, at the Confucius Institute for Scotland, Abden House, The University of Edinburgh.
 - **The Chinese Teaching Club**, bringing together teachers and lecturers in Chinese in Scotland's local authority, independent and Chinese community schools, colleges and universities, 20 May 2016, at Fettes College, Edinburgh and 4 November 2016, at Abden House.
 - **The SCEN Youth Committee**, with students from schools, universities (including a member of the Scottish Youth Parliament) and young professionals, 31 May 2016 and 12 September 2016 at the home of the Chair, 12A Ravelston Park Edinburgh.
 - **SCEN Founder Ambassadors**, with senior SCEN Ambassadors who had led its initiatives from its early years, on 24 March 2016, 3 June 2016 and 25 November 2016, at the New Club, Edinburgh.
 - **The Asia Connections Scotland Network**, is convened by the Chair of SCEN and first met in October 2015, with the aim of bringing together the wide range of sectors in Scotland that are connecting with Asia. The aim was to achieve a better understanding of their objectives and strategy, to enable more effective collaboration. A wide range of interests are included in the network: the International Division of the Scottish Government, Scottish Enterprise, Scottish Development International, the China Britain Business Council, the 48 Group Club and the China Scotland Business Forum, the Royal Society of Edinburgh, the Scottish Council for Development and Industry, International Directors at Scotland's Universities, researchers and research students, Directors of Confucius Institutes, international fund managers and senior leaders in financial services, the Royal Society for Asian Affairs, the office of the First Secretary for Scottish Affairs in the UK Embassy in Beijing, leading Scottish businesses such as the Scotch Whisky Association, the Asia Scotland Institute, leading law firms, the Edinburgh International Asia Conference, the Asian Association of Culture, Commerce and Education in Europe and the Cross-Party Group on China at the Scottish Parliament.

Meetings in 2016:

- *The UK-China relationship, the current context in China and the impact of President Xi Jinping's State Visit* (speaker: Gareth Ward, Deputy Director of the Asia-Pacific Directorate and Head of the China Department at the Foreign and Commonwealth Office), 29 January 2016, at the Royal Scots Club;
- *The objectives of the Great Britain China Centre and its work with the Centre for Common Law at Renmin University Law School, Beijing* (speaker: Richard Pascoe, Executive Director, Great Britain China Centre), 22 February 2016, at the New Club;
- *The Belt and Road Initiative* (speaker: James Brodie, General Manager and Business Adviser, China Britain Business Council), 2 June 2016, at the New Club.

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2016

A review of our achievements and performance (continued)

3. SCEN organised a series of major events in 2016, with the aim of encouraging those engaged in links with China and Chinese learning, whether at school, college, university or in business and government, to give short and vibrant presentations with a view to encouraging others to participate.
 - **The SCEN Ambassadors' Forum**, 17 June 2016 at Lasswade High School, Midlothian.
 - **The SCEN Icebreaker Lecture**, speaker Stephen Perry, Chairman of the 48 Group Club, 15 September 2016, at the Royal Society of Edinburgh.
 - **The SCEN Lecture 2016**, speaker James Anderson, Partner and Senior Investment Manager, Baillie Gifford, 4 November 2016, at the Royal Society of Edinburgh.
 - **The Fifth SCEN China Youth Summit, celebrating the 10th Anniversary of SCEN, *Our China Story***, 2 December 2016, at the Edinburgh International Conference Centre. Normally SCEN is able to provide the venue and lunch for 300 delegates (no charge is made, to facilitate the participation of schools from any region of Scotland); this year a grant of £5,000 from the Scottish Government enabled SCEN to host 555 delegates.
4. Trustees agreed to the following SCEN Projects in 2016:
 - **The SCEN Learning of Chinese Programme**, led by Simon Macaulay, Deputy Chair of SCEN, with volunteers from the Edinburgh University Students' Association (EUSA) and supported by the Confucius Institute for Scotland's Schools at the University of Strathclyde, continued in East and Midlothian. Simon Macaulay organised training sessions for mentor teachers and university volunteers. Fiona Pate HMI (now an independent educational consultant) produced a third evaluative report and the *Bilingualism Matters* Centre at the University of Edinburgh, led by Professor Antonella Sorace, provided a second research study on attainment in Chinese language learning by three of the schools involved.
 - **SCEN Stand at the Language Show Live, Glasgow**, led by Rosemary Mitchell, Convener of SCEN Ambassadors, supported by Colin Mitchell, Depute Head at Lasswade High School, and by SCEN Ambassadors, 11 – 12 March 2016. This presence enhanced interest in SCEN and its activities, aided by a SCEN Flyer created by Morag Anderson, SCEN Trustee and Communications and Business Adviser, which is being widely distributed. The SCEN distribution list was created on MailChimp to facilitate the sending of SCEN Updates.
5. Throughout the year 2016, SCEN continued to work with:
 - The Confucius Institute for Scotland at the University of Edinburgh, where Judith McClure, the Chair of SCEN, is Ambassador for the Teaching and Learning of Chinese.
 - The Directors of Scotland's five Confucius Institutes, at the Universities of Edinburgh, Glasgow, Strathclyde, Aberdeen and Heriot-Watt; Judith McClure chaired the Meeting of Directors at the University of Edinburgh on 14 June 2016. Simon Macaulay was present and the discussion concerned the present position and future of Chinese Language Teaching in Scotland.
 - The Royal Zoological Society for Scotland, and in particular with the *Beyond the Panda* programme led by Sandie Robb, Senior Education Officer.

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TRUSTEES' ANNUAL REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2016

A review of our achievements and performance (continued)

- The China Scotland Business Forum (CSBF), chaired by Eric Balish; Judith McClure, Chair of SCEN, is a member of the planning group. Meetings involve regular connections with Scottish Financial Enterprise and Scottish Development International. Judith McClure attended a networking lunch/roundtable organised by Scottish Enterprise to welcome a delegation from the China Council for the Promotion of International Trade UK Office on 26 August 2016.
- The China Britain Business Council (CBBC) Scotland.
- The 48 Group Club, the Icebreakers: Judith McClure was Acting Chair of the 48 Group Ltd August – December 2016.
- The Cross-Party Group on China at the Scottish Parliament, of which Judith McClure was Secretary during the fourth session of the Scottish Parliament. The Meeting on 20 January 2016 at the Scottish Parliament celebrated the 50th Anniversary of the Scotland China Association (SCA) considered *The Issues Surrounding Direct Flights to China and Possible Solutions*: Sir John Elvidge, Chairman, Edinburgh Airport Limited and Ross Martin, Chief Executive Officer of the Scottish Council for Development and Industry, reported on the Pre-Meeting on China Direct Flights, organised by SCEN 7 January 2016 and introduced a discussion on possible solutions. The Meeting of the CPG on China on 8 March 2016, marked the final Meeting of the Cross-Party Group on China during the fourth session of the Scottish Parliament. There was a Wine Reception, sponsored by the Scotland China Education Network, to thank Graeme Pearson MSP, Convener, for his outstanding leadership. The Rt Hon The Lord Davidson of Glen Clova QC gave a presentation on *Scotland's Relationship with China 2006-2016 and Crucial Steps for the Next Decade*, and Mr Pan Xinchun, Consul General for the PR of China in Edinburgh, spoke of *China's Economic Development*.
- The Scottish Qualifications Authority, in relation to qualifications at all levels in Chinese and about China. In particular, SCEN is working with SQA as they look at including Chinese studies in a new qualification. SCEN is also working with Tim Clissold, the international businessman and author of *Mr China* and *Mao's Rules*, on a plan to introduce the study of Chinese Civilisation into UK schools.
- The British Council, and in particular the formal partnership between SCEN and the British Council's Generation UK: China Network.
- The Scottish Churches China Group; Simon Macaulay, Deputy Chair of SCEN, is a member of the Management Committee.
- Edmund HOFFIE, Eden English Language School and Eden Investments, Nanning, Guanxi; Judith McClure had a meeting with Edmund HOFFIE on 17 August 2016 and noted proposals to be made to Trustees concerning areas for partnership in 2017.
- The Hong Kong Scotland School Improvement Partnership (HKSSIP), Founder Director Archie McGlynn (Former Chief Inspector of Education and Founder Director of the Hong Kong Schools Self-Evaluation Network, HKSSSEN); Judith McClure is the Scottish Partner. SCEN organised the HKSSIP Scotland Study Trip 23-30 April 2016, which created partnerships between a group of Edinburgh and Hong Kong Schools. HKSSIP is creating a strong partnership and future events are planned in Scotland and in Hong Kong.

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2016

A review of our achievements and performance (continued)

- The Hong Kong Scotland Education Connection, led by Nigel Fong, Director of Swiss-Sure HK. Nigel Fong is well known for his public service in Hong Kong and in Scotland, where he was educated. Nigel is the Founder Director of the Hong Kong Scotland Education Connection and has supported exchange visits between pupils from Scotland and from Hong Kong, to participate in the Wilson Trail and to take part in educational visits to Scotland. In 2014 Nigel was presented with an award by the Hong Kong Government Home Affairs Bureau, as a *Person with Distinguished Service for Community Building*.
- Swire Centres of Excellence for the Teaching of Chinese: Judith McClure advised Swire on its creation of 12 such Centres throughout the UK. She is now on the Advisory Board of the Swire Edinburgh Chinese Centre of Excellence, with its base in George Watson's College and involving James Gillespie's HS and Boroughmuir HS.
- The Great Britain China Centre, whose Executive Director Richard Pascoe spoke at an Asia Connections Scotland Network Meeting on 22 February 2016. Judith McClure and Roger Collins hosted a delegation from the China Law Society to the UK, led by its Vice-President Zhang Mingqi (also Vice-Chairman of the Law Committee of the National People's Congress) at 12A Ravelston Park on 6 July 2016.
- UK-China Judicial Relations: The Rt. Hon Lord Hodge, Justice of the Supreme Court of the UK, is leading a strategic review, and the Lord President, Lord Carloway, has agreed to Scottish involvement. Lord Hodge has met Judith McClure and continues in contact with her about visits by Chinese Judges to Scottish Courts and the Scottish Parliament.
- Support for Teaching of Chinese Initiatives: SCEN helps to assess the success of the Mandarin Matrix learning platform, for which it supplied free licences to a number of schools. It also supports the China Dream initiative of Crystal Pan Balish, and other initiatives that it considers appropriate.

Financial review

In the period from 3 December 2015 to 31 December 2016 donations of £72,750 were received. In addition, £2,588 was transferred from Scotland China Education Network, an unincorporated organisation upon receiving charitable status. The net income of the Charity was £26,089. The net assets at 31 December 2016 are £26,089, which is principally comprised of cash at bank of £15,946 and gift aid recoverable of £11,250. Liabilities are £2,099.

Risk management

Trustees undertook a comprehensive survey of the major risks to which the charity is exposed. They agreed a Key Risk Register, identifying potential risks in the following areas:

- Governance, Leadership and Management
- Operational Risks
- Financial Risks
- External Factors
- Compliance Risk (Law and Regulation)

In each case the potential impact was examined, and the steps taken to mitigate each risk identified and followed.

Reserves policy

The **Unrestricted reserves** showed a surplus of £26,089 at the period end. They represent the unrestricted reserves arising from operating results.

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TRUSTEES' ANNUAL REPORT (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2016

Plans for the future

In 2016 Trustees began consideration of a strategy document entitled *Questions for the Trustees of SCEN: Succession Planning and the Future*. As part of an extensive process they are discussing:

- The activities and aims of the current groups convened by SCEN
- The current duties of the Chair of SCEN, the Deputy Chair of SCEN, other Trustees and senior SCEN Ambassadors
- The Future of SCEN, including:
 - The Mission of SCEN
 - Funding after 2018
 - Projects to be led by SCEN
 - The Annual Plan of SCEN Events
 - Lobbying by SCEN
 - Nature of the next Chair appointment in the context of the future structure of SCEN

To aid them in this process of deliberation and planning, Trustees will be considering in meetings in 2017 a proposal for a Review of SCEN: 10 Years On, by Archie McGlynn, former HM Chief Inspector of Education in Scotland, Founder Director of HKSSSEN and HKSSIP.

Trustees will also follow the annual plan of SCEN Events that they have agreed for 2017.

Structure, government and management

SCEN was founded in January 2006 as an informal network. SCEN's application for Incorporation as a Scottish Charitable Incorporated Organisation (SCIO) in 2015 was successful. The Office of the Scottish Charity Regulator (OSCR) was satisfied that SCEN meets the charity test and the legal requirements for being a SCIO, and entered it in the Scottish Charity Register on 3 December 2015. SCEN is now an incorporated body having charitable status under the Charities and Trustee Investment (Scotland) Act 2005.

Trustees of SCEN are appointed by election at the Annual General Meeting; the last election took place on 7 September 2016. The four Trustees of SCEN have been chosen to provide a matrix of relevant skills, experience and association with the aims of SCEN with backgrounds in education, finance and business and experience of leadership and membership of charitable boards. New Trustees, when required, will be selected from those with the same matrix and background. They will be familiar through experience and demonstrated commitment to the work and activities of SCEN and will receive all appropriate documentation from OSCR and SCEN, as well as taking part in personal discussions with the Chair and fellow Trustees.

The Trustees of SCEN follow the guidance of OSCR and its advice and document are brought to their attention at meetings. They have taken account of the Scottish Charity Regulator's *Targeted Regulation*, which came into effect on 29 March 2016.

SCEN Trustees meet three times a year: in 2016 they had meetings on:

- 27 January 2016
- 4 May 2016
- 7 September 2016, following the Annual General Meeting

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FOR THE YEAR ENDED 31 DECEMBER 2016

Key management personnel remuneration

The key management personnel are the Trustees. They received no remuneration during the period.

Related party transactions

There were no related party transactions during the year.

Reference and administrative information

The reference and administrative details, including the names of the Trustees who held office during the year are set out on page 1.

Trustees' responsibilities in relation to the financial statements

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 give 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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity'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 on 27 April 2017 and signed on their behalf by:

Johith McClure

J McClure CBE - Chair

SCOTLAND CHINA EDUCATION NETWORK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

SCOTLAND CHINA EDUCATION NETWORK

I report on the financial statements of Scottish China Education Network for the period from 3 December 2015 to 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the Trustees and to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Trustees, as a body, for my work or for this report.

Respective responsibilities of Trustees and independent examiner

The charity's Trustees 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 (as amended) (the Regulations). The charity Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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 examiner's statement

My examination is carried out in accordance with Regulation 11 of the 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.

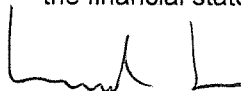
Independent examiner's statement

In 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 Act and Regulation 4 of the Regulations, and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 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.



Michael Crerar, CA
Geoghegans
Chartered Accountants and Independent Examiner
61 St Colme Street
Edinburgh
EH3 6AD

28 August 2017

SCOTLAND CHINA EDUCATION NETWORK

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

For the period from 3 December 2015 to 31 December 2016

	Notes	Unrestricted Funds £	Period to 31 December 2016 Total £
Income and endowments from:			
Donations and legacies	2	72,750	72,750
Other income	3	2,588	2,588
Total income		----- 75,338 -----	----- 75,338 -----
Expenditure on:			
<i>Charitable activities</i>			
Education	5	49,249	49,249
Total expenditure		----- 49,249 -----	----- 49,249 -----
Net income/(expenditure) being net movement in funds		26,089	26,089
Reconciliation of funds:			
Total funds brought forward		-	-
Total funds carried forward	9	----- 26,089 =====	----- 26,089 =====

All the results relate to continuing activities.

The notes on pages 12 to 14 form part of these financial statements.

SCOTLAND CHINA EDUCATION NETWORK

BALANCE SHEET

As at 31 December 2016

	Note	2016 £
Current assets	7	
Debtors		12,242
Cash at bank and in hand		15,946

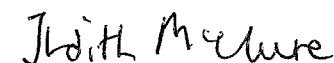
		28,188
Current liabilities		
Creditors falling due within one year	8	2,099

Net current assets		26,089

Net assets		26,089
		=====
The funds of the charity:		
Unrestricted funds:		
General Fund	9	26,089

Total charity funds		26,089
		=====

Approved by Trustees and signed on their behalf by:



J McClure CBE - Chair

27 April 2017

The notes on pages 12 to 14 form part of these financial statements.

SCOTLAND CHINA EDUCATION NETWORK

NOTES to the FINANCIAL STATEMENTS

For the period from 3 December 2015 to 31 December 2016

1. Accounting policies

Basis of preparation

The accounts 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 accounts 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 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the charity's ability to continue as a going concern and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Funds

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Income recognition

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

Donations are recognised when the Trustees are satisfied there is entitlement to the income, it is probable that it will be received and the amount can be measured reliably.

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.

Irrecoverable VAT

The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

SCOTLAND CHINA EDUCATION NETWORK

NOTES to the FINANCIAL STATEMENTS (Continued)

For the period from 3 December 2015 to 31 December 2016

1. Accounting policies (Continued)

Financial instruments

The charity 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.

2. Donations and legacies	2016
	£
Donations	61,500
Gift aid	11,250

	72,750
	=====

In 2016, £nil of donations and legacies was attributable to restricted funds with the balance of £61,500 attributable to unrestricted funds.

3. Other income	2016
	£
Transfer from Scotland China Education Network (unincorporated organisation)	2,588

	2,588
	=====

4. Information regarding employees and members

No remuneration was paid to the Trustees, and no staff members were employed during the period. No employees therefore received salaries greater than £60,000.

The Trustees were reimbursed £211 of expenses during the period.

5. Charitable activities	2016
	£
Events	38,646
Research projects	2,523
Support and governance costs (note 6)	8,080

	49,249
	=====

6. Support and governance costs	2016
	£
Website	5,671
Accountancy fees	1,350
Independent examiner's fee	600
Bank charges	123
Travel and meeting expenses	241
Subscriptions	95

	8,080
	=====

SCOTLAND CHINA EDUCATION NETWORK

NOTES to the FINANCIAL STATEMENTS (Continued)

For the period from 3 December 2015 to 31 December 2016

7. Analysis of current assets	2016
	£
Gift aid receivable	11,250
Prepayments	992
Cash at bank	15,946

	28,188
	=====

Debtors related to unrestricted funds.

Cash at bank balances were as follows: unrestricted funds £15,946 and restricted funds £nil.

8. Analysis of current liabilities	2016
	£
Accruals and other creditors	2,099
	=====

Current liabilities related to unrestricted funds.

9. Movement of funds

	Income	Expenditure	Balance at
	£	£	31 December
			2016
			£
Unrestricted funds			
General Fund	75,338	(49,249)	26,089
	=====	=====	=====
Total	75,338	(49,249)	26,089
	=====	=====	=====

The General Fund represents funds which the Trustees are free to use in accordance with the charity's constitution, aims and objectives.