

SCOTLAND CHINA EDUCATION NETWORK
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019



SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Scottish Charitable Incorporated Organisation SC046171

Principal Office: 3F2 23 Eyre Crescent, Edinburgh, EH3 5EU

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

Trustees

S Macaulay - Chair

J Chittleburgh – Treasurer

R Mitchell

M Anderson (retired 1 June 2019)

J Simpson

J Brodie (appointed 13 February 2020)

J Guo (appointed 13 February 2020)

Bankers

Royal Bank of Scotland

West End Office

142-144 Princes Street

Edinburgh

EH2 4EQ

Independent examiner

Emma Marshall 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 year ended 31 December 2019

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2019. 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 in October 2019.

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

1. Covid 19. The arrival of the virus in the Spring of 2020, and its impact throughout the world, meant that many of the plans made for SCEN from March 2020 onwards had to be abandoned or postponed. However, those involved with the Network adapted to the new regime of on line communication, using Zoom and similar media. This meant that over the months of lockdown most events and meetings which had been planned previously through face to face contact, were now rescheduled as on line meetings and events.
2. SCEN continues to implement the recommendations in the Review of SCEN: Ten Years on and the Future produced for us by Archie McGlynn, founder director of the Hong Kong Scotland School Improvement Partnership (HKSSIP). This means that we have in the course of the year increased the number of Trustees (from 4 to 6), underlined the importance of the Advisory Council (now on line) and sought to develop events across the country, rather than focusing on the central belt of Scotland.
3. SCEN continues to seek to enhance Youth Voice within the organisation. This means moving away from a single national Youth Summit at a central location, and a centrally organised Youth Committee, to finding ways to engage with young people on line. In this discussions continue with CISS/SCILT (Fhiona MacKay) and esgoil (angus MacLennan) who are developing platforms for young people learning language remotely.
4. SCEN is concerned, in challenging times in all educational establishments, that the learning and teaching of Chinese language should be strongly promoted. In this we are engaging with national organisations. In particular we are engaging with the general Teaching Council for Scotland on identifying ways in which Mandarin can be promoted – and through bringing together all parties who support this agenda.
5. The Chinese Teaching Club has growing importance within SCEN. Contact with teacher members of the Club during the coronavirus lock down period, while schools were closed, enabled SCEN to have a good sense of the challenges facing young people and teachers in the learning of Mandarin over that period.

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT (continued)

For the year ended 31 December 2019

A review of our achievements and performance (continued)

6. SCEN is seeking to improve communications. A survey of Network members was carried out on the current SCEN website. A refurbishment of the website is now planned. New email addresses and name cards have been prepared. An updated flyer/leaflet is now ready for distribution
7. 2019 SCEN Youth Summit on 8 November 2019 in the Edinburgh International Conference Centre. Around 400 young people from schools and other sectors of education took part and demonstrated before an audience of their peers as well as teachers and others their developing proficiency in speaking Mandarin and in learning about China.

Financial review

In the year to 31 December 2019 donations of £31,250 (2018: £41,650) were received. The net deficit of the Charity was £2,066 (2018: surplus £16,826). The net assets at 31 December 2019 are £46,490 (2018: £48,556).

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 £46,490 (2018: £48,556) at the year end. They represent the unrestricted reserves arising from operating results. The trustees review the level of reserves to enable at least one year of operation without other funds.

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT (continued)

For the year ended 31 December 2019

Plans for the future

1. Continue to develop the on line presence of SCEN and organise conferences, events and meetings on line for the foreseeable future.
2. Develop Youth voice within SCEN, using CISS/esgoil as a platform – to be developed with the support of teachers of Mandarin, members of the SCEN Chinese Teaching Club.
3. Engage with key stakeholders on the learning and teaching of Mandarin – e.g. Scottish Government, Education Scotland, General Teaching Council of Scotland, SQUA, Confucius Institutes
4. Work with General Teaching Council of Scotland in establishing a national forum to campaign for the identification and recruitment of future teachers of Mandarin and work with schools to argue the case of the teaching of Mandarin.
5. Work with all our partners and stakeholders in taking forward the SCEN agenda
6. Increase participation within SCEN and involvement in the Network across Scotland
7. Identify future sources of funding for SCEN.

Structure, governance 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 in September 2017. 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

Key management personnel remuneration

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

Related party transactions

Transactions with related parties are set out in note 9.

SCOTLAND CHINA EDUCATION NETWORK

TRUSTEES' ANNUAL REPORT (continued)

For the year ended 31 December 2019

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 2019 (FRS102);
- 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 _____ and signed on their behalf by:

S Macaulay - Chair

**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 year to 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

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 Regulationshave 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.

**Emma Marshall, CA
Geoghegans
Chartered Accountants and Independent Examiner
6 St Colme Street
Edinburgh
EH3 6AD**

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SCOTLAND CHINA EDUCATION NETWORK

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

For the year ended 31 December 2019

| | | Unrestricted Funds | |
|---|--------------|---------------------------|-----------------|
| | | 31 | 31 |
| | Notes | December | December |
| | | 2019 | 2018 |
| | | £ | £ |
| Income and endowments from: | | | |
| Donations and legacies | 2 | 31,250 | 41,650 |
| Interest receivable | | 69 | - |
| | | ----- | ----- |
| Total income | | 31,319 | 41,650 |
| | | ----- | ----- |
| Expenditure on: | | | |
| <i>Charitable activities</i> | | | |
| Education | 4 | 33,385 | 24,824 |
| | | ----- | ----- |
| Total expenditure | | 32,385 | 24,824 |
| | | ----- | ----- |
| Net (expenditure)/income being net movement in funds | | (2,066) | 16,826 |
| Reconciliation of funds: | | | |
| Total funds brought forward | | 48,556 | 31,730 |
| | | ----- | ----- |
| Total funds carried forward | 8 | 46,490 | 48,556 |
| | | ===== | ===== |

All the results relate to continuing activities.

SCOTLAND CHINA EDUCATION NETWORK

BALANCE SHEET

As at 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---------------------------------------|------|-----------|-----------|
| Current assets | | | |
| Debtors | | 6,645 | 14,638 |
| Cash at bank and in hand | | 41,992 | 35,608 |
| | | ----- | ----- |
| | 6 | 48,637 | 50,246 |
| Current liabilities | | | |
| Creditors falling due within one year | 7 | 2,147 | 1,690 |
| | | ----- | ----- |
| Net current assets | | 46,490 | 48,556 |
| | | ----- | ----- |
| Net assets | | 46,490 | 48,556 |
| | | ===== | ===== |
| The funds of the charity: | | | |
| Unrestricted funds: | | | |
| General Fund | 8 | 46,490 | 48,556 |
| | | ----- | ----- |
| Total charity funds | | 46,490 | 48,556 |
| | | ===== | ===== |

Approved by Trustees and signed on their behalf by:

S Macaulay - Chair

2020

The notes on pages 9 to 11 form part of these financial statements.

SCOTLAND CHINA EDUCATION NETWORK

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. Accounting policies

Basis of preparation

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 notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 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.

SCOTLAND CHINA EDUCATION NETWORK

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2019

1. Accounting policies (Continued)

Creditors

Creditors are recognised where the charity 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.

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 | 2019 | 2018 |
|----------------------------------|-------------|-------------|
| | £ | £ |
| Donations | 25,000 | 33,747 |
| Gift aid | 6,250 | 7,903 |
| | ----- | ----- |
| | 31,250 | 41,650 |
| | ===== | ===== |

All the donations and legacies were attributable to unrestricted funds.

3. 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 £nil (2018: £nil) of expenses during the period.

| 4. Charitable activities | 2019 | 2018 |
|---------------------------------------|-------------|-------------|
| | £ | £ |
| Donations paid | - | 500 |
| Events | 22,492 | 15,747 |
| Support and governance costs (note 5) | 10,893 | 8,577 |
| | ----- | ----- |
| | 33,385 | 24,824 |
| | ===== | ===== |

| 5. Support and governance costs | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Website | 6,145 | 5,387 |
| Accountancy fees | 960 | 1,080 |
| Independent examiner's fee | 690 | 690 |
| Administrator fees | 1,708 | - |
| Bank charges | 96 | 107 |
| Postage | - | 363 |
| Printing | 904 | 950 |
| Recruitment fee | 390 | - |
| | ----- | ----- |
| | 10,893 | 8,577 |
| | ===== | ===== |

SCOTLAND CHINA EDUCATION NETWORK

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2019

| | | |
|--------------------------------------|-------------|-------------|
| 6. Analysis of current assets | 2019 | 2018 |
| | £ | £ |
| Gift aid receivable | 6,250 | 14,153 |
| Prepayments | 395 | 485 |
| Cash at bank | 41,992 | 35,608 |
| | ----- | ----- |
| | 48,637 | 50,246 |
| | ===== | ===== |

Debtors related to unrestricted funds.

Cash at bank balances all related to unrestricted funds.

| | | |
|---|-------------|-------------|
| 7. Analysis of current liabilities | 2019 | 2018 |
| | £ | £ |
| Accruals and other creditors | 2,147 | 1,690 |
| | ===== | ===== |

Current liabilities related to unrestricted funds.

| | Balance at 1 January 2019 £ | Income £ | Ex- penditure £ | Balance at 31 December 2019 £ |
|-----------------------------|--|---------------------|--------------------------------|--|
| 8. Movement of funds | | | | |
| Unrestricted funds | | | | |
| General Fund | 48,556 | 31,319 | (33,385) | 46,490 |
| | ===== | ===== | ===== | ===== |
| | | | | |
| | Balance at 1 January 2018 | Income | Ex- penditure | Balance at 31 December 2018 |
| Unrestricted funds | | | | |
| General Fund | 31,730 | 41,650 | (24,824) | 48,556 |
| | ===== | ===== | ===== | ===== |

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

9. Related party transactions

During the year, the charity received donations from Trustees amounting to £nil (2018: £70). The charity also incurred accounting fees of £960 (2018: £1,080) payable to Chiene + Tait LLP, a firm in which Jeremy Chittleburgh is a member.