

**REGISTERED COMPANY NUMBER: 06477262 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1125378**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021**  
**FOR**  
**CHINA DIALOGUE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

Chariot House Limited  
Chartered Accountants  
44 Grand Parade  
Brighton  
East Sussex  
BN2 9QA

**CHINA DIALOGUE TRUST**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

	<b>Page</b>
<b>Report of the Trustees</b>	1 to 9
<b>Report of the Independent Auditors</b>	10 to 13
<b>Statement of Financial Activities</b>	14
<b>Balance Sheet</b>	15 to 16
<b>Cash Flow Statement</b>	17
<b>Notes to the Cash Flow Statement</b>	18
<b>Notes to the Financial Statements</b>	19 to 28
<b>Detailed Statement of Financial Activities</b>	29

---

## **CHINA DIALOGUE TRUST**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

The Trustees, who are also Directors of the Company for the purposes of the Company Law, present their annual report and audited financial statements for the year ended 31 December 2021.

#### **INTRODUCTION**

China Dialogue Trust has a long-standing track record of promoting climate change science and educating the public about environmental issues.

The climate crisis impacts ecosystems, economies, and people's livelihoods. With China's established presence on the global stage, China Dialogue Trust aims to facilitate a constructive dialogue on climate change and global environmental issues, promote mutual understanding between China and the world, and inspire higher awareness of the planet's challenges. From the climate emergency to marine pollution, environmental issues concern all the world's citizens. Both the scale of its challenges and the size of its economy means China plays a uniquely important role. Information exchange and dialogue help us to move closer to viable, equitable and real solutions to the climate crisis and ensure a prosperous future.

The scope of China Dialogue Trust's focus includes global awareness on climate change; ecological environment protection; sustainable development, and low carbon future. China Dialogue Trust runs multiple online platforms that carry high-quality environmental education content, including research reports, policy briefs, and book reviews on environmental and climate change issues that affect China and the world. This stimulates the exchange of information and ideas both among Chinese and non-Chinese audiences.

China Dialogue Trust is internationally recognised for its dissemination of up-to-date information and knowledge on climate change. Its interpretation of scientific reports by the Inter-government Panel on Climate Change (IPCC) and in-depth analysis of China's climate policy are widely circulated. Its introduction of international best practices, lessons learned and case studies on climate change in China is appreciated by its readers. Its profiling of China's climate actions and low-carbon transition is closely followed by the global environmental community. China Dialogue Trust has also been advancing communication and cooperation on climate change through activities such as workshops and forums. Through capacity building, China Dialogue Trust supports related institutes and organisations to tell better stories about climate change and China's climate policy.

Beside climate change, China Dialogue Trust is also dedicated to public awareness raising of other environmental challenges including pollution prevention and control; marine environmental protection and biodiversity conservation. Since it was founded in 2006, China Dialogue Trust has been promoting dialogue on environmental protection, introducing the progress of China's environmental protection to the English-speaking world through its multilingual websites while bringing the experience of international sustainable development to a Chinese audience.

Besides its main online platform, 'China Dialogue', China Dialogue Trust also manages other environmental communications projects: The Third Pole, Diálogo Chino and China Dialogue Ocean.

The Third Pole, run by China Dialogue Trust's teams based in London and South Asia, supports in-depth, non-partisan and original coverage of all aspects of water in the countries of the Himalayan and the Lancang-Mekong basin, to stimulate informed debate and to promote cooperation on transboundary river management. Over the years, [www.thethirdpole.net](http://www.thethirdpole.net) has established a reputation as the source of accessible, high-quality and balanced material on transboundary water in the Himalayan region.

Diálogo Chino, run by China Dialogue Trust's teams based in London, and across Latin America, aims to address the information gap between China and Latin America by fostering better understanding and communication between academics, government and the business community on the environmental and social impacts of China's activities in Latin America. All content is published in English, Spanish and Portuguese.

**CHINA DIALOGUE TRUST**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

China is now among the world's biggest ocean powers: how China will care for the marine environment will be critical in determining the fate of the ocean. China Dialogue Ocean is dedicated to reporting on, analysing, illuminating and helping to resolve the ocean crisis before it is too late.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects for which the Trust is established are:

- a. To advance the education of the public (including in particular the public of the People's Republic of China) in the conservation, protection and improvement of the physical and natural environment; and
- b. To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment and, in particular, but not so as to restrict the preceding wording, the physical and natural environment in the People's Republic of China.

## **OBJECTIVES AND ACTIVITIES**

### **Activities, Achievements and Performance**

#### **Review of the period**

In 2021, the spread of Covid-19 pandemic continued to impact all areas of life, even as countries made multiple attempts to navigate their way out of repeated and ongoing lockdowns. Travel has continued to be curtailed. Despite the continued impact of this unprecedented public health crisis, we continue to make a meaningful contribution to create higher public awareness about the environmental challenges faced by the world and facilitate conversations about solutions to our environmental problems and China's unique role in it. Through a range of online activities including workshops, seminars and information distribution, China Dialogue has been minimising the pandemic effects and carrying on its valuable work at this challenging time.

In January, Isabel Hilton stepped back as CEO of China Dialogue, and Sam Geall became Acting CEO. At the July board meeting and AGM, he was appointed as CEO. Isabel continues to be involved with China Dialogue Trust acting as Senior Advisor.

During the period covered by this report, China Dialogue has:

Hosted the 2020 China Climate Press Award ceremony. More than 50 communication staff from environmental civil society organisations and professionals engaged in climate reporting attended the meeting to share and discuss the best climate reporting and communications cases and exchange ideas on China's climate story. Representatives from the China Association for NGO Cooperation (CANGO) and Energy Foundation (China) also shared their insights on 'How to tell China's climate story' from different perspectives.

This year, China published its 14th Five Year Plan (FYP). China Dialogue Trust continues to play the role of interpreter and bridge builder on Chinese environmental policy and China's climate actions, shaping global understanding of the country's important role. This was particularly evident following the publication of the 14FYP, with our publication of analyses and insights into this key document and its impact.

China Dialogue's London team focused on key international events planned for 2021, specifically the Kunming Biodiversity COP15, which continued to be postponed due to the pandemic, and COP26, which was held in Glasgow in November. Ahead of the COP, China Dialogue Trust played an influential role with Sam Geall advising on a closed panel of experts convened by the UK government Cabinet Office and COP26 unit. We again participated in London Climate Action Week; Sam spoke on a LCAW panel hosted by Chatham House on the 'climate super year', as 2021 had been dubbed, in light of the major conferences scheduled to take place.

China Dialogue's CEO, Sam Geall, represented the organisation throughout the year at a number of events and talks, including an online panel discussion hosted by IIED and Green Economy Coalition: 'China, ecological civilisation, and green economy vision: 2021 and beyond', a German policymakers roundtable, including German MPs and MEPs, titled 'Climate in the Trilateral EU-US-China Relationships: Virtual Roundtable, and a Chatham House panel on COP26: "China, EU and the United States: Optimistic outcomes and ways forward." Around the Glasgow COP Sam was interviewed by multiple news outlets including ABC News Australia, News Statesman, The Guardian, and BBC World News, on China's impact and role at the conference

## **OBJECTIVES AND ACTIVITIES**

### **Partnership and collaboration**

China Dialogue Trust's Beijing project team continues to work closely with China Association for NGO Cooperation (CANGO) under the framework of China's Foreign NGO Law. In collaboration with CANGO, China Dialogue Trust implemented the Communications Capacity Building on Climate Change and Biodiversity Conservation Project.

Existing partnerships were maintained and developed with networks and organisations internationally. The China Dialogue London team participated in a number of events for London Climate Action Week, and we continue to work closely with the Roundtable on Sustainable Palm Oil (RSPO), and the All-China Environment Federation (ACEF), a national environmental NGO supervised by the Ministry of Ecology and Environment (MEE).

### **The Third Pole**

This year we relaunched thethirdpole.net, to align with the enhanced design, performance and user experience delivered on chinadialogue.net in 2020.

The Third Pole continues to expand its influence and operations across South Asia; by expanding its focus to include climate change more expressly. Themes for this year included climate change, melting glaciers, energy, transboundary river cooperation, pollution, impacts of climate change, the future of energy, with a special focus on the Brahmaputra delta.

In March, we published an op-ed entitled, "Why was Pakistan left out of Biden's climate summit?", written by a prominent South Asia analyst in Washington DC who is well connected in US policy circles. Following the article's publication, the top climate advisor to Pakistan's Prime Minister responded to the article and approached the author to discuss it. A few weeks later, Pakistan was belatedly invited to President Biden's April leaders' summit on climate, as confirmed personally by the PM's climate advisor. The op-ed's author stated that the invitation signalled that the Biden administration had read the TTP article.

### **Diálogo Chino**

Diálogo Chino continued with its strong performance in 2021. We worked in partnership with Colombian platform Armando.info to produce a series of reports on the China-Venezuela energy relationship which garnered the attention of Colombia's Vice President, who tweeted the lead story, saying they must "learn from others' mistakes". It attracted over 50,000 readers on dialogochino.net, and was circulated by influential newsletters, including Sinocism, a mainstay for China-watchers. Diálogo Chino continued exploring alternative pathways included reviewing the ecological impact of the soy supply chain in Brazil and infrastructure investments that support the soybean trade as well as ways to reduce dependence on carbon-intensive agricultural products.

### **Public benefit**

In shaping our objectives and planning our activities for the year, the Trustees have given consideration to the duties set out in section 17(5) of the Charities Act 2011 to have due regard to public benefit and to the Charity Commission Guidance on public benefit. In particular, the Trustees have considered how the planned activities will contribute to the overall aims and objectives that they have set.

The Trustees believe that the preceding paragraphs, specifically on the "Objectives and Aims" and "Activities, Achievements and Performance" for the year, relate in detail the benefit that the Charity provides to the public.

## **FINANCIAL REVIEW**

### **Financial position**

Our financial year runs from January 1st to December 31st.

In 2021, the charity ran a surplus of £246,837 on total expenditure of £2,590,640. At 31 December 2021, the charity held funds totalling £1,769,880 (2020: £1,523,043).

### **Remuneration statement**

To set the pay and rewards properly for employees there is a need to make informed judgements as well as adhering to the China Dialogue Trust governance and constitutional arrangements.

Trustees are legally and constitutionally responsible for setting rates of pay and this responsibility cannot and should not be wholly delegated to private agencies or independent experts.

In deciding on levels of pay for all staff the following factors will be taken into account, the purpose aims and values of China Dialogue Trust, competences, the strategic plan and need, ability to pay, performance, the wider 'employment offer' and recruitment and retention. These factors are not exclusive, and any decision will inevitably include an element of discretion on the part of trustees.

### **Reserves Policy**

The trustees recognise the need to hold reserves to allow protection of core activities in the event of income shortfalls and to promote balanced, long-term strategic planning to enable the charity to carry out its objectives.

The trustees have in the year reviewed the needs, risks and opportunities faced by the charity, along with relevant financial forecasts and analyses. On the basis of this review the trustees recognised the need to hold a general reserve and the size of this reserve should be related to the level of ongoing financial commitments. The trustees decided that as a guide the organisation should keep its general reserves at a level equalling approximately three months of core expenditure. Core expenditure is calculated to include staff costs and committed overheads. The guide level of reserves at the end of December 2021 should be approximately £434,959. At the year end, the general reserves of the charity stood at £350,697 (2020: £245,112). The Trustees have passed a budget that aims to increase the level of free reserves back to three months by the end of 2022.

### **Covid-19 Statement**

China Dialogue Trust continued to operate without major disruption in light of the Covid-19 pandemic. As reported last year, our financial outlook has not been affected, and it does not appear to be affecting our long-term financial resilience. On the whole, funders have been flexible and understanding of the impact of the pandemic on certain projects, with an ongoing curtailment of funding being spent on travel and events. Like many, we had anticipated when budgeting for the year, or for multi-year projects with budgets set before the pandemic began, normal levels of travel returning in 2021, which was not the case. We have revised project plans and communicated closely with funders to ensure that any budgets affected in this way have been utilised appropriately and according to the confines of any grant agreements.

Operationally, China Dialogue Trust continued to close its offices when the UK government 'work from home' directives were in place. In September, we began trialling a hybrid work approach, which allows staff to work from home two days a week, and this has been positively received.

Again, throughout 2021, colleagues globally have been affected at different points throughout this pandemic, as we have seen waves of infections rise and fall and as the emergence of variants and rollout of vaccines have impacted the response of world leaders. China Dialogue Trust is committed to ensuring the safety of its staff and the individuals we work with across the globe, and will endeavour to support them as they work within the constraints of the pandemic.

**FUTURE PLANS**

In 2022, the China Dialogue Trust will continue to build on the work of the last 15 years by further consolidating its reputation, extending its networks and building new partnerships. In particular, we aim to:

- continue to create high-quality content of in-depth analysis, policy briefs, research projects and blog posts;
- publish a range of longer-form reports and policy briefs and contribute to third party platforms;
- expand our links with climate change and environment-related organisations in China;
- form new relationships and partnerships;
- continue to promote cooperation and communication through workshops, roundtable discussions and seminars on climate change and other environmental affairs;
- we will relaunch chinadialogueocean.net and dialogochino.net with updated design and functionality in line with chinadialogue.net.



## **CHINA DIALOGUE TRUST**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

##### **Governing document**

##### **i. Structure**

'China Dialogue' is a project administered by the China Dialogue Trust. In addition, the Trust manages other online environmental education platforms, The Third Pole, Diálogo Chino and China Dialogue Ocean.

The China Dialogue Trust (the Trust) was incorporated as a company limited by guarantee on 18 January 2008 and obtained charitable status on 6 August 2008. In accordance with a legal transfer of undertakings dated 23 October 2008, the assets and liabilities of China Dialogue Limited (Company Registration Number: 05825437) were transferred to the Trust as at midnight on 30 September 2008.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the Annual General Meeting to serve for a period of three years.

The Members have guaranteed to contribute a maximum of £1 each in the event of the company being wound up.

The Trust set up a trading subsidiary, China Dialogue Services (Company Registration Number: 8854972), which was incorporated on 21st January 2014. The trading subsidiary supports our growing revenue stream from translation services and occasional consultancy services.

China Dialogue Services took over the ownership of Dao Le Ge Environmental Consulting (Beijing) Co. Ltd at the end of December 2015. In 2020, Dao Le Ge Environmental Consulting was dissolved pertaining to regulation requirements in the People's Republic of China, as China Dialogue Trust seeks to register as a Foreign NGO representative office in China. The China Dialogue team in Beijing has since been operating as a project team under Temporary Activity Permits issued under China's Foreign NGO Management Law.

##### **ii. Governance**

The Trust receives generous support from its executive board. The executive board meets three times a year to evaluate the governance of the charity and advise on its long-term strategy. The treasurer meets with the chief operating officer annually to review the projected budgets for the year ahead. The members of the executive board assist with fundraising and partnership building.

##### **iii. Management**

The Trustees meet regularly throughout the year and are inducted through detailed briefings.

New Trustees are recommended to the board by existing members or by the Chief Executive Officer based on their experience and expertise of the charity's work.

The Chief Executive Officer of the Trust is Sam Geall, working closely with Tallulah Staple, the Chief Operating Officer. The China Dialogue website is managed by the London and Beijing team. In London, the website is supported by the digital team. In Beijing, the website is supported by Ma Tianjie, the Beijing Director and Lin Zi, Beijing Operations Manager.

The Third Pole website is managed by Joydeep Gupta, South Asia director, in Delhi and Aron White, Asia Pacific editor, in the London office. The website is also supported by a small editorial team in Delhi, as well as country coordinators in Bangladesh, Nepal and Pakistan.

The Diálogo Chino website is managed by Robert Soutar, project director, in London.

All of the websites are supported by Lushan Huang, the Production Manager.

**CHINA DIALOGUE TRUST**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

06477262 (England and Wales)

**Registered Charity number**

1125378

**Registered office**

15 Printing House Yard  
Perseverance Works  
London  
E2 7PR

**Trustees**

T M Copsey (resigned 27/7/2021)  
Mrs M Mehra (resigned 27/7/2021)  
Ms E A Wright (resigned 27/7/2021)  
Prof K Brown  
S C Tinton  
D T Burke  
Ms S Hitch  
D L Horn-Phathanothai

**Company Secretary**

Ms T Staple

**Senior Statutory Auditor**

J Thacker FCA DChA

**Auditors**

Chariot House Limited  
Chartered Accountants  
44 Grand Parade  
Brighton  
East Sussex  
BN2 9QA

**Contact Details**

**Chief Executive Officer**

Sam Geall

**Telephone number**

020 7683 2985

**Website**

[www.chinadialogue.net](http://www.chinadialogue.net)

## **CHINA DIALOGUE TRUST**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Advisers**

##### **Bankers**

HSBC Bank PLC  
74 Goswell Road  
Clerkenwell  
London  
EC1V 7DA

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of China Dialogue Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The Auditors, Chariot House Limited, are willing to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26 July 2022 and signed on its behalf by:

D T Burke - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHINA DIALOGUE TRUST**

---

### **Opinion**

We have audited the financial statements of China Dialogue Trust (the 'charitable company') for the year ended 31st December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CHINA DIALOGUE TRUST**

---

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHINA DIALOGUE TRUST**

---

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CHINA DIALOGUE TRUST**

---

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

J Thacker FCA DChA (Senior Statutory Auditor)  
for and on behalf of Chariot House Limited  
Chartered Accountants and Statutory Auditor  
44 Grand Parade  
Brighton  
East Sussex  
BN2 9QA

Date: 26 July 2022

**CHINA DIALOGUE TRUST****STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>	3				
Environment and Climate Change		332,951	2,504,525	2,837,476	2,945,461
Investment income	2	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
<b>Total</b>		332,952	2,504,525	2,837,477	2,945,461
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	4				
Environment and Climate Change		<u>526,343</u>	<u>2,064,297</u>	<u>2,590,640</u>	<u>2,050,491</u>
<b>NET INCOME/(EXPENDITURE)</b>		(193,391)	440,228	246,837	894,970
 <b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>675,654</u>	<u>847,389</u>	<u>1,523,043</u>	<u>628,073</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>482,263</u></u>	<u><u>1,287,617</u></u>	<u><u>1,769,880</u></u>	<u><u>1,523,043</u></u>

The notes form part of these financial statements



**CHINA DIALOGUE TRUST (REGISTERED NUMBER: 06477262)****BALANCE SHEET**  
**31ST DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	10	904	-	904	345
Investments	11	<u>100</u>	<u>-</u>	<u>100</u>	<u>100</u>
		1,004	-	1,004	445
<b>CURRENT ASSETS</b>					
Debtors	12	239,149	-	239,149	459,795
Cash at bank		<u>424,121</u>	<u>1,287,617</u>	<u>1,711,738</u>	<u>1,164,622</u>
		663,270	1,287,617	1,950,887	1,624,417
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>(182,011)</u>	<u>-</u>	<u>(182,011)</u>	<u>(101,819)</u>
<b>NET CURRENT ASSETS</b>		<u>481,259</u>	<u>1,287,617</u>	<u>1,768,876</u>	<u>1,522,598</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>482,263</u>	<u>1,287,617</u>	<u>1,769,880</u>	<u>1,523,043</u>
<b>NET ASSETS</b>		<u>482,263</u>	<u>1,287,617</u>	<u>1,769,880</u>	<u>1,523,043</u>
<b>FUNDS</b>	14				
Unrestricted funds:					
General fund				350,697	245,112
Beijing office costs 2021				130,662	430,197
Fixed Asset designated fund				<u>904</u>	<u>345</u>
				<u>482,263</u>	<u>675,654</u>
Restricted funds				<u>1,287,617</u>	<u>847,389</u>
<b>TOTAL FUNDS</b>				<u>1,769,880</u>	<u>1,523,043</u>

The notes form part of these financial statements

**BALANCE SHEET - continued**  
**31ST DECEMBER 2021**

---

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 July 2022 and were signed on its behalf by:

D T Burke - Trustee

**CHINA DIALOGUE TRUST****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2021**

---

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>548,235</u>	<u>541,775</u>
Net cash provided by operating activities		<u>548,235</u>	<u>541,775</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,120)	-
Interest received		<u>1</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(1,119)</u>	<u>-</u>
		<u>                    </u>	<u>                    </u>
<b>Change in cash and cash equivalents in the reporting period</b>		547,116	541,775
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,164,622</u>	<u>622,847</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>1,711,738</u></u>	<u><u>1,164,622</u></u>

The notes form part of these financial statements

**CHINA DIALOGUE TRUST****NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2021****1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	246,837	894,970
<b>Adjustments for:</b>		
Depreciation charges	560	335
Interest received	(1)	-
Decrease/(increase) in debtors	220,646	(251,185)
Increase/(decrease) in creditors	80,193	(102,345)
<b>Net cash provided by operations</b>	<u>548,235</u>	<u>541,775</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/21 £	Cash flow £	At 31/12/21 £
<b>Net cash</b>			
Cash at bank	<u>1,164,622</u>	<u>547,116</u>	<u>1,711,738</u>
	<u>1,164,622</u>	<u>547,116</u>	<u>1,711,738</u>
<b>Total</b>	<u>1,164,622</u>	<u>547,116</u>	<u>1,711,738</u>

The notes form part of these financial statements

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, including taking into account any potential impact of the Covid-19 pandemic, and on that basis the charity is considered to be a going concern.

**Preparation of consolidated financial statements**

The financial statements do not contain consolidated financial information as the parent of a group. The subsidiary undertaking has been excluded from consolidation as its inclusion is not material for the purpose of giving a true and fair view.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Where grants are received during the year under review but relate to a later period the amount is deferred under Grants in Advance in the Balance Sheet.

Grants from government and other agencies have been included as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

**Expenditure**

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Charitable activities and support costs**

The costs of charitable activities comprise expenditure on the Trust's primary charitable purposes as described in the Trustees' Report. Such costs include the costs of maintaining, editing and developing the website.

Support costs represent indirect charitable expenditure. In order to carry out the activities of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

These costs are allocated out to the activities they are supporting on the basis described in the notes.

**Tangible fixed assets**

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised, except where funded by Restricted grants and then they are written off in the year of purchase, and are stated at cost less depreciation.

**Depreciation**

All tangible fixed assets, are depreciated on the straight-line method over their estimated useful lives as follows:

Computer equipment - 3 years.

**Taxation**

The Charity is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Taxes Purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund accounting**

The Charity has various types of funds for which it is responsible:-

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.

Restricted funds - comprise monies raised for, or their use restricted to, a specific purpose or contributions subject to donor imposed conditions.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**CHINA DIALOGUE TRUST****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****2. INVESTMENT INCOME**

	2021	2020
	£	£
Deposit account interest	<u>4</u>	<u>1</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	2021	2020
		£	£
Project Income - Other Fees Receivable	Environment and Climate Change	22,157	7,979
Grants and Donations	Environment and Climate Change	<u>2,815,319</u>	<u>2,937,482</u>
		<u>2,837,476</u>	<u>2,945,461</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
European Climate Foundation	384,917	144,804
Rockefeller Brothers Foundation	182,462	267,676
Henry Luce Foundation	47,159	52,974
Climateworks Foundation	2,202	304,881
Department for International Development	541,048	302,840
Network for Social Change	-	14,200
Oak Foundation	128,334	128,333
Waterloo Foundation	40,000	40,000
Packard Foundation	315,393	400,654
Moore Foundation	366,276	254,859
Hewlett Foundation	394,600	358,175
WWF	21,646	33,578
EU Asia Centre	-	7,039
Climate and Land Use Alliance	-	33,400
Carnegie Council for Ethics in International Affairs	7,401	19,650
Raoul Wallenberg Institute	4,148	15,719
Ford Foundation	66,708	66,831
Growald Family Fund	75,683	77,286
The Pew Charitable Trust	-	5,435
Swiss Philanthropy Foundation	8,289	35,890
Woodrow Wilson Center	20,247	18,401
Quadrature	-	285,734
Other Grants	54,928	69,123
Robert Bosch Foundation	42,065	-
Mott Foundation	<u>111,813</u>	<u>-</u>
	<u>2,815,319</u>	<u>2,937,482</u>

**CHINA DIALOGUE TRUST****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 5) £	Totals £
Environment and Climate Change	<u>2,306,268</u>	<u>284,372</u>	<u>2,590,640</u>

**5. SUPPORT COSTS**

	Management £
Environment and Climate Change	<u>284,372</u>

Support costs, included in the above, are as follows:

**Management**

	2021 Total activities £	2020 Total activities £
Establishment	54,590	55,415
Office	69,666	61,538
Legal and Professional	1,401	8,314
Accountancy	30,795	32,770
Other	24,338	13,676
Website	97,862	118,685
Audit	5,160	4,560
Depreciation of tangible and heritage assets	<u>560</u>	<u>335</u>
	<u>284,372</u>	<u>295,293</u>

**6. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	561	335
Auditors' remuneration	3,010	2,460
Auditors' remuneration - non audit services	<u>2,150</u>	<u>2,820</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st December 2021 nor for the year ended 31st December 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st December 2021 nor for the year ended 31st December 2020.

**8. STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	718,118	546,221
Social security costs	74,994	50,884
Other pension costs	<u>25,924</u>	<u>35,399</u>
	<u>819,036</u>	<u>632,504</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Editorial	18	17
Administration	<u>1</u>	<u>1</u>
	<u>19</u>	<u>18</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u>3</u>	<u>2</u>

Key Management remuneration totalled £267,007 (2020:£189,084).

Salary increase seen in 2021 due to two primary factors: 1) increased head count alongside an increase in FTE staff 2) robust benchmarking exercise undertaken in late 2020 by external HR consultant in partnership with 15 other London-based charities with comparable staffing and organisational structures, which resulted in a salary uptick for most London staff.

**CHINA DIALOGUE TRUST****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Environment and Climate Change	978,846	1,966,614	2,945,460
Investment income	-	1	1
<b>Total</b>	978,846	1,966,615	2,945,461
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Environment and Climate Change	355,222	1,695,269	2,050,491
<b>NET INCOME</b>	623,624	271,346	894,970
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	52,029	576,044	628,073
<b>TOTAL FUNDS CARRIED FORWARD</b>	675,653	847,390	1,523,043

**CHINA DIALOGUE TRUST****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****10. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>COST</b>	
At 1st January 2021	9,079
Additions	1,120
Disposals	<u>(433)</u>
At 31st December 2021	<u>9,766</u>
<b>DEPRECIATION</b>	
At 1st January 2021	8,734
Charge for year	561
Eliminated on disposal	<u>(433)</u>
At 31st December 2021	<u>8,862</u>
<b>NET BOOK VALUE</b>	
At 31st December 2021	<u>904</u>
At 31st December 2020	<u>345</u>

**11. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>MARKET VALUE</b>	
At 1st January 2021 and 31st December 2021	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31st December 2021	<u>100</u>
At 31st December 2020	<u>100</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**China Dialogue Services Limited**

Registered office:

Nature of business: translation and interpreting

Class of share:	% holding
Ordinary	100

	2021 £	2020 £
Aggregate capital and reserves	<u>100</u>	<u>100</u>
Result for the year	<u>-</u>	<u>-</u>

**CHINA DIALOGUE TRUST****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	149,925	430,197
Amounts owed by group undertakings	-	7,121
Other debtors	14,517	14,477
Prepayments and accrued income	74,707	8,000
	<u>239,149</u>	<u>459,795</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade creditors	18,440	27,788
Amounts owed to group undertakings	62,444	-
Social security and other taxes	20,561	17,170
Other creditors	25,769	21,870
Accruals and deferred income	49,637	30,431
Accrued expenses	5,160	4,560
	<u>182,011</u>	<u>101,819</u>

**14. MOVEMENT IN FUNDS**

	At 1/1/21	Net movement in funds	Transfers between funds	At 31/12/21
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	245,112	(193,391)	298,976	350,697
Beijing office costs 2021	430,197	-	(299,535)	130,662
Fixed Asset designated fund	345	-	559	904
	675,654	(193,391)	-	482,263
<b>Restricted funds</b>				
Other	721,696	363,901	-	1,085,597
Third Pole	78,481	83,013	-	161,494
Dialogo Chino	47,212	(6,686)	-	40,526
	847,389	440,228	-	1,287,617
<b>TOTAL FUNDS</b>	<u>1,523,043</u>	<u>246,837</u>	<u>-</u>	<u>1,769,880</u>

**CHINA DIALOGUE TRUST****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****14. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	332,952	(526,343)	(193,391)
<b>Restricted funds</b>			
Other	1,745,697	(1,381,796)	363,901
Third Pole	543,000	(459,987)	83,013
Dialogo Chino	215,828	(222,514)	(6,686)
	<u>2,504,525</u>	<u>(2,064,297)</u>	<u>440,228</u>
<b>TOTAL FUNDS</b>	<u>2,837,477</u>	<u>(2,590,640)</u>	<u>246,837</u>

**Comparatives for movement in funds**

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
<b>Unrestricted funds</b>				
General fund	52,029	623,625	(430,542)	245,112
Beijing office costs 2021	-	-	430,197	430,197
Fixed Asset designated fund	-	-	345	345
	52,029	623,625	-	675,654
<b>Restricted funds</b>				
Other	576,044	145,652	-	721,696
Third Pole	-	78,481	-	78,481
Dialogo Chino	-	47,212	-	47,212
	<u>576,044</u>	<u>271,345</u>	<u>-</u>	<u>847,389</u>
<b>TOTAL FUNDS</b>	<u>628,073</u>	<u>894,970</u>	<u>-</u>	<u>1,523,043</u>

**CHINA DIALOGUE TRUST****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021****14. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	978,846	(355,221)	623,625
<b>Restricted funds</b>			
Other	1,491,039	(1,345,387)	145,652
Third Pole	356,513	(278,032)	78,481
Dialogo Chino	<u>119,063</u>	<u>(71,851)</u>	<u>47,212</u>
	<u>1,966,615</u>	<u>(1,695,270)</u>	<u>271,345</u>
<b>TOTAL FUNDS</b>	<u><u>2,945,461</u></u>	<u><u>(2,050,491)</u></u>	<u><u>894,970</u></u>

There are two designated funds from unrestricted reserves:

- Beijing operations: costs paid in advance and committed to operating in Beijing, this fund was extended during 2021;
- Fixed asset fund: the net book value of fixed assets that are not available for general use by the charity.

**15. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st December 2021.