HUO FAMILY FOUNDATION (UK) LIMITED

England & Wales · Charity number 1133206

Details

Status	Registered
Legal form	Charitable company
Company number	06451283
Registered	2009-12-09
Register	View on the Charity Commission register

Contact

Address	Third Floor 20 Old Bailey London EC4M 7AN
Phone	020 7597 6000
Website	www.huofamilyfoundation.org

Activities

Objects: THE CHARITY'S OBJECT ('THE OBJECT') IS SUCH EXCLUSIVELY CHARITABLE PURPOSES AS THE TRUSTEESOF THE CHARITY MAY IN THEIR ABSOLUTE DISCRETION DETERMINE.

Activities: The Huo Family Foundation is a grant-giving foundation based in London. Its mission is to support education, communities and the pursuit of knowledge. The Foundations current focus are in the five main areas, education, neuroscience and psychology, public policy, the arts and scientific research.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- China
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£18,472,797	£4,484,653	£195,477,948	5
2023-12-31	£17,909,024	£11,182,249	£163,832,115	0
2022-12-31	£21,977,916	£6,713,582	£150,602,655	0
2021-12-31	£21,062,439	£5,413,698	£130,853,700	0
2020-12-31	£18,949,771	£6,305,766	£100,177,115	0

Trustees

Name	Role	Appointed
YAN HUO	Chair	
Dr YU QIAO		2022-11-03
Iris Huo		2025-09-15
Nancy Lynn Montmarquet		2023-09-08
SAMUEL LOWE		2016-12-15

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HUO FAMILY FOUNDATION (UK) LIMITED

England & Wales - Charity number 1133206

Accounts

Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Annual report and financial statements for the year ended 31 December 2024

TUESDAY



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COMPANIES HOUSE

Huo Family Foundation (UK) Limited

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Huo Family Foundation (UK) Limited

Charity details

Trustees

Yan Huo (Chairman)
Xue Fang (Resigned on 6th September 2024)
Sam Lowe
Yu Qiao
Nancy Montmarquet

Registered office

Third Floor
20 Old Bailey
London
EC4M 7AN

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Investment manager

Partners Capital LLP
5 Young Street
5th Floor
London W8 5EH

Bankers

Citibank, N.A.
41 Berkeley Square
London
W1J 5AN

J. P. Morgan
1 Knightsbridge
London
SW1X 7LX

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Accountants

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Solicitors

Withers LLP
20 Old Bailey
London
EC4M 7AN

Status

Huo Family Foundation (UK) Limited is a private limited company, company number 06451283. It is registered in the United Kingdom as a charity, number 1133206.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2024 (continued)

The trustees, who are also the directors of Huo Family Foundation (UK) Limited ("the Foundation"), present their report (including their strategic report) and audited financial statements for the year ended 31 December 2024, which have been prepared in accordance with the Charities SORP (FRS 102) second edition – effective January 2019, the Companies Act 2006 and the Charities Act 2011, and applicable accounting standards in the United Kingdom.

The Foundation details on page 1 form part of this report.

The following information is shown in the strategic report instead of trustees' report under s414C(11) i.e. Review of activities, review of transactions and financial position, year review of 2024, investment policy and performance, policy statement on reserves, grant making, future plans for development, public benefit statement, internal control and mitigation of major risk, statement of trustees' responsibilities and independent auditors.

Governing documents

The Foundation is a charitable company limited by shares governed by its Memorandum and Articles of Association as amended on 4 December 2019. It was incorporated on 12 December 2007 and registered with the Charity Commission as a charity on 9 December 2009.

The Huo Family Foundation, a charity registered in the USA, owns the entire issued share capital of the Foundation. The Huo Family Foundation is a non-stock corporation incorporated in the State of Delaware and established exclusively for charitable purposes. Yan Huo and Nancy Montmarquet are common trustees of both The Huo Family Foundation and the Foundation. Xue Fang was also a common trustee until 6 September 2024.

Objects and strategy

The Foundation's objects are limited to purposes that are exclusively charitable in nature, as determined at the absolute discretion of the trustees.

The Foundation has been established as a grant making charity and the trustees intend to make grants primarily to charities that support the advancement of art, education and scientific research for the public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit, as required by Section 17 of the Charities Act 2011, when reviewing the objects and strategy of the Foundation and in planning future activities. In particular, the trustees consider how planned activities will contribute to the strategy of the Foundation. The trustees are of the view that the current grant levels meet the charitable objectives of the Foundation.

Appointment of trustees

As per the Articles of Association, the trustees shall be appointed by ordinary resolution of the sole shareholder. The number of trustees shall not be less than two but is not subject to any maximum number. A trustee is elected to serve the time that he or she is appointed or, in absence of such an appointment, until removed or retirement.

When selecting new Trustees, individuals are sought who can provide strong governance, oversight, and valuable skills. A skills audit of the board is undertaken to identify any gaps in expertise; and diversity is also

considered to ensure the board reflects the community it serves. Once appointed, Trustees are provided with a comprehensive induction which covers the Foundation's mission, strategy, and current projects.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes of the Foundation and the Foundation's future plans and objectives. The trustees are kept updated on any changes to their obligations and responsibilities.

Organisation

The trustees are responsible for the strategic direction and policy of the Foundation and make all decisions in relation to the Foundation. In furtherance of this, the trustees meet as and when required. The trustees may delegate any of their powers or functions to a committee of two or more trustees, but the terms of delegation must be agreed in advance.

The Foundation has granted an indemnity to one or more of its trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force during the financial year and as at the date of approving the Trustees' Report.

Fundraising activities

The Charities (Protection and Social Investment) Act 2016 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. In relation to this statement, the Foundation does not undertake widespread fundraising from the general public and does not employ professional fundraisers to do so. The Foundation is therefore not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice. The Foundation does not have policies in relation to fundraising activities nor do we consider it necessary to design specific policies and procedures to monitor activities. The Foundation has not received any complaints relating to the subject of fundraising activities.

Advisors

The names and addresses of the Foundation's advisors are shown on page 1.

STRATEGIC REPORT

Review of activities

The Foundation's mission is to support education, communities and the pursuit of knowledge. Its current areas of focus are the arts, education and science.

In 2024, the Foundation continued its commitment to provide funding to charitable organisations that support its mission, with a full list of beneficiaries shown in note 4 on page 20. In 2024 the Foundation published monthly interviews with some of its beneficiaries to highlight their work. The Foundation also released its fourth annual Impact Report, giving an in-depth review of its work.

Through its grants, the Foundation hopes to improve the prospects of individuals, and to support the work of organisations seeking to ensure a safe and prosperous future for all society.

The impact of the Foundation's grant giving is monitored closely. The mission is to support education, communities and the pursuit of knowledge. When each grant is made the anticipated output, outcome and impact of each programme is agreed. Formal reports (both narrative and financial) are received from each grant beneficiary on an annual basis and shared with trustees. Additionally grant beneficiaries are invited to meet in person to discuss progress with the executive team and, from time to time, present a report to the trustees at a board meeting. An Impact Report is prepared annually and this is published on the Foundation's website.

Review of transactions and financial position

During the year, total income was US$23,143,069 (2023: US$22,744,460). This includes investment income of US$2,839,825 (2023: US$2,612,526), gifts of US$16,000,000 (2023: US$16,000,000) from Yan Huo, one of the trustees of the Foundation (refer to Note 16 for additional information), gift aid on that donation of US$4,000,000 (2023: US$4,000,000), donations of US$160,000 (2023: US$ nil) from Xue Fang, one of the trustees of the Foundation and donations of US$143,244 (2023: US$131,934) from Faculty Road Limited, a related party company.

The net movement in funds for the year, as shown in the statement of financial activities, amounted to a surplus of US $36,831,671 (2023: US $26,756,249).

The value of the Foundation's net assets at 31 December 2024 is US$244,898,457 (2023: US$208,066,786).

2024 Review

In 2024, the Foundation continued to support charitable institutions that are championing educational excellence, artistic brilliance and social impact. The Foundation made grant commitments to a number of museums and galleries in London: National Gallery, Royal Academy of Arts, The Metropolitan Museum of Art, Tate Galleries, and The Courtauld Institute of Art. It made its first grants to the Victoria & Albert Museum, National Portrait Gallery, and the Fitzwilliam Museum. The Foundation also made grant payments to performing arts centres in London including Donmar Warehouse, The Old Vic, The National Theatre, Royal Opera House, and the London Symphony Orchestra.

The Foundation continued to support organisations that seek to provide an excellent education to all. Through its funding of Teach for China and grant payments to Teach for All, Teach First and Youth Communication it helped to enable these charities to strive for societies where educational opportunities and outcomes are not determined by a child's socio-economic status.

Further, in its support of scholarships and fellowships at Fudan University and payments to Columbia University, the Foundation created opportunities for post-graduate study. Additionally, the Foundation made a grant payment to the Oxford Internet Institute to support research into the impact of digital technology on adolescent brain development.

Expanding its support of research focused on the effects of the usage of digital technology on brain development, social behaviours and mental health in children and young people, the Foundation awarded 11 pilot grants to researchers based at the University of Cambridge, Imperial College London, University of York,

University of Hertfordshire, Queen Mary University of London, King's College London, and the University of Oxford.

Investment policy and performance

In accordance with the Memorandum and Articles of Association, the trustees have the power to invest in such stocks, shares and investments as they see fit. The trustees can delegate the management of investments to a financial expert only on the terms set in the Articles of Association.

The Trustees have established a Finance Committee, comprising a subset of trustees and Partners Capital LLP, an investment manager. The Finance Committee has set out a portfolio asset allocation of public and private equities, hedge funds, real assets and private and public debt, which are invested by Partners Capital LLP and the trustees of the Foundation.

The Finance Committee reviews on a quarterly basis, the consolidated performances of the total investment portfolio and is actively engaged with Partners Capital LLP on tactical asset allocation and rebalancing based on market conditions.

The Finance Committee also reviews the Foundation's cash flow and foreign exchange exposures of its cash balances and grant liabilities.

During the financial year, the portfolio increased its value by US$43,058,444 (2023: US$22,882,016). This is comprised of net additions of US$24,216,446 (2023: US$4,684,713) and net gain on investments US$18,841,998 (2023: US$18,197,303).

Policy statement on reserves

The policy of the trustees is to maintain sufficient reserves in order to fulfil future expected funding requirements of projects that extend over several years. In determining the appropriate level of reserves, the trustees take into account the nature of the Foundation i.e. one-off giving as well as multi-year grants in the form of endowments and scholarships, as well as potential fluctuation of its income stream in future years. The policy is reviewed on an annual basis.

Having regard to these considerations, taking into account its foreseeable activity level and general operating environment, the Foundation currently targets free reserves representing the available cash balances to sufficiently meet the upcoming year's grant payments and operating expenses which is expected to be approximately US$13,500,000 for 2025. As at 31 December 2024, this balance was US$6,613,828 (2023: US$7,459,913). The Foundation has redeemed investments in 2025 to ensure the Foundation meets the grants payable and expected operational expenses in 2025.

The Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees believe the Foundation's reserves are sufficient to meet future needs while leaving some flexibility to evaluate new grant proposals and make new commitments. The Foundation's long-term plan is to aim for grant expenditure of at least 5% of its assets each year, or more where resources allow, and to maintain the real term value of the fund for future grant making activity.

As at 31 December 2024, the Foundation has reserves of US$244,898,457 (2023: US$208,066,786), which is an increase of US$ 36,831,671 relative to last year end. This difference was primarily driven by donation income in the year, as well as investment performance, offset by grants awarded and operational expenses throughout the year.

Grant making

The trustees review applications and appeals, and then distribute funds in furtherance of the Foundation's charitable objects. During the year, the Foundation awarded grants of US$4,134,316 (2023: US$12,969,444), which excludes support costs of US$1,102,909 (2023: US$932,776). The Foundation does not accept unsolicited grant applications from the public.

Plans for future developments

In the coming year, the Foundation plans to provide charitable support in accordance with its objectives and strategy as described on page 2. Its current areas of focus are education, the arts and science.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including 'public benefit: running a charity (PB2)'. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Foundation plans to provide charitable support for the public benefit in accordance with its objectives and strategy as described on page 2. This is done through donations to charities and other organisations that support the advancement of art, education and scientific research for the public benefit.

Internal controls and the mitigation of major risks

The trustees have identified and reviewed the major risks of the Foundation such as investment performance, the Foundation's cash flow position, foreign exchange movements and a cyber-attack and have established internal controls to mitigate these risks.

The Foundation maintains a diversified investment portfolio, which has an investment objective of achieving a real return target of 4%. The Finance Committee meet quarterly to review its market risk exposure is in line with the objective, as well as assess its asset allocation between liquid and illiquid investments for liquidity risk. In tandem, the Finance Committee review the cash position and cashflow projections to ensure the Foundation meets its grants payable and expected operational expenses for the next 12 months.

Material GBP denominated liabilities, from grants awarded, are hedged to ensure the Foundation's liabilities have little to no currency risk. The currency risk is monitored and reported on a quarterly basis to the Board.

For the continued effective operation of the Foundation and fulfilling its charitable purposes, the Foundation's IT infrastructure and security software is reviewed and improved on a regular basis. The Foundation engages with experts to identify vulnerabilities and educate staff on best practices.

The trustees confirm that the controls implemented are appropriate to the size of the Foundation and the nature of its operations.

Statement of trustees' responsibilities

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2024 (continued)

The trustees (who are also directors of Huo Family Foundation (UK) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

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

In so far as the trustees are aware:

a) there is no relevant audit information of which the company's auditors are unaware; and

b) the trustees have taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Equality, diversity and inclusion are important values of the Foundation. This is reflected in the make-up of the Board, staff appointments and the selection of grant beneficiaries. The trustees seek to treat each staff member and grant beneficiary fairly and the same, respecting them for their age, race gender, cultural background, skills beliefs, sexual orientation and career experiences.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2024 (continued)

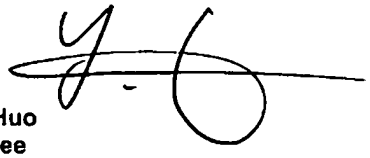
The trustees are kept up to date on their obligations by regular briefings from the Foundation's external advisers, and guidance from the Charity Commission.

Independent auditors

The auditor PricewaterhouseCoopers LLP is deemed to be re-appointed under section 487 (2) of the Companies Act 2006. A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

The Trustees' annual report is approved by the trustees of the Foundation. The strategic report, which forms part of the Trustees' annual report, is approved by the trustees in their capacity as trustees in company law of the charity.

The Trustees' Report, including the Strategic Report, was approved and authorised by the board of trustees and signed on their behalf by:



Yan Huo
Trustee
Date: 04/09/2025

Huo Family Foundation (UK) Limited

Independent auditors' report to the members of Huo Family Foundation (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Huo Family Foundation (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (*United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the* UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2024; the Statement of financial activities (incorporating the income and expenditure account), Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' annual report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' annual report

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Trustees' annual report for the period ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' annual report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

Auditors' 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 an auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts;
- obtaining independent confirmations of cash balances and material investment valuations as at 31 December 2024;
- testing the recognition of grant expenditure in line with terms of the grant awards;

Huo Family Foundation (UK) Limited

Independent auditors' report to the members of Huo Family Foundation (UK) Limited

- enquiring of management and the board of trustees, including consideration of any known or suspected instances of non-compliance with laws and regulation and fraud;
- reading minutes of meetings of the board of trustees;
- assessing significant accounting judgements and estimates, particularly those related to the valuation of investments in debt and equity securities;
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations; and
- incorporating unpredictability into the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

K H Turnbull

Katie Turnbull (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 September 2025

Huo Family Foundation (UK) Limited

Statement of financial activities for the year ended 31 December 2024

(incorporating the income and expenditure account)

	Notes	2024 Unrestricted Funds US$	2023 Unrestricted Funds US$
Income from:			
Donations	2	20,303,244	20,131,934
Investments	3	2,839,825	2,612,526
Total		23,143,069	22,744,460
Expenditure on:			
Charitable activities	4	(5,237,226)	(13,902,220)
Raising funds	4	(381,231)	(299,236)
Total		(5,618,457)	(14,201,456)
Net gains on investments	8	18,841,998	18,197,303
Net gains on cash and cash equivalents		423,228	86,421
Net Income		36,789,838	26,826,728
Other recognised gains and losses			
Foreign exchange gains/(losses)		41,833	(70,479)
Net movement in funds		36,831,671	26,756,249
Fund balances brought forward at 1 January		208,066,786	181,310,537
Fund balances carried forward at 31 December		244,898,457	208,066,786

All of the Foundation's activities are derived from continuing operations.

The Foundation has no recognised gains and losses other than those shown above and therefore no separate income and expenditure account has been presented.

The notes on pages 15 to 27 form part of the financial statements.

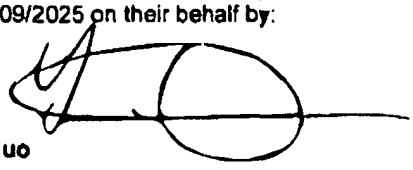
Huo Family Foundation (UK) Limited

Balance sheet
As at 31 December 2024

	Notes	2024 US$	2023 US$
Fixed assets			
Investments	8	233,479,552	190,421,108
Current assets			
Debtors	9	8,281,399	19,429,587
Cash at bank and in hand		6,613,828	7,459,913
Total current assets		14,895,227	26,889,500
Creditors: amounts falling due within one year	10	(2,550,344)	(8,803,822)
Net current assets		12,344,883	18,085,678
Total assets less current liabilities		245,824,435	208,506,786
Creditors: amounts falling due after more than one year	11	(925,978)	(440,000)
Net assets		244,898,457	208,066,786
The funds of the foundation			
Share capital	12	2	2
Unrestricted funds	13	244,898,455	208,066,784
Total foundation funds	14	244,898,457	208,066,786

The notes on pages 15 to 27 form part of the financial statements.

The financial statements on pages 12 to 27 were approved by the trustees on 04/09/2025 and were signed on 04/09/2025 on their behalf by:



Yan Huo
Trustee

Huo Family Foundation (UK) Limited
Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Statement of cash flows
for the year ended 31 December 2024

	US$	2024 US$	US$	2023 US$
Cash flows from operating activities				
Net cash provided by operating activities		**20,541,461**		**1,319,877**
Cash flows from investing activities				
Investment income – bank interest	104,737		116,158	
Investment income – dividends	2,560,283		2,273,081	
Capital gain distributions	174,805		223,287	
Bank interest and charges	(10,925)		(3,985)	
Purchase of investments	(60,780,436)		(98,597,587)	
Sale of investments	36,563,990		93,912,874	
Net cash used in investing activities		(21,387,546)		(2,076,172)
Change in cash and cash equivalents		**(846,085)**		**(756,295)**
Cash and cash equivalents at the beginning of the year		7,459,913		8,216,208
Cash and cash equivalents at the end of year		**6,613,828**		**7,459,913**

Reconciliation of net income to net cash inflow from operating activities	**2024 US$**	**2023 US$**
Net income	36,789,838	26,826,728
Bank interest income	(104,737)	(116,158)
Bank interest and charges	10,925	3,985
Dividend income	(2,560,283)	(2,273,081)
Capital gain distributions	(174,805)	(223,287)
Net (gains)/losses on investments	(18,841,998)	(18,197,303)
Foreign exchange gain/(losses)	41,833	(70,479)
Decrease/(increase) in debtors	11,148,188	(7,483,899)
(Decrease)/increase in creditors	(5,767,500)	2,853,371
Net cash inflow from operating activities	**20,541,461**	**1,319,877**

Analysis of changes in net debt	**2024 US$**	**Cash Flows US$**	**Foreign Exchange Movement US$**	**2024 US$**
Cash at bank and in hand	7,459,913	(843,179)	(2,906)	6,613,828

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1. Principal accounting policies

Company information

Huo Family Foundation (UK) Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Third Floor, 20 Old Bailey, London, EC4M 7AN. It is also registered as a charity foundation based in London for giving grants. Registered Charity No: 1133206.

Accounting Convention

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with Charities SORP (FRS 102) second edition – effective January 2019 applicable to charities preparing their financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Act 2011 and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value. The principal accounting policies adopted are set out below.

Functional currency

The financial statements are prepared in US$, which is the functional currency of the Foundation, since this is the currency of the primary economic environment in which the Foundation operates. All donations receivable are expected to be denominated in US$.

Going concern

The Foundation has adequate financial resources; specifically, the Foundation has set aside the cash needed to pay grants and operating expenses for the upcoming year and the Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees have discretion over the Foundation's grant making. As a consequence, the trustees believe that the Foundation is well placed to manage its business risks successfully.

The trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these financial statements.

Income

Income, which includes both donations and gift aid, is credited to the statement of financial activities on a receivable basis and valued on date of receipt. Investment income is stated inclusive of recoverable taxation. Dividends are recognised when declared, whereas interest is recognised on an accruals basis as earnt.

Expenditure

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Foundation to the expenditure.

Notes to the financial statements for the year ended 31 December 2024 (continued)

1. Principal accounting policies (continued)

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Foundation. In these circumstances there is a valid expectation by the recipients that they will receive the grant, even if the recipients must meet further reporting conditions, which are not considered performance obligations.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and are included with support costs allocated to the Foundation's charitable activity. Management fees included within support costs comprise of re-charged costs from Faculty Road Limited under a service agreement which are recognised on the basis laid out in the 'Key accounting estimates and assumptions' section below. No support costs are allocated to raising funds.

Investments

The Foundation has elected to apply the provisions of Section 11 and Section 12 of UK GAAP FRS102 in full.

All investments are at fair value through the Statement of Financial Activities upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the trustees on the advice of the Investment Manager Partners Capital LLP. These valuations are on the basis of the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Investment gains and losses

Net gains and losses on investments includes both realised and unrealised gains/losses during the financial year.

Realised gains and losses are calculated based on the average share price during the year being reported on.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Foreign currencies

Transactions in foreign currencies are translated into US$ at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into US$ at the rate of exchange ruling at the balance sheet date. Exchange differences are charged/credited to the statement of financial activities and hence are taken into account in arriving at the net movement in funds.

Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

1. Principal accounting policies (continued)

Financial instruments are recognised in the Foundation's balance sheet when the foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in The Statement of Financial Activities.

Impairment of financial assets

Financial assets, other than those held at fair value through Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The Foundation recognises grants payable at the point the grant offer is made; any grants unpaid at the year-end are presented within creditors until drawn down.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Foundation's obligations are discharged, cancelled, or they expire.

Notes to the financial statements for the year ended 31 December 2024 (continued)

1. Principal accounting policies (continued)

Derivatives

Derivatives are comprised of foreign currency hedging instruments that are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to fair value at each reporting end date.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Fund accounting

The unrestricted fund comprises general funds, which may be used towards meeting the charitable objects of the Foundation at the discretion of the trustees, and share capital.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Taxation

The Foundation is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. VAT is included within expenditure where it is not recoverable. However, tax on investment income may be due in the US on an annual basis, as the Huo Family Foundation (UK) Limited is controlled by The Huo Family Foundation, a charity registered in the USA.

Employee benefits

The cost of short-term employee benefits are recognised as a liability and expense. The compensation is expected to be fully settled within 12 months.

Pension costs and other post-retirement benefits

The Foundation operates a defined contribution pension scheme. Contributions payables are charged to the Statement of Financial Activities in the period to which they relate to.

Judgements and key sources of estimation uncertainty

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

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

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1. Principal accounting policies (continued)

Critical Judgements in applying the Foundation's accounting policies

The trustees do not consider grant reporting requirements within grant agreements to be grant performance related conditions as defined by the Charities SORP. Grant payables are not discounted due to the effect of discounting being immaterial to the financial statements.

Key Accounting estimates and assumptions

The main estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Foundation's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy above and within note 8.

Management fees comprise of re-charged costs from Faculty Road Limited under a service agreement for staff time and out-of-pocket expenses. The staff time was re-charged for a portion of the year. These were re-charged based on an estimate of the percentage of staff time spent on the Foundation's activities in line with the methods prescribed by the Charities SORP. During the year, the Foundation employed staff directly. Details of this allocation are included in Note 5.

2. Donations

	2024 Unrestricted Funds US$	2023 Unrestricted Funds US$
Donations	16,303,244	16,131,934
Gift aid recoverable	4,000,000	4,000,000
	20,303,244	20,131,934

In the year, monetary donations of US$16,000,000 (2023: US$16,000,000) represent donations received from Yan Huo, one of the trustees of the Foundation and US$160,000 received from Xue Fang, another trustee of the Foundation who resigned on 06 September 2024. Included within the monetary donations balance is US$143,244 (2023: US$131,934) which represents donations received from Faculty Road Limited, a related party company.

3. Investment Income

	2024 US$	2023 US$
Bank interest income	104,737	116,158
Dividends income	2,560,283	2,273,081
Capital gain distribution	174,805	223,287
	2,839,825	2,612,526

4. Charitable activities and raising funds

Charitable activities

	2024 US$	2023 US$
The Courtauld Institute of Art Fund	1,169,407	-
Teach for China	500,000	500,000
The British Museum	423,371	-
Victoria & Albert Museum	348,655	-
The National Portrait Gallery	317,988	-
Royal Academy of Arts	316,959	-
Tate Galleries	315,938	318,216
The National Gallery	285,263	-
The Metropolitan Museum of Art	100,000	10,000,000
University of Cambridge	93,951	-
The Fitzwilliam Museum	63,392	
Imperial College London	63,276	-
Queen Mary University of London	31,562	-
University of Oxford	31,230	-
King's College London	28,495	-
University of Hertfordshire	26,450	-
University of York	18,380	-
The National Theatre	-	494,768
The Old Vic	-	494,768
Royal Opera House	-	383,585
Fudan University	-	275,000
London Symphony Orchestra	-	255,723
The Donmar Warehouse	-	247,384
Support costs (Note 5)	1,102,909	932,776
	5,237,226	13,902,220

All 17 (2023: 9) grants made payable during the year were to institutions.

Raising funds

	2024 US$	2023 US$
Advisory and operating fees	24,148	37,381
Bank interest and charges	10,925	3,985
Investment management professional fees	100,489	119,785
Overseas tax on investment income	245,669	138,085
	381,231	299,236

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

5. Support costs

	2024 US$	2023 US$
Accountancy fees	72,758	65,136
Audit fees	108,701	98,804
Event fees	-	49,786
Legal fees	34,561	34,954
Consultancy expenses	199,729	-
Management fees	289,180	630,277
Tax fees	22,949	9,835
Total governance costs	727,878	888,792
Advertising and promotion	6,706	13,443
Membership	625	-
Staff Cost	296,730	-
IT software	30,159	-
Insurance	13,873	12,195
Office expenses	26,938	18,346
	1,102,909	932,776

6. Net income

Net income for the year is stated after charging:

	2024 US$	2023 US$
Auditors' remuneration (excluding VAT)		
- Audit	89,629	78,997
- Tax advisory services	-	14,100
	89,629	93,097

7. Staff costs, trustees' remuneration and Key Management Personnel

	2024 US$	2023 US$
Wages and salaries	232,095	-
Staff taxes	28,104	-
Staff pension	17,031	-
Other staff costs	19,499	-
		-
Total staff costs	296,729	-

7. Staff costs, trustees' remuneration and Key Management Personnel (continued)

No termination payments were made during the year. Only one employee received emoluments in excess of US$60,000 which falls into the bracket of (US$70k-80k).

Key management personnel comprise the trustees. In the financial period, the Chief Executive Officer and the Finance Director did not encompass the responsibilities of key management personnel. Accordingly, their compensation has not been included in the total disclosed for key management personnel.

Employees

The average monthly number of persons (excluding trustees) employed by the company during the year was:

	2024	2023
Admin and support staff	5	-
	5	-

The trustees were not remunerated in respect of their services in the year (2023: US$nil). There were expenses paid by Yan Huo on behalf of the Foundation amounting to US$12,612 which were reimbursed during the year (2023: US$nil).

8. Investments

	2024 US$	2023 US$
Movement in market value		
Opening market value	190,421,108	167,539,092
Additions at cost	60,780,436	98,597,587
Disposal proceeds	(36,563,990)	(93,912,874)
Net gains/(losses) on investments	18,841,998	18,197,303
Closing market value	233,479,552	190,421,108

Net gains/(losses) on investments includes both realised and unrealised gains and losses during the financial year. Realised gains and losses are calculated based on the average share price during the year being reported on.

Investments included in the following asset classes:

	2024 US$	2023 US$
Global Equities[1]	61,266,087	33,667,141
Private Debt	32,268,131	21,435,995
Private Equity	40,031,737	28,267,497
Hedge Fund	92,266,026	102,901,765
Other real assets	3,196,820	3,317,897
Credit	4,450,751	-
	233,479,552	189,590,295

8. Investments (continued)

(1) Equities asset class includes Capula Tail Risk Fund Ltd, which is a hedge fund with long only equities exposure.

The historic cost of these investments is US$198,166,190 (2023: US$170,415,355).

Analysis of fair value hierarchy:	2024 US$	2023 US$
Level 2	186,105,140	155,526,779
Level 3	47,374,412	34,894,329
	233,479,552	190,421,108

Investments included in the above table with a market value greater than 5% of the total portfolio market value are as follows:

	2024 US$	2023 US$
Capula Multi Strategy Fund Ltd	34,148,066	42,148,440
Capula Tail Risk Fund Ltd	36,807,950	21,542,476
iShares Core MSCI World	13,056,793	-
Partners Capital Phoenix Fund II Ltd	20,026,831	16,946,843
Capula Global Relative Value Fund Ltd	46,828,479	43,090,092
	150,868,119	123,727,851

Market risks

The Foundation's exposure to market risks is in line with its investment objective of achieving a real return target of 4%. To achieve this aim, the Foundation maintains a diversified portfolio invested across asset classes, both liquid and illiquid. To manage the level of risk within the portfolio across asset classes, the Foundation utilises a risk metric based on expected beta to equity markets, we call this beta "equivalent net equity beta".

The Foundation's portfolio is, as set out in the investment policy statement, managed to a risk level, as represented by equivalent net equity beta, of c. 65%. This means the portfolio has a risk level similar to a portfolio 65% invested in public equities and 35% in cash. Accordingly, the Foundation's Portfolio is expected to have significant mark-to-market volatility in pursuit of the return target. If equity markets were to decline by 10%, we would expect the Foundation's portfolio to decline by 6.5%.

In addition, the Foundation invests in illiquid assets. Over the long term, the Foundation aims to build a private markets portfolio representing 50% of the total portfolio value in order to maximise investment returns. This portfolio will take several years to build, and the current allocation is significantly lower. The Foundation acknowledges that additional risks relating to accurate valuations, cash flow requirements and underlying illiquidity exist within private asset classes and holds sufficient liquid assets to meet any resulting capital calls and/or grant payments.

Notes to the financial statements for the year ended 31 December 2024 (continued)

8. Investments (continued)

Currency risks

The Foundation takes a long-term view to risks arising from currency exposure. The Foundation's exposure to non-USD denominated investments is comparatively small and, as a result the Foundation does not hedge foreign currency exposure within the investment portfolio. However, once grants have been awarded, any material GBP denominated liabilities resulting from grants are hedged to ensure the Foundation's liabilities have little to no currency risk. The currency risk is monitored and reported on a quarterly basis to the Board.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Therefore, further disclosure is not required.

9. Debtors

	2024 US$	2023 US$
Amounts falling due within one year		
Investments - Pending settlement	197,760	17,924,079
Investment-in-transit	4,000,000	1,500,000
Prepayments, accrued income and other debtors	83,639	5,508
Gift aid receivable	4,000,000	-
	8,281,399	19,429,587

10. Creditors: amounts falling due within one year

	2024 US$	2023 US$
Trade creditors	221,872	329,263
Grants payable	2,109,213	8,225,076
Pension payable	15,948	-
Accruals and deferred income	203,311	249,483
	2,550,344	8,803,822

11. Creditors: amounts falling due after more than one year

	2024 US$	2023 US$
Grants payable	925,978	440,000
Due in one to two years	400,489	265,000
Due within two to five years	525,489	175,000
	925,978	440,000

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

11. Creditors: amounts falling due after more than one year (continued)

	2024 US$	2023 US$
Opening grants payable	8,665,075	6,084,852
Grants awarded	4,134,316	12,969,443
Grants paid	(9,695,175)	(10,527,628)
Foreign exchange	(69,025)	138,409
Closing grants payable	3,035,191	8,665,076

12. Share capital

	2024 US$	2023 US$
Allotted and called up		
2 Ordinary share of £1 each	2	2

13. Unrestricted funds

	1 January 2024 US$	Income US$	Expenditure US$	Other recognised income US$	31 December 2024 US$
Share capital	2	-	-	-	2
Unrestricted funds	208,066,784	23,143,069	(5,618,457)	19,307,059	244,898,457
Total	208,066,786	23,143,069	(5,618,457)	19,307,059	244,898,457

	1 January 2023 US$	Income US$	Expenditure US$	Other recognised expense US$	31 December 2023 US$
Share capital	2	-	-	-	2
Unrestricted funds	181,310,535	22,744,460	(14,201,456)	18,213,245	208,066,784
Total	181,310,537	22,744,460	(14,201,456)	18,213,245	208,066,786

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

14. Total foundation funds

	2024 Unrestricted Funds US$	2023 Unrestricted Funds US$
Fund balances at 31 December are represented by:		
Investments	233,479,552	190,421,108
Debtors	8,281,399	19,429,587
Cash at bank and in hand	6,613,828	7,459,913
Creditors: amounts falling due within one year	(2,550,344)	(8,803,822)
Creditors: amounts falling due after more than one year	(925,978)	(440,000)
	244,898,457	208,066,786

15. Reconciliation of movements in funds

	2024 US$	2023 US$
Net movements in funds	36,831,671	26,756,249
Net addition to funds	36,831,671	26,756,249
Opening funds	208,066,786	181,310,537
Closing funds	244,898,457	208,066,786

16. Related party transactions

During the year, the Foundation received a donation of US$16,000,000 (2023: US$16,000,000) from Yan Huo, a trustee of the Foundation. Further, the Foundation received a donation of US$160,000 (2023: US$nil) from Xue Fang, a trustee of the Foundation who resigned as trustee on 6th September 2024.

In 2024, the Foundation paid US$265,000 (2023: US$290,000) and awarded grants of US$nil (2023: US$275,000) to Fudan University, where Yan Huo is a Trustee with the outstanding amount payable at year end being US$440,000 (2023: US$705,000).

The Foundation awarded grants of US$100,000 (2023: US$10,000,000) to The Metropolitan Museum of Art ("The Met") in 2024. Subsequent to the grant awarded, Yan Huo was appointed as a Trustee to The Met. There is an outstanding amount of US$1,000,000 (2023: US$5,000,000) payable at the year end to The Met.

Further, the Foundation awarded and paid grants of US$500,000 (2023: US$500,000) to Teach for China, where Xue Fang was a Director during the year. There is no outstanding amount payable at the end of the year to Teach for China US$nil (2023: US$nil).

During the year, Faculty Road Limited paid expenses on behalf of the Foundation amounting to US$nil (2023: US $37,542), which were reimbursed during the year.

Notes to the financial statements for the year ended 31 December 2024 (continued)

16. Related party transactions (continued)

Yan Huo is a majority shareholder of Faculty Road Limited. The Foundation has a service agreement with Faculty Road Limited for the procurement of administrative services to the Foundation. The total charge by Faculty Road Limited was US$289,180 (2023: US$667,819); the amount of outstanding payment included within creditors at 31 December 2024 was US$54,478 (2023: US$319,891). During the year, the Foundation received a donation of US$100,399 (2023: US$128,277) from Faculty Road Limited, an entity controlled by the same management.

A Deed of Covenant exists between the Huo Family Foundation and Faculty Road Limited which so far as lawful will allow Faculty Road Limited to make a donation to the Foundation which is equal to the distributable profits. For the year ended 31 December 2024, further distributable profits for Faculty Road Limited not already donated during 2024 were US$43,552 (2023: US$3,657) and it was agreed to be paid out to the Huo Family Foundation in 2025.

The Foundation made additional subscriptions to the same fee-free share class of the Capula Tail Risk Fund Ltd, Capula Global Relative Value Fund Ltd and Capula Multi Strategy Fund Ltd in 2024. In addition, the Foundation switched a portion of its holdings in Capula Multi Strategy Fund Ltd to Capula Tail Risk Fund Ltd during the year.

17. Ultimate controlling party

The ultimate controlling party is the Huo Family Foundation, a charitable 501(c)(3) organisation incorporated in Delaware, USA. It owns 100% of the Huo Family Foundation (UK) Limited and it has no other assets. Its principal activity is to support the UK foundation's grant making charitable work. Yan Huo and Nancy Montmarquet are also trustees of the US entity.

No group accounts are prepared.

18. Post balance sheet events

Subsequent to the year end, the Foundation redeemed US$14,000,000 in investments which have subsequently been used to meet grants payable and operational expenses in 2025.

HUO FAMILY FOUNDATION (UK) LIMITED

England & Wales - Charity number 1133206

Accounts

Registered Company No: 06451283

Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Annual report and financial statements for the year ended 31 December 2023

Huo Family Foundation (UK) Limited

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Huo Family Foundation (UK) Limited

Charity details

Trustees

Yan Huo (Chairman)
Xue Fang
Philip Michaels (Resigned on 8th September 2023)
Sam Lowe
Yu Qiao
Nancy Montmarquet (Appointed on 8th September 2023)

Registered office

Third Floor
20 Old Bailey
London
EC4M 7AN

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Investment manager

Partners Capital LLP
5 Young Street
5th Floor
London W8 5EH

Bankers

Citibank, N.A.
41 Berkeley Square
London
W1J 5AN

J. P. Morgan
1 Knightsbridge
London
SW1X 7LX

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Accountants

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Solicitors

Withers LLP
20 Old Bailey
London
EC4M 7AN

Status

Huo Family Foundation (UK) Limited is a private limited company, company number 06451283. It is registered in the United Kingdom as a charity, number 1133206.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2023

The trustees, who are also the directors of Huo Family Foundation (UK) Limited ("the Foundation"), present their report (including their strategic report) and audited financial statements for the year ended 31 December 2023, which have been prepared in accordance with the Charities SORP (FRS 102) second edition – effective January 2019, the Companies Act 2006 and the Charities Act 2011, and applicable accounting standards in the United Kingdom.

The Foundation details on page 1 form part of this report.

The following information is shown in the strategic report instead of trustees' report under s414C(11) i.e. Review of activities, review of transactions and financial position, year review of 2023, investment policy and performance, policy statement on reserves, grant making, future plans for development, public benefit statement, internal control and mitigation of major risk, statement of trustees' responsibilities and independent auditors.

Governing documents

The Foundation is a charitable company limited by shares governed by its Memorandum and Articles of Association as amended on 4 December 2019. It was incorporated on 12 December 2007 and registered with the Charity Commission as a charity on 9 December 2009.

The Huo Family Foundation, a charity registered in the USA, owns the entire issued share capital of the Foundation. The Huo Family Foundation is a non-stock corporation incorporated in the State of Delaware and established exclusively for charitable purposes. Yan Huo, Xue Fang and Philip Michaels are common trustees of both the Huo Family Foundation and the Foundation.

Objects and strategy

The objects of the Foundation are such exclusively charitable purposes as the trustees may in their absolute discretion determine.

The Foundation has been established as a grant making charity and the trustees intend to make grants primarily to charities that support the advancement of art, education and scientific research for the public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit, as required by Section 17 of the Charities Act 2011, when reviewing the objects and strategy of the Foundation and in planning future activities. In particular, the trustees consider how planned activities will contribute to the strategy of the Foundation. The trustees are of the view that the current grant levels meet the charitable objectives of the Foundation.

Appointment of trustees

As per the Articles of Association, the trustees shall be appointed by ordinary resolution of the sole shareholder. The number of trustees shall not be less than two but is not subject to any maximum number. A trustee is elected to serve the time that he or she is appointed or, in absence of such an appointment, until removed or retirement.

When selecting new Trustees, individuals are sought who can provide strong governance, oversight, and valuable skills. A skills audit of the board is undertaken to identify any gaps in expertise; and diversity is also considered to ensure the board reflects the community it serves. Once appointed, Trustees are provided with a comprehensive induction which covers the Foundation's mission, strategy, and current projects.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes of the Foundation and the Foundation's future plans and objectives. The trustees are kept updated on any changes to their obligations and responsibilities.

Organisation

The trustees are responsible for the strategic direction and policy of the Foundation and make all decisions in relation to the Foundation. In furtherance of this, the trustees meet as and when required. The trustees may delegate any of their powers or functions to a committee of two or more trustees, but the terms of delegation must be agreed in advance.

The Foundation has granted an indemnity to one or more of its trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force during the financial year and as at the date of approving the Trustees' Report.

Fundraising activities

The Charities (Protection and Social Investment) Act 2016 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. In relation to this statement, the Foundation does not undertake widespread fundraising from the general public and does not employ professional fundraisers to do so. The Foundation is therefore not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice. The Foundation does not have policies in relation to fundraising activities nor do we consider it necessary to design specific policies and procedures to monitor activities. The Foundation has not received any complaints relating to the subject of fundraising activities.

Advisors

The names and addresses of the Foundation's advisors are shown on page 1.

STRATEGIC REPORT

Review of activities

The Foundation's mission is to support education, communities and the pursuit of knowledge. Its current areas of focus are the arts, education, scientific research and public policy.

In 2023, the Foundation continued its commitment to provide funding to charitable organisations that support its mission, with a full list of beneficiaries shown in note 4 on page 20. In 2023 the Foundation published monthly interviews with some of its beneficiaries to highlight their work. The Foundation also released its third annual Impact Report, giving an in-depth review of its work.

Through its grants, the Foundation hopes to improve the prospects of individuals, and to support the work of organisations seeking to ensure a safe and prosperous future for all society.

The impact of the Foundation's grant giving is monitored closely. The mission is to support education, communities and the pursuit of knowledge. When each grant is made the anticipated output, outcome and impact of each programme is agreed. Formal reports are received from each grant beneficiary on an annual basis and shared with trustees. Additionally grant beneficiaries are invited to meet in person to discuss progress with the executive team and, from time to time, present a report to the trustees at a board meeting. An Impact Report is prepared annually and this is published on the Foundation's website.

Review of transactions and financial position

During the year, total income was US$22,744,460 (2022: US$26,459,213). This is represented by investment income of US$2,612,526 (2022: US$1,349,704), donations of US$16,000,000 (2022: US$20,000,000) from Yan Huo, one of the trustees of the Foundation (refer to Note 16 for additional information), gift aid on that donation of US$4,000,000 (2022: US$5,000,000), and donations of US$131,934 (2022: US$109,509) from Faculty Road Limited, an entity under the same management.

The net movement in funds for the year, as shown in the statement of financial activities, amounted to a surplus of US $26,756,249 (2022: US $4,959,005).

The value of the Foundation's net assets at 31 December 2023 is US$208,066,786 (2022: US$181,310,537). The Foundation has received donation income of US$16,000,000 and gift aid on that income of US$4,000,000 after the year end, in January 2024.

2023 Review

In 2023, the Foundation continued to support charitable institutions that are championing educational excellence, artistic brilliance and social impact. The Foundation made grant payments to a number of museums and galleries in London: The British Museum, The Courtauld Gallery, National Gallery, Natural History Museum and the Royal Academy of Arts. Additionally, it made grant commitments to the Tate Galleries, Royal Opera House, London Symphony Orchestra, Donmar Warehouse, National Theatre and The Old Vic, and made its first grant to the Metropolitan Museum of Art.

The Foundation continued to support organisations that seek to provide an excellent education to all. Through its funding of Teach for China and grant payments to Teach for All, Teach First and Youth Communication it helped to enable these charities to strive for societies where educational opportunities and outcomes are not determined by a child's socio-economic status.

Further, in its support of scholarships and fellowships at Fudan University and payments to Columbia University, the Foundation created opportunities for post-graduate study. Additionally, the Foundation made a grant payment to the Oxford Internet Institute to support research into the impact of digital technology on adolescent brain development.

Investment policy and performance

In accordance with the Memorandum and Articles of Association, the trustees have the power to invest in such stocks, shares and investments as they see fit. The trustees can delegate the management of investments to a financial expert only on the terms set in the Articles of Association.

The Trustees have established a Finance Committee, comprising a subset of trustees and Partners Capital LLP, an investment manager. The Finance Committee has set out a portfolio asset allocation of public and private equities, hedge funds, real assets and private and public debt, which are invested by Partners Capital LLP and the trustees of the Foundation.

The Finance Committee reviews on a quarterly basis, the consolidated performances of the total investment portfolio and is actively engaged with Partners Capital LLP on tactical asset allocation and rebalancing based on market conditions.

The Finance Committee also reviews the Foundation's cash flow and foreign exchange exposures of its cash balances and grant liabilities.

During the financial year, the portfolio increased its value by US$22,882,016 (2022: US$5,968,187). This is comprised of net additions of US$4,684,713 (2022: US$18,905,672), net gain on investments US$18,197,303 (2022: US$12,937,485 net losses).

Policy statement on reserves

The policy of the trustees is to maintain sufficient reserves in order to fulfil future expected funding requirements of projects that extend over several years. In determining the appropriate level of reserves, the trustees take into account the nature of the Foundation i.e. one-off giving as well as multi-year grants in the form of endowments and scholarships, as well as potential fluctuation of its income stream in future years. The policy is reviewed on an annual basis.

Having regard to these considerations, taking into account its foreseeable activity level and general operating environment, the Foundation currently targets free reserves representing the available cash balances to sufficiently meet the upcoming year's grant payments and operating expenses which is expected to be approximately US$11,600,000 for 2024. As at 31 December 2023, this balance was US$7,459,913 (2022: US$8,216,208). As at 31 December 2023, the Foundation has US$17,924,079 in investment – pending settlement, of which US$17,393,409 has been received in Q1 2024 to ensure the Foundation meets the grants payable and expected operational expenses in 2024.

The Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees believe the Foundation's reserves are sufficient to meet future needs while leaving some flexibility to evaluate new grant proposals and make new commitments. The Foundation's long-term plan is to aim for grant expenditure of at least 5% of its assets each year, or more where resources allow, and to maintain the real term value of the fund for future grant making activity.

As at 31 December 2023, the Foundation has reserves of US$208,066,786 (2022: US$181,310,537), which is an increase of US$ 26,756,249, relative to last year end. This difference was primarily driven by donation income in the year, as well as investment performance, offset by grants awarded and operational expenses throughout the year.

Grant making

The trustees review applications and appeals, and then distribute funds in furtherance of the Foundation's charitable objects. During the year, the Foundation awarded grants of US$12,969,444 (2022: US$6,961,202), which excludes support costs of US$932,776 (2022: US$832,731). The Foundation does not accept unsolicited grant applications from the public.

Plans for future developments

In the coming year, the Foundation plans to provide charitable support in accordance with its objectives and strategy as described on page 2. Its current area of focus are education, the arts, scientific research and public policy.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including 'public benefit: running a charity (PB2)'. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Foundation plans to provide charitable support for the public benefit in accordance with its objectives and strategy as described on page 2. This is done through donations to charities and other organisations that support the advancement of art and education for the public benefit.

Internal controls and the mitigation of major risks

The trustees have identified and reviewed the major risks of the Foundation such as investment performance, the Foundation's cash flow position, foreign exchange movements and a cyber attack and have established internal controls to mitigate these risks.

The Foundation maintains a diversified investment portfolio, which has an investment objective of achieving a real return target of 4%. The Finance Committee meet quarterly to review its market risk exposure is in line with the objective, as well as assess its asset allocation between liquid and illiquid investments for liquidity risk.

Material GBP denominated liabilities, from grants awarded, are hedged to ensure the Foundation's liabilities have little to no currency risk. The currency risk is monitored and reported on a quarterly basis to the Board.

The trustees confirm that the controls implemented are appropriate to the size of the Foundation and the nature of its operations.

Statement of trustees' responsibilities

The trustees (who are also directors of Huo Family Foundation (UK) Limited the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

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

In so far as the trustees are aware:

a) there is no relevant audit information of which the company's auditors are unaware; and

b) the trustees have taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Equality, diversity and inclusion are important values of the Foundation. This is reflected in the make-up of the Board, staff appointments and the selection of grant beneficiaries. The trustees seek to treat each staff member and grant beneficiary fairly and the same, respecting them for their age, race gender, cultural background, skills beliefs, sexual orientation and career experiences.

The trustees are kept up to date on their obligations by regular briefings from the Foundation's external advisers, and guidance from the Charity Commission.

Independent auditors

The auditor PricewaterhouseCoopers LLP is deemed to be re-appointed under section 487 (2) of the Companies Act 2006. A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

The Trustees' annual report is approved by the trustees of the Foundation. The strategic report, which forms part of the Trustees' annual report, is approved by the trustees in their capacity as trustees in company law of the charity.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2023 (continued)

The Trustees' Report, including the Strategic Report, was approved and authorised by the board of trustees and signed on their behalf by:



Yan Huo
Trustee
Date: 13 September 2024

Huo Family Foundation (UK) Limited

Independent auditors' report to the members of Huo Family Foundation (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Huo Family Foundation (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2023; the Statement of financial activities (incorporating the income and expenditure account) and Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' annual report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' annual report

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Trustees' annual report for the period ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' annual report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

Auditors' 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 an auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts;
- obtaining independent confirmations of cash balances and material investment valuations as at 31 December 2023;
- testing the recognition of grant expenditure in line with terms of the grant awards;

- enquiring of management and the board of trustees, including consideration of any known or suspected instances of non-compliance with laws and regulation and fraud;
- reading minutes of meetings of the board of trustees;
- assessing significant accounting judgements and estimates, particularly those related to the valuation of investments in debt and equity securities; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DChan

Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 September 2024

Huo Family Foundation (UK) Limited

Statement of financial activities for the year ended 31 December 2023

(incorporating the income and expenditure account)

	Notes	2023 Unrestricted Funds US$	2022 Unrestricted Funds US$
Income from:			
Donations	2	20,131,934	25,109,509
Investments	3	2,612,526	1,349,704
Total		22,744,460	26,459,213
Expenditure on:			
Charitable activities	4	(13,902,220)	(7,793,933)
Raising funds	4	(299,236)	(288,548)
Total		(14,201,456)	(8,082,481)
Net gains/(losses) on investments	8	18,197,303	(12,937,485)
Net gains on cash and cash equivalents		86,421	-
Net Income		26,826,728	5,439,247
Other recognised losses			
Foreign exchange losses		(70,479)	(480,242)
Net movement in funds		26,756,249	4,959,005
Fund balances brought forward at 1 January		181,310,537	176,351,532
Fund balances carried forward at 31 December		208,066,786	181,310,537

All of the Foundation's activities are derived from continuing operations.

The Foundation has no recognised gains and losses other than those shown above and therefore no separate income and expenditure account has been presented.

The notes on pages 15 to 27 form part of the financial statements.

Huo Family Foundation (UK) Limited

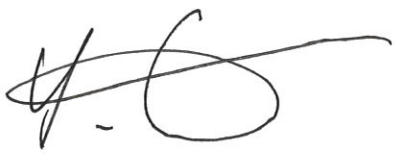
Balance sheet
As at 31 December 2023

	Notes	2023 US$	2022 US$
Fixed assets			
Investments	8	190,421,108	167,539,092
Current assets			
Debtors	9	19,429,587	11,945,687
Cash at bank and in hand		7,459,913	8,216,208
Total current assets		26,889,500	20,161,895
Creditors: amounts falling due within one year	10	(8,803,822)	(3,969,400)
Net current assets		18,085,678	16,192,495
Total assets less current liabilities		208,506,786	183,731,587
Creditors: amounts falling due after more than one year	11	(440,000)	(2,421,050)
Net assets		208,066,786	181,310,537
The funds of the foundation			
Share capital	12	2	2
Unrestricted funds	13	208,066,784	181,310,535
Total foundation funds	14	208,066,786	181,310,537

The notes on pages 15 to 27 form part of the financial statements.

The financial statements on pages 12 to 27 were approved by the trustees on 13th September 2024 and were signed on 13th September 2024 on their behalf by:

Yan Huo
Trustee



Huo Family Foundation (UK) Limited
Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Statement of cash flows for the year ended 31 December 2023

	US$	2023 US$	US$	2022 US$
Cash flows from operating activities				
Net cash provided by operating activities		**1,319,877**		**20,132,841**
Cash flows from investing activities				
Investment income – bank interest	116,158		53,741	
Investment income – dividends	2,273,081		891,758	
Capital gain distributions	223,287		404,205	
Bank interest and charges	(3,985)		(3,043)	
Purchase of investments	(98,597,587)		(100,009,189)	
Sale of investments	93,912,874		81,103,516	
Net cash used in investing activities		(2,076,172)		(17,559,012)
Change in cash and cash equivalents		**(756,295)**		**2,573,829**
Cash and cash equivalents at the beginning of the year		8,216,208		5,642,379
Cash and cash equivalents at the end of year		**7,459,913**		**8,216,208**

Reconciliation of net income to net cash inflow from operating activities	**2023 US$**	**2022 US$**
Net income	26,826,728	5,439,247
Interest received	(116,158)	(53,741)
Bank interest and charges	3,985	3,043
Dividend receivable	(2,273,081)	(891,758)
Capital gain distributions	(223,287)	(404,205)
Net (gains)/losses on investments	(18,197,303)	12,937,485
Foreign exchange losses	(70,479)	(480,242)
(Increase)/Decrease in debtors	(7,483,899)	1,623,503
Increase/ in creditors	2,853,371	1,959,509
Net cash inflow from operating activities	**1,319,877**	**20,132,841**

Analysis of changes in net debt	**2022 US$**	**Cash Flows US$**	**Foreign Exchange Movement US$**	**2023 US$**
Cash at bank and in hand	8,216,208	(920,365)	164,070	7,459,913

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2023

1. Principal accounting policies

Company information

Huo Family Foundation (UK) Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Third Floor, 20 Old Bailey, London, EC4M 7AN. It is also registered as a charity foundation based in London for giving grants. Registered Charity No: 1133206.

Accounting Convention

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with Charities SORP (FRS 102) second edition – effective January 2019 applicable to charities preparing their financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Act 2011 and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value. The principal accounting policies adopted are set out below.

Functional currency

The financial statements are prepared in US$, which is the functional currency of the Foundation, since this is the currency of the primary economic environment in which the Foundation operates. All donations receivable are expected to be denominated in US$.

Going concern

The Foundation has adequate financial resources; specifically, the Foundation has set aside the cash needed to pay grants and operating expenses for the upcoming year and the Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees have discretion over the Foundation's grant making. As a consequence, the trustees believe that the Foundation is well placed to manage its business risks successfully.

The trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these financial statements.

Income

Income, which includes both donations and gift aid, is credited to the statement of financial activities on a receivable basis and valued on date of receipt. Investment income is stated inclusive of recoverable taxation. Dividends are recognised when declared, whereas interest is recognised on an accruals basis as earnt.

Notes to the financial statements for the year ended 31 December 2023 (continued)

1. Principal accounting policies (continued)

Expenditure

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Foundation to the expenditure.

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Foundation. In these circumstances there is a valid expectation by the recipients that they will receive the grant, even if the recipients must meet further reporting conditions, which are not considered performance obligations.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and are included with support costs allocated to the Foundation's charitable activity. Management fees included within support costs comprise of re-charged costs from Faculty Road Limited under a service agreement which are recognised on the basis laid out in the 'Key accounting estimates and assumptions' section below. No support costs are allocated to raising funds.

Investments

The Foundation has elected to apply the provisions of Section 11 and Section 12 of UK GAAP FRS102 in full.

All investments are at fair value through the Statement of Financial Activities upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the trustees on the advice of the Investment Manager Partners Capital LLP. These valuations are on the basis of the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Investment gains and losses

Net gains and losses on investments includes both realised and unrealised gains/losses during the financial year.

Realised gains and losses are calculated based on the average share price during the year being reported on.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Foreign currencies

Transactions in foreign currencies are translated into US$ at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into US$ at the rate of exchange ruling at the balance sheet date. Exchange differences are charged/credited to the statement of financial activities and hence are taken into account in arriving at the net movement in funds.

Notes to the financial statements for the year ended 31 December 2023 (continued)

1. Principal accounting policies (continued)

Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in The Statement of Financial Activities.

Impairment of financial assets

Financial assets, other than those held at fair value through Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The Foundation recognises grants payable at the point the grant offer is made; any grants unpaid at the year-end are presented within creditors until drawn down.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 December 2023 (continued)

1. Principal accounting policies (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Foundation's obligations are discharged, cancelled, or they expire.

Derivatives

Derivatives are comprised of foreign currency hedging instruments that are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to fair value at each reporting end date.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Fund accounting

The unrestricted fund comprises general funds, which may be used towards meeting the charitable objects of the Foundation at the discretion of the trustees, and share capital.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Taxation

The Foundation is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. VAT is included within expenditure where it is not recoverable. However, tax on investment income may be due in the US on an annual basis, as the Huo Family Foundation (UK) Limited is controlled by Huo Family Foundation, a charity registered in the USA.

Judgements and key sources of estimation uncertainty

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

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

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

1. Principal accounting policies (continued)

Critical Judgements in applying the Foundation's accounting policies

The trustees do not consider grant reporting requirements within grant agreements to be grant performance related conditions as defined by the Charities SORP. Grant payables are not discounted due to the effect of discounting being immaterial to the financial statements.

Key Accounting estimates and assumptions

The main estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Foundation's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy above and within note 8.

Management fees comprise of re-charged costs from Faculty Road Limited under a service agreement for staff time and out-of-pocket expenses. These are re-charged based on an estimate of the percentage of staff time spent on the Foundation's activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included in Note 5.

2. Donations

	2023 Unrestricted Funds US$	2022 Unrestricted Funds US$
Monetary donations	16,131,934	20,109,509
Gift aid recoverable	4,000,000	5,000,000
	20,131,934	25,109,509

In the year, monetary donations of US$16,000,000 (2022: US$20,000,000) represent donations received from Yan Huo, one of the trustees of the Foundation. Included within the monetary donations balance is US$131,934 (2022: US$109,509) which represents donations received from Faculty Road Limited, a related party company.

3. Investment Income

	2023 US$	2022 US$
Bank interest receivable	116,158	53,741
Dividend receivable	2,273,081	891,758
Capital gain distribution	223,287	404,205
	2,612,526	1,349,704

Disclosures in relation to the risks arising from financial instruments and how these are managed by the Foundation are included within note 8.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

4. Charitable activities and raising funds

Charitable activities

	2023 US$	2022 US$
The Metropolitan Museum of Art	10,000,000	-
Teach for China	500,000	500,000
The National Theatre	494,768	-
The Old Vic	494,768	-
Royal Opera House	383,585	363,000
Tate Galleries	318,216	422,273
Fudan University	275,000	95,000
London Symphony Orchestra	255,723	-
The Donmar Warehouse	247,384	-
Teach First	-	1,814,998
The Courtauld Institute	-	1,059,424
Teach for All	-	750,000
British Museum	-	546,361
The National Gallery	-	309,924
Natural History Museum	-	309,251
Science Museum	-	267,821
Royal Academy of Arts	-	242,000
Youth Communication	-	150,000
Help Musicians	-	65,575
Theatre Development Trust	-	65,575
Support costs (Note 5)	932,776	832,731
	13,902,220	7,793,933

All 9 (2022: 17) grants made payable during the year were to institutions.

In 2022, the Foundation made two grants payable to The Courtauld Institute and Tate Galleries, which are presented combined per institute above.

Raising funds

	2023 US$	2022 US$
Advisory and operating fees	37,381	37,500
Bank interest and charges	3,985	3,043
Investment management professional fees	119,785	227,901
Overseas tax on investment income	138,085	20,104
	299,236	288,548

Notes to the financial statements for the year ended 31 December 2023 (continued)

5. Support costs

	2023 US$	2022 US$
Accountancy fees	65,136	47,083
Audit fees	98,804	79,822
Event	49,786	71,760
Legal fees	34,954	67,904
Consultancy expenses	-	70,245
Management fees	630,277	439,101
Tax fees	9,835	25,656
Total governance costs	888,792	801,571
Advertising and promotion	13,443	4,062
Insurance	12,195	11,871
Office expenses	18,346	15,227
	932,776	832,731

6. Net income

Net income for the year is stated after charging:

	2023 US$	2022 US$
Auditors' remuneration (excluding VAT)		
- Audit	78,997	72,595
- Tax advisory services	14,100	-
	93,097	72,595

7. Staff costs, trustees' remuneration and Key Management Personnel

No staff were employed by the Foundation during the year (2022: none), hence the trustees are the only key management personnel.

The trustees received no remuneration in respect of their services to the Foundation during the year (2022: US$nil). There were expenses paid by Yan Huo on behalf of the Foundation amounting to $nil which were reimbursed during the year (2022: US$5,326).

Notes to the financial statements for the year ended 31 December 2023 (continued)

8. Investments

	2023 US$	2022 US$
Movement in market value		
Opening market value	167,539,092	161,570,904
Additions at cost	98,597,587	100,009,189
Disposal proceeds	(93,912,874)	(81,103,516)
Net gains/(losses) on investments	18,197,303	(12,937,485)
Closing market value	190,421,108	167,539,092

Net gains/(losses) on investments includes both realised and unrealised gains and losses during the financial year.

Realised gains and losses are calculated based on the average share price during the year being reported on.

Investments included in the following asset classes:

	2023 US$	2022 US$
Global Equities[1]	33,667,140	32,811,326
Private Debt	21,333,213	17,189,452
Private Equity	29,141,875	20,233,468
Hedge Fund	102,901,713	93,919,254
Other real assets	3,377,167	3,385,592
	190,421,108	167,539,092

[1] Equities asset class includes Capula Tail Risk Fund Ltd, which is a hedge fund with long only equities exposure.

The historic cost of these investments is US$170,415,355 (2022: US$155,211,567).

Analysis of fair value hierarchy:

	2023 US$	2022 US$
Level 2	155,526,779	142,354,770
Level 3	34,894,329	25,184,322
	190,421,108	167,539,092

Notes to the financial statements for the year ended 31 December 2023 (continued)

8. Investments (continued)

Investments included in the above table with a market value greater than 5% of the total portfolio market value are as follows:

	2023 US$	2022 US$
Capula Multi Strategy Fund Ltd	42,148,440	37,784,563
Capula Tail Risk Fund Ltd	21,542,476	14,985,522
Partners Capital Greyhawk Cayman Feeder Fund	-	11,903,735
Partners Capital Phoenix Fund II Ltd	16,946,843	17,184,779
Capula Global Relative Value Fund Ltd	43,090,092	37,707,287
	123,727,851	119,565,886

Market risks

The Foundation's exposure to market risks is in line with its investment objective of achieving a real return target of 4%. To achieve this aim, the Foundation maintains a diversified portfolio invested across asset classes, both liquid and illiquid. To manage the level of risk within the portfolio across asset classes, the Foundation utilises a risk metric based on expected beta to equity markets, we called this beta "equivalent net equity beta".

The Foundation's portfolio is, as set out in the investment policy statement, managed to a risk level, as represented by equivalent net equity beta, of c. 65%. This means the portfolio has a risk level similar to a portfolio 65% invested in public equities and 35% in cash. Accordingly, the Foundation's Portfolio is expected to have significant mark-to-market volatility in pursuit of the return target. If equity markets were to decline by 10%, we would expect the Foundation's portfolio to decline by 6.5%.

In addition, the Foundation invests in illiquid assets. Over the long term, the Foundation aims to build a private markets portfolio representing 50% of the total portfolio value in order to maximise investment returns. This portfolio will take several years to build, and the current allocation is significantly lower. The Foundation acknowledges that additional risks relating to accurate valuations, cash flow requirements and underlying illiquidity exist within private asset classes and holds sufficient liquid assets to meet any resulting capital calls and/or grant payments.

Currency risks

The Foundation takes a long-term view to risks arising from currency exposure. The Foundation's exposure to non-USD denominated investments is comparatively small and, as a result the Foundation does not hedge foreign currency exposure within the investment portfolio. However, once grants have been awarded, any material GBP denominated liabilities resulting from grants are hedged to ensure the Foundation's liabilities have little to no currency risk. The currency risk is monitored and reported on a quarterly basis to the Board.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Therefore, further disclosure is not required.

Notes to the financial statements for the year ended 31 December 2023 (continued)

9. Debtors

	2023 US$	2022 US$
Amounts falling due within one year		
Investments-Pending settlement	17,924,079	11,944,095
Investment-in-transit	1,500,000	-
Prepayments, accrued income and other debtors	5,508	1,592
	19,429,587	11,945,687

10. Creditors: amounts falling due within one year

	2023 US$	2022 US$
Trade creditors	329,263	172,628
Grants payable	8,225,076	3,663,802
Accruals and deferred income	249,483	132,970
	8,803,822	3,969,400

11. Creditors: amounts falling due after more than one year

	2023 US$	2022 US$
Grants payable	440,000	2,421,050
Due in one to two years	265,000	2,181,050
Due within two to five years	175,000	240,000
	440,000	2,421,050

	2023 US$	2022 US$
Opening grants payable	6,084,852	4,120,295
Grants awarded	12,969,443	6,961,202
Grants paid	(10,527,628)	(4,802,400)
Foreign exchange	138,409	(194,245)
Closing grants payable	8,665,076	6,084,852

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

12. Share capital

	2023 US$	2022 US$
Allotted and called up		
2 Ordinary share of £1 each	2	2

13. Unrestricted funds

	1 January 2023 US$	Income US$	Expenditure US$	Other recognised income US$	31 December 2023 US$
Share capital	2	-	-	-	2
Unrestricted funds	181,310,535	22,744,460	(14,201,456)	18,213,245	208,066,784
Total	181,310,537	22,744,460	(14,201,456)	18,213,245	208,066,786

	1 January 2022 US$	Income US$	Expenditure US$	Other recognised expense US$	31 December 2022 US$
Share capital	2	-	-	-	2
Unrestricted funds	176,351,530	26,459,213	(8,082,481)	(13,417,727)	181,310,535
Total	176,351,532	26,459,213	(8,082,481)	(13,417,727)	181,310,537

14. Total foundation funds

	2023 Unrestricted Funds US$	2022 Unrestricted Funds US$
Fund balances at 31 December are represented by:		
Investments	190,421,108	167,539,092
Debtors	19,429,587	11,945,687
Cash at bank and in hand	7,459,913	8,216,208
Creditors: amounts falling due within one year	(8,803,822)	(3,969,400)
Creditors: amounts falling due after more than one year	(440,000)	(2,421,050)
	208,066,786	181,310,537

Notes to the financial statements for the year ended 31 December 2023 (continued)

15. Reconciliation of movements in funds

	2023 US$	2022 US$
Net movements in funds	26,756,249	4,959,005
Net addition to funds	26,756,249	4,959,005
Opening funds	181,310,537	176,351,532
Closing funds	208,066,786	181,310,537

16. Related party transactions

During the year, the Foundation received a donation of US$16,000,000 (2022: US$20,000,000) from Yan Huo, a trustee of the Foundation.

The Foundation paid a total of US$nil (2022: US$375,000) to Princeton University, where Yan Huo was a Trustee during 2023. No new grants were awarded to Princeton University in 2023 and there is no outstanding amount payable at the year end to Princeton University (2022: US$nil).

In 2023, the Foundation paid US$290,000 (2022: US$335,000) and awarded grants of US$275,000 (2022: US$95,000) to Fudan University, where Yan Huo is a Trustee with the outstanding amount payable at year end being US$705,000 (2022: US$720,000).

The Foundation awarded grants of US$10,000,000 (2022: US$nil) to The Metropolitan Museum of Art ("The Met") in 2023. Subsequent to the grant awarded, Yan Huo was appointed as a Trustee to The Met. There is an outstanding amount of US$5,000,000 (2022: US$nil) payable at the year end to The Met.

Further, the Foundation awarded and paid grants of US$500,000 (2022: US$500,000) to Teach for China, where Xue Fang was a Director during the year. There is no outstanding amount payable at the end of the year to Teach for China US$nil (2022: US$nil).

During the year, Faculty Road Limited paid expenses on behalf of the Foundation amounting to US$37,542 (2022: US $123), which were reimbursed during the year.

Yan Huo and Xue Fang were Directors of Faculty Road Limited during 2023. The Foundation has a service agreement with Faculty Road Limited for the procurement of administrative services to the Foundation. The total charge by Faculty Road Limited was US$667,819 (2022: US$439,101); the amount of outstanding payment included within creditors at 31 December 2023 was US$319,891 (2022: US$160,543). During the year, the Foundation received a donation of US$128,277 (2022: US$109,509) from Faculty Road Limited, an entity controlled by the same management.

A Deed of Covenant exists between the Huo Family Foundation and Faculty Road Limited which so far as lawful will allow Faculty Road Limited to make a donation to the Foundation which is equal to the distributable profits. For the year ended 31 December 2023, further distributable profits for Faculty Road Limited not already donated during 2023 were US$3,657 (2022: US$7,415) and it was agreed to be paid out to the Huo Family Foundation in 2024.

Notes to the financial statements for the year ended 31 December 2023 (continued)

16. Related party transactions (continued)

The Foundation made additional subscriptions to the same fee-free share class of the Capula Tail Risk Fund Ltd, Capula Global Relative Value Fund Ltd and Capula Multi Strategy Fund Ltd in 2023.

17. Ultimate controlling party

The ultimate controlling party is the Huo Family Foundation a charity registered in Delaware, USA. It owns 100% of the Huo Family Foundation (UK) Limited and it has no other assets. Yan Huo, Xue Fang and Nancy Montmarquet are also trustees of the US entity.

18. Post balance sheet events

Subsequent to the year end, in January 2024, a further donation of US$16,000,000 has been received from Yan Huo, gift aid of US$4,000,000 is recoverable on this. Further, the Foundation has received the US$17,393,409 in investment - pending settlement amount which has subsequently been used to meet grants payable and operational expenses as well as invested in multiple asset classes.

HUO FAMILY FOUNDATION (UK) LIMITED

England & Wales - Charity number 1133206

Accounts

Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Annual report and financial statements for the year ended 31 December 2022

Huo Family Foundation (UK) Limited

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Huo Family Foundation (UK) Limited

Charity details

Trustees

Yan Huo (Chairman)
Xue Fang
Philip Michaels
Sam Lowe
Yu Qiao appointed on 3rd November 2022

Registered office

Third Floor
20 Old Bailey
London
EC4M 7AN

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Investment manager

Partners Capital LLP
5 Young Street
5th Floor
London W8 5EH

Bankers

Citibank, N.A.
41 Berkeley Square
London
W1J 5AN

J. P. Morgan
1 Knightsbridge
London
SW1X 7LX

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Accountants

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Solicitors

Withers LLP
20 Old Bailey
London
EC4M 7AN

Status

Huo Family Foundation (UK) Limited is a private limited company, company number 06451283. It is registered in the United Kingdom as a charity, number 1133206.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2022

The trustees, who are also the directors of Huo Family Foundation (UK) Limited ("the Foundation"), present their report (including their strategic report) and audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with the Charities SORP (FRS 102) second edition – effective January 2019, the Companies Act 2006 and the Charities Act 2011, and applicable accounting standards in the United Kingdom.

The foundation details on page 1 form part of this report.

The following information is shown in the strategic report instead of trustees' report under s414C(11) i.e. Review of activities, review of transactions and financial position, year review of 2022, investment policy and performance, policy statement on reserves, grant making, future plans for development, public benefit statement, internal control and mitigation of major risk, statement of trustees' responsibilities and independent auditors.

Governing documents

The Foundation is a charitable company limited by shares governed by its Memorandum and Articles of Association as amended on 4 December 2019. It was incorporated on 12 December 2007 and registered with the Charity Commission as a charity on 9 December 2009.

The Huo Family Foundation, a charity registered in the USA, owns the entire issued share capital of the Foundation. The Huo Family Foundation is a non-stock corporation incorporated in the State of Delaware and established exclusively for charitable purposes. Yan Huo, Xue Fang and Philip Michaels are common trustees of both the Huo Family Foundation and the Foundation.

Objects and strategy

The objects of the Foundation are such exclusively charitable purposes as the trustees may in their absolute discretion determine.

The Foundation has been established as a grant making charity and the trustees intend to make grants primarily to charities that support the advancement of art, education and scientific research for the public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit, as required by Section 17 of the Charities Act 2011, when reviewing the objects and strategy of the Foundation and in planning future activities. In particular, the trustees consider how planned activities will contribute to the strategy of the Foundation. The trustees are of the view that the current grant levels meet the charitable objectives of the Foundation.

Appointment of trustees

As per the Articles of Association, the trustees shall be appointed by ordinary resolution of the sole shareholder. The number of trustees shall not be less than two but is not subject to any maximum number. A trustee is elected to serve the time that he or she is appointed or, in absence of such an appointment, until removed or retirement.

Dr Yu Qiao was appointed as a Trustee on 3rd November 2022.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes of the Foundation and the Foundation's future plans and objectives. The trustees are kept updated on any changes to their obligations and responsibilities.

Organisation

The trustees are responsible for the strategic direction and policy of the Foundation and make all decisions in relation to the Foundation. In furtherance of this, the trustees meet as and when required. The trustees may delegate any of their powers or functions to a committee of two or more trustees, but the terms of delegation must be agreed in advance.

The Foundation has granted an indemnity to one or more of its trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force during the financial year and as at the date of approving the Trustees' Report.

Fundraising activities

The Charities (Protection and Social Investment) Act 2016 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. In relation to this statement, the Foundation does not undertake widespread fundraising from the general public and does not employ professional fundraisers to do so. The Foundation is therefore not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice. The Foundation does not have policies in relation to fundraising activities nor do we consider it necessary to design specific policies and procedures to monitor activities. The Foundation has not received any complaints relating to the subject of fundraising activities.

Advisors

The names and addresses of the Foundation's advisors are shown on page 1.

STRATEGIC REPORT

Review of activities

The Foundation's mission is to support education, communities and the pursuit of knowledge. Its current areas of focus are education; neuroscience and psychology; public policy; the arts and scientific research.

In 2022, the Foundation continued its commitment to provide funding to charitable organisations that support its mission, with a full list of beneficiaries shown in note 4 on page 19. Building on the launch of its website in 2020 (www.huofamilyfoundation.org), in 2022 the Foundation published monthly interviews with its beneficiaries to highlight their work The Foundation also released its second annual Impact Report, giving an in-depth review of its work.

Through its grants, the Foundation hopes to improve the prospects of individuals, and to support the work of organisations seeking to ensure a safe and prosperous future for all society.

The impact of the Foundation's grant giving is monitored closely. The mission is to support education, communities and the pursuit of knowledge. When each grant is made the anticipated output, outcome and impact which support this mission is agreed. Formal reports are received from each grant beneficiary on an annual basis and shared with trustees. Additionally grant beneficiaries are invited to meet in person to discuss progress with the executive team and, from time to time, present a report to the trustees at a board meeting. An Impact Report is prepared annually and this is published on the Foundation's website.

Review of transactions and financial position

During the year, total income was US$26,459,213 (2021: US$28,385,850). This is represented by investment income of US$1,349,704 (2021: US$3,227,385), donations of US$20,000,000 (2021: US$20,000,000) from Yan Huo, one of the trustees of the Foundation (refer to Note 16 for additional information), gift aid on that donation of US$5,000,000 (2021: US$5,000,000), and donations of US$109,509 (2021: US$158,465) from Faculty Road Limited, an entity under the same management.

The net movement in funds for the year, as shown in the statement of financial activities, amounted to a surplus of US $4,959,005 (2021: US $39,628,296).

The value of the Foundation's net assets at 31 December 2022 is US$181,310,537 (2021: US$176,351,532). The Foundation's donation income has not been impacted by Covid-19, having received donation income of US$20,000,000 and gift aid on that income of US$5,000,000 in the first quarter of 2022 and further donation income of US$16,000,000 and gift aid on that income of US$4,000,000 after the year end, in January 2023.

2022 Review

As the impact of the global pandemic continued to take its toll, the Foundation focused its giving in 2022 on some of the sectors most severely impacted by Covid-19, including the Performing Arts and Education.

In 2022, the Foundation supported a number of museums and galleries in London: The British Museum, The Courtauld Gallery, Science Museum, Tate Galleries and the Royal Academy of Arts. Additionally, it supported the Royal Opera House and made grants to Theatre Development Fund and Help Musicians to enable artists impacted by the pandemic to receive essential support.

The Foundation continued to support organisations that seek to provide an excellent education to all. Through its funding of Teach for All, Teach for China, Teach First and Youth Communication it helped to enable these charities to strive for societies where educational opportunities and outcomes are not determined by a child's socio-economic status.

Further, in its support of scholarships and fellowships at Princeton University, Columbia University and Fudan University, the Foundation created opportunities for post-graduate study. Additionally, the Foundation made a grant to the Oxford Internet Institute to support research into the impact of digital technology on adolescent brain development.

Investment policy and performance

In accordance with the Memorandum and Articles of Association, the trustees have the power to invest in such stocks, shares and investments as they see fit. The trustees can delegate the management of investments to a financial expert only on the terms set in the Articles of Association.

The portfolio is comprised of an allocation of public and private equities, hedge funds, real assets and private debt, which are invested on the Foundation's behalf by Partners Capital LLP, an investment manager, and the trustees of the Foundation. Partners Capital consolidates the performances of the investment portfolio, including the portion managed by the trustees, and presents these quarterly to the Finance Committee. Furthermore, the Foundation receives monthly performance reports from the various investment fund administrators.

The trustees have monitored the performance of investments in the financial year by reviewing monthly and quarterly performance reports. The Finance Committee also meets on a regular basis to review performance and cash flow and is actively engaged with Partners Capital on tactical asset allocation and rebalancing based on market conditions.

During the financial year, the portfolio increased its value by US$5,968,188 (2021: US$44,129,471). This is comprised of net additions of US$18,905,672 (2021: US$25,632,345), net losses on investments US$12,937,485 (2021 gain: US$18,497,126).

Policy statement on reserves

The policy of the trustees is to maintain sufficient reserves in order to fulfil future expected funding requirements of projects that extend over several years. In determining the appropriate level of reserves, the trustees take into account the nature of the Foundation i.e. one-off giving as well as multi-year grants in the form of endowments and scholarships, as well as potential fluctuation of its income stream in future years. The policy is reviewed on an annual basis.

Having regard to these considerations, taking into account its foreseeable activity level and general operating environment, the Foundation currently targets free reserves representing the available cash balances to sufficiently meet the upcoming year's grant payments and operating expenses, which is expected to be approximately US$11,070,000 for 2023. As at 31 December 2022, this balance was US$8,216,208 (2021: US$5,642,381). As at 31 December 2022, the Foundation has US$11,944,095 in investment – pending settlement which has been received in Q1 of 2023 to ensure the Foundation meets the grants payable and expected operational expenses in 2023.

The Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees believe the Foundation's reserves are sufficient to meet future needs while leaving some flexibility to evaluate new grant proposals and make new commitments. The Foundation's long-term plan is to aim for grant expenditure of at least 5% of its assets each year, or more where resources allow, and to maintain the real term value of the fund for future grant making activity. The Foundation's reserve policy has not been affected by Covid-19.

As at 31 December 2022, the Foundation has reserves of US$181,310,537 (2021: US$176,351,532), which is an increase of US$4,959,005, relative to last year end. This difference was primarily driven by donation income in the year, as well as investment performance, offset by grants awarded and operational expenses throughout the year.

Grant making

The trustees review applications and appeals, and then distribute funds in furtherance of the Foundation's charitable objects. During the year, the Foundation awarded grants of US$6,961,202 (2021: US$5,422,987), which excludes support costs of US$832,731 (2021: US$712,388). The Foundation does not accept unsolicited grant applications from the public.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2022 (continued)

Plans for future developments

In the coming year, the Foundation plans to provide charitable support in accordance with its objectives and strategy as described on page 2.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including 'public benefit: running a charity (PB2)'. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Foundation plans to provide charitable support for the public benefit in accordance with its objectives and strategy as described on page 2. This is done through donations to charities and other organisations that support the advancement of art and education for the public benefit.

Internal controls and the mitigation of major risks

The trustees have identified and reviewed the major risks of the Foundation such as foreign exchange movements, investment performance, the Foundation's cash flow position and a cyber attack and have established internal controls to mitigate these risks. The trustees confirm that the controls implemented are appropriate to the size of the Foundation and the nature of its operations. There has been no impact on the effectiveness of the Foundation's controls as a result of changes to working practices due to Covid-19. An independent review of cyber security was undertaken in November 2021 to ensure that the Foundation's systems are secure and that data cannot be accessed by a third party.

Statement of trustees' responsibilities

The trustees (who are also directors of Huo Family Foundation (UK) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2022 (continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

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

In so far as the trustees are aware:

a) there is no relevant audit information of which the charitable company's auditors are unaware; and

b) the trustees have taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Equality, diversity and inclusion are important values of the Foundation. This is reflected in the make-up of the Board, staff appointments and the selection of grant beneficiaries. The trustees seek to treat each staff member and grant beneficiary fairly and the same, respecting them for their age, race gender, cultural background, skills beliefs, sexual orientation and career experiences.

The trustees are kept up to date on their obligations by regular briefings from the Foundation's external advisers, and guidance from the Charity Commission.

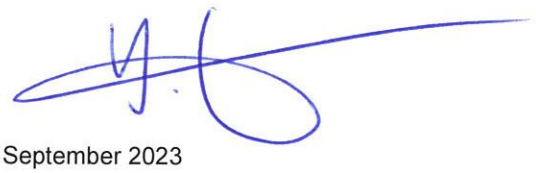
Independent auditors

The auditor PricewaterhouseCoopers LLP is deemed to be re-appointed under section 487 (2) of the Companies Act 2006. A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

The Trustees' annual report is approved by the trustees of the Foundation. The strategic report, which forms part of the Trustees' annual report, is approved by the trustees in their capacity as trustees in company law of the charity.

Approved and authorised by the board of trustees and signed on their behalf by:

Yan Huo
Trustee



Date: 8th September 2023

Huo Family Foundation (UK) Limited

Independent auditors' report to the members of Huo Family Foundation (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Huo Family Foundation (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Statement of financial activities (incorporating the income and expenditure account) and Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Trustees' Annual Report for the period ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' Annual Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

Auditors' 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 an auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts;
- obtaining independent confirmations of cash balances and material investment valuations as at 31 December 2022;
- testing the recognition of grant expenditure in line with terms of the grant awards;
- enquiring of management and the board of trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- reading minutes of meetings of the board of trustees; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DChan

Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 September 2023

Huo Family Foundation (UK) Limited

Statement of financial activities for the year ended 31 December 2022

(incorporating the income and expenditure account)

	Notes	2022 Unrestricted Funds US$	2021 Unrestricted Funds US$
Income from:			
Donations	2	25,109,509	25,158,465
Investments	3	1,349,704	3,227,385
Total		26,459,213	28,385,850
Expenditure on:			
Charitable activities	4	(7,793,933)	(6,135,375)
Raising funds	4	(288,548)	(1,160,666)
Total		(8,082,481)	(7,296,041)
Net (losses)/gains on investments	8	(12,937,485)	18,497,126
Net Income		5,439,247	39,586,935
Other recognised gains and losses			
Foreign exchange (losses)/gains		(480,242)	41,361
Net movement in funds		4,959,005	39,628,296
Fund balances brought forward at 1 January		176,351,532	136,723,236
Fund balances carried forward at 31 December		181,310,537	176,351,532

All of the Foundation's activities are derived from continuing operations.

The Foundation has no recognised gains and losses other than those shown above and therefore no separate income and expenditure account has been presented.

The notes on pages 14 to 26 form part of the financial statements.

Huo Family Foundation (UK) Limited
Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

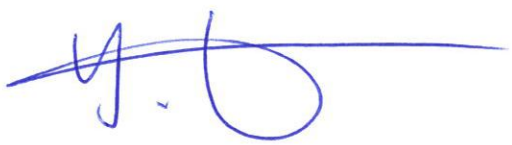
Balance sheet
As at 31 December 2022

	Notes	2022 US$	2021 US$
Fixed assets			
Investments	8	167,539,092	161,570,904
Current assets			
Debtors	9	11,945,687	13,569,190
Cash at bank and in hand		8,216,208	5,642,379
Total current assets		20,161,895	19,211,569
Creditors: amounts falling due within one year	10	(3,969,400)	(2,096,784)
Net current assets		16,192,495	17,114,785
Total assets less current liabilities		183,731,587	178,685,689
Creditors: amounts falling due after more than one year	11	(2,421,050)	(2,334,157)
Net assets		181,310,537	176,351,532
The funds of the foundation			
Share capital	12	2	2
Unrestricted funds	13	181,310,535	176,351,530
Total foundation funds	14	181,310,537	176,351,532

The notes on pages 14 to 26 form part of the financial statements.

The financial statements on pages 11 to 26 were approved by the trustees on 8th September 2023 and were signed on 8th September 2023 on their behalf by:

Yan Huo
Trustee



Huo Family Foundation (UK) Limited
Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Statement of cash flows for the year ended 31 December 2022

	US$	2022 US$	US$	2021 US$
Cash flows from operating activities				
Net cash provided by operating activities		**20,132,841**		**19,204,988**
Cash flows from investing activities				
Investment income – bank interest	53,741		3,143	
Investment income – dividends	891,758		2,985,242	
Capital gain distributions	404,205		239,000	
Bank interest and charges	(3,043)		(5,543)	
Purchase of investments	(100,009,189)		(60,497,258)	
Sale of investments	81,103,516		34,864,913	
Net cash used in investing activities		(17,559,012)		(22,410,503)
Change in cash at bank and in hand		**2,573,829**		**(3,205,515)**
Cash at bank and in hand at the beginning of the year		5,642,379		8,847,894
Cash at bank and in hand at the end of year		**8,216,208**		**5,642,379**

Reconciliation of net income to net cash inflow from operating activities	**2022 US$**	**2021 US$**
Net income	5,439,247	39,586,935
Interest received	(53,741)	(3,143)
Bank interest and charges	3,043	5,541
Dividend receivable	(891,758)	(2,985,242)
Capital gain distributions	(404,205)	(239,000)
Net losses/(gains) on investments	12,937,485	(18,497,126)
Foreign exchange (losses)/gains	(480,242)	41,361
Decrease in debtors	1,623,503	4,547,084
Increase/(decrease) in creditors	1,959,509	(3,251,422)
Net cash inflow from operating activities	**20,132,841**	**19,204,988**

Analysis of changes in net debt	**2021 US$**	**Cash Flows US$**	**Foreign Exchange Movement US$**	**2022 US$**
Cash at bank and in hands	5,642,379	2,903,097	(329,268)	8,216,208

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. Principal accounting policies

Company information

Huo Family Foundation (UK) Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 20 Old Bailey, London, EC4M 7AN. It is also registered as a charity foundation based in London for giving grants. Registered Charity No: 1133206.

Accounting Convention

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with Charities SORP (FRS 102) second edition – effective January 2019 applicable to charities preparing their financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Act 2011 and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value. The principal accounting policies adopted are set out below.

Functional currency

The financial statements are prepared in US$, which is the functional currency of the Foundation, since this is the currency of the primary economic environment in which the Foundation operates. All donations receivable are expected to be denominated in US$.

Going concern

The Foundation has adequate financial resources; specifically, the Foundation has set aside the cash needed to pay grants and operating expenses for the upcoming year and the Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees have discretion over the Foundation's grant making. As a consequence, the trustees believe that the Foundation is well placed to manage its business risks successfully.

The trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these financial statements.

Income

Income, which includes both donations and gift aid, is credited to the statement of financial activities on a receivable basis and valued on date of receipt. Investment income is stated inclusive of recoverable taxation. Dividends are recognised when declared, whereas interest is recognised on an accruals basis as earnt.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. Principal accounting policies (continued)

Expenditure

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Foundation to the expenditure.

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Foundation. In these circumstances there is a valid expectation by the recipients that they will receive the grant, even if the recipients must meet further reporting conditions, which are not considered performance obligations.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and are included with support costs allocated to the Foundation's charitable activity. Management fees included within support costs comprise of re-charged costs from Faculty Road Limited under a service agreement which are recognised on the basis laid out in the 'Key accounting estimates and assumptions' section below. No support costs are allocated to raising funds.

Investments

The Foundation has elected to apply the provisions of Section 11 and Section 12 of UK GAAP FRS102 in full.

All investments are at fair value through the Statement of Financial Activities upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the trustees on the advice of the Investment Manager Partners Capital. These valuations are on the basis of the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Investment gains and losses

Net gains and losses on investments includes both realised and unrealised gains/losses during the financial year. The gains and losses during the year have been adjusted for our Investment Manager Partners Capital management fees. Certain third party investment managers net off their investment fees on a transactional basis and do not report them. To calculate these fees would incur significant undue costs. As a result, to reflect the correct management fees in the accounts, the gains and losses have been adjusted accordingly.

Realised gains and losses are calculated based on the average share price during the year being reported on.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Foreign currencies

Transactions in foreign currencies are translated into US$ at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into US$ at the rate of exchange ruling at the balance sheet date. Exchange differences are charged/credited to the statement of financial activities and hence are taken into account in arriving at the net movement in funds.

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. Principal accounting policies (continued)

Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in The Statement of Financial Activities.

Impairment of financial assets

Financial assets, other than those held at fair value through Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The Foundation recognises grants payable at the point the grant offer is made; any grants unpaid at the year-end are presented within creditors until drawn down.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. Principal accounting policies (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Foundation's obligations are discharged, cancelled, or they expire.

Derivatives

Derivatives are comprised of foreign currency hedging instruments that are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to fair value at each reporting end date.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Fund accounting

The unrestricted fund comprises general funds, which may be used towards meeting the charitable objects of the Foundation at the discretion of the trustees, and share capital.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Taxation

The Foundation is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. VAT is included within expenditure where it is not recoverable. However, tax on investment income may be due in the US on an annual basis, as the Huo Family Foundation (UK) Limited is controlled by Huo Family Foundation, a charity registered in the USA.

Judgements and key sources of estimation uncertainty

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

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

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. Principal accounting policies (continued)

Critical Judgements in applying the Foundation's accounting policies

The trustees do not consider grant reporting requirements within grant agreements to be grant performance related conditions as defined by the Charities SORP. Grant payables are not discounted due to the effect of discounting being immaterial to the financial statements.

Key Accounting estimates and assumptions

The main estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Foundation's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy above and within note 8.

Management fees comprise of re-charged costs from Faculty Road Limited under a service agreement for staff time and out-of-pocket expenses. These are re-charged based on an estimate of the percentage of staff time spent on the Foundation's activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included in Note 5.

2. Donations

	2022 Unrestricted Funds US$	2021 Unrestricted Funds US$
Monetary donations	20,109,509	20,158,465
Gift aid recoverable	5,000,000	5,000,000
	25,109,509	25,158,465

In the year, monetary donations of US$20,000,000 (2021: US$20,000,000) represent donations received from Yan Huo, one of the trustees of the Foundation. Included within the monetary donations balance is US$109,509 (2021: US$158,465) which represents donations received from Faculty Road Limited, a company under same management.

3. Investment Income

	2022 US$	2021 US$
Bank interest receivable	53,741	3,143
Dividend receivable	891,758	2,985,242
Capital gain distribution	404,205	239,000
	1,349,704	3,227,385

Disclosures in relation to the risks arising from financial instruments and how these are managed by the Foundation are included within note 8.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

4. Charitable activities and raising funds

Charitable activities

	2022 US$	2021 US$
Teach First - Grants - Royal Academy of Arts	1,814,998	-
The Courtauld Institute Of Art Fund	876,505	206,544
Teach For All	750,000	-
The British Museum	546,361	-
Teach for China Hong Kong	500,000	1,000,000
Royal Opera House Covent Garden Foundation	363,000	-
The National Gallery	309,924	-
Natural History Museum	309,251	-
Tate Gallery of Millbank	270,491	170,903
Science Museum Group	267,821	-
Royal Academy of Arts Emergency Fund	242,000	-
The Courtauld Institute of Art in support of the Edvard Munch	182,919	-
Tate Gallery - Tate Gallery UK	151,782	-
Youth Communication	150,000	-
Fudan University	95,000	1,200,000
The Musicians Benevolent Fund	65,575	138,456
Theatre Development Trust	65,575	138,456
University of Oxford	-	968,783
Absolute Return for Kids	-	355,478
Royal Opera House	-	276,911
London Symphony Orchestra Limited	-	276,911
The Royal National Theatre	-	276,911
The Old Vic Theatre	-	276,911
Policy Exchange	-	136,723
Support costs (Note 5)	832,731	712,388
	7,793,933	6,135,375

All 17 (2021: 13) grants made payable during the year were to institutions.

Raising funds

	2022 US$	2021 US$
Advisory and operating fees	37,500	38,372
Bank interest and charges	3,043	5,541
Investment management professional fees	227,901	1,101,857
Overseas tax on investment income	20,104	14,896
	288,548	1,160,666

5. Support costs

	2022 US$	2021 US$
Accountancy fees	47,083	39,884
Audit fees	79,822	77,152
Event	71,760	-
Legal fees	67,904	20,412
Consultancy expenses	70,245	58,546
Management fees	439,101	468,243
Tax fees	25,656	20,576
Total governance costs	801,571	684,813
Advertising and promotion	4,062	2,502
Insurance	11,871	9,242
Office expenses	15,227	15,831
	832,731	712,388

6. Net income

Net income for the year is stated after charging:

	2022 US$	2021 US$
Auditors' remuneration (excluding VAT) - Audit	72,595	64,293

7. Staff costs, trustees' remuneration and Key Management Personnel

No staff were employed by the Foundation during the year (2021: none), hence the trustees are the only key management personnel.

The trustees received no remuneration in respect of their services to the Foundation during the year (2021: US$Nil). There were expenses paid by Yan Huo on behalf of the Foundation amounting to $5,326 which were reimbursed during the year (2021: US$Nil).

8. Investments

Movement in market value	2022 US$	2021 US$
Opening market value	161,570,904	117,441,433
Additions at cost	100,009,189	60,497,258
Disposal proceeds	(81,103,516)	(34,864,913)
Net (losses)/gains on investments	(12,937,485)	18,497,126
Closing market value	167,539,092	161,570,904

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8. Investments (continued)

Net (losses)/gains on investments includes both realised and unrealised gains and losses during the financial year.

Realised gains and losses are calculated based on the average share price during the year being reported on.

Investments included in the following asset classes:

	2022 US$	2021 US$
Global Equities[1]	32,811,326	91,454,009
Private Debt	17,189,452	17,535,220
Private Equity	20,233,468	13,270,203
Hedge Fund	93,919,254	34,686,667
Other real assets	3,385,592	4,624,805
	167,539,092	161,570,904

[1] Equities asset class includes Capula Tail Risk Fund, which is a hedge fund with long only equities exposure.

The historic cost of these investments is US$155,211,567 (2021: US$120,845,897).

Analysis of fair value hierarchy:

	2022 US$	2021 US$
Level 1	-	-
Level 2	142,354,770	135,637,541
Level 3	25,184,322	25,933,363
	167,539,092	161,570,904

Investments included in the above table with a market value greater than 5% of the total portfolio market value are as follows:

	2022 US$	2021 US$
Capula Multi Strategy Fund	37,784,563	-
Capula Tail Risk Fund	14,985,522	51,443,171
Partners Capital Greyhawk Cayman Feeder Fund	11,903,735	31,296,054
Partners Capital Phoenix Fund II Ltd	17,184,779	17,535,220
Capula Global Relative Value Fund	37,707,287	16,633,288
	119,565,886	116,907,733

8. Investments (continued)

Market risks

The Foundation's exposure to market risks is in line with its investment objective of achieving a real return target of 4%. To achieve this aim, the Foundation maintains a diversified portfolio invested across asset classes, both liquid and illiquid. To manage the level of risk within the portfolio across asset classes, the Foundation utilises a risk metric based on expected beta to equity markets, we called this beta "equivalent net equity beta".

The Foundation's portfolio is, as set out in the investment policy statement, managed to a risk level, as represented by equivalent net equity beta, of c. 65%. This means the portfolio has a risk level similar to a portfolio 65% invested in public equities and 35% in cash. Accordingly, the Foundation's Portfolio is expected to have significant mark-to-market volatility in pursuit of the return target. If equity markets were to decline by 10%, we would expect the Foundation's portfolio to decline by 6.5%.

In addition, the Foundation invests in illiquid assets. Over the long term, the Foundation aims to build a private markets portfolio representing 50% of the total portfolio value in order to maximise investment returns. This portfolio will take several years to build, and the current allocation is significantly lower. The Foundation acknowledges that additional risks relating to accurate valuations, cash flow requirements and underlying illiquidity exist within private asset classes and holds sufficient liquid assets to meet any resulting capital calls and/or grant payments.

Currency risks

The Foundation takes a long-term view to risks arising from currency exposure. The Foundation's exposure to non-USD denominated investments is comparatively small and, as a result the Foundation does not hedge foreign currency exposure within the investment portfolio. However, once grants have been awarded, any material GBP denominated liabilities resulting from grants are hedged to ensure the Foundation's liabilities have little to no currency risk. The currency risk is monitored and reported on a quarterly basis to the Board.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Therefore, further disclosure is not required.

9. Debtors

	2022 US$	2021 US$
Amounts falling due within one year		
Investments-Pending settlement	11,944,095	13,500,000
Other debtors	-	48,138
Prepayments and accrued income	1,592	21,052
	11,945,687	13,569,190

Investments – pending settlement represents investment redemptions submitted in 2022 that are pending settlement as at the year end.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

10. Creditors: amounts falling due within one year

	2022 US$	2021 US$
Trade creditors	172,628	185,047
Grants payable	3,663,802	1,786,137
Accruals and deferred income	132,970	125,600
	3,969,400	2,096,784

11. Creditors: amounts falling due after more than one year

	2022 US$	2021 US$
Grants payable	2,421,050	2,334,157
Due in one to two years	2,181,050	1,086,152
Due within two to five years	240,000	1,248,005
	2,421,050	2,334,157

	2022 US$	2021 US$
Opening grants payable	4,120,295	6,997,991
Grants awarded	6,961,202	5,422,987
Grants paid	(4,802,400)	(8,331,295)
Foreign exchange	(194,245)	30,612
Closing grants payable	6,084,852	4,120,295

12. Share capital

	2022 US$	2021 US$
Allotted and called up		
1 Ordinary share of £1 each	2	2

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

13. Unrestricted funds

	1 January 2022 US$	Income US$	Expenditure US$	Other recognised expenditure US$	31 December 2022 US$
Share capital	2	-	-	-	2
Unrestricted funds	176,351,530	26,459,213	(8,082,481)	(13,417,727)	181,310,535
Total	176,351,532	26,459,213	(8,082,481)	(13,417,727)	181,310,537

	1 January 2021 US$	Income US$	Expenditure US$	Other recognised income US$	31 December 2021 US$
Share capital	2	-	-	-	2
Unrestricted funds	136,723,234	28,385,850	(7,296,041)	18,538,487	176,351,530
Total	136,723,236	28,385,850	(7,296,041)	18,538,487	176,351,532

14. Total foundation funds

	2022 Unrestricted Funds US$	2021 Unrestricted Funds US$
Fund balances at 31 December are represented by:		
Investments	167,539,092	161,570,904
Debtors	11,945,687	13,569,190
Cash at bank and in hand	8,216,208	5,642,379
Creditors: amounts falling due within one year	(3,969,400)	(2,096,784)
Creditors: amounts falling due after more than one year	(2,421,050)	(2,334,157)
	181,310,537	176,351,532

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

15. Reconciliation of movements in funds

	2022 US$	2021 US$
Net movements in funds	4,959,005	39,628,296
Net addition to funds	4,959,005	39,628,296
Opening funds	176,351,532	136,723,236
Closing funds	181,310,537	176,351,532

16. Related party transactions

During the year, the Foundation received a donation of US$20,000,000 (2021: US$20,000,000) from Yan Huo, a trustee of the Foundation.

The Foundation paid a total of US$375,000 (2021: US$635,000) to Princeton University, where Yan Huo was a Trustee during 2022. No new grants were awarded to Princeton University in 2022 and there is no outstanding amount payable at the year end to Princeton University (2021: US$375,000).

In 2022, the Foundation paid $335,000 and awarded grants of US$95,000 (2021: US$1,200,000) to Fudan University, where Yan Huo is a Trustee with the outstanding amount payable at year end being US$720,000 (2021: US$960,000).

Further, the Foundation awarded grants of US$500,000 (2021: US$1,000,000) to Teach for China, where Xue Fang was a Director during the year. There is no outstanding amount payable at the end of the year to Teach for China (2021: US$Nil).

During the year, Faculty Road Limited paid expenses on behalf of the Foundation amounting to $123, which were reimbursed during the year.

Yan Huo and Xue Fang are Trustees of the Foundation and Directors of Faculty Road Limited. The Foundation entered into a service agreement with Faculty Road Limited for the procurement of administrative services to the Foundation. The total charge by Faculty Road Limited was US$439,101 (2021: US$468,243); the amount of outstanding payment included within creditors at 31 December 2022 was US$160,543 (2021: US$164,093). During the year, the Foundation received a donation of US$109,509 (2021: US$158,465) from Faculty Road Limited, an entity controlled by the same management.

A Deed of Covenant exists between the Huo Family Foundation and Faculty Road Limited which so far as lawful will allow Faculty Road Limited to make a donation to the Foundation which is equal to the distributable profits. For the year ended 31 December 2022, further distributable profits for Faculty Road Limited not already donated during 2022 were US$7,415 (2021: US$13,401) and it was agreed to be paid out to the Huo Family Foundation in 2023.

Notes to the financial statements for the year ended 31 December 2022 (continued)

16. Related party transactions (continued)

During the year, the Foundation subscribed US$35,200,000 in a fee-free share-class of the Capula Multi-Strategy Fund Ltd ("MSF"). The investment decision was undertaken by Philip Michaels as the sole trustee of the Foundation at the time of subscription who is not a conflicted trustee, the investment was made to a "management" share class(es) which are neither subject to management fees nor performance fees, and that no trustee stands to receive any payment of money or other material benefit directly or indirectly from the Foundation in relation to the investment. Further, the increase in Capula's assets under management arising from the investment does not provide any specific or quantifiable benefit to Capula or the MSF beyond the general ability to market itself as a fund of significant size in the commercial marketplace. Finally, to observe all US applicable rules, the Foundation's legal advisors, have confirmed that the investment does not violate any restriction related to excess business holdings, self-dealing, jeopardy investments, and minimum distribution requirement.

Further, the Foundation continued to hold investments in a fee-free share class of the Capula Tal Risk Fund Ltd ("TRF") and Capula Global Relative Value Fund Ltd ("GRV").

17. Ultimate controlling party

The ultimate controlling party is the Huo Family Foundation a charity registered in Delaware, USA. It owns 100% of the Huo Family Foundation (UK) Limited and it has no other assets. Yan Huo, Xue Fang and Philip Michaels are also trustees of the US entity.

18. Post balance sheet events

Subsequent to the year end, in January 2023, a further donation of US$16,000,000 has been received from Yan Huo, gift aid of US$4,000,000 is recoverable on this. Further, the Foundation has received the US$11,944,095 in investment - pending settlement amount which has subsequently been used to meet grants payable and operational expenses as well as invested in multiple asset classes.

HUO FAMILY FOUNDATION (UK) LIMITED

England & Wales - Charity number 1133206

Accounts

Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Annual report and financial statements for the year ended 31 December 2021

Huo Family Foundation (UK) Limited

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Huo Family Foundation (UK) Limited

Charity details

Trustees

Yan Huo (Chairman) appointed as Chairman from 9th June 2021
Xue Fang (Chairman) until 9th June 2021
Philip Michaels
Sam Lowe

Registered office

20 Old Bailey
London
EC4M 7AN

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Investment manager

Partners Capital LLP
5 Young Street
5th Floor
London W8 5EH

Bankers

Citibank, N.A.
41 Berkeley Square
London
W1J 5AN

J. P. Morgan
1 Knightsbridge
London
SW1X 7LX

Accountants

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Solicitors

Withers LLP
20 Old Bailey
London
EC4M 7AN

Status

Huo Family Foundation (UK) Limited is a private limited company, company number 06451283. It is registered in the United Kingdom as a charity, number 1133206.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2021

The trustees, who are also the directors of Huo Family Foundation (UK) Limited ("the Foundation"), present their report (including their strategic report) and audited financial statements for the year ended 31 December 2021, which have been prepared in accordance with the Charities SORP (FRS 102) second edition – effective January 2019, the Companies Act 2006 and the Charities Act 2011, and applicable accounting standards in the United Kingdom.

The foundation details on page 1 form part of this report.

The following information is shown in the strategic report instead of trustee's report under s414C(11) i.e. Review of activities, review of transactions and financial position, year review of 2021, investment policy and performance, policy statement on reserves, grant making, future plans for development, public benefit statement, internal control and mitigation of major risk, statement of trustees' responsibilities and independent auditors.

Governing documents

The Foundation is a charitable company limited by shares governed by its Memorandum and Articles of Association as amended on 4 December 2019. It was incorporated on 12 December 2007 and registered with the Charity Commission as a charity on 9 December 2009.

The Huo Family Foundation, a charity registered in the USA, owns the entire issued share capital of the Foundation. The Huo Family Foundation is a non-stock corporation incorporated in the State of Delaware and established exclusively for charitable purposes. Yan Huo, Xue Fang and Philip Michaels are common trustees of both the Huo Family Foundation and the Foundation.

Objects and strategy

The objects of the Foundation are such exclusively charitable purposes as the trustees may in their absolute discretion determine.

The Foundation has been established as a grant making charity and the trustees intend to make grants primarily to charities that support the advancement of art and education for the public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit, as required by Section 17 of the Charities Act 2011, when reviewing the objects and strategy of the Foundation and in planning future activities. In particular, the trustees consider how planned activities will contribute to the strategy of the Foundation. The trustees are of the view that the current grant levels meet the charitable objectives of the Foundation.

Appointment of trustees

As per the Articles of Association, the trustees shall be appointed by ordinary resolution of the sole shareholder. The number of trustees shall not be less than two but is not subject to any maximum number. A trustee is elected to serve the time that he or she is appointed or, in absence of such an appointment, until removed or retirement.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2021 (continued)

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes of the Foundation and the Foundation's future plans and objectives. The trustees are kept updated on any changes to their obligations and responsibilities.

Organisation

The trustees are responsible for the strategic direction and policy of the Foundation and make all decisions in relation to the Foundation. In furtherance of this, the trustees meet as and when required. The trustees may delegate any of their powers or functions to a committee of two or more trustees, but the terms of delegation must be agreed in advance.

The Foundation has granted an indemnity to one or more of its trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force during the financial year and as at the date of approving the Trustees' Report.

Fundraising activities

The Charities (Protection and Social Investment) Act 2016 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes. In relation to this statement, the Foundation does not undertake widespread fundraising from the general public and does not employ professional fundraisers to do so. The foundation is therefore not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice. The Foundation does not have policies in relation to fundraising activities nor do we consider it necessary to design specific policies and procedures to monitor activities. The Foundation has not received any complaints relating to the subject of fundraising activities.

Advisors

The names and addresses of the Foundation's advisors are shown on page 1.

STRATEGIC REPORT

Review of activities

The Foundation's mission is to support education, communities and the pursuit of knowledge. Its current areas of focus are education; neuroscience and psychology; public policy; the arts and scientific research.

In 2021, the Foundation continued its commitment to provide funding to charitable organisations that support its mission, with a full list of beneficiaries shown in note 4 on page 19. Building on the launch of its website in 2020 (www.huofamilyfoundation.org), in 2021 the Foundation published monthly interviews with its beneficiaries to highlight their work, along with a short video showcasing its support for the performing arts in London. The Foundation also released its inaugural annual Impact Report, giving an in-depth review of its work.

Through its grants, the Foundation hopes to improve the prospects of individuals, and to support the work of organisations seeking to ensure a safe and prosperous future for all society.

The impact of the Foundation's grant giving is monitored closely. The mission is to support education, communities and the pursuit of knowledge. When each grant is made the anticipated output, outcome and impact which support this mission is agreed. Formal reports are received from each grant beneficiary on an annual basis and shared with trustees. A Grant Assessment Framework is under development which will capture these results. An Impact Report is published annually and this is published on the Foundation's website.

Review of transactions and financial position

During the year, total income was US$28,385,850 (2020: US$25,862,934). This is represented by investment income of US$3,227,385 (2020: US$813,613), donations of US$20,000,000 (2020: US$20,000,000) from Yan Huo, one of the trustees of the Foundation (refer to Note 16 for additional information), gift aid on that donation of US$5,000,000 (2020: US$5,000,000), and donations of US$158,465 (2020: US$49,321) from Faculty Road Limited, an entity under the same management.

The net movement in funds for the year, as shown in the statement of financial activities, amounted to a surplus of US$39,628,296 (2020: US$38,461,640).

The value of the Foundation's net assets at 31 December 2021 is US$176,351,532 (2020: US$136,723,236). The Foundation's donation income has not been impacted by Covid-19, having received donation income of US$20,000,000 and gift aid on that income of US$5,000,000 in the first quarter of 2021 and further donation income of US$20,000,000 after the year end, in January 2022.

2021 Review

In 2021, the Foundation focused on supporting the performing arts sector in London, in response to the significant impact the pandemic had on theatres and other arts venues. It supported four institutions with grants of £200,000 each, namely: the London Symphony Orchestra, the National Theatre, the Old Vic, and the Royal Opera House. £100,000 each was also awarded to Help Musicians and the Theatre Artists Fund, two organisations who provided much needed financial support to freelancers who had lost income.

The Foundation continued to support organisations that seek to provide an excellent education to all. Through its funding of Teach First, Teach for All, Teach For China and Ark Schools, it helped to enable these charities to strive for societies where educational opportunities and outcomes are not determined by a child's socio-economic status. Further, in its support of scholarships and fellowships at Princeton University, Columbia University and Fudan University, the Foundation created opportunities for post-graduate study.

The other areas of the Foundation's funding were: COVID-19 research at Imperial College, King's College London, and Oxford University; scientific research at Oxford Internet Institute, Princeton University, and Columbia University; and exhibition support for the Courtauld Gallery, Natural History Museum, and Tate Galleries.

Investment policy and performance

In accordance with the Memorandum and Articles of Association, the trustees have the power to invest in such stocks, shares and investments as they see fit. The trustees can delegate the management of investments to a financial expert only on the terms set in the Articles of Association.

The majority of assets are currently in a mixed portfolio of equities, real assets and private debt, which are invested on the Foundation's behalf by Partners Capital LLP, an investment manager. Partners Capital

consolidates the performances of the investment portfolio, including the portion managed by the Foundation, and provides monthly performance reports as well as quarterly presentations.

The trustees have monitored the performance of investments in the financial year by reviewing monthly and quarterly performance reports. The Finance Committee, which comprises Yan Huo and Sam Lowe, also meets on a regular basis to review performance and cash flow and is actively engaged with Partners Capital on tactical asset allocation and rebalancing based on market conditions, especially in light of the increased volatility due to Covid-19.

During the financial year, the portfolio increased its value by US$44,129,471 (2020: US$16,340,900). This is comprised of additions of US$60,497,258 (2020: US$30,177,529), disposals of US$34,864,913 (2020: US$35,348,920), realised gains of US$1,992,208 (2020: US$2,160,896), and unrealised gains of US$16,504,918 (2020: US$19,351,395).

Policy statement on reserves

The policy of the trustees is to maintain sufficient reserves in order to fulfil future expected funding requirements of projects that extend over several years. In determining the appropriate level of reserves, the trustees take into account the nature of the Foundation i.e. one-off giving as well as multi-year grants in the form of endowments and scholarships, as well as potential fluctuation of its income stream in future years. The policy is reviewed on an annual basis.

Having regard to these considerations, taking into account its foreseeable activity level and general operating environment, the Foundation currently targets free reserves representing the available cash balances to sufficiently meet the upcoming year's grant payments and operating expenses, which is expected to be approximately US$7,470,000 for 2022. As at 31 December 2021, this balance was US$5,642,381 (2020: US$8,847,894). As at 31 December 2021, the Foundation has US$13,500,000 in investment – pending settlement which has been received in Q1 2022 to ensure the Foundation meets the grants payable and expected operational expenses in 2022.

The Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees believe the Foundation's reserves are sufficient to meet future needs while leaving some flexibility to evaluate new grant proposals and make new commitments. The Foundation's long-term plan is to aim for grant expenditure of at least 5% of its assets each year, or more where resources allow, and to maintain the real term value of the fund for future grant making activity. The Foundation's reserve policy has not been affected by Covid-19.

As at 31 December 2021, the Foundation has reserves of US$176,351,532 (2020: US$136,723,236), which is an increase of US$39,628,296, relative to last year end. This difference was primarily driven by donation income in the year, as well as investment gains and dividends received, offset by grants awarded and operational expenses throughout the year.

Grant making

The trustees review applications and appeals, and then distribute funds in furtherance of the Foundation's objects. During the year, the Foundation awarded grants of US$5,422,987 (2020: US$6,693,482), which excludes support costs of US$712,391 (2020: US$549,690). The Foundation does not accept unsolicited grant applications from the public.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2021 (continued)

Plans for future developments

In the coming year, the Foundation plans to provide charitable support in accordance with its objectives and strategy as described on page 2.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the 'public benefit: running a charity (PB2)'. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Foundation plans to provide charitable support for the public benefit in accordance with its objectives and strategy as described on page 2. This is done through donations to charities and other organisations that support the advancement of art and education for the public benefit.

Internal controls and the mitigation of major risks

The trustees have identified and reviewed the major risks of the Foundation such as foreign exchange movements, investment performance, the Foundation's cash flow position and a cyber attack and have established internal controls to mitigate these risks. The trustees confirm that the controls implemented are appropriate to the size of the Foundation and the nature of its operations. There has been no impact on the effectiveness of the Foundation's controls as a result of changes to working practices due to Covid-19. An independent review of cyber security was undertaken in November 2021 to ensure that the Foundation's systems are secure and that data cannot be accessed by a third party.

Statement of trustees' responsibilities

The trustees (who are also directors of Huo Family Foundation (UK) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2021 (continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

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

In so far as the trustees are aware:

a) there is no relevant audit information of which the charitable company's auditors are unaware; and

b) the trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Equality, diversity and inclusion are important values of the Foundation. This is reflected in the make-up of the Board, staff appointments and the selection of grant beneficiaries. The trustees seek to treat each staff member and grant beneficiary fairly and the same, respecting them for their age, race gender, cultural background, skills beliefs, sexual orientation and career experiences.

The trustees are kept up to date on their obligations by regular briefings from the Foundation's external advisers, and guidance from the Charity Commission.

Independent auditors

The auditor PricewaterhouseCoopers LLP is deemed to be re-appointed under section 487 (2) of the Companies Act 2006. A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

The Trustees' annual report is approved by the trustees of the Foundation. The strategic report, which forms part of the Trustees' annual report, is approved by the trustees in their capacity as trustees in company law of the charity.

Approved and authorised by the board of trustees and signed on their behalf by:

Yan Huo
Trustee

Date: 07/09/2022

Huo Family Foundation (UK) Limited

Independent auditors' report to the members of Huo Family Foundation (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Huo Family Foundation (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; statement of financial activities (incorporating the income and expenditure statement) and cash flow statement for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the

financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

Auditors' 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 an auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts;
- obtaining independent confirmations of cash balances and material investment valuations as at 31 December 2021;
- testing the recognition of grant expenditure in line with terms of the grant awards;
- enquiring of management and the board of trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reading minutes of meetings of the board of trustees; and

- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

7th September 2022

Huo Family Foundation (UK) Limited

Statement of financial activities for the year ended 31 December 2021

(incorporating the income and expenditure account)

	Notes	2021 Unrestricted Funds US$	2020 Unrestricted Funds US$
Income from:			
Donations	2	25,158,465	25,049,321
Investments	3	3,227,385	813,613
Total		28,385,850	25,862,934
Expenditure on:			
Charitable activities	4	(6,135,375)	(7,243,172)
Raising funds	4	(1,160,666)	(1,363,032)
Total		(7,296,041)	(8,606,204)
Net gains on investments	8	18,497,126	21,512,291
Net Income		39,586,935	38,769,021
Other recognised gains and losses			
Foreign exchange gains/(losses)		41,361	(307,381)
Net movement in funds		39,628,296	38,461,640
Fund balances brought forward at 1 January		136,723,236	98,261,596
Fund balances carried forward at 31 December		176,351,532	136,723,236

All of the Foundation's activities are derived from continuing operations.

The Foundation has no recognised gains and losses other than those shown above and therefore no separate income and expenditure account has been presented.

The notes on pages 14 to 26 form part of the financial statements.

Huo Family Foundation (UK) Limited

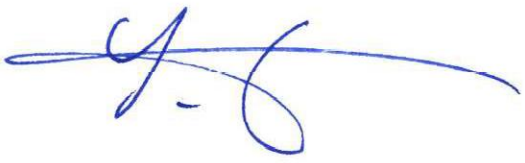
Balance sheet
As at 31 December 2021

	Notes	2021 US$	2020 US$
Fixed assets			
Investments	8	161,570,904	117,441,433
Current assets			
Debtors	9	13,569,190	18,116,273
Cash at bank and in hand		5,642,379	8,847,894
Total current assets		19,211,569	26,964,167
Creditors: amounts falling due within one year	10	(2,096,784)	(5,465,740)
Net current assets		17,114,785	21,498,427
Total assets less current liabilities		178,685,689	138,939,860
Creditors: amounts falling due after more than one year	11	(2,334,157)	(2,216,624)
Net assets		176,351,532	136,723,236
The funds of the foundation			
Share capital	12	2	2
Unrestricted funds	13	176,351,530	136,723,234
Total foundation funds	14	176,351,532	136,723,236

The notes on pages 14 to 26 form part of the financial statements.

The financial statements on pages 11 to 26 were approved by the trustees on 07/09/2022 and were signed on 07/09/2022 on their behalf by:

Yan Huo
Trustee



Huo Family Foundation (UK) Limited
Registered Company No: 06451283
Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Cash flow statement for the year ended 31 December 2021

	US$	2021 US$	US$	2020 US$
Cash flows from operating activities				
Net cash provided by/(used in) operating activities		**19,204,988**		**(3,758,977)**
Cash Flow from Investing activities				
Investment income – bank interest	3,143		28,861	
Investment income – dividends	2,985,242		784,752	
Capital gain distributions	239,000		-	
Bank interest and charges	(5,543)		(36,732)	
Purchase of investments	(60,497,258)		(30,177,529)	
Sale of investments	34,864,913		35,348,920	
Net cash (used in)/provided by investing activities		(22,410,503)		5,948,272
Change in cash at bank and in hand		**(3,205,515)**		**2,189,295**
Cash at bank and in hand at the beginning of the year		8,847,894		6,658,599
Cash at bank and in hand at the end of year		**5,642,379**		**8,847,894**

Reconciliation of Operating Profit to net Cash inflow/(outflow) from Operating Activities	**2021 US$**	**2020 US$**
Net income	39,586,935	38,769,021
Interest received	(3,143)	(28,861)
Bank interest and charges	5,541	36,732
Dividend receivable	(2,985,242)	(784,752)
Capital gain distributions	(239,000)	-
Net gains on investments	(18,497,126)	(21,512,291)
Foreign exchange gains/(losses)	41,361	(307,381)
Decrease/(increase) in debtors	4,547,084	(17,897,281)
Decrease in creditors	(3,251,422)	(2,034,164)
Net cash inflow/(outflow) from operating activities	**19,204,988**	**(3,758,977)**

Analysis of changes in net debt	**2020 US$**	**Cash Flows**	**Foreign Exchange Movement**	**2021 US$**
Cash at bank and in hand	8,847,894	(3,355,844)	150,329	5,642,379

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021

1. Principal accounting policies

Company information

Huo Family Foundation (UK) Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 20 Old Bailey, London, EC4M 7AN. It is also registered as a charity foundation based in London for giving grants. Registered Charity No: 1133206.

Accounting Convention

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with Charities SORP (FRS 102) second edition – effective January 2019 applicable to charities preparing their financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Act 2011 and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value. The principal accounting policies adopted are set out below.

Functional currency

The financial statements are prepared in US$, which is the functional currency of the Foundation, since this is the currency of the primary economic environment in which the Foundation operates. All donations receivable are expected to be denominated in US$.

Going concern

The Foundation has adequate financial resources; specifically, the Foundation has set aside the cash needed to pay grants and operating expenses for the upcoming year and the Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. As a consequence, the trustees believe that the Foundation is well placed to manage its business risks successfully, including any ongoing impact of Covid-19.

The trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these financial statements.

Income

Income, which includes both donations and gift aid, is credited to the statement of financial activities on a receivable basis and valued on date of receipt. Investment income is stated inclusive of recoverable taxation. Dividends are recognised when declared, whereas interest is recognised on an accruals basis as earnt.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Principal accounting policies (continued)

Expenditure

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Foundation to the expenditure.

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Foundation. In these circumstances there is a valid expectation by the recipients that they will receive the grant, even if the recipients must meet further reporting conditions, which are not considered performance obligations.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and are included with support costs allocated to the Foundation's charitable activity. Management fees included within support costs comprise of re-charged costs from Faculty Road Limited under a service agreement which are recognised on the basis laid out in the 'Key accounting estimates and assumptions' section below. No support costs are allocated to raising funds.

Investments

The Foundation has elected to apply the provisions of Section 11 and Section 12 of UK GAAP FRS102 in full.

All investments are at fair value through the Statement of Financial Activities upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the trustees on the advice of the Investment Manager Partners Capital. These valuations are on the basis of the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Investment gains and losses

Net gains and losses on investments includes both realised and unrealised gains/losses during the financial year. The gains and losses during the year have been adjusted for our Investment Manager Partners Capital management fees. Certain third party investment managers net off their investment fees on a transactional basis and do not report them. To calculate these fees would incur significant undue costs. As a result, to reflect the correct management fees in the accounts, the gains and losses have been adjusted accordingly.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Foreign currencies

Transactions in foreign currencies are translated into US$ at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into US$ at the rate of exchange ruling at the balance sheet date. Exchange differences are charged/credited to the statement of financial activities and hence are taken into account in arriving at the net movement in funds.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Principal accounting policies (continued)

Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the foundation's balance sheet when the foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The Foundation recognises grants payable at the point the grant offer is made; any grants unpaid at the year-end are presented within creditors until drawn down.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1. Principal accounting policies (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the foundation's obligations are discharged, cancelled, or they expire.

Derivatives

Derivatives are comprised of foreign currency hedging instruments that are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to fair value at each reporting end date.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Fund accounting

The unrestricted fund comprises general funds, which may be used towards meeting the charitable objects of the Foundation at the discretion of the trustees, and share capital. In 2019, the Foundation adopted a voluntary change in accounting policy to present all funds as one line on the balance sheet of unrestricted funds and removed the previous designation between the general fund and revaluation reserve. The trustees had decided, given the restructuring of the investment portfolio, it was no longer appropriate to continue with the designation of the Foundation's reserves between general and revaluation reserve.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Taxation

The Foundation is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. VAT is included within expenditure where it is not recoverable. However, tax on investment income may be due in the US on an annual basis, as the Huo Family Foundation (UK) Limited is controlled by Huo Family Foundation, a charity registered in the USA.

Judgements and key sources of estimation uncertainty

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

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

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Principal accounting policies (continued)

Critical Judgements in applying the Foundation's accounting policies

The Trustees do not consider grant reporting requirements within grant agreements to be grant performance related conditions as defined by the Charities SORP. Grant payables are not discounted due to the effect of discounting being immaterial to the financial statements.

Key Accounting estimates and assumptions

The main estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Foundation's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy above and within note 8.

Management fees comprise of re-charged costs from Faculty Road Limited under a service agreement for staff time and out-of-pocket expenses. These are re-charged based on an estimate of the percentage of staff time spent on the Foundation's activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included in Note 5.

2. Donations

	2021 Unrestricted Funds US$	2020 Unrestricted Funds US$
Monetary donations	20,158,465	20,049,321
Gift aid recoverable	5,000,000	5,000,000
	25,158,465	25,049,321

In the year, monetary donations of US$20,000,000 (2020: US$20,000,000) represent donations received from Yan Huo, one of the trustees of the Foundation. Included within the monetary donations balance is US$158,465 (2020: US$49,321) which represents donations received from Faculty Road Limited, a company under same management.

3. Investments Income

	2021 US$	2020 US$
Bank interest receivable	3,143	28,861
Dividend receivable	2,985,242	784,752
Capital gain distribution	239,000	-
	3,227,385	813,613

Disclosures in relation to the risks arising from financial instruments and how these are managed by the Foundation are included within note 8.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

4. Charitable activities

	2021 US$	2020 US$
Fudan University	1,200,000	150,000
Teach for China Hong Kong	1,000,000	500
University of Oxford	968,783	1,254,855
Absolute Return for Kids	355,478	-
Royal Opera House	276,911	-
London Symphony Orchestra Limited	276,911	-
The Royal National Theatre	276,911	-
The Old Vic Theatre	276,911	-
The Courtauld Institute Of Art Fund	206,544	-
Tate Gallery of Millbank	170,903	-
The Musicians Benevolent Fund	138,456	-
Theatre Development Trust	138,456	-
Policy Exchange	136,723	-
Columbia University	-	2,500,000
Imperial College of Science	-	1,248,651
King's College London	-	1,239,430
Science Museum Group	-	125,528
Pro Bono Economics (PBE)	-	62,410
Royal Academy of Arts Emergency Fund	-	62,108
Youth Communication	-	50,000
Support costs (Note 5)	712,388	549,690
	6,135,375	7,243,172

All 13 (2020: 10) grants made payable during the year were to institutions.

Raising funds

	2021 US$	2020 US$
Advisory and operating fees	38,372	65,067
Bank interest and charges	5,541	36,732
Investment management professional fees	1,101,857	1,175,673
Overseas tax on investment income	14,896	85,560
	1,160,666	1,363,032

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

5. Support costs

	2021 US$	2020 US$
Accountancy fees	39,884	29,842
Audit fees	77,152	56,573
Legal fees	20,412	34,682
Consultancy expenses	58,546	-
Management fees	468,243	317,739
Tax fees	20,576	76,401
Total governance costs	684,813	515,237
Advertising and promotion	2,502	27,053
Insurance	9,242	7,400
Office expenses	15,831	-
	712,388	549,690

6. Net income

Net income for the year is stated after charging:

	2021 US$	2020 US$
Auditors' remuneration (excluding VAT)		
- Audit	64,293	47,144

7. Staff costs, trustees' remuneration and Key Management Personnel

No staff were employed by the Foundation during the year (2020: none), hence trustees are the only key management personnel.

The Trustees received no remuneration in respect of their services to the Foundation during the year (2020: US$ nil). No trustee received any reimbursement of expenses during the year (2020: US$ nil).

8. Investments

Movement in market value	2021 US$	2020 US$
Opening market value	117,441,433	101,100,533
Additions at cost	60,497,258	30,177,529
Disposal proceeds	(34,864,913)	(35,348,920)
Net gains on investments	18,497,126	21,512,291
Closing market value	161,570,904	117,441,433

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8. Fixed asset investments (continued)

Net gains on investments includes both realised and unrealised gains/losses during the financial year.

Investments included in the following asset classes:

	2021 US$	2020 US$
Equities[1]	91,454,009	86,994,459
Private Debt	17,535,220	25,915,074
Private Equity	13,270,203	1,579,909
Hedge Funds	34,686,667	-
Real Assets – liquid	4,624,805	2,951,991
	161,570,904	117,441,433

[1] Equities asset class includes Capula Tail Risk Fund, which is a hedge fund with long only equities exposure.

The historic cost of these investments is US$120,845,897 (2020: US$95,071,025)

Analysis of fair value hierarchy:

	2021 US$	2020 US$
Level 1	-	-
Level 2	135,637,541	113,207,083
Level 3	25,933,363	4,234,350
	161,570,904	117,441,433

Investments included in the above table with a market value greater than 5% of the total portfolio market value are as follows:

	2021 US$	2020 US$
Capula Tail Risk Fund	51,443,171	43,188,241
Partners Capital Greyhawk Cayman Feeder Fund A1	31,296,054	27,899,173
Partners Capital Phoenix Fund II Ltd	17,535,220	20,939,951
Capula Global Relative Value Fund - Class A	16,633,288	-
Partners Capital Greyhawk Cayman Feeder Fund A	-	6,328,947

Market risks

The Foundation's exposure to market risks is in line with its investment objective of achieving a real return target of 4%. To achieve this aim, the Foundation maintains a diversified portfolio invested across asset classes, both liquid and illiquid. To manage the level of risk within the portfolio across asset classes, the Foundation utilises a risk metric based on expected beta to equity markets, we called this beta "equivalent net equity beta".

8. Fixed asset investments (continued)

The Foundation's portfolio is, as set out in the investment policy statement, managed to a risk level, as represented by equivalent net equity beta, of c. 65%. This means the portfolio has a risk level similar to a portfolio 65% invested in public equities and 35% in cash. Accordingly, the Foundation's Portfolio is expected to have significant mark-to-market volatility in pursuit of the return target. If equity markets were to decline by 10%, we would expect the Foundation's portfolio to decline by 6.5%.

In 2021, the Foundation invested funds in the Global Relative Value Fund ("GRV") offered by Capula Investment Management LLP ("Capula"), a UK-based fund manager. The objective of this investment is to seek to earn a consistent, absolute return on assets under management that is generally not correlated with the return on traditional investment strategies. Along with the Foundation's investment in the Capula Tail Risk Fund ("TRF") to produce positive returns in times of systemic market and liquidity shocks, the Foundation's holdings in both GRV and TRF can also be monetised including during time of market stress. In the current year, the market value of the GRV is US$16,633,288 with total unrealised gain of US$633,288. The market value of the TRF is US$51,443,171 with total unrealised gain of US$8,254,930.

In addition, the Foundation invests in illiquid assets. Over the long term, the Foundation aims to build a private markets portfolio representing 50% of the total portfolio value in order to maximise investment returns. This portfolio will take several years to build, and the current allocation is significantly lower. The Foundation acknowledges that additional risks relating to accurate valuations, cash flow requirements and underlying illiquidity exist within private asset classes and holds sufficient liquid assets to meet any resulting capital calls and/or grant payments.

Currency risks

The Foundation takes a long-term view to risks arising from currency exposure. The Foundation's exposure to non-USD denominated investments is comparatively small and, as a result the Foundation does not hedge foreign currency exposure within the investment portfolio. However, once grants have been awarded, any material GBP denominated liabilities resulting from grants are hedged to ensure the Foundation's liabilities have little to no currency risk. The currency risk is monitored and reported on a quarterly basis to the Board.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Therefore, further disclosure is not required.

9. Debtors

	2021 US$	2020 US$
Amounts falling due within one year		
Derivatives	-	119,273
Investments – Pending settlement	13,500,000	-
Investments-in-transit	-	17,997,000
Other debtors	48,138	-
Prepayments	21,052	-
	13,569,190	18,116,273

9. Debtors (continued)

Derivatives consist of the fair value of foreign currency forward contracts entered into to mitigate the risk of foreign exchange movements in relation to the Foundation's future grants in GBP.

Investments – pending settlement represents investment redemptions submitted in 2021 that are pending settlement as at the year end.

10. Creditors: amounts falling due within one year

	2021 US$	2020 US$
Trade creditors	185,047	83,863
Grants payable	1,786,137	4,781,367
Accruals and deferred income	125,600	600,510
	2,096,784	5,465,740

11. Creditors: amounts falling due after more than one year

	2021 US$	2020 US$
Grants payable	2,334,157	2,216,624
Due in one to two years	1,086,152	1,216,624
Due within two to five years	1,248,005	1,000,000
	2,334,157	2,216,624

	2021 US$	2020 US$
Opening grants payable	6,997,991	9,451,035
Grants awarded	5,422,987	6,693,482
Grants paid	(8,331,295)	(9,354,399)
Foreign exchange	30,612	207,873
Closing grants payable	4,120,295	6,997,991

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

12. Share capital

	2021 US$	2020 US$
Allotted and called up		
1 (2020: 1) ordinary share of £1	2	2

13. Unrestricted funds

	1 January 2021 US$	Income US$	Expenditure US$	Other recognised income US$	31 December 2021 US$
Share capital	2	-	-	-	2
Unrestricted funds	136,723,234	28,385,850	(7,296,041)	18,538,487	176,351,530
Total	136,723,236	28,385,850	(7,296,041)	18,538,487	176,351,532

	1 January 2020 US$	Income US$	Expenditure US$	Other recognised income US$	31 December 2020 US$
Share capital	2	-	-	-	2
Unrestricted funds	98,261,594	25,862,934	(8,606,204)	21,204,910	136,723,234
Total	98,261,596	25,862,934	(8,606,204)	21,204,910	136,723,236

14. Total foundation funds

	2021 Unrestricted Funds US$	2020 Unrestricted Funds US$
Fund balances at 31 December are represented by:		
Investments	161,570,904	117,441,433
Debtors	13,569,190	18,116,273
Cash at bank and in hand	5,642,379	8,847,894
Creditors: amounts falling due within one year	(2,096,784)	(5,465,740)
Creditors: amounts falling due after more than one year	(2,334,157)	(2,216,624)
	176,351,532	136,723,236

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

15. Reconciliation of movements in funds

	2021 US$	2020 US$
Net movements in funds	39,628,296	38,461,640
Net addition to funds	39,628,296	38,461,640
Opening funds	136,723,236	98,261,596
Closing funds	176,351,532	136,723,236

16. Related party transactions

During the year, the Foundation received a donation of US$20,000,000 (2020: US$20,000,000) from Yan Huo, a trustee of the Foundation.

The Foundation paid a total of US$635,000 to Princeton University, where Yan Huo was a Trustee during 2021. No new grants were awarded to Princeton University in 2021 and there is no outstanding amount payable at the year end to Princeton University.

In 2021, the Foundation awarded grants of US$1,200,000 (2020: US$150,000) to Fudan University, where Yan Huo is a Trustee with the outstanding amount payable at year end being US$960,000 (2020: Nil).

Further, the Foundation awarded grants of US$1,000,000 (2020: US$500) to Teach for China, where Yan Huo was a Director during the year. There is no outstanding amount payable at the end of the year to Teach for China.

Yan Huo and Xue Fang are Trustees of the Foundation and Directors of Faculty Road Limited. During the prior year, the Foundation entered into a service agreement with Faculty Road Limited for the procurement of administrative services to the Foundation. The total charge by Faculty Road Limited was US$468,243 (2020: US$317,739); the amount of outstanding payment included within creditors at 31 December 2021 was US$164,093 (2020: US$81,863). During the year, the Foundation received a donation of US$158,465 (2020: US$49,321) from Faculty Road Limited, an entity controlled by the same management.

A Deed of Covenant exists between the Huo Family Foundation and Faculty Road Limited which so far as lawful will allow Faculty Road Limited to make a donation to the Foundation which is equal to the distributable profits. For the year ended 31 December 2021, further distributable profits for Faculty Road Limited not already donated during 2021 were US$13,401 (2020: US$24,408) and it was agreed to be paid out to the Huo Family Foundation in 2022.

During the year, the Foundation subscribed USD$16,000,000 in a fee-free share-class of the Capula Global Relative Value Fund Ltd ("GRV"). The investment decision was undertaken by Philip Michaels as the sole trustee of the Foundation who is not a conflicted trustee (Sam Lowe is a designated member of Capula, and Yan Huo and Xue Fang are husband and wife), on the basis that the investment was made to a "management" share class which are neither subject to management fees nor performance fees, and that no trustee stands to receive any payment of money or other material benefit directly or indirectly from the Foundation in relation to the investment. Further, the increase in Capula's assets under management arising from the investment does not provide any specific or quantifiable benefit to Capula or the GRV Fund beyond the general ability to market

16. Related party transactions (continued)

itself as a fund of significant size in the commercial marketplace. Finally, to observe all US applicable rules, the Foundation's legal advisors, Withers LLP, have confirmed that the investment does not violate any restriction related to excess business holdings, self-dealing, jeopardy investments, and minimum distribution requirement.

Further, the Foundation continued to hold investments in a fee-free share-class of the Capula Tail Risk Fund Ltd ("TRF"). The Foundation did not purchase or sell any units of Capula Tail Risk Fund. The current market value of the Fund is US$51,443,171 with total unrealised gain of US$8,254,930.

17. Ultimate controlling party

The ultimate controlling party is the Huo Family Foundation a charity registered in Delaware, USA. It owns 100% of the Huo Family Foundation (UK) and it has no other assets. Yan Huo, Xue Fang and Phil Michaels are Trustees of the US entity.

18. Post balance sheet events

Subsequent to the year end, in January 2022, a further donation of $20,000,000 has been received from Yan Huo. Further, the Foundation has received the US$13,500,000 in investment - pending settlement amount which has subsequently been used to meet grants payable and operational expenses as well as invested in hedge funds and global equities.

HUO FAMILY FOUNDATION (UK) LIMITED

England & Wales - Charity number 1133206

Accounts

Registered Company No: 06451283

Registered Charity No: 1133206

Huo Family Foundation (UK) Limited

Annual report and financial statements for the year ended 31 December 2020

Huo Family Foundation (UK) Limited

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Huo Family Foundation (UK) Limited

Charity details

Directors and Trustees

Yan Huo (Chairman) appointed as Chairman on 9th June 2021
Xue Fang (Chairman until 9th June 2021)
Philip Michaels
Sam Lowe

Registered office

20 Old Bailey
London
EC4M 7AN

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Investment manager

Partners Capital LLP
5 Young Street
5th Floor
London W8 5EH

Bankers

Citibank, N.A.
41 Berkeley Square
London
W1J 5AN

J. P. Morgan
1 Knightsbridge
London
SW1X 7LX

Solicitors

Withers LLP
20 Old Bailey
London
EC4M 7AN

Status

Huo Family Foundation (UK) Limited is a private limited company, company number 06451283. It is registered in the United Kingdom as a charity, number 1133206.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2020 (continued)

The directors, who are also the trustees of Huo Family Foundation (UK) Limited ("the Foundation"), present their report (including their strategic report) and audited financial statements for the year ended 31 December 2020, which have been prepared in accordance with the Charities SORP (FRS 102) second edition – October 2019, the Companies Act 2006 and the Charities Act 2011, and applicable accounting standards in the United Kingdom.

The charity details on page 1 form part of this report.

The following information is shown in the strategic report instead of director's report under s414C(11) i.e. Review of activities, review of transactions and financial position, year review of 2020, investment policy and performance, policy statement on reserves, grant making, future plans for development, public benefit statement, internal control and mitigation of major risk, statement of trustees' responsibilities and independent auditors.

Governing documents

The Foundation is a charitable company limited by shares governed by its Memorandum and Articles of Association as amended on 4 December 2019. It was incorporated on 12 December 2007 and registered with the Charity Commission as a charity on 9 December 2009.

The Huo Family Foundation, a charity registered in the USA, owns the entire issued share capital of the Foundation. The Huo Family Foundation is a non-stock corporation incorporated in the State of Delaware and established exclusively for charitable purposes. Yan Huo, Xue Fang and Philip Michaels are common directors and trustees of both the Huo Family Foundation and the Foundation.

Objects and strategy

The objects of the Foundation are such exclusively charitable purposes as the trustees may in their absolute discretion determine.

The Foundation has been established as a grant making charity and the trustees intend to make grants primarily to charities that support the advancement of art and education for the public benefit.

The directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit, as required by Section 17 of the Charities Act 2011, when reviewing the objects and strategy of the Foundation and in planning future activities. In particular, the directors consider how planned activities will contribute to the strategy of the Foundation. The directors are of the view that the current grant levels meet the charitable objectives of the Foundation.

Appointment of directors

As per the Articles of Association, the directors shall be appointed by ordinary resolution of the sole shareholder. The number of directors shall not be less than two but is not subject to any maximum number. A director is elected to serve the time that he or she is appointed or, in absence of such an appointment, until removed or retirement.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2020 (continued)

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes of the Foundation and the Foundation's future plans and objectives. The trustees are kept updated on any changes to their obligations and responsibilities.

Organisation

The directors are responsible for the strategic direction and policy of the Foundation and make all decisions in relation to the Foundation. In furtherance of this, the directors meet as and when required. The directors may delegate any of their powers or functions to a committee of two or more directors, but the terms of delegation must be agreed in advance.

The Foundation has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force during the financial year and as at the date of approving the Directors' Report.

Fundraising activities

Charities Act 2016 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes. In relation to this statement, the Foundation does not undertake widespread fundraising from the general public and does not employ professional fundraisers to do so. The charity is therefore not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice. The Foundation does not have policies in relation to fundraising activities nor do we consider it necessary to design specific policies and procedures to monitor activities. The Foundation has not received any complaints relating to the subject of fundraising activities.

Advisors

The names and addresses of the Foundation's advisors are shown on page 1.

STRATEGIC REPORT

Review of activities

In 2020, the Foundation continued its commitment to supporting charitable organisations that concentrate on the arts and education, with a full list of beneficiaries shown in note 4 on page 19. To share its mission and key areas of funding interest and to increase its public profile, the Foundation engaged with a brand consultant and launched its first website (www.huofamilyfoundation.org) in January 2020.

The Foundation's mission is to support education, communities and the pursuit of knowledge. Its current areas of focus are education; neuroscience and psychology; public policy; the arts and Covid-19 research.

Through its grants, the Foundation hopes to improve the prospects of individuals, and to support the work of organisations seeking to ensure a safe and successful future for all society.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2020 (continued)

Review of transactions and financial position

During the year, total income was US$25,862,934 (2019: US$20,361,979). This is represented by investment income of US$813,613 (2019: US$1,611,979), donations of US$20,000,000 (2019: US$15,000,000) from Yan Huo, one of the trustees of the Foundation, gift aid on that donation of US$5,000,000 (2019: US$3,750,000), and donations of US$49,321 (2019: US$: nil) from Faculty Road Limited, an entity under the same management.

The net movement in funds for the year, as shown in the statement of financial activities, amounted to a surplus of US$38,461,640 (2019: US$21,781,539).

The value of the Foundation's net assets at 31 December 2020 is US$136,723,236 (2019: US$98,261,596). The Foundation's donation income has not been impacted by Covid-19, having received donation income of US$20,000,000 and gift aid on that income of US$5,000,000 in the first quarter of 2020 and further donation income of US$20,000,000 after the year end, in January 2021.

2020 Review

The Foundation is very aware of the added pressure that Covid-19 puts on all its beneficiaries, and it is keen to assure all of them of the Foundation's commitment to them during this unprecedented time. As such, the Foundation joined others in the philanthropic community to sign up to a pledge to grant recipients, initiated by London Funders.

In summary, the London Funder's initiative is a commitment pledge that involves communicating to all of your beneficiaries the following approach:

1. Adapting activities – the Foundation recognises that beneficiaries may experience difficulties achieving some of the outputs or outcomes previously agreed during the outbreak, and has reiterated its commitment to maintain its grant payments to them at originally-agreed levels during this period;
2. Discussing dates – if beneficiaries struggle to meet a reporting deadline, the Foundation has agreed to provide more time for them to send updates and reports wherever possible;
3. Financial flexibility – beneficiaries may need to use their funding to help cover sickness, purchase equipment, or deliver services differently, and the Foundation has offered to provide flexibility for them to move money between budget headings to ensure their work can continue; and
4. Listening to the needs of beneficiaries – the Foundation makes itself available to talk about the situation they are facing.

Since the Covid-19 outbreak, the Foundation has communicated the above with all its beneficiaries which have all been received very positively. The Foundation has also been actively engaged with its beneficiaries to understand their current situation and whether any of the projects or initiatives funded by the Foundation have been impacted. Where beneficiaries have been severely impacted due to Covid-19, the Foundation has considered providing further support.

In addition to the pledge described above, during 2020, the Foundation provided multi-year grants of approximately US$1,200,000 each to Imperial College, King's College and University of Oxford to support Covid-19 research. Last but not least, in February 2020, the Foundation donated US$150,000 to Fudan University's Medical Fund, in order to support Fudan University and its affiliated hospitals, including those in Wuhan, to fight the Covid-19 epidemic.

Huo Family Foundation (UK) Limited

Trustees' annual report for the year ended 31 December 2020 (continued)

Investment policy and performance

In accordance with the Memorandum and Articles of Association, the directors have the power to invest in such stocks, shares and investments as they see fit. The directors can delegate the management of investments to a financial expert only on the terms set in the Articles of Association.

The majority of assets are currently in a mixed portfolio of equities, real assets and private debt, which are invested on the Foundation's behalf by Partners Capital LLP, an investment manager. Partners Capital consolidates the performances of the investment portfolio, including the portion managed by the Foundation, and provides monthly performance reports as well as quarterly presentations.

The trustees have monitored the performance of investments in the financial year by reviewing monthly and quarterly performance reports. The Finance Committee, which comprises Yan Huo and Sam Lowe, also meets on a regular basis to review performance and cash flow and is actively engaged with Partners Capital on tactical asset allocation and rebalancing based on market conditions, especially in light of the increased volatility due to Covid-19.

During the financial year, the portfolio increased its value by US$16,340,900 (2019: US$29,142,222). This is comprised of additions of US$30,177,529 (2019: US$145,504,037), disposals of US$35,348,920 (2019: US$125,137,590), realised gains of US$2,160,896 (2019: US$3,046,460), and unrealised gains of US$19,351,395 (2019: US$5,729,315).

Policy statement on reserves

The policy of the trustees is to maintain sufficient reserves in order to fulfil future expected funding requirements of projects that extend over several years. In determining the appropriate level of reserves, the trustees take into account the nature of the Foundation i.e. one-off giving as well as multi-year grants in the form of endowments and scholarships, as well as potential fluctuation of its income stream in future years. The policy is reviewed on an annual basis.

Having regard to these considerations, taking into account its foreseeable activity level and general operating environment, the Foundation currently targets free reserves representing the available cash balances to sufficiently meet the upcoming year's grant payments and operating expenses, which is expected to be approximately US$8,650,000 for 2021. As at 31 December 2020, this balance was US$8,847,894 (2019: US$6,658,599).

The Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. The trustees believe the Foundation's reserves are sufficient to meet future needs while leaving some flexibility to evaluate new grant proposals and make new commitments. The Foundation's long-term plan is to maintain grant expenditure of at least 5% of its assets each year, or more where resources allow, and to maintain the real term value of the fund for future grant making activity. The Foundation's reserve policy has not been affected by Covid-19.

As at 31 December 2020, the Foundation has reserves of US$136,723,236 (2019: US$98,261,596), which is an increase of US$38,461,640, relative to last year end. This difference was primarily driven by donation income in the year, as well as investment gains and interest income, offset by grants made throughout the year.

Grant making

The trustees review applications and appeals, and then distribute funds in furtherance of the Foundation's objects. During the year, the Foundation awarded grants of US$6,693,482 (2019: US$6,435,841), excluding support costs of US$549,690 (2019: US$378,960). The Foundation does not accept unsolicited grant applications from the public.

Plans for future developments

In the coming year, the Foundation plans to provide charitable support in accordance with its objectives and strategy as described on page 2. In light of Covid-19, the Foundation will continue to support existing grant beneficiaries (as described above) as well as potential new beneficiaries in performing arts institutions which have been significantly impacted by the Covid-19 outbreak.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the 'public benefit: running a charity (PB2)'. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Foundation plans to provide charitable support for the public benefit in accordance with its objectives and strategy as described on page 2. This is done through donations to charities and other organisations that support the advancement of art and education for the public benefit.

Internal controls and the mitigation of major risks

The trustees have identified and reviewed the major risks of the Foundation such as foreign exchange movements, investment performance and the Foundation's cash flow position and have established internal controls to mitigate these risks. The trustees confirm that the controls implemented are appropriate to the size of the Foundation and the nature of its operations. There has been no impact on the effectiveness of the Foundation's controls as a result of changes to working practices due to Covid-19.

Statement of trustees' responsibilities

The trustees (who are also directors of Huo Family Foundation (UK) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) second edition – October 2019;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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:

a) there is no relevant audit information of which the charitable company's auditors are unaware; and

b) the trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors PricewaterhouseCoopers LLP is deemed to be re-appointed under section 487 (2) of the Companies Act 2006. A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

The Trustees' annual report is approved by the trustees of the charity. The strategic report, which forms part of the Trustees' annual report, is approved by the trustees in their capacity as directors in company law of the charity.

Approved and authorised by the board of directors and signed on their behalf by:

Yan Huo
Director

Date: 09/08/2021

Huo Family Foundation (UK) Limited

Independent auditors' report to the members of Huo Family Foundation (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Huo Family Foundation (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities (incorporating the income and expenditure account) and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the

financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

Auditors' 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 an auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts;
- obtaining independent confirmations of cash balances and material investment valuations as at 31 December 2020;
- testing the recognition of grant expenditure in line with terms of the grant awards;
- enquiry of management and the board of trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reading minutes of meetings of the board of trustees; and

- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DChan

Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

9 August 2021

Huo Family Foundation (UK) Limited

Statement of financial activities for the year ended 31 December 2020

(incorporating the income and expenditure account)

	Notes	2020 Unrestricted Funds US$	2019 Unrestricted Funds US$ Restated*
Income from:			
Donations	2	25,049,321	18,750,000
Investments	3	813,613	1,611,979
Total		25,862,934	20,361,979
Expenditure on:			
Charitable activities	4	(7,243,172)	(6,814,801)
Raising funds	4	(1,363,032)	(656,342)*
Total		(8,606,204)	(7,471,143)
Net gains on investments	8	21,512,291	8,775,775*
Net Income		38,769,021	21,666,611
Other recognised gains and losses			
Foreign exchange (losses)/gains		(307,381)	114,928
Net movement in funds		38,461,640	21,781,539
Fund balances brought forward at 1 January		98,261,596	76,480,057
Fund balances carried forward at 31 December		136,723,236	98,261,596

* 2019 figures have been restated. Please refer to Notes 4 and 8 for further detail.

All of the Foundation's activities are derived from continuing operations.

The Foundation has no recognised gains and losses other than those shown above and therefore no separate income and expenditure account has been presented.

The notes on pages 14 to 26 form part of the financial statements.

Huo Family Foundation (UK) Limited

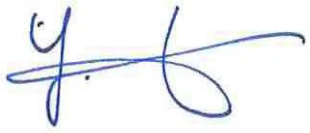
Balance sheet
As at 31 December 2020

	Notes	2020 US$	2019 US$
Fixed assets			
Investments	8	117,441,433	101,100,533
Current assets			
Debtors	9	18,116,273	218,992
Cash at bank and in hand		8,847,894	6,658,599
Total current assets		26,964,167	6,877,591
Creditors: amounts falling due within one year	10	(5,465,740)	(6,811,911)
Net current assets		21,498,427	65,680
Total assets less current liabilities		138,939,860	101,166,213
Creditors: amounts falling due after more than one year	11	(2,216,624)	(2,904,617)
Net assets		136,723,236	98,261,596
The funds of the charity			
Share capital	12	2	2
Unrestricted funds	13	136,723,234	98,261,594
Total charity funds	14	136,723,236	98,261,596

The notes on pages 14 to 26 form part of the financial statements.

The financial statements on pages 11 to 26 were approved by the directors on 09/08/2021 and were signed on 09/08/2021 on their behalf by:

Yan Huo
Director



Huo Family Foundation (UK) Limited

Cash flow statement for the year ended 31 December 2020

	US$	2020 US$	US$	2019 US$
Cash flows from operating activities				
Net cash (used in)/provided by operating activities		**(3,758,977)**		**11,611,173**
Cash Flow from Investing activities				
Investment income – bank interest	28,861		450,765	
Investment income – dividends	784,752		1,161,214	
Bank interest and charges	(36,732)		(100,378)	
Purchase of investments	(30,177,529)		(145,504,037)	
Sale of investments	35,348,920		125,137,590	
Net cash provided by/(used in) investing activities		5,948,272		(18,854,846)
Change in cash at bank and in hand		**2,189,295**		**(7,243,673)**
Cash at bank and in hand at the beginning of the year		6,658,599		13,902,272
Cash at bank and in hand at the end of year		**8,847,894**		**6,658,599**

Reconciliation of Operating Profit to net Cash (outflow)/inflow from Operating Activities	**2020 US$**	**2019 US$**
Net income	38,769,021	21,666,611
Interest received	(28,861)	(450,765)
Bank interest and charges	36,732	100,378
Dividend receivable	(784,752)	(1,161,214)
Net gains on investments	(21,512,291)	(8,775,775)
Foreign exchange (losses)/gains	(307,381)	114,928
(Increase)/decrease in debtors	(17,897,281)	949,398
Decrease in creditors	(2,034,164)	(832,388)
Net cash (outflow)/inflow from operating activities	**(3,758,977)**	**11,611,173**

Analysis of changes in net debt	**2019 US$**	**Cash Flows**	**Foreign Exchange Movement**	**2020 US$**
Cash	6,658,599	2,187,173	2,122	8,847,894

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

1. Principal accounting policies

Company information

Huo Family Foundation (UK) Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 20 Old Bailey, London, EC4M 7AN. It is also registered as a charity foundation based in London for giving grants. Registered Charity No: 1133206

Accounting Convention

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with Charities SORP (FRS 102) second edition – October 2019 applicable to charities preparing their financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Act 2011 and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value. The principal accounting policies adopted are set out below.

Functional currency

The financial statements are prepared in US$, which is the functional currency of the Foundation, since this is the currency of the primary economic environment in which the Foundation operates. All donations receivable are expected to be denominated in US$.

Going concern

The Foundation has adequate financial resources; specifically, the Foundation has set aside the cash needed to pay grants and operating expenses for the upcoming year and the Foundation's investments are currently held primarily in liquid assets that could be called upon should the need arise. As a consequence, the trustees believe that the Foundation is well placed to manage its business risks successfully, including any impact of Covid-19.

The trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these financial statements.

Income

Income, which includes both donations and gift aid, is credited to the statement of financial activities on a receivable basis and valued on date of receipt. Investment income is stated inclusive of recoverable taxation. Dividends are recognised when declared, whereas interest is recognised on an accruals basis as earnt.

1. Principal accounting policies (continued)

Expenditure

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Foundation to the expenditure.

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the directors, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Foundation. In these circumstances there is a valid expectation by the recipients that they will receive the grant, even if the recipients must meet further reporting conditions, which are not considered performance obligations.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and are included with support costs allocated to the Foundation's charitable activity. Management fees included within support costs comprise of re-charged costs from Faculty Road Limited under a service agreement which are recognised on the basis laid out in the 'Key accounting estimates and assumptions' section below. No support costs are allocated to raising funds.

Investments

The Foundation has elected to apply the provisions of Section 11 and Section 12 of UK GAAP FRS102 in full.

All investments are at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the directors on the advice of the Investment Manager Partners Capital. These valuations are on the basis of the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Investment gains and losses

Net gains and losses on investments includes both realised and unrealised gains/losses during the financial year.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Foreign currencies

Transactions in foreign currencies are translated into US$ at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into US$ at the rate of exchange ruling at the balance sheet date. Exchange differences are charged/credited to the statement of financial activities and hence are taken into account in arriving at the net movement in funds.

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Principal accounting policies (continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The Foundation recognises grants payable at the point the grant offer is made; any grants unpaid at the year-end are presented within creditors until drawn down.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Principal accounting policies (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Derivatives

Derivatives are comprised of foreign currency hedging instruments that are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to fair value at each reporting end date.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Fund accounting

The unrestricted fund comprises general funds, which may be used towards meeting the charitable objects of the Foundation at the discretion of the directors, and share capital. In 2019, the Foundation adopted a voluntary change in accounting policy to present all funds as one line on the balance sheet of unrestricted funds and removed the previous designation between the general fund and revaluation reserve. The directors had decided, given the restructuring of the investment portfolio, it was no longer appropriate to continue with the designation of the Foundation's reserves between general and revaluation reserve.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Taxation

The Foundation is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. VAT is included within expenditure where it is not recoverable. However, tax on investment income may be due in the US on an annual basis, as the Huo Family Foundation (UK) Limited is controlled by Huo Family Foundation, a charity registered in the USA.

Judgements and key sources of estimation uncertainty

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

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

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Principal accounting policies (continued)

Critical Judgements in applying the Foundation's accounting policies

The Trustees do not consider grant reporting requirements within grant agreements to be grant performance related conditions as defined by the Charities SORP. Grant payables are not discounted due to the effect of discounting being immaterial to the financial statements.

Key Accounting estimates and assumptions

The only estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Foundation's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy above and within note 8.

Management fees comprise of re-charged costs from Faculty Road Limited under a service agreement for staff time and out-of-pocket expenses. These are re-charged based on an estimate of the percentage of staff time spent on the Foundation's activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included in Note 5.

2. Donations

	2020 Unrestricted Funds US$	2019 Unrestricted Funds US$
Monetary donations	20,049,321	15,000,000
Gift aid recoverable	5,000,000	3,750,000
	25,049,321	18,750,000

In the year, monetary donations of US$20,000,000 (2019: US$15,000,000) represent donations received from Yan Huo, one of the trustees of the Foundation. Included within the monetary donations balance is US$49,321 (2019: \nil) which represents donations received from Faculty Road Limited, company under same management.

3. Investment Income

	2020 US$	2019 US$
Bank interest receivable	28,861	450,765
Dividend receivable	784,752	1,161,214
	813,613	1,611,979

Disclosures in relation to the risks arising from financial instruments and how these are managed by the Foundation are included within note 8.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

4. Charitable activities

	2020 US$	2019 US$
Columbia University	2,500,000	-
University of Oxford	1,254,855	883,884
Imperial College of Science	1,248,651	-
King's College London	1,239,430	-
Fudan University	150,000	-
Science Museum Group	125,528	-
Pro Bono Economics (PBE)	62,410	-
Royal Academy of Arts Emergency Fund	62,108	-
Youth Communication	50,000	-
Teach for China Hong Kong	500	-
Natural History Museum	-	381,810
Princeton University	-	1,500,000
Teach First	-	2,155,852
Teach for All	-	750,000
Policy Exchange	-	132,675
Tate Gallery	-	631,620
Support costs (Note 5)	549,690	378,960
	7,243,172	6,814,801

Raising funds

	2020 US$	2019*[1] US$
Advisory and operating fees	65,067	28,304
Bank interest and charges	36,732	100,378
Custody fees	-	46,216
Investment management professional fees	1,175,673	447,053
Overseas tax on investment income	85,560	34,391
	1,363,032	656,342

All 10 (2019: 7) grants made payable during the year were to institutions.

[1] 2019 Investment management professional fees have been restated to reflect the gross investment management fees. Certain investment agents net off the management fees on a transactional basis. Within the 2019 accounts the investment management professional fees figure was US$207,363, a difference of US$239,690.

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

5. Support costs

	2020 US$	2019 US$
Accountancy fees	29,842	28,120
Audit fees	56,573	49,035
Legal fees	34,682	69,314
Management fees	317,739	180,631
Tax fees	76,401	13,005
Total governance costs	515,237	340,105
Advertising and promotion	27,053	32,409
Insurance	7,400	6,446
	549,690	378,960

6. Net income

Net income for the year is stated after charging:

	2020 US$	2019 US$
Auditors' remuneration (excluding VAT)		
- Audit	47,144	40,863

7. Staff costs, directors' remuneration and Key Management Personnel

No staff were employed by the Foundation during the year (2019: none), hence trustees are the only key management personnel.

The Trustees received no remuneration in respect of their services to the Foundation during the year (2019: US$ nil). No trustee received any reimbursement of expenses during the year (2019: US$ nil).

8. Fixed asset investments

	2020 US$	2019*(2) US$
Movement in market value		
Opening market value	101,100,533	71,958,311
Additions at cost	30,177,529	145,504,037
Disposals at carrying value	(35,348,920)	(125,137,590)
Net gains on investments	21,512,291	8,775,775
Closing market value	117,441,433	101,100,533

(2) 2019 figures have been restated to reflect the investment management fees which certain investment agents net off on a transactional basis. Within the 2019 accounts, disposals at carrying value was US$124,897,900 and net gains on investments was US$2,432,741, both a difference of US$239,690.

8. Fixed asset investments (continued)

Net gains on investments includes both realised and unrealised gains/losses during the financial year.

Investments included in the following asset classes:

	2020 US$	2019 US$
Equities(3)	86,994,459	57,948,485
Fixed Income	-	20,322,547
Private Debt	25,915,074	22,125,970
Private Equity	1,579,909	633,589
Hedge Funds	-	69,942
Real Assets – Illiquid	2,951,991	-
	117,441,433	101,100,533

(3) Equities asset class includes Capula Tail Risk Fund, which is a hedge fund with long only equities exposure.

The historic cost of these investments is US$95,071,025 (2019: US$95,675,000)

Analysis of fair value hierarchy:

	2020 US$	2019*(4) US$
Level 1	-	-
Level 2	113,207,083	101,100,533
Level 3	4,234,350	-
	117,441,433	101,100,533

(4) 2019 figures have been restated to all be included within Level 2. Within the 2019 accounts Level 1 was $78,340,974 and Level 2 was $22,759,559.

Investments included in the above table with a market value greater than 5% of the total portfolio market value are as follows:

	2020 US$	2019 US$
Capula Tail Risk Fund	43,188,241	42,563,327
Partners Capital Greyhawk Cayman Feeder Fund A1	27,899,173	22,179,902
Partners Capital Phoenix Fund II Ltd	20,939,951	20,343,065
Partners Capital Greyhawk Cayman Feeder Fund A	6,328,947	-

Market risks

The Foundation's exposure to market risks is in line with its investment objective of achieving a real return target of 4%. To achieve this aim, the Foundation maintains a diversified portfolio invested across asset classes, both liquid and illiquid. To manage the level of risk within the portfolio across asset classes, the

Foundation utilises a risk metric based on expected beta to equity markets, we called this beta "equivalent net equity beta".

8. Fixed asset investments (continued)

The Foundation's portfolio is, as set out in the investment policy statement, managed to a risk level, as represented by equivalent net equity beta, of c. 65%. This means the portfolio has a risk level similar to a portfolio 65% invested in public equities and 35% in cash. Accordingly, the Foundation's Portfolio is expected to have significant mark-to-market volatility in pursuit of the return target. If equity markets were to decline by 10%, we would expect the Foundation's portfolio to decline by 6.5%.

In 2019, the Foundation invested funds in the Tail Risk Fund offered by Capula Investment Management LLP ("Capula"), a UK-based fund manager. The objective of this investment is to produce positive returns in times of systemic market and liquidity shocks, which may offset losses from the equity or fixed income exposure in the rest of the portfolio. The Tail Risk Fund can also be readily monetised including during times of market stress. In current year 2020, the Foundation purchased additional US$12,750,000 of Capula Tail Risk Fund and sold total of US$22,893,009 resulting in realised profit of US$2,352,062 during the year. The current market value of the Fund is US$43,188,241 with total unrealised gain of US$8,415,861.

In addition, the Foundation invests in illiquid assets. Over the long term, the Foundation aims to build a private markets portfolio representing 50% of the total portfolio value in order to maximise investment returns. This portfolio will take several years to build, and the current allocation is significantly lower. The Foundation acknowledges that additional risks relating to accurate valuations, cash flow requirements and underlying illiquidity exist within private asset classes and holds sufficient liquid assets to meet any resulting capital calls and/or grant payments.

Currency risks

The Foundation takes a long-term view to risks arising from currency exposure. The Foundation's exposure to non-USD denominated investments is comparatively small and, as a result the Foundation does not hedge foreign currency exposure within the investment portfolio. However, once grants have been awarded, any GBP denominated liabilities resulting from grants are hedged to ensure the Foundation's liabilities have little to no currency risk. As of 31 Dec 2020, the Foundation's held foreign currency derivatives with a fair value of US$119,273.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Therefore, further disclosure is not required.

9. Debtors

	2020 US$	2019 US$
Amounts falling due within one year		
Derivatives	119,273	218,992
Investments-in-transit	17,997,000	-
	18,116,273	218,992

Derivatives consist of the fair value of foreign currency forward contracts entered into to mitigate the risk of foreign exchange movements in relation to the Foundation's future grants in GBP.

Investments-in-transit represents US$16,000,000 to be invested in Capula hedge funds and $1,997,000 to be invested in SCGE offshore special investments hedge fund.

10. Creditors: amounts falling due within one year

	2020 US$	2019 US$
Trade creditors	83,863	80,019
Grants payable	4,781,367	6,546,418
Accruals and deferred income	600,510	185,474
	5,465,740	6,811,911

11. Creditors: amounts falling due after more than one year

	2020 US$	2019 US$
Grants payable	2,216,624	2,904,617
Due in one to two years	1,216,624	2,197,929
Due within two to five years	1,000,000	706,688
	2,216,624	2,904,617

	2020 US$	2019 US$
Opening grants payable	9,451,035	10,490,106
Grants awarded	6,693,482	6,435,841
Grants paid	(9,354,399)	(7,680,976)
Foreign exchange	207,873	206,064
Closing grants payable	6,997,991	9,451,035

Huo Family Foundation (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12. Share capital

	2020 US$	2019 US$
Allotted and called up		
1 (2019: 1) ordinary share of £1	2	2

13. Unrestricted income funds

	1 January 2020 US$	Income US$	Expenditure US$	Other recognised income US$	31 December 2020 US$
Share capital	2	-	-	-	2
Unrestricted funds	98,261,594	25,862,934	(8,606,204)	21,204,910	136,723,234
Total	98,261,596	25,862,934	(8,606,204)	21,204,910	136,723,236

	1 January 2019 US$	Income US$	Expenditure US$	Other recognised income US$	31 December 2019 US$
Share capital	2	-	-	-	2
Unrestricted funds	76,480,055	20,361,979	(7,471,143)	8,890,703	98,261,594
Total	76,480,057	20,361,979	(7,471,143)	8,890,703	98,261,596

14. Total charity funds

	2020 Unrestricted Funds US$	2019 Unrestricted Funds US$
Fund balances at 31 December are represented by:		
Investments	117,441,433	101,100,533
Debtors	18,116,273	218,992
Cash at bank and in hand	8,847,894	6,658,599
Creditors: amounts falling due within one year	(5,465,740)	(6,811,911)
Creditors: amounts falling due after more than one year	(2,216,624)	(2,904,617)
	136,723,236	98,261,596

15. Reconciliation of movements in funds

	2020 US$	2019 US$
Net movements in funds	38,461,640	21,781,539
Net addition to funds	38,461,640	21,781,539
Opening funds	98,261,596	76,480,057
Closing funds	136,723,236	98,261,596

16. Related party transactions

During the year, the Foundation received a donation of US$20,000,000 (2019: US$15,000,000) from Yan Huo, a director of the Foundation.

During the year, the Foundation awarded grants of Nil (2019: US$1,500,000) to Princeton University, where Yan Huo is a Trustee with the outstanding amount payable at year end being US$1,010,000 (2019: US$2,685,000).

The Foundation has common Directors and Trustees with Faculty Road Limited. During the year, the Foundation entered into a service agreement with Faculty Road Limited for the procurement of administrative services to the Foundation. Yan Huo and Xue Fang are Directors of Faculty Road Limited. The total charge by Faculty Road Limited was US$317,739 (2019: US$180,631); the amount of outstanding payment included within creditors at 31 December 2020 was US$81,863 (2019: US$62,050). During the year, the Foundation received a donation of US$49,321 (2019: Nil) from Faculty Road Limited, an entity controlled by the same management.

A Deed of Covenant exists between the Huo Family Foundation and Faculty Road Limited which so far as lawful will allow Faculty Road Limited to make a donation to the Foundation which is equal to the distributable profits. For the year ended 31 December 2020, further distributable profits for Faculty Road Limited not already donated during 2020 were US$24,408 (2019: US$14,658) and it was agreed to be paid out to the Huo Family Foundation in 2021.

During the year, the Foundation continued to hold investments in a fee-free share-class of the Capula Tail Risk Fund Ltd ("TRF"). The investment decision was undertaken in 2019 by Philip Michaels as the sole trustee of the Foundation who is not a conflicted trustee (Sam Lowe is a designated member of Capula, and Yan Huo and Xue Fang are husband and wife), on the basis that the investment was made to a "management" share class which are neither subject to management fees nor performance fees, and that no trustee stands to receive any payment of money or other material benefit directly or indirectly from the Foundation in relation to the investment. Further, the increase in Capula's assets under management arising from the investment does not provide any specific or quantifiable benefit to Capula or the TRF beyond the general ability to market itself as a fund of significant size in the commercial marketplace. Finally, to observe all US applicable rules, the

Notes to the financial statements for the year ended 31 December 2020 (continued)

16. Related party transactions (continued)

Foundation's legal advisors, Withers LLP, have confirmed that the investment does not violate any restriction related to excess business holdings, self-dealing, jeopardy investments, and minimum distribution requirement.

In 2020, the Foundation purchased additional US$12,750,000 of Capula Tail Risk Fund and sold a total of US$22,893,009 resulting in realised profit of US$2,352,062 during the year. The current market value of the Fund is US$43,188,241 with total unrealised gain of US$8,415,861.

17. Ultimate controlling party

The ultimate controlling party is the Huo Family Foundation, a charity registered in the USA.

18. Post balance sheet events

Subsequent to the year end, in January 2021, a donation of $20,000,000 has been received and the Foundation invested the $17,997,000 investments-in-transit in hedge funds. Additionally, in 2021 to date, the Foundation invested an additional $13,984,000 in hedge funds and $6,000,000 in a liquid equities fund.