

THE SINO-BRITISH FELLOWSHIP TRUST

England & Wales · Charity number 1174487

Details

Status Registered

Legal form CIO

Registered 2017-09-04

Register [View on the Charity Commission register](#)

Contact

Address Flat 23
Bede House
Manor Fields
London
SW15 3LT

Phone 02087886252

Activities

Objects: The Objects of the CIO are to advance education and training in any subject:(a) by awarding scholarships or grants to post-graduate students and academic staff based at universities, public and non-profit research organizations, or other higher education institutions and vocational training institutions in Britain to enable them to undertake study or research, or other forms of academic exchange in China; (b) by awarding scholarships or grants to the same categories of scholars in China to enable them to undertake study or research, or other forms of academic exchange in Britain; (c) by promoting, for the same categories of scholars, the opportunity to study Chinese languages;(d) by enabling the same categories of scholars to participate in joint Chinese/British educational programmes and courses, including academic and other exchanges of educational value, between Britain and China; and(e) at the discretion of the Trustees, to award grants to the same categories of scholars to allow for other exchanges of educational value that fulfil the primary aims of the Trust.

Activities: Grants to postgraduate students and academic staff at universities and other higher education institutions- in Britain to undertake study, research & similar in China;- in China to undertake study, research & similar in Britain - to promote the study of Chinese languages- to enable them to participate in joint Chinese/British educational programmes and courses

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- China
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£542,842	£721,954	£20,270,779	2
2023-12-31	£437,241	£741,198	-	-
2022-12-31	£619,104	£574,588	£18,263,541	1
2021-12-31	£418,580	£286,305	-	-
2020-12-31	£440,809	£391,321	-	-

Trustees

Name	Role	Appointed
PETER JAMES ELY	Chair	2017-09-04
ANNE ELIZABETH ELY		2017-09-04
Christopher Terence Wood		2024-06-27
Dr Frances Wood		2017-09-04
LING THOMPSON		2017-09-04
Professor Christopher Huang		2023-01-30
Professor Rosemary June Foot FBA		2017-09-04
Professor WAYNE WING CHING LUK FRENG CENG		2017-09-04
Sir Christopher Hum KCMG		2020-08-17

Accounts

THE SINO-BRITISH FELLOWSHIP TRUST
(Charitable Incorporated Organisation)
Registered charity number 1174487

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2024

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE, LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number

The registered charity number is 1174487

Trustees

Mrs A.E. Ely, Chair Emerita

Mr P. J. Ely, IPFA, Chair of Trustees

Emeritus Professor R.J. Foot, FBA

Professor C. Huang, DM, ScD, FRSB

Sir C. Hum, KCMG, Deputy Chair of Trustees

Professor W.W.C. Luk, FREng, CEng, CIP, FBCS, MIET, FIEEE

Mrs L. Thompson, OBE

Mr C. Wood, CMG

Dr F. Wood

Honorary Advisors

Emeritus Professor H.D.R Baker, PhD

Lady P. Youde, OBE

Office

23 Bede House

Manor Fields

Putney Heath

London SW15 3LT

Bankers

CAF Bank

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4TA

Investment Advisers

CCLA Investment Management Ltd

Senator House,

85 Queen Victoria Street

London EC4V 4ET

Investment Custodian

HSBC Securities Services

8 Canada Square

Canary Wharf, London

E14 5HQ

Auditor

Hodson & Co

Wiston House

1 Wiston Avenue

Worthing, West Sussex

BN14 7QL

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The Trustees present their report along with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the CIO's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2019).

OBJECTIVES

On 27 June 2024, following consultation with partner organisations and after obtaining the approval of the Charity Commission, the Trustees approved revised charitable objects. The new objects are designed to ensure the CIO is able to support academic researchers and fulfil its charitable aims as UK/China relations develop in a time of global turbulence and uncertainty.

The CIO gives grants from its income each year in furtherance of the Objects stated below;

The Objects of the CIO are to advance education and training in any subject:

- (a) by awarding scholarships or grants to post-graduate students and academic staff based at universities, public and non-profit research organisations, or other higher education institutions and vocational training institutions in Britain to enable them to undertake study or research, or other forms of academic exchange in China;
- (b) by awarding scholarships or grants to the same categories of scholars in China to enable them to undertake study or research, or other forms of academic exchange in Britain;
- (c) by promoting, for the same categories of scholars, the opportunity to study Chinese languages;
- (d) by enabling the same categories of scholars to participate in joint Chinese/British educational programmes and courses, including academic and other exchanges of educational value, between Britain and China; and
- (e) at the discretion of the Trustees, to award grants to the same categories of scholars to allow for other exchanges of educational value that fulfil the primary aims of the Trust.

SIGNIFICANT ACTIVITIES

Annual grants to Institutions amounted to £ 398,615 (2023 £343,365) and individual grants of £58,206 (2023 £127,801) were awarded during the year.

PUBLIC BENEFIT

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 in determining the activities undertaken by the CIO.

The CIO seeks to advance education (a statutory charitable purpose under the Charities Act 2011) through support for academic research exchanges between the UK and China. The public benefits of academic research are well recognised. The CIO supports researchers in a wide range of fields, in the sciences, social sciences, humanities and the arts. The aftermath of the pandemic combined with the wider geopolitical situation continued to have an impact on researchers, but most organisations were able to make good use of their grants during the year..

Grants given during the year supported researchers across a wide range of academic fields. Examples are:

Funding to enable the reestablishment of research links and joint conservation projects at British institutions such as the British Library, notably contributing to the International Dunhuang Programme

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

PUBLIC BENEFIT (continued)

Funding to enable researchers in the humanities and social sciences from British Universities to conduct field work in China, and to collaborate with colleagues in Chinese universities. Such collaborations and research visits have frequently resulted in reputable publications.

Funding to support joint scientific academic research projects for UK and Chinese researchers, for example in the fields of medicine and responses to climate change

Funding to support academics in the study of Chinese languages, to enhance their research work.

GRANT MAKING POLICY

Grants are made each year to educational and public research institutions for awards to individual academics and postgraduate students, over a wide range of subject areas, for travel between the UK and China and related living costs. The individuals are selected by the institutions to comply with the Objects and Terms of Reference of the CIO, and the Trustees receive reports from the institutions to confirm compliance.

During the year the Trustees conducted a review of grant making policy. They concluded the best use of SBFT resources is in grants to organisations, as this allows a wide range of academic research areas to be supported with a small SBFT administrative team. The Trustees have therefore closed the individual grant award scheme. Increased grants for existing partnerships, and development of new partnerships, are both being explored.

ACHIEVEMENTS AND PERFORMANCE

As part of the review of its charitable objects, SBFT discussed existing grant arrangements with its partners and has moved to follow up on those discussions. Existing partnerships have been renewed (for example, with the Royal Society) and new opportunities developed (for example the SOAS grant now includes support for a PhD researcher as well as the longstanding travel grant). A new partnership with the University of Oxford China Centre is also being developed.

FINANCIAL REVIEW AND INVESTMENT POLICY

The income of the CIO derives solely from its investments and no appeals are made to the general public or any government agency for funds. Total income for the year to 31 December 2024 amounted to £542,842 (2023 £437,241).

Expenditure on charitable activities amounted to £548,835 (2023 £565,940). The net outgoing resources for the General fund were £5,993 (2023 outgoing resources of £128,699). The general reserves decreased to £1,392,478 (2023 £1,398,471).

In accordance with the powers given in the Constitution the Trustees have delegated responsibility for the management of the investment portfolio to CCLA, the investment managers.

The investment policy is to obtain a reasonable long-term overall return at a moderate level of risk. Performance is monitored by the Investment Committee of Mrs A.E. Ely, Mr P.J. Ely, Sir C. Hum, Mrs L. Thompson and Dr F. Wood.

There was still considerable market volatility, but nevertheless the final value of the endowment fund increased by £451,330 to £18,878,301 (2023 £18,426,971). The total performance for the year of the pooled investment fund(net of fees) was an increase of 5.08% (2023 increase of 12.36%) compared with the benchmark increase of 15.3% (2023 13.28%) which was disappointing.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

FINANCIAL REVIEW AND INVESTMENT POLICY (continued)

The CIO appointed CCLA Investment Managers Ltd in early 2022. Trustees agreed with the Investment Managers that a 'total return policy' on investments would be appropriate, as this allows the CIO to mitigate the effects of market volatility causing income fluctuations. The long-term target for the fund is to beat inflation net of fees.

The Trustees have assessed the current financial position of the CIO with reference to current activities, projections and cashflows and resources and have concluded that the CIO is a going concern.

RISK MANAGEMENT

The Trustees are responsible for the CIO's risk management mitigation systems and reviewing procedures. The Trustees have examined the major strategic, business and operational risks which the CIO faces, and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The systems are kept under review throughout the year and are reviewed formally each year by the Finance Committee and Board.

FUTURE PLANS AND CHARITABLE STATUS

The Trustees continue to monitor the volatile political situation worldwide, particularly developments in China, and to consider how best to support researchers in the current environment.

RESERVES POLICY

The Reserves policy for the CIO has always been to maintain sufficient long-term Capital such that the investment income from that Capital provides sufficient income for the general reserves to fund the grants and overheads of the Charity. The Trustees have agreed that a prudent level of free reserves would be 100% of the likely grants and overheads for the next 12 months. A minimum level of free reserves would be 50% of the grants and overheads for the next 12 months.

The free reserves of the CIO at 31 December 2024 were £1,141,337 (2023 £1,143,224). Grant giving has increased since the pandemic and the objective continues to be a steady, managed reduction in the reserves to the prudent level. The Trustees are of the opinion that, with the continuing volatility in the UK and world economies, it is reassuring to have higher than expected free reserves. This should enable the CIO to manage with confidence any unforeseen financial difficulties caused by market instability.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sino-British Fellowship Trust is a Charitable Incorporated Organisation (CIO) registered on 4th September 2017. The registered charity number is 1174487. The CIO was set up to take over the work of the charity of the same name (registered charity number 313669). The assets of the former charity were transferred to the CIO on 1st April 2018 and the former charity is now entered on the Register of Merged Charities.

The Trustees are set out on page 1. During the year, Mr C. Wood CMG was appointed to the Trustee Board. His recent experience as Consul-General in Shanghai is a valuable addition to the Board. Trustees are appointed by the existing Trustees and serve for a period of five years after which period they may put themselves up for re-appointment. The Trustees meet at least twice a year to agree on the award of grants and to discuss the aims of the CIO.

At the Trustees Meeting in June 2024 Mrs A. Ely stepped down as Chair of Trustees. Mr P. Ely was elected Chair of Trustees, and Sir C. Hum Deputy Chair. Mrs Ely became a Trustee of the former charity in 1985, and from 1997, as Honorary Director, took on much of the day to day work of the charity. In 2008 she was elected Chairman of Trustees. She developed partnerships encouraging academic links between UK, Hong Kong and mainland Chinese researchers. and also oversaw the move from an unincorporated charity to a Charitable Incorporated Organisation, The Trustees were delighted that Mrs Ely had agreed to remain on the board and unanimously agreed she should have the title of Chair Emerita.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The day-to-day management of the CIO has been delegated to Mr P. J. Ely and Sir C. Hum. The CIO also has committees to which is delegated the responsibility for overseeing and monitoring key areas of activity within the organisation and reporting to the Board of Trustees. In the opinion of the Trustees, the operations of the CIO in the past 12 months in reviewing and approving grant applications are in accordance with its objects.

TRUSTEE RECRUITMENT AND TRAINING

The Board of Trustees consists of at least five members who, as charity Trustees, have the legal responsibility for the effective use of the CIO's resources in accordance with the Objects and Terms of Reference of the CIO. Trustees are not remunerated but reasonable expenses are paid.

The CIO does not have an active policy to recruit new Trustees, but approaches people known to have an interest in related activities or who have worked for Institutions the CIO has supported with grants.

Every prospective Trustee is provided with information about the CIO's constitution, policies and activities together with information on the Charity Commission guidance. Trustees are offered the opportunity to attend further training courses should they wish to do so.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year. In preparing these financial statements the Trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
5. prepare financial statements on the going concern basis unless it is inappropriate to assume that the CIO will be able to continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the CIO's constitution. They are also responsible for safeguarding the assets of the CIO 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 corporate and financial information included on the CIO's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the Auditor

Each Trustee has taken steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the CIO's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Trustees on June 2025 and signed on their behalf by:

Sir C Hum

Deputy Chair of Trustees

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2024

Opinion

We have audited the financial statements of Sino-British Fellowship Trust (the CIO) for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the CIO's affairs as at 31st December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO'S ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the Trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2024 (continued)

rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the CIO and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the CIO'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 CIO or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, section 144 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2024 (continued)

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:

- Obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

THE SINO-BRITISH FELLOWSHIP TRUST

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2024
(continued)**

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed Hodson & Co, Statutory Auditor

Date: 2025
Hodson & Co
Wiston House
1 Wiston Avenue
Worthing, West Sussex
BN14 7QL

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2024**

	General Fund	Expendable Endowment Fund	December 2024	<i>December 2023</i>
	£	£	Total £	<i>Total £</i>
INCOME AND ENDOWMENTS				
Income from investments (Note 3a)	500,000		500,000	<i>400,306</i>
Interest	42,842		42,842	<i>36,935</i>
TOTAL INCOME	542,842		542,842	<i>437,241</i>
EXPENDITURE				
Costs of raising funds				
Investment management fee (Note 2a)		173,119	173,119	<i>175,258</i>
Expenditure on Charitable Activities (Note 5)				
Grants to British academics for study visits to China – object (a)	144,771		144,771	<i>66,795</i>
Grants to Chinese academics for study visits to Great Britain – object (b)	297,036		297,036	<i>378,592</i>
Promotion of Chinese language studies – object (c)	4,806		4,806	<i>14,414</i>
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	102,222		102,222	<i>106,139</i>
TOTAL EXPENDITURE	548,835	173,119	721,954	<i>741,198</i>
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	(5,993)	(173,119)	(179,112)	<i>(303,957)</i>
Net investment gains/(losses):		624,449	624,449	<i>1,865,858</i>
NET INCOME/(EXPENDITURE)	(5,993)	451,330	445,337	<i>1,561,901</i>
Transfer between funds				
NET MOVEMENT IN THE FUNDS FOR THE YEAR	(5,993)	451,330	445,337	<i>1,561,901</i>

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2024 (continued)**

	General Fund	Expendable Endowment Fund	December 2024	<i>December 2023</i>
RECONCILIATION OF FUNDS				
NET MOVEMENT IN THE FUNDS FOR THE YEAR	(5,993)	451,330	445,337	<i>1,561,901</i>
Funds Brought Forward At 1st January 2024	1,398,471	18,426,971	19,825,442	<i>18,263,541</i>
FUNDS CARRIED FORWARD 31 DECEMBER 2024	1,392,478	18,878,301	20,270,779	<i>19,825,442</i>
Represented by:				
Tangible fixed assets	251,141		251,141	<i>255,247</i>
Fixed assets investments		18,878,301	18,878,301	<i>18,426,971</i>
Net current assets	1,141,337		1,141,337	<i>1,143,224</i>
TOTAL NET ASSETS 31 December 2024	1,392,478	18,878,301	20,270,779	<i>19,825,442</i>

The notes on pages 15 to 25 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2024

	December 2024 £	December 2024 £	December 2023 £
FIXED ASSETS			
Tangible Assets (Note 2b)			
Leasehold property		247,522	252,573
Furnishings		1,236	1,373
Computer Equipment		2,383	1,301
Total Fixed Assets		251,141	255,247
Investments (Note 2a)		18,878,301	18,426,971
CURRENT ASSETS			
Debtors, prepayments and accrued income	7,215		29,225
Income due from broker	126,507		100,917
Cash at bank and in hand	1,066,427		1,109,034
Total Current Assets	1,200,149		1,239,176
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year			
Grants payable	50,000		87,300
Other creditors and accruals	8,812		8,652
Total Current Liabilities	58,812		95,952
Net current assets		1,141,337	1,143,224
NET ASSETS		20,270,779	19,825,442
THE FUNDS OF THE CHARITY (Note 1b)			
Expendable Endowment (note 2a)		18,878,301	18,426,971
General fund		1,392,478	1,398,471
TOTAL CHARITY FUNDS		20,270,779	19,825,442

Approved by the Trustees on June 2025 and signed on their behalf

Sir C Hum

C Wood

The notes on pages 15 to 25 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

Statement of Cash Flows

	2024	<i>2023</i>
Note 7	£	£
Cashflows from operating activities	(585,449)	<i>(572,349)</i>
Cashflows from investing activities		
Investment income	542,842	<i>437,241</i>
Rebate of fees	18,373	<i>17,235</i>
Proceeds from sale of investments	3,225,248	<i>3,463,064</i>
Purchase of investments	(3,243,621)	<i>(3,480,299)</i>
Net cash provided by investing activities	542,842	<i>437,241</i>
Note 8		
Change in cash and cash equivalents in the period	(42,607)	<i>(135,108)</i>
Cash and cash equivalents at 1 January 2024	1,109,034	<i>1,244,142</i>
Cash and cash equivalents at 31st December 2024	1,066,427	<i>1,109,034</i>

The notes on pages 15 to 25 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

The Sino British Fellowship Trust is a Charitable Incorporated Organisation which is registered with the Charity Commission in England and Wales Number 1174487.

1. ACCOUNTING POLICIES

a) Basis of preparing the financial statements

The financial statements of the Charitable Incorporated Organisation, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency, and rounded to the nearest pound.

b) Fund Accounting

The expendable endowment fund represents the charity's investments. The fund includes cash held by the CIO's brokers, who have a discretionary management agreement. Investment gains, losses and management fees are included in the expendable endowment fund.

c) Income recognition

Investment income and interest are recognised under the accruals concept. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the bank. The dividend is notified by the brokers each quarter and received in the following quarter.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the CIO to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Resources expended are recognised under the accruals concept. Support costs represent the expenditure incurred in making and controlling grant awards. Governance costs represent the other expenditure associated with the constitutional and statutory requirements of the CIO.

e) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

f) Taxation

The CIO is exempt from tax on its charitable activities. The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable entity for UK Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

g) Depreciation

Tangible fixed assets above a value of £500 are capitalised and are depreciated over their estimated useful life at the following rates:-

Leasehold property	2%	on reducing balance
Furnishings	10%	on reducing balance
Equipment	25%	on reducing balance

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)

1. ACCOUNTING POLICIES (Continued)

h) Critical accounting judgements and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See accounting policy note (above) for useful economic lives for each class of assets.

i) Fixed asset Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as either gains or losses on the face of the Statement of Financial Activities.

The main form of financial risk faced by the CIO is that of volatility in investment markets.

j) Costs of raising funds

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

k) Charitable activities

Expenditure on charitable activities includes grants made, together with governance costs and support costs apportioned pro rata to the grants awarded, as shown in note 5.

l) Grants

Grants to institutions are recognised in the Statement of Financial Activities in the year in which the conditions have been fulfilled which apply to each grant.

Grants to institutions which have been agreed in principle but whose conditions have not yet been fulfilled are not recognised.

Grants to individuals are recognised in the Statement of Financial Activities in the year in which the commitment is made and the conditions have been met.

Grants whose conditions have been fulfilled, but which have not yet been paid are recognised as a liability in the balance sheet.

The CIO reserves the right not to pay a grant if funds are not available.

m) Going concern

The finance statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the levels of reserves for the charity to be able to continue as a going concern.

n) Basic financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)**

2(a). FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	Units Income	Units Accumulation	December 2024 £	<i>December 2023 £</i>
Market value at 31 December 2023	735,007	15,487	18,426,971	16,736,371
Additions to investments at cost- new brokers				
Income Units : fees rebated	173		3,438	14,875
Accumulation units : fees rebated		58	14,935	2,360
Disposals (transfer to/from accumulation units)		-13,170	(3,225,248)	(3,463,064)
Additions (transfer to / from Income units)	164,586		3,225,248	3,463,064
Net gains /losses - new brokers			624,449	1,865,858
Fees rebated			(18,373)	(17,235)
Net Management fees			(173,119)	(175,258)
Market value as at 31 December 2024	899,766	2,375	18,878,301	18,426,971
Expendable Endowment Fund	899,706	2,375	18,878,301	18,426,971
Investments at market value comprised:			December 2024 £	<i>December 2023 £</i>
COIF Charities investment fund : income units	89,706		18,259,223	14,586,218
COIF Charities investment fund : accumulation units		2,375	619,078	3,840,753
			18,878,301	18,426,971

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)**

2(b). TANGIBLE FIXED ASSETS

**TANGIBLE FIXED
ASSETS**

	Leasehold Property	Furnishings	Computer Equipment	Total
	£	£	£	£
Cost:				
At 31 December 2023	285,280	2,514	2,456	290,250
Additions during the year	0	0	2,299	2,299
Disposal	0	0	-1,000	-1,000
	285,280	2,514	3,755	291,549
Depreciation:				
At 31 December 2023	32,707	1,141	1,155	35,003
Charge for the year	5,051	137	795	5,983
Depreciation on disposal	0	0	-578	-578
	37,758	1,278	1,372	40,408
Net book value:				
At 31 December 2024	247,522	1,236	2,383	251,141
Net book value				
At 31 December 2023	252,573	1,373	1,301	255,247

The leasehold property was brought in at a net value of £285,280 from the former charity whose work the CIO took over. The original cost in 2005 was £388,138.

The leasehold property is situated at 23 Bede House, Manor Fields, London, SW15 3LT and includes garage number 144. Both are held on a 999 year lease from 1 April 1984.

All assets are held for the use of charitable purposes.

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)**

3. INVESTMENTS

	December 2024	<i>December 2023</i>
3 (a) Investment income is analysed as follows:	£	£
COIF Charities investment fund income units	<u>500,000</u>	<u><i>400,306</i></u>
	<u>500,000</u>	<u><i>400,306</i></u>

3 (b) Investments where the market values are considered to be material are:

	Number of Shares/Units 2024	<i>Number of Shares/Units 2023</i>	December 2024	<i>December 2023</i>
All investments are now held with CCLA in the following pooled funds				
COIF Charities investment fund : Income units	899,766	<i>735,007</i>	18,259,223	<i>14,586,218</i>
COIF Charities investment fund : Accumulation units	2,375	<i>15,487</i>	<u>619,078</u>	<u><i>3,840,753</i></u>
			<u>18,878,301</u>	<u><i>18,426,971</i></u>

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)**

4. GOVERNANCE AND SUPPORT COSTS

Support costs

	December 2024	<i>December 2023</i>
	£	£
Secretarial, financial and clerical assistance	41,347	35,651
Establishment expenses	16,940	17,004
Stationery, telephone, computer and website	2,406	1,931
General expenses	486	1,779
AGM and student liaison costs	5,643	7,664
Loss on sale of Computer equipment	422	0
Depreciation	5,983	5,741
	<u>73,227</u>	<u>69,770</u>

Governance Costs

	December 2024	<i>December 2023</i>
	£	£
Professional fees for investment review	0	440
Accountancy fees	11,331	11,637
Audit fees	4,980	4,485
Legal fees	0	5,773
Trustees travel costs	472	491
Bank charges and interest	2,004	2,178
	<u>18,787</u>	<u>25,004</u>

As stated in Note 1(d) support costs represent an apportionment of costs spent in making and controlling grant awards and governance costs are the costs associated with constitutional and statutory requirements of the CIO. The Trustees consider that the following costs are a reasonable allocation under this heading.

Total support and governance costs are apportioned pro rata to the grants awarded as shown in note 5.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)

5. CHARITABLE ACTIVITIES

	Grants	Support and Governance Costs	December 2024 Total	December 2023
	£	£	£	£
Grants to British academics for study visits to China – object (a)				
UK Institutions:				
British Academy	44,000	8,862	52,862	0
British Library	21,500	4,331	25,831	0
Needham Research Institute	2,000	403	2,403	0
School of Oriental & African Studies	20,000	4,028	24,028	0
Universities China Committee London	27,000	5,438	32,438	33,632
Overseas Institutions:				
Hong Kong University	6,000	1,209	7,209	0
Individuals (0)			0	33,163
	<u>120,500</u>	<u>24,271</u>	<u>144,771</u>	<u>66,795</u>

Grants to Chinese academics for study visits to Great Britain – object (b)

UK institutions:				
British Library	1,000	201	1,201	0
British Museum	14,000	2,820	16,820	16,816
Great Britain China Educational Trust	50,000	10,071	60,071	52,851
Kingston University			0	18,017
Needham Research Institute	14,000	2,820	16,820	
School of Oriental & African Studies	15,000	3,021	18,021	18,017
St Antony's College, University of Oxford	15,000	3,021	18,021	18,017
Universities China Committee London	4,000	806	4,806	2,402
Overseas Institutions:				
Chinese University of Hong Kong			0	24,023
Hong Kong University	24,000	4,835	28,835	36,035
Hong Kong Metropolitan University (previously OUHK)	20,000	4,028	24,028	
China Scholarship Council	32,031	6,452	38,483	73,270
Individuals (6)	58,206	11,724	69,930	119,144
	<u>247,237</u>	<u>49,799</u>	<u>297,036</u>	<u>378,592</u>

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)

5. CHARITABLE ACTIVITIES (continued)

	Grants	Support and Governance Costs	December 2024	December 2023
	£	£	Total £	£
Promotion of Chinese language studies – object (c)				
UK Institutions				
Great Britain China Educational Trust			0	7,207
Universities China Committee London	4,000	806	4,806	6,006
Individuals (0)			0	1,201
	<u>4,000</u>	<u>806</u>	<u>4,806</u>	<u>14,414</u>
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)				
UK Institutions				
Royal Society	85,084	17,138	102,222	106,139
	<u>85,084</u>	<u>17,138</u>	<u>102,222</u>	<u>106,139</u>
TOTAL GRANTS FOR YEAR	<u>456,821</u>	<u>92,014</u>	<u>548,835</u>	<u>565,940</u>

There were 6 (2023:17) grants to individuals during the year.

The CIO has agreed spending of £341,630 (2023: £435,282) in respect of grants expected to be fulfilled within the following year and £391,985 (2023:£239,330) in more than one year. Most grants are agreed on a 3 year basis with an annual payment made each year on the fulfilment of specific conditions and many long established grants are renewed after the 3 year period has expired.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)

6. STAFF COSTS

	December 2024	December 2023
	£	£
Salaries and Wages	40,419	34,819
Employer pension contributions	928	832
	41,347	35,651

2 members of staff have been employed through the year (2023: 2). No trustees have been employed during the year. No employee received emoluments of more than £60,000 during the year.

CASHFLOW STATEMENT

Note 7

	December 2024	December 2023
	£	£
Net income/ (expenditure) for the period to 31st December 2024	445,337	1,561,901
Adjustments for:		
Depreciation charges	5,983	5,741
Loss on sale of computer equipment	422	0
Additions of Computer equipment	(2,299)	0
(Gains)/losses on investments	(624,449)	(1,870,331)
Investment income and interest received	(542,842)	(437,241)
Net management fees	173,119	179,731
(Increase) /Decrease in Income due from Broker	(25,590)	25,694
(Increase)/decrease in debtors	22,010	(19,322)
Increase/(decrease) in creditors	(37,140)	(18,522)
Net cash provided/(used) operating activities	(585,449)	(572,349)

Note 8

	December 2024	December 2023
Analysis of cash and cash equivalents		
Cash held as part of investment portfolio	0	0
Cash at bank and in hand	1,066,427	1,109,034
Total cash and cash equivalents	1,066,427	1,109,034

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024 (Continued)

9. TRUSTEES

The Trustees are the key management personnel of the charity and did not receive any remuneration or benefits in kind for this year (2023: Nil). Travelling expenses of £472 (2023 £ 410) for relevant charitable activities were paid as necessary to 3 Trustees (2023 – 3 Trustees).

10. RELATED PARTIES

During the year grants of £50,000 (2023: £50,000) were paid to the Great Britain China Educational Trust. This institution has a Trustee in common with the charity. The grant is reviewed annually and have been approved unanimously at Trustees meetings.

The furnishings in Bede House were donated to the former Charity in 2005 by the Elizabeth Frankland Moore Foundation and the foundation has a Trustee in common with the Charity.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (pages 12 and 13)

The Statement of Financial Activities on pages 11 and 12 show the position as at 31 December 2024. Shown below are the comparative figures for the previous year, 2023.

Statement of Financial Activities as at 31 December 2023

	General Fund	Expendable Endowment Fund	December 2023
	£	£	Total £
INCOME AND ENDOWMENTS			
Income from investments (Note 3a)	400,306		400,306
Interest	36,935		36,935
TOTAL INCOME	437,241		437,241
EXPENDITURE			
Costs of raising funds			
Investment management fee (Note 2a)		175,258	175,258
Expenditure on Charitable Activities (Note 5)			
Grants to British academics for study visits to China – object (a)	66,795		66,795
Grants to Chinese academics for study visits to Great Britain – object (b)	378,592		378,592
Promotion of Chinese language studies – object (c)	14,414		14,414
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	106,139		106,139
TOTAL EXPENDITURE	565,940	175,258	741,198

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)**

	<i>General Fund</i>	<i>Expendable Endowment Fund</i>	<i>December 2023</i>
<i>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS</i>	<i>(128,699)</i>	<i>(175,258)</i>	<i>(303,957)</i>
<i>Net investment gains/(losses):</i>		<i>1,865,858</i>	<i>1,865,858</i>
<i>NET INCOME/(EXPENDITURE)</i>	<i>(128,699)</i>	<i>1,690,600</i>	<i>1,561,901</i>
<i>Transfer between funds</i>			
<i>NET MOVEMENT IN THE FUNDS FOR THE YEAR</i>	<i>(128,699)</i>	<i>1,690,600</i>	<i>1,561,901</i>
<i>RECONCILIATION OF FUNDS</i>			
<i>NET MOVEMENT IN THE FUNDS FOR THE YEAR</i>	<i>(128,699)</i>	<i>1,690,600</i>	<i>1,561,901</i>
<i>Funds Brought Forward At 1st January 2023</i>	<i>1,527,170</i>	<i>16,736,371</i>	<i>18,263,541</i>
<i>FUNDS CARRIED FORWARD 31 DECEMBER 2023</i>	<i>1,398,471</i>	<i>18,426,971</i>	<i>19,825,442</i>
<i>Represented by:</i>			
<i>Tangible fixed assets</i>	<i>255,247</i>		<i>255,247</i>
<i>Fixed assets investments</i>		<i>18,426,971</i>	<i>18,426,971</i>
<i>Net current assets</i>	<i>1,143,224</i>		<i>1,143,224</i>
<i>TOTAL NET ASSETS 31 December 2023</i>	<i>1,398,471</i>	<i>18,426,971</i>	<i>19,825,442</i>

Accounts

THE SINO-BRITISH FELLOWSHIP TRUST
(Charitable Incorporated Organisation)
Registered charity number 1174487

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2023

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

REFERENCE, LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number

The registered charity number is 1174487

Trustees

Mrs A.E. Ely, Chairman of the Trustees
Mr P. J. Ely, BA(Hons), IPFA, Deputy Chairman
Emeritus Professor R.J. Foot, FBA
Professor C. Huang, DM, ScD, FRSB
Sir C. Hum, KCMG
Professor W.W.C. Luk, FREng, CEng, CITP, FBCS, MIET, FIEEE
Mrs L. Thompson, OBE
Dr F. Wood

Honorary Advisors

Lady P. Youde, OBE
Emeritus Professor H.D.R Baker, BA, PhD

Office

23 Bede House
Manor Fields
Putney Heath
London SW15 3LT

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Investment Advisers

CCLA Investment Management Ltd
Senator House,
85 Queen Victoria Street
London EC4V 4ET

Investment Custodian

HSBC Securities Services
8 Canada Square
Canary Wharf, London
E14 5HQ

Auditor

Hodson & Co
Wiston House
1 Wiston Avenue
Worthing, West Sussex
BN14 7QL

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

The Trustees present their report along with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the CIO's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2019).

OBJECTIVES

The CIO gives grants from its income each year in furtherance of the Objects stated below;

In advancing education and training in any subject:

- (a) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in Britain to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in China;
- (b) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in China to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in Britain;
- (c) by promoting the study of Chinese languages and
- (d) by enabling students and academic staff to participate in joint Chinese/British educational programmes and courses, including academic and other educational exchanges between Hong Kong and China.

SIGNIFICANT ACTIVITIES

Annual grants to Institutions amounted to £343,365 (2022 £263,000) and individual grants of £127,801 (2022 £56,967) were awarded during the year.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

PUBLIC BENEFIT

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 in determining the activities undertaken by the CIO.

The CIO seeks to advance education (a statutory charitable purpose under the Charities Act 2011) through support for academic research exchanges between the UK and China. The public benefits of academic research are well recognised. The CIO supports researchers in a wide range of fields, in the sciences, social sciences, humanities and the arts. While the Covid-19 pandemic had severely limited the ability of organisations to make use of SBFT grants, increasing opportunities for travel in 2023 saw a recovery in grant usage.

Grants given during the year supported researchers across a wide range of academic fields. Examples are:

Funding to support art and museum curators take part in research projects at British institutions, for example the British Museum's International Training Programme.

Funding to enable researchers in the humanities and social sciences from British Universities to conduct field work in China, with the aim of publication in academic journals and through conferences.

Funding to support joint scientific academic research projects for UK and Chinese researchers, for example through the Royal Society's International Exchange Scheme; projects focusing on climate change are prioritised.

Funding to support a joint programme between UK and Chinese academics on the development of primary health care in China.

Funding to support academics in the study of Chinese languages, to enhance their research work.

GRANT MAKING POLICY

Grants are made each year to educational and public research institutions for awards to individual academics and postgraduate students, over a wide range of subject areas, for travel between the UK and China and related living costs. The individuals are selected by the institutions to comply with the Objects and Terms of Reference of the CIO, and the Trustees receive reports from the institutions to confirm compliance. If funds are available the CIO may make grants directly to individual academics for such research visits.

Although recovery from the pandemic continues, the world situation, and changing political situation in China, continue to present challenges. The Trustees are conducting a review of grant policy to ensure the charitable purpose of the CIO is fulfilled through the grants given.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

ACHIEVEMENTS AND PERFORMANCE

Although not yet fully recovered to pre-pandemic levels, more institutions were able to make use of their grants. Hong Kong Universities were supported in developing their links with UK universities, and UK institutions were supported in joint research projects with Chinese institutions and research visits to China.

The SBFT website continues to prove successful in increasing awareness of SBFT's work. The Trustees awarded an unusually high number of individual grants in 2023, to make use of some of the funds which could not be used during the exceptional circumstances of the pandemic.

FINANCIAL REVIEW AND INVESTMENT POLICY

The income of the CIO derives solely from its investments and no appeals are made to the general public or any government agency for funds. Total income for the year to 31 December 2023 amounted to £437,241 (2022 £619,104). The income was lower this year due to a decision by the Trustees at the start of 2023 to move some of the investment income units to Accumulation ones until the demand from institutions for grants returned to pre pandemic levels. This has largely happened now and so for 2024 the accumulation units will be transferred back to income units.

Expenditure on charitable activities amounted to £565,940 (2022 £392,726). The grants awarded were significantly higher this year and have almost recovered to pre-pandemic levels. The net outgoing resources for the General fund were (£128,699) (2022 incoming resources of £226,378). The general reserves decreased to £1,398,471 (2022 £1,527,170)

In accordance with the powers given in the Constitution the Trustees have delegated responsibility for the management of the investment portfolio to CCLA, the investment managers.

The investment policy is to obtain a reasonable long-term overall return at a moderate level of risk. Performance is monitored by the Investment Committee of Mrs A.E. Ely, Mr P.J. Ely, Mrs L. Thompson and Dr F. Wood.

There was still considerable market volatility, but a substantial recovery was recorded over the year. The final value of the endowment fund increased by £1,690,600 to £18,426,971 (2022 £16,736,371). The performance of the investment portfolio (net of fees) was an increase of 12.36% (2022 decreased by 8.67%) compared with the benchmark increase 13.28%. (2022 decrease of 10.12%)

The CIO appointed CCLA Investment Managers Ltd in early 2022. Trustees agreed with the Investment Managers that a 'total return policy' on investments would be appropriate, as this allows the CIO to mitigate the effects of market volatility causing income fluctuations. The long-term target for the fund is to beat inflation net of fees.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

FINANCIAL REVIEW AND INVESTMENT POLICY (continued)

The Trustees have assessed the current financial position of the CIO with reference to current activities, projections and cashflows and resources and have concluded that the CIO is a going concern.

RISK MANAGEMENT

The Trustees are responsible for the CIO's risk management mitigation systems and reviewing procedures. The Trustees have examined the major strategic, business and operational risks which the CIO faces, and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The systems are kept under review throughout the year and are reviewed formally each year by the Finance Committee and Board.

FUTURE PLANS AND CHARITABLE STATUS

Following on from discussions with partner organisations the Trustees are considering a change in wording of the charitable purposes of the CIO. This is to ensure the CIO is able to respond to the impact of political developments in China, and indeed the wider world situation on academic researchers, in such a way as to fulfil its charitable aims.

RESERVES POLICY

The Reserves policy for the CIO has always been to maintain sufficient long-term Capital such that the investment income from that Capital provides sufficient income for the general reserves to fund the grants and overheads of the Charity. The Trustees have agreed that a prudent level of free reserves would be 100% of the likely grants and overheads for the next 12 months. A minimum level of free reserves would be 50% of the grants and overheads for the next 12 months.

The free reserves of the CIO at 31 December 2023 were £1,143,224 (2022 £1,266,182). The reserves have been greatly affected by reduced grant giving during the pandemic, but the objective is to manage a steady reduction in the reserves to the prudent level. The Trustees are of the opinion that, with the continuing volatility in the UK and world economies, it is reassuring to have higher than expected free reserves. This should enable the CIO to manage with confidence any unforeseen financial difficulties caused by market instability.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sino-British Fellowship Trust is a Charitable Incorporated Organisation (CIO) registered on 4th September 2017. The registered charity number is 1174487. The CIO was set up to take over the work of the charity of the same name (registered charity number 313669). The assets of the former charity were transferred to the CIO on 1st April 2018 and the former charity is now entered on the Register of Merged Charities.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

The Trustees are set out on page 1. Trustees are appointed by the existing Trustees and serve for a period of five years after which period they may put themselves up for re-appointment. The Trustees meet at least twice a year to agree on the award of grants and to discuss the aims of the CIO.

The day-to-day management of the CIO has been delegated to Mrs A. E. Ely and Mr P. J. Ely. The CIO also has committees that are delegated the responsibility for overseeing and monitoring key areas of activity within the organisation and reporting to the Board of Trustees. In the opinion of the Trustees, the operations of the CIO in the past 12 months in reviewing and approving grant applications are in accordance with its objects.

TRUSTEE RECRUITMENT AND TRAINING

The Board of Trustees consists of at least five members who, as charity Trustees, have the legal responsibility for the effective use of the CIO's resources in accordance with the Objects and Terms of Reference of the CIO. Trustees are not remunerated but reasonable expenses are paid.

The CIO does not have an active policy to recruit new Trustees, but approaches peoples known to have an interest in related activities or who have worked for Institutions the CIO has supported with grants.

Every prospective Trustee is provided with information about the CIO's constitution, policies and activities together with information on the Charity Commission guidance. Trustees are offered the opportunity to attend further training courses should they wish to do so.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year. In preparing these financial statements the Trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
5. prepare financial statements on the going concern basis unless it is inappropriate to assume that the CIO will be able to continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the CIO's constitution. They are also responsible for safeguarding the assets of the CIO 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 corporate and financial information included on the CIO's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the Auditor

Each Trustee has taken steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the CIO's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Trustees on 27 June 2024 and signed on their behalf by:

P Ely

Trustee

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2023

Opinion

We have audited the financial statements of Sino-British Fellowship Trust (the CIO) for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the CIO's affairs as at 31st December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO'S ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the Trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the CIO and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the CIO'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 CIO or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, section 144 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

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 auditor's 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.

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

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:

- Obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

THE SINO-BRITISH FELLOWSHIP TRUST

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed Hodson & Co, Statutory Auditor

Date: 27 June 2024

Hodson & Co
Wiston House
1 Wiston Avenue
Worthing, West Sussex
BN14 7QL

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023**

STATEMENT OF FINANCIAL ACTIVITIES

	General Fund	Expendable Endowment Fund	December 2023	<i>December 2022</i>
	£	£	Total £	<i>Total £</i>
INCOME AND ENDOWMENTS				
Income from investments (Note 3a)	400,306		400,306	<i>610,807</i>
Interest	36,935		36,935	<i>8,297</i>
TOTAL INCOME	437,241		437,241	<i>619,104</i>
EXPENDITURE				
Costs of raising funds				
Investment management fee (Note 2a)		175,258	175,258	<i>181,862</i>
Expenditure on Charitable Activities (Note 5)				
Grants to British academics for study visits to China – object (a)	66,795		66,795	<i>111,324</i>
Grants to Chinese academics for study visits to Great Britain – object (b)	378,592		378,592	<i>162,798</i>
Promotion of Chinese language studies – object (c)	14,414		14,414	<i>9,366</i>
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	106,139		106,139	<i>109,238</i>
TOTAL EXPENDITURE	565,940	175,258	741,198	<i>574,588</i>
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	(128,699)	(175,258)	(303,957)	<i>44,516</i>
Net investment gains/(losses):		1,865,858	1,865,858	<i>(1,407,413)</i>
NET INCOME/(EXPENDITURE)	(128,699)	1,690,600	1,561,901	<i>(1,362,897)</i>
Transfer between funds				
NET MOVEMENT IN THE FUNDS FOR THE YEAR	(128,699)	1,690,600	1,561,901	<i>(1,362,897)</i>

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)**

	General Fund	Expendable Endowment Fund	December 2023	<i>December 2022</i>
RECONCILIATION OF FUNDS				
NET MOVEMENT IN THE FUNDS FOR THE YEAR	(128,699)	1,690,600	1,561,901	<i>(1,362,897)</i>
Funds Brought Forward At 1st January 2023	1,527,170	16,736,371	18,263,541	<i>19,626,438</i>
FUNDS CARRIED FORWARD 31 DECEMBER 2023	1,398,471	18,426,971	19,825,442	<i>18,263,541</i>
Represented by:				
Tangible fixed assets	255,247		255,247	<i>260,988</i>
Fixed assets investments		18,426,971	18,426,971	<i>16,736,371</i>
Net current assets	1,143,224		1,143,224	<i>1,266,182</i>
TOTAL NET ASSETS 31 December 2023	1,398,471	18,426,971	19,825,442	<i>18,263,541</i>

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2023

	December 2023 £	December 2023 £	December 2022 £
FIXED ASSETS			
Tangible Assets (Note 2b)			
Leasehold property		252,573	257,728
Furnishings		1,373	1,526
Computer Equipment		1,301	1,734
Total Fixed Assets		255,247	260,988
Investments (Note 2a)		18,426,971	16,736,371
CURRENT ASSETS			
Debtors, prepayments and accrued income	29,225		9,903
Income due from broker	100,917		126,611
Cash at bank and in hand	1,109,034		1,244,142
Total Current Assets	1,239,176		1,380,656
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year			
Grants payable	87,300		106,300
Other creditors and accruals	8,652		8,174
Total Current Liabilities	95,952		114,474
Net current assets		1,143,224	1,266,182
NET ASSETS		19,825,442	18,263,541
THE FUNDS OF THE CHARITY (Note 1b)			
Expendable Endowment (note 2a)		18,426,971	16,736,371
General fund		1,398,471	1,527,170
TOTAL CHARITY FUNDS		19,825,442	18,263,541

Approved by the Trustees on 27 June 2024 and signed on their behalf

P Ely
Trustee

Christopher Hum
Trustee

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

Statement of Cash Flows

	2023	<i>2022</i>
Note 7	£	£
Cashflows from operating activities	(572,349)	<i>(506,550)</i>
Cashflows from investing activities		
Investment income	437,241	<i>619,104</i>
Rebate of fees	17,235	<i>8,721</i>
Purchase of fixed assets	0	<i>(1,072)</i>
Proceeds from sale of investments	3,463,064	<i>18,718,190</i>
Purchase of investments	(3,480,299)	<i>(19,422,047)</i>
Net cash provided by investing activities	437,241	<i>(77,104)</i>
 Note 8		
Change in cash and cash equivalents in the period	(135,108)	<i>(583,654)</i>
 Cash and cash equivalents at 1 January 2023	1,244,142	<i>1,827,796</i>
 Cash and cash equivalents at 31st December 2023	1,109,034	<i>1,244,142</i>

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

The Sino British Fellowship Trust is a Charitable Incorporated Organisation which is registered with the Charity Commission in England and Wales Number 1174487.

1. ACCOUNTING POLICIES

a) Basis of preparing the financial statements

The financial statements of the Charitable Incorporated Organisation, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The Financial statements are prepared in sterling, which is the functional currency, and rounded to the nearest pound.

b) Fund Accounting

The expendable endowment fund represents the charity's investments. The fund includes cash held by the CIO's brokers, who have a discretionary management agreement. Investment gains, losses and management fees are included in the expendable endowment fund.

c) Income recognition

Investment income and interest are recognised under the accruals concept. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the bank. The dividend is notified by the brokers each quarter and received in the following quarter.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the CIO to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Resources expended are recognised under the accruals concept. Support costs represent the expenditure incurred in making and controlling grant awards. Governance costs represent the other expenditure associated with the constitutional and statutory requirements of the CIO.

e) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

f) Taxation

The CIO is exempt from tax on its charitable activities. The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable entity for UK Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

g) Depreciation

Tangible fixed assets above a value of £500 are capitalised and are depreciated over their estimated useful life at the following rates:-

Leasehold property	2%	on reducing balance
Furnishings	10%	on reducing balance
Equipment	25%	on reducing balance

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)

1. ACCOUNTING POLICIES (Continued)

h) Critical accounting judgements and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See accounting policy note (above) for useful economic lives for each class of assets.

i) Fixed asset Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as either gains or losses on the face of the Statement of Financial Activities.

The main form of financial risk faced by the CIO is that of volatility in investment markets.

j) Costs of raising funds

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

k) Charitable activities

Expenditure on charitable activities includes grants made, together with governance costs and support costs apportioned pro rata to the grants awarded, as shown in note 5.

l) Grants

Grants to institutions are recognised in the Statement of Financial Activities in the year in which the conditions have been fulfilled which apply to each grant.

Grants to institutions which have been agreed in principle but whose conditions have not yet been fulfilled are not recognised.

Grants to individuals are recognised in the Statement of Financial Activities in the year in which the commitment is made and the conditions have been met.

Grants whose conditions have been fulfilled, but which have not yet been paid are recognised as a liability in the balance sheet.

The CIO reserves the right not to pay a grant if funds are not available.

m) Going concern

The finance statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the levels of reserves for the charity to be able to continue as a going concern.

n) Basic financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)**

2(a). FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	Units Income	Units Accumulation	December 2023 £	December 2022 £
Market value at 31 December 2022	922,149		16,736,371	17,613,957
Additions to investments at cost			0	19,422,047
Income units : fees rebated	793		14,875	0
Accumulation units : fees rebated		10	2,360	0
Disposals of investments			0	(18,718,190)
Disposals (transfers to accumulation units)	-187,935		(3,463,064)	0
Additions (Transfer from Income units)		15,477	3,463,064	0
Net gains /losses			1,865,858	(1,407,413)
Fees rebated			(17,235)	(8,721)
Net Management fees			(175,258)	(165,309)
Market value as at 31 December 2023	735,007	15,487	18,426,971	16,736,371

Expendable Endowment Fund

18,426,971

16,736,371

Investments at market value comprised:

		December 2023 £	December 2022 £
Fixed Income Funds		0	0
Equity Mutual Funds		0	0
Equities		0	0
Other		0	0
COIF Charities investment fund : income units	735,007	14,586,218	16,736,371
COIF Charities investment fund : accumulation units		15,487	0
		18,426,971	16,736,371

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)**

2(b). TANGIBLE FIXED ASSETS

**TANGIBLE FIXED
ASSETS**

	Leasehold Property	Furnishings	Computer Equipment	Total
	£	£	£	£
Cost:				
At 31 December 2022	285,280	2,514	2,456	290,250
Additions during the period	0	0	0	0
	285,280	2,514	2,456	290,250
Depreciation:				
At 31 December 2022	27,552	988	722	29,262
Charge for the period	5,155	153	433	5,741
	32,707	1,141	1,155	35,003
Net book value:				
At 31 December 2023	252,573	1,373	1,301	255,247
Net book value				
At 31 December 2022	257,728	1,526	1,734	260,988

The leasehold property was brought in at a net value of £285,280 from the former charity whose work the CIO took over. The original cost in 2005 was £388,138.

The leasehold property is situated at 23 Bede House, Manor Fields, London, SW15 3LT and includes garage number 144. Both are held on a 999 year lease from 1 April 1984.

All assets are held for the use of charitable purposes.

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)**

3. INVESTMENTS

	December 2023	<i>December 2022</i>
3 (a) Investment income is analysed as follows:	£	£
Fixed Income funds	0	23,510
Equity Mutual Funds	0	44,124
Equities	0	30,471
Other	0	16,639
COIF Charities investment fund income units	<u>400,306</u>	<u>496,063</u>
	<u>400,306</u>	<u>610,807</u>

3 (b) Investments where the market values are considered to be material are:

	Number of Shares/Units 2023	<i>Number of Shares/Units 2022</i>	December 2023	<i>December 2022</i>
All investments are now held with CCLA in the following pooled funds				
COIF Charities investment fund : Income units	735,007	922,150	14,586,218	16,736,371
COIF Charities investment fund : Accumulation units	15,487	0	<u>3,840,753</u>	<u>0</u>
			<u>18,426,971</u>	<u>16,736,371</u>

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)**

4. GOVERNANCE AND SUPPORT COSTS

Governance and Support costs

Support costs

	December 2023	<i>December 2022</i>
	£	<i>£</i>
Secretarial, financial and clerical assistance	35,651	26,374
Establishment expenses	17,004	16,039
Stationery, telephone, computer and website	1,931	1,660
General expenses	1,779	1,144
AGM and student liaison costs	7,664	3,225
Depreciation	5,741	5,650
	<u>69,770</u>	<i><u>54,092</u></i>

Governance Costs

	December 2023	<i>December 2022</i>
	£	<i>£</i>
Professional fees	440	0
Accountancy fees	11,637	10,754
Audit fees	4,485	4,440
Legal fees	5,773	2,360
Trustees and other travel costs	491	498
Bank charges and interest	2,178	615
	<u>25,004</u>	<i><u>18,667</u></i>

As stated in Note 1(d) support costs represent an apportionment of costs spent in making and controlling grant awards and governance costs are the costs associated with constitutional and statutory requirements of the CIO. The Trustees consider that the following costs are a reasonable allocation under this heading.

Total support and governance costs are apportioned pro rata to the grants awarded as shown in note 5.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)

5. CHARITABLE ACTIVITIES

	Grants	Support and Governance Costs	December 2023 Total	December 2022
	£	£	£	£
Grants to British academics for study visits to China – object (a)				
UK Institutions:				
British Academy	0	0	0	54,005
Universities China Committee London	28,000	5,632	33,632	38,049
Individuals (10)	27,609	5,554	33,163	19,270
	<u>55,609</u>	<u>11,186</u>	<u>66,795</u>	<u>111,324</u>
Grants to Chinese academics for study visits to Great Britain – object (b)				
UK institutions:				
British Museum	14,000	2,816	16,816	0
China Kadoorie Biobank	0	0	0	0
Great Britain China Educational Trust	44,000	8,851	52,851	58,915
Kingston University	15,000	3,017	18,017	0
School of Oriental and African Studies	15,000	3,017	18,017	18,411
St Anthony's College, Oxford	15,000	3,017	18,017	
Universities China Committee London	2,000	402	2,402	
Overseas Institutions:				
Chinese University of Hong Kong	20,000	4,023	24,023	
Hong Kong University	30,000	6,035	36,035	36,822
China Scholarship Council	61,000	12,270	73,270	
Individuals (7)	99,192	19,952	119,144	48,650
	<u>315,192</u>	<u>63,400</u>	<u>378,592</u>	<u>162,798</u>

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)

5. CHARITABLE ACTIVITIES (continued)

	Grants	Support and governance costs	December 2023	December 2022
	£	£	Total £	£
Promotion of Chinese language studies – object (c)				
UK Institutions				
Great Britain China Educational Trust	6,000	1,207	7,207	2,455
Universities China Committee London	5,000	1006	6,006	4,910
Individuals (1)	1,000	201	1,201	2,001
	<u>12,000</u>	<u>2,414</u>	<u>14,414</u>	<u>9,366</u>
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)				
UK Institutions				
Royal Society	88,365	17,774	106,139	109,238
	<u>88,365</u>	<u>17,774</u>	<u>106,139</u>	<u>109,238</u>
TOTAL GRANTS FOR YEAR	<u>471,166</u>	<u>94,774</u>	<u>565,940</u>	<u>392,726</u>

There were 17 (2022: 8) grants to individuals during the year.

The CIO has agreed spending of £435,282 (2022: £488,012) in respect of grants expected to be fulfilled within the following year and £239,330 (2022: £465,407) in more than one year. Most grants are agreed on a 3 year basis with an annual payment made each year on the fulfilment of specific conditions and many long established grants are renewed after the 3 year period has expired.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)

6. STAFF COSTS

	December 2023	December 2022
	£	£
Salaries and Wages	34,819	25,614
Employer pension contributions	832	759
	<u>35,651</u>	<u>26,373</u>

2 members of staff have been employed through the year (2022 1). No trustees have been employed during the year. No employee received emoluments of more than £60,000 during the year.

CASHFLOW STATEMENT

Note 7

	December 2023	December 2022
	£	£
Net income/ (expenditure) for the period to 31st December 2023	1,561,901	(1,362,897)
Adjustments for:		
Depreciation charges	5,741	5,650
(Gains)/losses on investments	(1,865,858)	1,407,413
Investment income and interest received	(437,241)	(619,104)
Net management fees	175,258	165,309
(Increase) /Decrease in Income due from Broker	25,694	(126,611)
(Increase)/decrease in debtors	(19,322)	(6,300)
Increase/(decrease) in creditors	(18,522)	29,990
	<u>(572,349)</u>	<u>(506,550)</u>
Net cash provided/(used) operating activities		

Note 8

	December 2023	December 2022
Analysis of cash and cash equivalents		
Cash held as part of investment portfolio	0	0
Cash at bank and in hand	1,109,034	1,244,142
Total cash and cash equivalents	<u>1,109,034</u>	<u>1,244,142</u>

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)

9. TRUSTEES

The Trustees are the key management personnel of the charity and did not receive any remuneration or benefit in kind for this year (2022: Nil). Travelling expenses of £ 410 (2022 £498) for relevant charitable activities were paid as necessary to 3 Trustees (2022 – 2 Trustees).

10. RELATED PARTIES

During the year grants of £50,000 (2022 £50,000) were paid to the Great Britain China Educational Trust. This institution has a Trustee in common with the charity. The grant is reviewed annually and have been approved unanimously at Trustees meetings.

The furnishings in Bede House were donated to the former Charity in 2005 by the Elizabeth Frankland Moore Foundation and the foundation has a Trustee in common with the Charity.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	General Fund	Expendable Endowment Fund	December 2022
	£	£	Total £
INCOME AND ENDOWMENTS			
Income from investments (Note 3)	610,807		610,807
Interest	8,297		8,297
TOTAL INCOME	619,104		619,104
EXPENDITURE			
Costs of raising funds			
Investment management fee (Note 1j)		181,862	181,862
Expenditure on Charitable Activities (Note 5)			
Grants to British academics for study visits to China – object (a)	111,324		111,324
Grants to Chinese academics for study visits to Great Britain – object (b)	162,798		162,798
Promotion of Chinese language studies – object (c)	9,366		9,366
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	109,238		109,238
TOTAL EXPENDITURE	392,726	181,862	574,588

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (Continued)**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (continued)

	General Fund	Expendable Endowment Fund	December 2022 Total
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	226,378	(181,862)	44,516
Net investment gains/(losses):		(1,407,413)	(1,407,413)
 NET INCOME/(EXPENDITURE)	226,378	(1,589,275)	(1,362,897)
Transfer between funds (Euro adjustment)	43	(43)	
 NET MOVEMENT IN THE FUNDS FOR THE YEAR	226,421	(1,589,318)	(1,362,897)
 RECONCILIATION OF FUNDS			
 NET MOVEMENT IN THE FUNDS FOR THE YEAR	226,421	(1,589,318)	(1,362,897)
 Funds Brought Forward At 1st January 2022	1,300,749	18,325,689	19,626,438
 FUNDS CARRIED FORWARD 31 DECEMBER 2022	1,527,170	16,736,371	18,263,541
Represented by:			
Tangible fixed assets	260,988		260,988
Fixed assets investments		16,736,371	16,736,371
Net current assets	1,266,182		1,266,182
 TOTAL NET ASSETS 31 December 2022	1,527,170	16,736,371	18,263,541

Accounts

THE SINO-BRITISH FELLOWSHIP TRUST
(Charitable Incorporated Organisation)
Registered Charity Number 1174487

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2022

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE, LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs A.E. Ely, Chairman of the Trustees
Mr P. J. Ely, BA(Hons), IPFA, Deputy Chairman
Emeritus Professor R.J. Foot, FBA
Professor C. Huang, DM, ScD, FRSB
Sir C. Hum, KCMG
Professor W.W.C. Luk, FEng, CEng, CIP, FBCS, MIET, FIEEE
Mrs L. Thompson, OBE
Dr F. Wood

Honorary Advisors

Lady P. Youde, OBE
Emeritus Professor H.D.R Baker, BA, PhD

Office

23 Bede House
Manor Fields
Putney Heath
London SW15 3LT

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Investment Advisers

CCLA Investment Management Ltd
Senator House,
85 Queen Victoria Street
London EC4V 4ET

Investment Custodian

HSBC Securities Services
8 Canada Square
Canary Wharf, London
E14 5HQ

Auditor

Chariot House Ltd
Chartered Accountants
44 Grand Parade
Brighton
BN2 9QA

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

The Trustees present their report along with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the CIO's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2019).

OBJECTIVES

The CIO gives grants from its income each year in furtherance of the Objects stated below;

In advancing education and training in any subject:

- (a) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in Britain to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in China;
- (b) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in China to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in Britain;
- (c) by promoting the study of Chinese languages and
- (d) by enabling students and academic staff to participate in joint Chinese/British educational programmes and courses, including academic and other educational exchanges between Hong Kong and China.

SIGNIFICANT ACTIVITIES

Annual grants to Institutions amounted to £263,000 (2021 £112,960) and individual grants of £56,967 (2021 £21,171) were awarded during the year.

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

PUBLIC BENEFIT

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 in determining the activities undertaken by the CIO.

The CIO seeks to advance education (a statutory charitable purpose under the Charities Act 2011) through support for academic research exchanges between the UK and China. The public benefits of academic research are well recognised. The CIO supports researchers in a wide range of fields, in the sciences, social sciences, humanities and the arts. In 2022 travel between the UK and China continued to be disrupted by Covid 19 restrictions.

Grants given during the year supported academics in continuing their research work. Examples were:

Funding to enable doctoral researchers from British Universities to conduct field work in China when they were able to travel; this supported them in completing their research, with the aim of publication in academic journals and through conferences.

Funding to support doctoral researchers from China, already studying in the UK, to enable them to complete their research work, with the aim of publication as above.

Funding to enable researchers in China to take part in projects with British institutions. There is some evidence that easing of travel restrictions has enabled researchers to plan with more confidence;

Funding to support academics in the study of Chinese minority languages (awarded from the Katherine Whitaker Bequest)

GRANT MAKING POLICY

The CIO receives applications for grants from individuals and also makes annual grants to institutions. If the applications are within the CIO's Objects and Terms of Reference, grants are awarded provided funds are available. The institutions supply details of the awards made from their annual grants and the trustees ensure these comply with the Objects and Terms of Reference for individual applications.

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

ACHIEVEMENTS AND PERFORMANCE

Travel restrictions imposed because of Covid-19 continued to have a severe impact on grants to organisations in 2022, although there were some encouraging signs for the future. The CIO Trustees met with its beneficiary organisations during the year to discuss opportunities for funding and 2 grant agreements have been altered to respond to the new situation.

The SBFT website, now in its second year, has again proved successful. More enquiries were received which resulted in an increase in individual grants.

FINANCIAL REVIEW AND INVESTMENT POLICY

The income of the CIO derives solely from its investments and no appeals are made to the general public or any government agency for funds. Total income for the year to 31 December 2022 amounted to £619,104 (2021 £418,580). The reason the income was higher this year was because 4 full quarters of income from the new pooled fund, managed by CCLA (our new investment managers) were received along with some residual income from the old managers.

Expenditure on charitable activities amounted to £392,726 (2021 £204,204) The grants awarded were higher this year but still not up to pre-pandemic levels due to continuing difficulties of travel. The net incoming resources for the Unrestricted fund were £226,378 (2021 £214,376). The general reserves increased to £1,527,170 from £1,300,749 at the end of the previous year.

In accordance with the powers given in the Constitution the Trustees have delegated responsibility for the management of the investment portfolio to CCLA, the investment managers.

The investment policy is to obtain a reasonable long-term overall return at a moderate level of risk. Performance is monitored by the Investment Committee of Mrs A.E. Ely, Mr P.J. Ely, Mrs L. Thompson and Dr F. Wood. The invasion of Ukraine exacerbated market volatility and contributed to a big rise in inflation. The final value of the endowment fund decreased by £1,589,318 to £16,736,371 (2021 £18,325,689). The performance of the investment portfolio (net of fees) was a decrease of 8.67% (2021 increased by 8.77%) compared with the benchmark decrease of 10.12 %. The UK CPI (UK inflation) for the same year was an increase of 10.51%.

As a result of the 2021 Investment Review, the CIO changed managers in the first quarter of 2022 from HSBC Private Bank (UK) Ltd to CCLA Investment Managers Ltd. As part of the review the Trustees agreed with the Investment Managers that a 'total return policy' on investments would be appropriate, as this allows the CIO to mitigate the effects of market volatility causing income fluctuations. The long term target for the fund is to beat inflation net of fees.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

RISK MANAGEMENT

The Trustees are responsible for the CIO's risk management mitigation systems and reviewing procedures. The Trustees have examined the major strategic, business and operational risks which the CIO faces, and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The systems are kept under review throughout the year and are reviewed formally each year by the Finance Committee and Board.

FUTURE PLANS AND CHARITABLE STATUS

The global situation changed significantly during the year because of the continuation of the Covid pandemic and major geopolitical events, and political developments in China were also relevant to the CIO's work. Discussions this year with partner organisations have already resulted in some changes to agreements within the existing charitable purposes, and the Trustees are considering whether the wording of the charitable purposes need to change in response to those discussions.

RESERVES POLICY

The Reserves policy for the CIO has always been to maintain sufficient long-term Capital such that the investment income from that Capital provides sufficient income for the general reserves to fund the grants and overheads of the Charity. The Trustees have agreed that a prudent level of free reserves would be 100% of the likely grants and overheads for the next 12 months. A minimum level of free reserves would be 50% of the grants and overheads for the next 12 months. The current economic state of the UK and the world is very volatile with economic forecasts of increasing interest rates, high inflation, and a serious cost of living crisis. While new opportunities for grant giving are being pursued, the Trustees are of the opinion that it is comforting in these uncertain times to have higher than expected free reserves. This should enable the CIO to flourish over the next few years with the ability to ride out the current economic problems and manage with confidence any unforeseen financial difficulties.

The free reserves of the CIO at 31 December 2022 were £1,266,182 (2021 £1,035,183). The reserves have been greatly affected by reduced grant giving during the pandemic, but the objective is to reduce the reserves to the prudent level.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sino-British Fellowship Trust is a Charitable Incorporated Organisation (CIO) registered on 4th September 2017. The registered charity number is 1174487. The CIO was set up to take over the work of the charity of the same name (registered charity number 313669). The assets of the former charity were transferred to the CIO on 1st April 2018 and the former charity is now entered on the Register of Merged Charities.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

The Trustees are set out on page 1. Trustees are appointed by the existing Trustees and serve for a period of five years after which period they may put themselves up for re-appointment. The Trustees meet at least twice a year to agree on the award of grants and to discuss the aims of the CIO. At the meeting on 30th January 2023 Professor Christopher Huang was appointed as a Trustee.

The day-to-day management of the CIO has been delegated to Mrs A. E. Ely and Mr P. J. Ely. The CIO also has committees that are delegated the responsibility for overseeing and monitoring key areas of activity within the organisation and reporting to the Board of Trustees. In the opinion of the Trustees, the operations of the CIO in the past 12 months in reviewing and approving grant applications are in accordance with its objects.

TRUSTEE RECRUITMENT AND TRAINING

The Board of Trustees consists of at least five members who, as charity Trustees, have the legal responsibility for the effective use of the CIO's resources in accordance with the Objects and Terms of Reference of the CIO. Trustees are not remunerated but reasonable expenses are paid.

The CIO does not have an active policy to recruit new Trustees, but approaches peoples known to have an interest in related activities or who have worked for Institutions the CIO has supported with grants.

Every prospective Trustee is provided with information about the CIO's constitution, policies and activities together with information on the Charity Commission guidance. Trustees are offered the opportunity to attend further training courses should they wish to do so.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year. In preparing these financial statements the Trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
5. prepare financial statements on the going concern basis unless it is inappropriate to assume that the CIO will be able to continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the CIO's constitution. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 29 June 2023 and signed on their behalf by:

Mrs A.E. ELY Chairman

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2022

Opinion

We have audited the financial statements of Sino-British Fellowship Trust (the CIO) for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the CIO's affairs as at 31st December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO'S ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is material misstatement in 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 in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the CIO and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report;
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the CIO'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 CIO or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, section 144 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

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 charity and its activities, and through discussion with the Trustees and management, we identified the principal risks and considered the extent to which these would have a material impact on the financial statements. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale.

We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

We also:

- discussed and reviewed the charity's business model and forward planning to assess going concern.
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculating items such as depreciation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE SINO-BRITISH FELLOWSHIP TRUST

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE SINO-BRITISH FELLOWSHIP TRUST FOR THE YEAR ENDED 31ST DECEMBER 2022
(continued)**

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed Chariot House Ltd

Date: 6 July 2023
Chariot House Ltd
Chartered Accountants
44 Grand Parade
Brighton
BN2 9QA

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

**STATEMENT OF FINANCIAL ACTIVITIES
(including the income and expenditure
account)**

	Unrestricted Fund	Expendable Endowment Fund	December 2022	<i>December 2021</i>
	£	£	Total £	<i>Total £</i>
INCOME AND ENDOWMENTS				
Income from investments (Note 3)	610,807		610,807	<i>418,486</i>
Interest	8,297		8,297	<i>94</i>
TOTAL INCOME	619,104		619,104	<i>418,580</i>
EXPENDITURE				
Costs of raising funds				
Investment management fee (Note 1j)		181,862	181,862	<i>82,101</i>
Expenditure on Charitable Activities (Note 5)				
Grants to British academics for study visits to China – object (a)	111,324		111,324	<i>65,846</i>
Grants to Chinese academics for study visits to Great Britain – object (b)	162,798		162,798	<i>127,701</i>
Promotion of Chinese language studies – object (c)	9,366		9,366	<i>10,657</i>
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	109,238		109,238	<i>0</i>
TOTAL EXPENDITURE	392,726	181,862	574,588	<i>286,305</i>
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	226,378	(181,862)	44,516	<i>132,275</i>
Net investment gains/(losses):		(1,407,413)	(1,407,413)	<i>1,560,031</i>
NET INCOME/(EXPENDITURE)	226,378	(1,589,275)	(1,362,897)	<i>1,692,306</i>
Transfer between funds (Euro adjustment)	43	(43)		<i>-</i>
NET MOVEMENT IN THE FUNDS FOR THE YEAR	226,421	(1,589,318)	(1,362,897)	<i>1,692,306</i>

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)**

	Unrestricted Fund	Expendable Endowment Fund	December 2022	<i>December 2021</i>
RECONCILIATION OF FUNDS				
NET MOVEMENT IN THE FUNDS FOR THE YEAR	226,421	(1,589,318)	(1,362,897)	<i>1,692,306</i>
Funds Brought Forward At 1st January 2022	1,300,749	18,325,689	19,626,438	<i>17,934,132</i>
FUNDS CARRIED FORWARD 31 DECEMBER 2022	1,527,170	16,736,371	18,263,541	<i>19,626,438</i>
Represented by:				
Tangible fixed assets	260,988		260,988	<i>265,566</i>
Fixed assets investments		16,736,371	16,736,371	<i>17,613,957</i>
Net current assets	1,266,182		1,266,182	<i>1,746,915</i>
TOTAL NET ASSETS 31 December 2022	1,527,170	16,736,371	18,263,541	<i>19,626,438</i>

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2022

	December 2022 £	December 2022 £	<i>December 2021 £</i>
FIXED ASSETS			
Tangible Assets (Note 2b)			
Leasehold property		257,728	262,987
Furnishings		1,526	1,696
Computer Equipment		1,734	883
Total Fixed Assets		260,988	265,566
Investments (Note 2a)		16,736,371	17,613,957
CURRENT ASSETS			
Debtors, prepayments and accrued income	9,903		3,603
Income due from broker	126,611		10,227
Investment cash held by broker (Note 2a)	0		732,199
Cash at bank and in hand	1,244,142		1,085,370
Total Current Assets	1,380,656		1,831,399
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year			
Grants payable	106,300		56,300
Other creditors and accruals	8,174		28,184
Total Current Liabilities	114,474		84,484
Net current assets		1,266,182	1,746,915
NET ASSETS		18,263,541	19,626,438
THE FUNDS OF THE CHARITY (Note 1b)			
Expendable Endowment (note 2a)		16,736,371	18,325,689
General fund		1,527,170	1,300,749
TOTAL CHARITY FUNDS		18,263,541	19,626,438

Approved by the Trustees on 29 June 2023 and signed on their behalf

	)	
A E Ely	)	
	)	Trustees
P Ely	)	
	)	

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Statement of Cash Flows

	2022	2021
Note 7	£	£
Cashflows from operating activities	(506,550)	(280,872)
Cashflows from investing activities		
Investment income	619,104	418,580
Rebate of fees	8,721	
Purchase of fixed assets	(1,072)	(1,000)
Proceeds from sale of investments	18,718,190	8,868,481
Nil paid rights issue		4,521
Purchase of investments	(19,422,047)	(8,163,600)
Net cash provided by investing activities	(77,104)	1,126,982
 Note 8		
Change in cash and cash equivalents in the year	(583,654)	846,110
 Cash and cash equivalents at 1 January 2022	1,827,796	981,686
 Cash and cash equivalents at 31st December 2022	1,244,142	1,827,796

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

The Sino British Fellowship Trust is a Charitable Incorporated Organisation which is registered with the Charity Commission in England and Wales Number 1174487.

1. ACCOUNTING POLICIES

a) Basis of preparing the financial statements

The financial statements of the Charitable Incorporated Organisation, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'. The financial statements have been prepared under the historical cost convention.

b) Fund Accounting

The expendable endowment fund represents the charity's investments. The fund includes cash held by the CIO's brokers, who have a discretionary management agreement. Investment gains, losses and management fees are included in the expendable endowment fund.

c) Income recognition

Investment income and interest are recognised under the accruals concept. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the bank. The investment managers changed during the year to CCLA from HSBC and as part of the detailed review of investments it was felt that a 'total return policy' would be appropriate. The dividend is notified by the brokers each quarter and received in the following quarter.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the CIO to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Resources expended are recognised under the accruals concept. Support costs represent the expenditure incurred in making and controlling grant awards. Governance costs represent the other expenditure associated with the constitutional and statutory requirements of the CIO.

e) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

f) Taxation

The CIO is exempt from tax on its charitable activities. The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable entity for UK Tax purposes. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

g) Depreciation

Tangible fixed assets above a value of £500 are capitalised and are depreciated over their estimated useful life at the following rates:-

Leasehold property	2%	on reducing balance
Furnishings	10%	on reducing balance
Equipment	25%	on reducing balance

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

1. ACCOUNTING POLICIES (Continued)

h) Critical accounting judgements and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See accounting policy note (above) for useful economic lives for each class of assets.

i) Fixed asset Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as either gains or losses on the face of the Statement of Financial Activities.

The main form of financial risk faced by the CIO is that of volatility in investment markets.

j) Costs of raising funds

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

k) Charitable activities

Expenditure on charitable activities includes grants made, together with governance costs and support costs apportioned pro rata to the grants awarded, as shown in note 5.

l) Grants

Grants to institutions are recognised in the Statement of Financial Activities in the year in which the conditions have been fulfilled which apply to each grant.

Grants to institutions which have been agreed in principle but whose conditions have not yet been fulfilled are not recognised.

Grants to individuals are recognised in the Statement of Financial Activities in the year in which the commitment is made.

Grants whose conditions have been fulfilled, but which have not yet been paid are recognised as a liability in the balance sheet.

The CIO reserves the right not to pay a grant if funds are not available.

m) Going concern

The finance statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the levels of reserves for the charity to be able to continue as a going concern.

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)**

2(a). FIXED ASSET INVESTMENTS

**Movement in fixed asset listed
investments**

	December 2022 £	<i>December 2021 £</i>
Market value at 31 December 2021	17,613,957	16,763,328
Additions to investments at cost	19,422,047	8,163,600
Disposals of investments	(18,718,190)	(8,868,481)
Rights issue - nil paid SSP		(4,521)
Net gains/(losses)	(1,407,413)	1,560,031
Fees rebated	(8,721)	0
Net Management fees	(165,309)	0
	16,736,371	17,613,957
Market value as at 31 December 2022	16,736,371	17,613,957
Euro adjustment	0	42
Cash held by broker	0	732,199
	16,736,371	18,346,198
Management fee creditor	0	(20,509)
	16,736,371	18,325,689

Expendable Endowment Fund

Investments at market value comprised:

	December 2022 £	<i>December 2021 £</i>
Fixed Income Funds	0	4,330,119
Equity Mutual Funds	0	10,069,865
Equities	0	1,982,586
Other	0	1,231,387
COIF Charity Fund	16,736,371	
	16,736,371	17,613,957

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)**

2(b). TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS

	Leasehold Property	Furnishings	Computer Equipment	Total
	£	£	£	£
Cost:				
At 31 December 2021	285,280	2,514	1,384	289,178
Additions during the year	0	0	1,072	1,072
	285,280	2,514	2,456	290,250
Depreciation:				
At 31 December 2021	22,293	818	501	23,612
Charge for the year	5,259	170	221	5,650
	27,552	988	722	29,262
Net book value:				
At 31 December 2022	257,728	1,526	1,734	260,988
Net book value				
At 31 December 2021	262,987	1,696	883	265,566

The leasehold property was brought in at a net value of £285,280 from the former charity whose work the CIO took over. The original cost in 2005 was £388,138.

The leasehold property is situated at 23 Bede House, Manor Fields, London, SW15 3LT and includes garage number 144. Both are held on a 999 year lease from 1 April 1984.

All assets are held for the use of charitable purposes.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

3. INVESTMENTS

	December 2022	December 2021
	£	£
3 (a) Investment income is analysed as follows:		
Fixed Income Funds	23,510	127,738
Equity Mutual Funds	44,124	167,869
Equities	30,471	89,959
Other	16,639	32,920
COIF Charity Fund	496,063	0
	610,807	418,486

3 (b) Investments where the market values are considered to be material are:

	Number of Shares/Units 2022	Number of Shares 2021	December 2022	December 2021
			£	£
<i>Fixed Income Funds</i>				
HSBC Global Investment Funds – Global Asset-Backed Bond		45,791		448,631
HSBC GIF Global Government Bond		104,133		1,105,164
HSBC Global Investment Funds Emerg Mkts Local Debt Z		94,747		600,467
<i>Equity Mutual Funds</i>				
HSBC Index tracker Inv Fund FTSE all world index		295,387		656,350
HSBC FTSE All Share Index Fund		457,709		1,650,041
HSBC Index Tracker Investment Funds American index		55,574		536,789
HSBC Multi Fac Shares		82,713		911,236
HSBC US MltFA Institutional shares		209,942		1,183,447
Ishares Core MSCI EM IMI		287,161		1,134,046
Ishares IVplcUSA Quality factor		713		922,296
<i>Other</i>				
Charities Property Fund		620,874		807,943
COIF Charity Fund	922,150		16,736,371	

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

4. GOVERNANCE AND SUPPORT COSTS

As stated in Note 1(d) support costs represent an apportionment of costs spent in making and controlling grant awards and governance costs are the costs associated with constitutional and statutory requirements of the CIO. The Trustees consider that the following costs are a reasonable allocation under this heading.

	December 2022	<i>December 2021</i>
	£	<i>£</i>
Secretarial, financial and clerical assistance	26,374	<i>21,219</i>
Establishment expenses	16,039	<i>13,686</i>
Stationery, telephone, computer and website	1,660	<i>2,976</i>
General expenses	1,144	<i>938</i>
AGM and student liaison costs	3,225	<i>231</i>
Depreciation	5,650	<i>5,848</i>
Professional fees for investment review	0	<i>11,880</i>
Accountancy fees	10,754	<i>8,680</i>
Audit fees	4,440	<i>4,200</i>
Legal fees	2,360	<i>0</i>
Trustees travel costs	498	<i>100</i>
Bank charges and interest	615	<i>315</i>
	<u>72,759</u>	<i><u>70,073</u></i>

Total support and governance costs are apportioned pro rata to the grants awarded as shown in note 5.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

5. CHARITABLE ACTIVITIES

	Grants	Support and governance costs	December 2022 Total	December 2021
	£	£	£	£
Grants to British academics for study visits to China – object (a)				
UK Institutions:				
British Academy	44,000	10,005	54,005	0
Universities China Committee London	31,000	7,049	38,049	47,195
Individuals (4)	15,700	3,570	19,270	18,651
	<u>90,700</u>	<u>20,624</u>	<u>111,324</u>	<u>65,846</u>
Grants to Chinese academics for study visits to Great Britain – object (b)				
UK institutions:				
British Museum	0	0	0	18,269
China Kadoorie Biobank	0	0	0	1,462
Great Britain China Educational Trust	48,000	10,915	58,915	71,554
Kingston University	0	0	0	22,836
School of Oriental and African Studies	15,000	3,411	18,411	0
Overseas Institutions:				
Hong Kong University	30,000	6,822	36,822	0
Individuals (3)	39,637	9,013	48,650	13,580
	<u>132,637</u>	<u>30,161</u>	<u>162,798</u>	<u>127,701</u>

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

5. CHARITABLE ACTIVITIES (continued)

	Grants	Support and governance costs	December 2022 Total	December 2021
	£	£	£	£
Promotion of Chinese language studies – object (c)				
UK Institutions				
Great Britain China Educational Trust	2,000	455	2,455	4,567
Universities China Committee London	4,000	910	4,910	6,090
Individuals (1)	1,630	371	2,001	0
	<u>7,630</u>	<u>1,736</u>	<u>9,366</u>	<u>10,657</u>
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)				
UK Institutions				
Royal Society	89,000	20,238	109,238	0
	<u>89,000</u>	<u>20,238</u>	<u>109,238</u>	<u>0</u>
TOTAL GRANTS FOR YEAR	<u>319,967</u>	<u>72,759</u>	<u>392,726</u>	<u>204,204</u>

There were 8 (2021: 5) grants to individuals during the year.

The CIO has agreed spending of £488,012 (2021: £516,075) in respect of grants expected to be fulfilled within the following year and £465,407 (2021: £617,770) in the two years of 2024 and 2025. Most grants are agreed on a 3 year basis with an annual payment made each year on the fulfilment of specific conditions and many long established grants are renewed after the 3 year period has expired.

6. STAFF COSTS

	December 2022 £	December 2021 £
Salaries and Wages	25,614	20,601
Employer pension contributions	759	618
	<u>26,373</u>	<u>21,219</u>

1 part time member of staff has been employed through the year. No Trustees have been employed during the year.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

CASHFLOW STATEMENT

Note 7

	December 2022	December 2021
	£	£
Net income/ (expenditure) for the year to 31st December 2022	(1,362,897)	1,692,306
Adjustments for:		
Depreciation charges	5,650	5,848
(Gains)/losses on investments	1,407,413	(1,560,031)
Investment income	(619,104)	(418,580)
Net management fees	165,309	0
(Increase) in Income due from Broker	(126,611)	0
(Increase)/decrease in debtors	(6,300)	(181)
Increase/(decrease) in creditors	29,990	(234)
Net cash provided/(used) operating activities	<u>(506,550)</u>	<u>(280,872)</u>

Note 8

	December 2022	December 2021
Analysis of cash and cash equivalents		
Cash held as part of investment portfolio	0	742,426
Cash at bank and in hand	<u>1,244,142</u>	<u>1,085,370</u>
Total cash and cash equivalents	<u>1,244,142</u>	<u>1,827,796</u>

9. TRUSTEES

The Trustees are the key management personnel of the charity and did not receive any remuneration or benefit in kind for this year (2021: Nil). Travelling expenses of £498 (2021 £100) for relevant charitable activities were paid as necessary to 2 Trustees (2021 – 1 Trustee) .

10. RELATED PARTIES

During the year grants were paid to the Great Britain China Educational Trust. This institution has a Trustee in common with the charity. The grant is reviewed annually and have been approved unanimously at Trustees meetings.

The furnishings in Bede House were donated to the former Charity in 2005 by the Elizabeth Frankland Moore Foundation and the foundation has a Trustee in common with the Charity.

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

2021	Unrestricted Fund	Expendable Endowment Fund	December 2021
	£	£	Total £
INCOME AND ENDOWMENTS			
Income from investments (Note 3)	418,486		418,486
Interest	94		94
TOTAL INCOME	418,580	0	418,580
EXPENDITURE			
Costs of raising funds			
Investment management fee (Note 1h)		82,101	82,101
Expenditure on Charitable Activities (Note 5)			
Grants to British academics for study visits to China – object (a)	65,846		65,846
Grants to Chinese academics for study visits to Great Britain – object (b)	127,701		127,701
Promotion of Chinese language studies – object (c)	10,657		10,657
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	0		0
TOTAL EXPENDITURE	204,204	82,101	286,305
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	214,376	(82,101)	132,275
Net investment gains/(losses):		1,560,031	1,560,031
NET INCOME/(EXPENDITURE)	214,376	1,477,930	1,692,306
Transfer between funds (Note 8)			
NET MOVEMENT IN THE FUNDS FOR THE YEAR	214,376	1,477,930	1,692,306

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (continued)

2021	Unrestricted Fund	Expendable Endowment Fund	December 2021
	£	£	£
RECONCILIATION OF FUNDS			
NET MOVEMENT IN THE FUNDS FOR THE YEAR	214,376	1,477,930	1,692,306
Funds Brought Forward At 1st January 2021	1,086,373	16,847,759	17,934,132
FUNDS CARRIED FORWARD 31 DECEMBER 2021	1,300,749	18,325,689	19,626,438
Represented by:			
Tangible fixed assets	265,566		265,566
Fixed assets investments		17,613,957	17,613,957
Net current assets	1,035,183	711,732	1,746,915
TOTAL NET ASSETS 31 December 2021	1,300,749	18,325,689	19,626,438

Accounts

THE SINO-BRITISH FELLOWSHIP TRUST

**THE SINO-BRITISH FELLOWSHIP TRUST
(Charitable Incorporated Organisation)
Registered Charity Number 1174487**

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2021

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2021

REFERENCE, LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs A.E. Ely, Chairman of the Trustees
Emeritus Professor H.D.R Baker, BA, PhD
Mr P. J. Ely, BA(Hons), IPFA, Deputy Chairman
Emeritus Professor R.J. Foot, FBA
Sir C. Hum, KCMG
Professor W.W.C. Luk, FEng, CEng, CITP, FBCS, MIET, FIEEE
Mrs L. Thompson, OBE
Dr F. Wood

Honorary Advisors

Lady P. Youde, OBE
Mrs H. Day

Office

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Putney Heath
London SW15 3LT

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Solicitors

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66 Lincoln's Inn Fields
London WC2A 3LH

Investment Advisers

CCLA Investment Management Ltd
Senator House,
85 Queen Victoria Street
London EC4V 4ET

Investment Custodian

HSBC Securities Services
8 Canada Square
Canary Wharf, London
E14 5HQ

Auditor

Chariot House Ltd
Chartered Accountants
25F Copperfield Street
London
SE1 OEN

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2021 (continued)

The trustees present their report along with the financial statements of the Charitable Incorporated Organisation (CIO) for the period ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the CIO's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2019).

OBJECTIVES

The CIO budgets to spend the income available for grants each year, based on the estimated investment income, in furtherance of the Objects stated below;

In advancing education and training in any subject:

- (a) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in Britain to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in China;
- (b) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in China to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in Britain;
- (c) by promoting the study of Chinese languages and
- (d) by enabling students and academic staff to participate in joint Chinese/British educational programmes and courses, including academic and other educational exchanges between Hong Kong and China.

SIGNIFICANT ACTIVITIES

Annual grants to Institutions amounted to £ 112,960 (2020 £237,500) and individual grants of £ 21,171 (2020 £ 15,960) were awarded during the year.

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2021 (continued)

PUBLIC BENEFIT

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 in determining the activities undertaken by the CIO.

The CIO seeks to advance education (a statutory charitable purpose under the Charities Act 2011) through support for academic research exchanges between the UK and China. The public benefits of academic research are well recognised. The CIO supports researchers in a wide range of fields, in the sciences, social sciences, humanities and the arts. This year travel between the UK and China was severely disrupted, which presented considerable difficulties for researchers.

Grants given during the year supported academics in continuing their research work despite the problems. Examples were:

Funding to enable doctoral researchers from British Universities to conduct field work in China when they were able to travel; this supported them in completing their research, with the aim of publication in academic journals and through conferences.

Funding to support doctoral researchers from China, already studying in the UK, to enable them to complete their research work, with the aim of publication as above.

Funding to enable researchers in China to take part in projects with British institutions; during the pandemic such work began with online study and exchange, with physical visits planned take place when the situation permits.

Funding to support academics to improve their understanding of Chinese languages; again such study has been largely online, with grants given on the understanding that travel to and study in China would take place when possible.

GRANT MAKING POLICY

The CIO receives applications for grants from individuals and also makes annual grants to institutions. If the applications are within the CIO's Objects and Terms of Reference, grants are awarded provided funds are available. The institutions supply details of the awards made from their annual grants and the trustees ensure these comply with the Objects and Terms of Reference for individual applications.

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE

The Covid-19 pandemic continued to dominate in 2021, affecting the work of the CIO. Travel between the UK and China was greatly affected, which limited the amount of research collaboration. No grants were given to overseas organisations in 2021. The CIO continued to keep contact with those organisations who would usually receive grants to maintain support as far as possible, and the partnership with Hong Kong Metropolitan University (formerly the Open University of Hong Kong) was reviewed to facilitate future exchanges with British universities. In the UK 4 organisations received grants – the British Museum, the Great Britain-China Educational Trust, Kingston University and the Universities China Committee London. The CIO also maintained contact with other UK organisations who usually receive grants.

2021 saw the introduction of the Sino-British Fellowship Trust website. Of the 5 individual grants awarded by the CIO during the year, 3 began as enquiries through the website.

FINANCIAL REVIEW AND INVESTMENT POLICY

The income of the CIO derives solely from its investments and no appeals are made to the general public or any government agency for funds. Total income for the year to 31 December 2021 amounted to £418,580 (2020 £440,809). The cost of raising funds £82,101 (2020 £77,774) are the investment managers fees which are charged to the expendable endowment fund. Expenditure on charitable activities amounted to £204,204 (2020 £ 313,547). The grants awarded were significantly less than in a normal year because of the impact of the pandemic. The net incoming resources for the Unrestricted fund were £ 214,376 (2020 £127,262). The general reserves increased to £1,300,749 from £1,086,373 in the previous period.

In accordance with the powers given in the Constitution the trustees have delegated responsibility for the management of the investment portfolio to HSBC Private Bank (U.K.) Ltd., the investment advisers.

The investment policy is to obtain a reasonable long-term overall return at a moderate level of risk. Performance is monitored by the Investment Committee of Mrs A.E. Ely, Mr P.J. Ely, Mrs L. Thompson and Dr F. Wood. There was considerable market volatility through the year, with the final value of the endowment fund increasing by £1,477,930 to £ 18,325,689. The performance of the investment portfolio (net of fees) was an increase of 8.77% (2020 decreased by 0.27%) compared with the benchmark increase of 7.63 %. The UK CPI (UK inflation) for the same period was 4.8% and the target for the long term for the fund is to beat inflation, net of fees .

During 2021 the CIO reviewed its investment approach and conducted an extensive review of investment managers. The Trustees finally decided that the interests of the CIO would be best served by a change of manager and appointed CCLA to take over in 2022.

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2021 (continued)

RISK MANAGEMENT

The trustees are responsible for the CIO's risk management mitigation systems and reviewing procedures. The trustees have examined the major strategic, business and operational risks which the CIO faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The systems are reviewed annually by the Finance Committee and Board.

FUTURE PLANS AND CHARITABLE STATUS

Throughout the pandemic the Trustees have been concerned to support academic researchers in continuing their work when possible. The CIO has placed emphasis on maintaining contact with partner organisations to identify the best opportunities to support their recovery from the pandemic. Future plans are to develop existing partnerships and, where appropriate, new collaborations, to continue grant making in accordance with the CIO's objectives.

RESERVES POLICY

The trustees have agreed to retain sufficient funds to cover 3 months expenditure. Should the cash reserves be forecast to fall below this figure, depending on the cash flow requirements at the time, the trustees may at their discretion determine to draw on capital to ensure sufficient funds are available to meet the budgeted expenditure. In the opinion of the trustees the assets of the CIO are sufficient to meet its liabilities on a fund by fund basis. The trustee's powers of investment to expend capital and income are not restricted in the Constitution of the CIO. In accordance with the original wishes of those providing funds to set up the former charity, the trustees reclassified the Investment Fund as Expendable Endowment Funds, representing the residue of the original funding, and the remainder, representing net incoming resources for the year, as the Unrestricted Funds

In considering the amount of income available for grants the trustees have in mind the following criteria:

1. Amounts should be retained to provide for future plans and commitments, and
2. Unrealised investment gains should be retained as part of the Expendable Endowment Funds to cover the risk of any future downturn in the market.

The trustees believe that grants where possible should continue to be awarded subject to the quality of the applications received. The remaining funds should be maintained at a level which is suitable to allow the trustees to ensure the level of working capital is sufficient to meet the day to day needs of the CIO.

The free reserves of the CIO at 31 December 2021 were £1,035,183 (2020 £ 815,959).

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2021 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sino-British Fellowship Trust is a Charitable Incorporated Organisation (CIO) registered on 4th September 2017. The registered charity number is 1174487. The CIO was set up to take over the work of the charity of the same name (registered charity number 313669). The assets of the former charity were transferred to the CIO on 1st April 2018 and the former charity is now entered on the Register of Merged Charities.

The trustees are set out on page 1. Trustees are appointed by the existing trustees and serve for a period of five years after which period they may put themselves up for re-appointment. The trustees meet at least twice a year to agree on the award of grants and to discuss the aims of the CIO. The day to day management of the CIO has been delegated to Mrs A. E. Ely and Mr P. J. Ely. The CIO also has committees that are delegated the responsibility for overseeing and monitoring key areas of activity within the organisation and reporting to the Board of Trustees. In the opinion of the trustees the operations of the CIO in the past 12 months in reviewing and approving grant applications are in accordance with its objects.

TRUSTEE RECRUITMENT AND TRAINING

The board of trustees consists of at least five members who, as charity trustees, have the legal responsibility for the effective use of the CIO's resources in accordance with the Objects and Terms of Reference of the CIO. Trustees are not remunerated but reasonable expenses are paid.

The CIO does not have an active policy to recruit new trustees, but approaches peoples known to have an interest in related activities or who have worked for Institutions the CIO has supported with grants.

Every prospective trustee is provided with information about the CIO's constitution, policies and activities together with information on the Charity Commission guidance. Trustees are offered the opportunity to attend further training courses should they wish to do so.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2021 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that period. In preparing these financial statements the trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
5. prepare financial statements on the going concern basis unless it is inappropriate to assume that the CIO will be able to continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the CIO's constitution. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 30th June 2022 and signed on their behalf by:

Mrs A.E. ELY Chairman

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2021

Opinion

We have audited the financial statements of Sino-British Fellowship Trust (the CIO) for the period ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the CIO's affairs as at 31st December 2021 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO'S ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2021 (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is material misstatement in 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 in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the CIO and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the CIO'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 CIO or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, section 144 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2021 (continued)

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 charity and its activities, and through discussion with the trustees and management, we identified the principal risks and considered the extent to which these would have a material impact on the financial statements. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale.

We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

We also:

- discussed and reviewed the charity's business model and forward planning to assess going concern.
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculating items such as depreciation

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

THE SINO-BRITISH FELLOWSHIP TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2021 (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed Chariot House Ltd

Date: 30th June 2022
Chariot House Ltd
Chartered Accountants
25F Copperfield Street
London
SE1 OEN

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31ST DECEMBER 2021**

	Unrestricted Fund	Expendable Endowment Fund	December 2021	<i>December 2020</i>
	£	£	Total £	<i>Total £</i>
INCOME AND ENDOWMENTS				
Income from investments (Note 3)	418,486		418,486	440,227
Interest	94		94	582
TOTAL INCOME	<u>418,580</u>	0	<u>418,580</u>	<u>440,809</u>
EXPENDITURE				
Costs of raising funds				
Investment management fee (Note 1h)		82,101	82,101	77,774
Expenditure on Charitable Activities (Note 5)				
Grants to British academics for study visits to China – object (a)	65,846		65,846	67,544
Grants to Chinese academics for study visits to Great Britain – object (b)	127,701		127,701	220,025
Promotion of Chinese language studies – object (c)	10,657		10,657	11,752
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	0		0	14,226
TOTAL EXPENDITURE	<u>204,204</u>	<u>82,101</u>	<u>286,305</u>	<u>391,321</u>
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	214,376	(82,101)	132,275	49,488
Net investment gains/(losses):		1,560,031	1,560,031	(434,239)
NET INCOME/(EXPENDITURE)	<u>214,376</u>	<u>1,477,930</u>	<u>1,692,306</u>	<u>(374,751)</u>
Transfer between funds (Note 8)				-
NET MOVEMENT IN THE FUNDS FOR THE YEAR	<u>214,376</u>	<u>1,477,930</u>	<u>1,692,306</u>	<u>(374,751)</u>

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31ST DECEMBER 2021 (continued)**

	Unrestricted Fund	Expendable Endowment Fund	December 2021	<i>December 2020</i>
	£	£	£	£
RECONCILIATION OF FUNDS				
NET MOVEMENT IN THE FUNDS FOR THE YEAR	214,376	1,477,930	1,692,306	(374,751)
Funds Brought Forward At 1st January 2021	1,086,373	16,847,759	17,934,132	18,308,883
FUNDS CARRIED FORWARD 31 DECEMBER 2021	1,300,749	18,325,689	19,626,438	17,934,132
Represented by:				
Tangible fixed assets	265,566		265,566	270,414
Fixed assets investments		17,613,957	17,613,957	16,763,328
Net current assets	1,035,183	711,732	1,746,915	900,390
TOTAL NET ASSETS 31 December 2021	1,300,749	18,325,689	19,626,438	17,934,132

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2021

	December 2021	December 2021	<i>December 2020</i>
	£	£	£
FIXED ASSETS			
Tangible Assets (Note 2b)			
Leasehold property		262,987	268,354
Furnishings		1,696	1,884
Computer Equipment		883	176
Total Fixed Assets		265,566	270,414
Investments (Note 2a)		17,613,957	16,763,328
CURRENT ASSETS			
Debtors, prepayments and accrued income	3,603		3,422
Income due from broker	10,227		9,777
Investment cash held by broker (Note 2a)	732,199		104,309
Cash at bank and in hand	1,085,370		867,600
Total Current Assets	1,831,399		985,108
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year			
Grants payable	56,300		56,300
Other creditors and accruals	28,184		28,418
Total Current Liabilities	84,484		84,718
Net current assets		1,746,915	900,390
NET ASSETS		19,626,438	17,934,132
THE FUNDS OF THE CHARITY (Note 1b)			
Expendable Endowment (note 2a)		18,325,689	16,847,759
General fund		1,300,749	1,086,373
TOTAL CHARITY FUNDS		19,626,438	17,934,132

Approved by the Trustees on 30 June 2022 and signed on their behalf

A.E. ELY	)	
	)	
	)	Trustees
P.J.ELY	)	
	)	

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31ST DECEMBER 2021**

	2021	<i>2020</i>
Note 7	£	£
Cashflows from operating activities	(280,872)	(511,305)
Cashflows from investing activities		
Investment income	418,580	440,809
Rounding		2
Purchase of fixed assets	(1,000)	-
Proceeds from sale of investments	8,868,481	10,538,072
	4,521	
Nil paid rights issue		
Purchase of investments	(8,163,600)	(10,652,193)
Net cash provided by investing activities	<u>1,126,982</u>	<u>366,690</u>
 Note 8		
Change in cash and cash equivalents in the period	846,110	(184,615)
 Cash and cash equivalents at 1 January 2021	981,686	1,166,301
 Cash and cash equivalents at 31st December 2021	<u>1,827,796</u>	<u>981,686</u>

The notes on pages 16 to 26 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021

The Sino British Fellowship Trust is a charitable incorporated organisation which is registered with the Charity Commission in England and Wales Number 1174487.

1. ACCOUNTING POLICIES

a) Basis of preparing the financial statements

The financial statements of the charitable incorporated organisation, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'. The financial statements have been prepared under the historical cost convention.

b) Fund Accounting

The expendable endowment fund represents the charity's investments. The fund includes cash held by the CIO's brokers, who have a discretionary management agreement. Investment gains, losses and management fees are included in the expendable endowment fund.

c) Income recognition

Investment income and interest are recognised under the accruals concept. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the CIO to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are recognised under the accruals concept. Support costs represent the expenditure incurred in making and controlling grant awards. Governance costs represent the other expenditure associated with the constitutional and statutory requirements of the CIO.

e) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

f) Taxation

The CIO is exempt from tax on its charitable activities.

g) Depreciation

Tangible fixed assets above a value of £500 are capitalised and are depreciated over their estimated useful life at the following rates:-

Leasehold property	2%	on reducing balance
Furnishings	10%	on reducing balance
Equipment	25%	on reducing balance

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

1. ACCOUNTING POLICIES (Continued)

h) Critical accounting judgements and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See accounting policy note (above) for useful economic lives for each class of assets.

i) Fixed asset Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sales proceeds and the opening market value or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value.

The main form of financial risk faced by the CIO is that of volatility in investment markets.

j) Costs of raising funds

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

k) Charitable activities

Expenditure on charitable activities includes grants made, together with governance costs and support costs apportioned pro rata to the grants awarded, as shown in note 5.

l) Grants

Grants to institutions are recognised in the Statement of Financial Activities in the period in which the commitment is made, subject to the fulfilment of the conditions which apply to each grant. Grants whose conditions have been fulfilled, but which have not yet been paid are recognised as a liability in the balance sheet. Grants which have been agreed in principle but whose conditions have not yet been fulfilled are not considered material.

Grants to individuals are recognised in the Statement of Financial Activities in the period in which the commitment is made.

m) Going concern

The finance statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the levels of reserves for the charity to be able to continue as a going concern.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

2(a). FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	December 2021 £	December 2020 £
Market value at 31 December 2020	16,763,328	17,073,446
Additions to investments at cost	8,163,600	10,652,193
Disposals	(8,868,481)	(10,538,072)
Rights issue - nil paid SSP	(4,521)	
Net gains /(losses)	1,560,031	(434,239)
Market value as at 31 December 2021	17,613,957	16,763,328
Euro adjustment	42	43
Cash held by broker	732,199	104,309
	18,346,198	16,867,680
Management fee creditor	(20,509)	(19,921)
Expendable Endowment Fund	18,325,689	16,847,759

Investments at market value comprised:

	December 2021 £	December 2020 £
Fixed Income Funds	4,330,119	4,635,739
Equity Mutual Funds	10,069,865	8,881,642
Equities	1,982,586	1,758,584
Other	1,231,387	1,487,363
	17,613,957	16,763,328

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

2(b). TANGIBLE FIXED ASSETS

	Leasehold Property £	Furnishings £	Computer Equipment £	Total £
Cost:				
At 31 December 2020	285,280	2,514	384	288,178
Additions during the period	-	-	1,000	1,000
	285,280	2,514	1,384	289,178
Depreciation:				
At 31 December 2020	16,926	630	208	17,764
Charge for the period	5,367	188	293	5,848
	22,293	818	501	23,612
Net book value:				
At 31 December 2021	262,987	1696	883	265,566
Net book value				
At 31 December 2020	268,354	1,884	176	270,414

The leasehold property was bought in at a net value of £285,280 from the former charity whose work the CIO took over. The original cost in 2005 was £388,138.

The leasehold property is situated at 23 Bede House, Manor Fields, London, SW15 3LT and is held on a 999 year lease from 1 April 1984. It includes garage number 144 which is held on a 99 year lease from 1 April 1969.

All assets are held for the use of charitable purposes.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

3. INVESTMENTS

	December 2021	December 2020
	£	£
3 (a) Investment income is analysed as follows:		
Fixed Income Funds	127,738	145,748
Equity Mutual Funds	167,869	202,916
Equities	89,959	60,345
Other	32,920	31,218
	<u>418,486</u>	<u>440,227</u>

3 (b) Investments where the market values are considered to be material are:

	Number of Shares 2021	Number of Shares 2020	December 2021 £	December 2020 £
<i>Fixed Income Funds</i>				
HSBC Global Investment Funds – Global Asset-Backed Bond	45,791	45,971	448,631	446,148
HSBC GIF Global Government Bond	104,133	0	1,105,164	0
HSBC Global Investment Funds Emerg Mkts Local Debt Z	94,747	169,016	600,467	1,371,102
<i>Equity Mutual Funds</i>				
HSBC Index tracker Inv Fund FTSE all world index	295,387	0	656,350	–
HSBC FTSE All Share Index Fund	457,709	921,696	1,650,041	2,913,482
HSBC Index Tracker Investment Funds American index	55,574	211,324	536,789	1,575,633
HSBC Multi Fac Shares	82,713	85,008	911,236	785,859
HSBC US MltFA Institutional shares	209,942	209,942	1,183,447	885,958
Ishares Core MSCI EM IMI	287,161	187,424	1,134,046	751,373
Ishares IVplcUSA Quality factor	713	0	922,296	0
<i>Other</i>				
Charities Property Fund	620,874	657,987	807,943	815,575

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

4. GOVERNANCE AND SUPPORT COSTS

Support costs

As stated in Note 1(d) support costs represent an apportionment of costs spent in making and controlling grant awards. The Trustees consider that the following costs are a reasonable allocation under this heading.

	December 2021	<i>December 2020</i>
	£	£
Secretarial, financial and clerical assistance	21,219	21,002
Establishment expenses	13,686	13,848
Stationery, telephone, computer and website	2,976	2,619
General expenses	938	673
AGM and student liaison costs	231	1,488
Depreciation	5,848	5,743
	44,898	45,373

Governance costs

As stated in Note 1(d) governance costs are the costs associated with constitutional and statutory requirements of the CIO. The following costs have been incurred under this heading:

	December 2021	<i>December 2020</i>
	£	£
Professional fees for investment review	11,880	
Accountancy fees	8,680	9,398
Audit fees	4,200	5,040
Trustees travel costs	100	258
Bank charges and interest	315	18
	25,175	14,714

Total support and governance costs are apportioned pro rata to the grants awarded as shown in note 5.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

5. CHARITABLE ACTIVITIES

	Grants	Support and governance costs	December 2021 Total	December 2020
	£	£	£	£
Grants to British academics for study visits to China – object (a)				
UK Institutions:				
Needham Research Institute	-			4,948
St. Antony's College	-			13,608
Universities China Committee London	31,000	16,195		38,349
Overseas Institutions:				
Lingnan University	-			10,639
Individuals (3)	12,251	6,400		-
	<u>43,251</u>	<u>22,595</u>	<u>65,846</u>	<u>67,544</u>
Grants to Chinese academics for study visits to Great Britain – object (b)				
UK institutions:				
British Museum	12,000	6,269		-
China Kadoorie Biobank	960	502		-
Great Britain China Educational Trust	47,000	24,554		57,524
Kingston University	15,000	7,836		-
Needham Research Institute	-			12,371
Royal Society	-			87,832
St Cross College, University of Oxford	-			18,556
Overseas Institutions:				
Hong Kong University	-			(24,741)
Lingnan University	-			9,154
Open University of Hong Kong	-			15,463
Vocational Training Council	-			15,463
China Scholarship Council	-			11,134
Individuals (2)	8,920	4,660		17,269
	<u>83,880</u>	<u>43,821</u>	<u>127,701</u>	<u>220,025</u>

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

CHARITABLE ACTIVITIES (continued)

	Grants	Support and governance costs	December 2021	December 2020
	£	£	Total £	£
Promotion of Chinese language studies – object (c)				
UK Institutions				
Great Britain China Educational Trust	3,000	1,567		4,330
Universities China Committee London	4,000	2,090		4,948
Individuals (0)	-			2,474
	<u>7,000</u>	<u>3,657</u>	<u>10,657</u>	<u>11,752</u>
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)				
Chinese Institutions:				
Lingnan University	-			4,948
Open University of Hong Kong	-			9,278
	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,226</u>
TOTAL GRANTS FOR YEAR	<u>134,131</u>	<u>70,073</u>	<u>204,204</u>	<u>313,547</u>

There were 5 (2020: 3) grants to individuals during the year.

The CIO is committed to spending £516,075 (2020: £ 560,620) in respect of grants within the following year and £617,770 (2020:£1,007,865) in the two years of 2023 and 2024. Most grants are approved on a 3 year basis with an annual payment each year and many long established grants are renewed after the 3 year period has expired.

6. STAFF COSTS

	December 2021	December 2020
	£	£
Salaries and wages	20,601	20,390
Employer pension contributions	618	612
	<u>21,219</u>	<u>21,002</u>

1 part time member of staff has been employed through the year.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

CASHFLOW STATEMENT

Note 7

	December 2021	<i>December 2020</i>
	£	£
Net income/ (expenditure) for the period to 31st December 2021	1,692,306	<i>(374,751)</i>
Adjustments for:		
Depreciation charges	5,848	5,743
(Gains)/losses on investments	(1,560,031)	424,239
Investment income	(418,580)	(440,809)
(Increase)/decrease in debtors	(181)	622
Increase/(decrease) in creditors	(234)	(126,349)
Net cash provided/(used) operating activities	(280,872)	<i>(511,305)</i>

Note 8

	December 2021	<i>December 2020</i>
Analysis of cash and cash equivalents		
Cash held as part of investment portfolio	742,426	114,086
Cash at bank and in hand	1,085,370	867,600
Total cash and cash equivalents	1,827,796	<i>981,686</i>

9. TRUSTEES

No trustee received any remuneration for this period (2020: Nil) but travelling expenses for relevant charitable activities were paid as necessary.

10. RELATED PARTIES

During the period grants were paid to the Great Britain China Educational Trust. This institution has a trustee in common with the charity. The grant is reviewed annually and have been approved unanimously at Trustees meetings.

The furnishings in Bede House were donated to the former Charity in 2005 by the Elizabeth Frankland Moore Foundation and the foundation has a trustee in common with the Charity.

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

2020	Unrestricted Fund £	Expendable Endowment Fund £	December 2020 Total £
INCOME AND ENDOWMENTS			
Income from investments (Note 3)	440,227		440,227
Interest	582		582
TOTAL INCOME	440,809		440,809
EXPENDITURE			
Costs of raising funds			
Investment management fee (Note 1h)		77,774	77,774
Expenditure on Charitable Activities (Note 5)			
Grants to British academics for study visits to China – object (a)	67,544		67,544
Grants to Chinese academics for study visits to Great Britain – object (b)	220,025		220,025
Promotion of Chinese language studies – object (c)	11,752		11,752
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	14,226		14,226
TOTAL EXPENDITURE	313,547	77,774	391,321
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	127,262	(77,774)	49,488
Net investment gains/(losses):		(424,239)	(424,239)
NET INCOME/(EXPENDITURE)	127,262	(502,013)	(374,751)
Transfers between funds	-	-	-
NET MOVEMENT IN THE FUNDS FOR THE YEAR	127,262	(502,013)	(374,751)

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2021 (Continued)

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (continued)

	Unrestricted Fund £	Expendable Endowment Fund £	December 2020 Total £
RECONCILIATION OF FUNDS			
NET MOVEMENT IN THE FUNDS FOR THE YEAR	127,262	(502,013)	(374,751)
Funds Brought Forward At 1st January 2020	959,111	17,349,772	18,308,883
FUNDS CARRIED FORWARD 31 DECEMBER 2020	1,086,373	16,847,759	17,934,132
Represented by:			
Tangible fixed assets	270,414		270,414
Fixed assets investments		16,763,328	16,763,328
Net current assets	815,959	84,431	900,390
TOTAL NET ASSETS 31 DECEMBER 2020	1,086,373	16,847,759	17,934,132

12. CORONAVIRUS COVID 19 UPDATE

As mentioned in the Trustees report the Covid-19 pandemic continued to have a significant impact on the work of the CIO. The development of new variants, which caused continuing travel disruption, meant that many organisations were unable to use their grant allocation for 2021. During the year the CIO kept in close touch with partner organisations and individual grant beneficiaries, aiming to maintain support as far as possible as plans were changed in the light of the pandemic. At a recent meeting with partner organisations there was considerable optimism that the situation would improve in the latter part of 2022, particularly with the increased use of online facilities.

The income of the CIO all comes from our investments. The pandemic and other world events have contributed to considerable market volatility. However our investments are now managed on a total return basis and we are not expecting income paid to the CIO to drop below the level agreed with our investment managers in 2022 or in future years. Despite this, detailed forecasts have been prepared and the existing free reserves of £1,035,183 provide sufficient cover to fund all regular and expected grants through to 2025 if income does drop below expected levels. The CIO also has the flexibility to consider drawing down some capital to fund expenditure without jeopardising the long term future of the CIO.

Accounts

THE SINO-BRITISH FELLOWSHIP TRUST

**THE SINO-BRITISH FELLOWSHIP TRUST
(Charitable Incorporated Organisation)
Registered Charity Number 1174487**

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2020

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2020

REFERENCE, LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs A.E. Ely, Chairman of the Trustees
Emeritus Professor H.D.R Baker, BA, PhD
Mr P. J. Ely, BA(Hons), IPFA, Deputy Chairman
Emeritus Professor R.J. Foot, FBA
Sir C. Hum, KCMG
Professor W.W.C. Luk, FREng, CEng, CITP, FBCS, MIET, FIEEE
Mrs L. Thompson, OBE
Dr F. Wood

Honorary Advisors

Lady P. Youde, OBE
Mrs H. Day

Office

23 Bede House
Manor Fields
Putney Heath
London SW15 3LT

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Solicitors

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

Investment Advisers

HSBC Private Banking, HSBC UK Bank plc
8 Cork Street, London
W1S 3LJ

Investment Custodian

HSBC Securities Services
8 Canada Square
Canary Wharf, London
E14 5HQ

Auditor

Braidwood Wheeler & Co
Chartered Certified Accountants
Goodman House
13a West Street, Reigate
Surrey RH2 9BL

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020 (continued)

The trustees present their report along with the financial statements of the Charitable Incorporated Organisation (CIO) for the period ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the CIO's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

OBJECTIVES

The CIO budgets to spend the income available for grants each year, based on the estimated investment income, in furtherance of the Objects stated below;

In advancing education and training in any subject:

- (a) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in Britain to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in China;
- (b) by awarding scholarships or grants to students and academic staff at universities, other higher education institutions and vocational training institutions in China to enable them to undertake study or research, to attend or participate in academic and professional conferences, courses, placements, seminars and similar events in Britain;
- (c) by promoting the study of Chinese languages and
- (d) by enabling students and academic staff to participate in joint Chinese/British educational programmes and courses, including academic and other educational exchanges between Hong Kong and China.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020 (Continued)

SIGNIFICANT ACTIVITIES

Annual grants to Institutions amounted to £ 237,500 (2019 £373,970) and individual grants of £ 15,960 (2019 £63,061) were awarded during the year.

PUBLIC BENEFIT

The Trustees have reviewed the outcomes and achievements of the objectives and activities for the period, to ensure they remain focused on the charitable aims, and continue to deliver benefits to the public. 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 in determining the activities undertaken by the CIO.

Under the Charities Act 2011, the advancement of education and of the arts, culture, heritage or science is recognised as a distinct statutory charitable purpose.

Benefits of the CIO's works:

The promotion of knowledge and raising standards by:

- funding for senior academics from China to visit the UK to undertake new and/or on-going research with British colleagues. Such results are disseminated through publications either on-line, in peer-reviewed journals and/or at International Conferences;
- funding for senior academics from Britain to visit China to undertake new and/or on-going research with Chinese colleagues, with results disseminated as indicated above;
- support for institutions, and subject areas, which have limited access to other funding sources;
- funding to support the development of Primary Health Care in China;
- the provision of bursaries to particular educational establishments for selected postgraduate scholars from China to study in the UK and
- funding to enable academics to enhance their knowledge of Chinese languages.

GRANT MAKING POLICY

The CIO receives applications for grants from individuals and also makes annual grants to institutions. If the applications are within the CIO's Objects and Terms of Reference, grants are awarded provided funds are available. The institutions supply details of the awards made from their annual grants and the trustees ensure these comply with the Objects and Terms of Reference for individual applications.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020 (Continued)

ACHIEVEMENTS AND PERFORMANCE

2020 was dominated by the Covid-19 pandemic, which had a considerable impact on travel between China and the UK, and on academic research collaboration between the two countries. During the year the CIO kept in close touch with partner organisations and individual grant beneficiaries, aiming to maintain support as far as possible as plans were changed in the light of the pandemic.

During 2020 the CIO gave grants to 8 UK institutions, 3 overseas institutions and 3 individuals. Some beneficiaries had completed their research visits before the worst impact on travel; other scholars were part way through their research and the grant enabled their work to continue.

During the year we completed reviews of two longstanding partnerships, with the Royal Society, and with the British Academy. Through these partnerships our grants will in future be supporting UK early career researchers in the sciences as well as the humanities and social sciences as they develop research work with academics in China.

FINANCIAL REVIEW AND INVESTMENT POLICY

The income of the CIO derives solely from its investments and no appeals are made to the general public or any government agency for funds. Total income for the year to 31 December 2020 amounted to £440,809 (2019 £533,239). The cost of raising funds was 77,774 (2019 £78,838) and expenditure on charitable activities amounted to £ 313,547 (2019 £494,033) The grants awarded were less than in a normal year because of the impact of the pandemic. Total expenditure was £391,321 (2019 £572,871) giving net incoming resources of £ 49,488 (2019 outgoing resources of £39,632). The general reserves increased to £1,086,373 from £959,111 in the previous period.

In accordance with the powers given in the Constitution the trustees have delegated responsibility for the management of the investment portfolio to HSBC Private Bank (U.K.) Ltd., the investment advisers. The investment policy is to obtain a reasonable long-term overall return at a moderate level of risk. Performance is monitored by the Investment Committee of Mrs A.E. Ely, Mr P.J. Ely, Mrs L. Thompson and Dr F. Wood. There was considerable market volatility through the year, the final value of the endowment fund decreasing by £502,013 to £16,847,759. The performance of the investment portfolio (net of fees) was a decrease of 0.27% (2019 increased by 16.14%) compared with the benchmark increase of 3.34%. The UK CPI (UK inflation) for the same period was 0.97% and the target for the long term for the fund is to beat inflation, net of fees . This was not achieved this year due to the volatility of the stockmarket caused by the worldwide pandemic.

THE SINO-BRITISH FELLOWSHIP TRUST
ANNUAL REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2020 (Continued)

RISK MANAGEMENT

The trustees are responsible for the CIO's risk management mitigation systems and reviewing procedures. The trustees have examined the major strategic, business and operational risks which the CIO faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The systems are reviewed annually by the Finance Committee and Board.

FUTURE PLANS AND CHARITABLE STATUS

Future plans are to develop existing partnerships and, where appropriate, new collaborations, to continue grant making in accordance with the CIO's objectives.

RESERVES POLICY

The trustees have agreed to retain sufficient funds to cover 3 months expenditure. Should the cash reserves be forecast to fall below this figure, depending on the cash flow requirements at the time, the trustees may at their discretion determine to draw on capital to ensure sufficient funds are available to meet the budgeted expenditure. In the opinion of the trustees the assets of the CIO are sufficient to meet its liabilities on a fund by fund basis. The trustee's powers of investment to expend capital and income are not restricted in the Constitution of the CIO. In accordance with the original wishes of those providing funds to set up the former charity, the trustees have reclassified the Investment Fund as Expendable Endowment Funds, representing the residue of the original funding, and the remainder, representing net incoming resources for the year, as the Unrestricted Funds.

In considering the amount of income available for grants the trustees have in mind the following criteria:

1. Amounts should be retained to provide for future plans and commitments, and
2. Unrealised investment gains should be retained as part of the Expendable Endowment Funds to cover the risk of any future downturn in the market.

The trustees believe that grants should continue to be awarded up to the amount of net cash income available in any year, subject to the quality of the applications received. The remaining funds should be maintained at a level which is suitable to allow the trustees to ensure the level of working capital is sufficient to meet the day to day needs of the CIO.

The free reserves of the CIO at 31 December 2020 were £ 815,959 (2019 £682,954).

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020 (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sino-British Fellowship Trust is a Charitable Incorporated Organisation (CIO) registered on 4th September 2017. The registered charity number is 1174487. The CIO was set up to take over the work of the charity of the same name (registered charity number 313669). The assets of the former charity were transferred to the CIO on 1st April 2018 and the former charity is now entered on the Register of Merged Charities.

The trustees are set out on page 1. Trustees are appointed by the existing trustees and serve for a period of five years after which period they may put themselves up for re-appointment. In June 2020 Emeritus Professor G.D.W. Smith, FRS, FIMMM, FInstP, FRSC, CPhys, CEng retired because of pressure of his other work. His contribution to the work of the CIO, especially through the transition from the old charity, is greatly appreciated. Sir Christopher Hum KCMG was appointed as a Trustee in August 2020 and Mrs Heather Day was appointed an honorary advisor. The trustees meet at least twice a year to agree on the award of grants and to discuss the aims of the CIO. The day to day management of the CIO has been delegated to Mrs A. E. Ely and Mr P. J. Ely. The CIO also has committees that are delegated the responsibility for overseeing and monitoring key areas of activity within the organisation and reporting to the Board of Trustees. In the opinion of the trustees the operations of the CIO in the past 12 months in reviewing and approving grant applications are in accordance with its objects.

TRUSTEE RECRUITMENT AND TRAINING

The board of trustees consists of at least five members who, as charity trustees, have the legal responsibility for the effective use of the CIO's resources in accordance with the Objects and Terms of Reference of the CIO. Trustees are not remunerated but reasonable expenses are paid.

The CIO does not have an active policy to recruit new trustees, but approaches peoples known to have an interest in related activities or who have worked for Institutions the CIO has supported with grants.

Every prospective trustee is provided with information about the CIO's constitution, policies and activities together with information on the Charity Commission guidance. Trustees are offered the opportunity to attend further training courses should they wish to do so.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020 (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that period. In preparing these financial statements the trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
5. prepare financial statements on the going concern basis unless it is inappropriate to assume that the CIO will be able to continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the CIO's constitution. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 1st July 2021 and signed on their behalf by:

Mrs A.E. ELY Chairman

THE SINO-BRITISH FELLOWSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2020

Opinion

We have audited the financial statements of Sino-British Fellowship Trust (the CIO) for the period ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the CIO's affairs as at 31st December 2020 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO'S ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is material misstatement in 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 in this regard.

THE SINO-BRITISH FELLOWSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the CIO and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- adequate and proper accounting records have not been kept;
- 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 or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the CIO'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 CIO or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, section 144 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

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 auditor's 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:

THE SINO-BRITISH FELLOWSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

Our approach to identifying and assessing the risks of material misstatement due to fraud or other irregularities including non compliance with laws and regulations was as follows:

- The engagement partner ensured that the audit team had the appropriate competence, capabilities and skills in order to identify or recognise non compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with the trustees and management, and from our knowledge of similar charitable organisations.
- We focused on specific laws and regulations which we considered may have a direct effect on the financial statements or the operations of the charity, including relevant legislations such as the Charities Act, as well as employment law, anti bribery and data protection legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and any correspondence with lawyers; and
- Identified laws and regulations were communicated to the audit team and they remained alert to any instances of non compliance throughout the audit.

We assessed the susceptibility of the CIO's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- Making enquiries of the trustees as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Identified any unusual or unexpected relationships and sought explanations for the reason for such transactions; and
- Tested journal entries to identify unusual transactions

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included:

- Enquiring of management as to actual or potential litigation and claims;
- Reviewing any correspondence with the CIO's legal advisers.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non compliance.

Auditing standards also limit the audit procedures required to identify non compliance with laws and regulations to enquiry of the trustees and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

THE SINO-BRITISH FELLOWSHIP TRUST

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2020
(Continued)**

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

Signed David Wheeler F.C.C A. - Senior Statutory Auditor

For and on behalf of
Braidwood Wheeler & Co – Statutory Auditor
Chartered Certified Accountants
Goodman House
13a West Street
Reigate,
Surrey,
RH2 9BL

Date: July 2021

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31ST DECEMBER 2020**

	Unrestricted Fund £	Expendable Endowment Fund £	December 2020 Total £	<i>December 2019 Total £</i>
INCOME AND ENDOWMENTS				
Income from investments (Note 3)	440,227		440,227	531,563
Interest	582		582	1,676
TOTAL INCOME	440,809		440,809	533,239
EXPENDITURE				
Costs of raising funds				
Investment management fee (Note 1h)		77,774	77,774	78,838
Expenditure on Charitable Activities (Note 5)				
Grants to British academics for study visits to China – object (a)	67,544		67,544	114,059
Grants to Chinese academics for study visits to Great Britain – object (b)	220,025		220,025	314,201
Promotion of Chinese language studies – object (c)	11,752		11,752	8,196
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	14,226		14,226	57,577
TOTAL EXPENDITURE	313,547	77,774	391,321	572,871
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	127,262	(77,774)	49,488	(39,632)
Net investment gains/(losses):				
Realised gains/(losses):		(466,953)	(466,953)	719,701
Unrealised gains/(losses):		42,714	42,714	1,214,626
NET INCOME/(EXPENDITURE)	127,262	(502,013)	(374,751)	1,894,695
Transfers between funds	-	-	-	-
NET MOVEMENT IN THE FUNDS FOR THE YEAR	127,262	(502,013)	(374,751)	1,894,695

THE SINO-BRITISH FELLOWSHIP TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31ST DECEMBER 2020
(continued)

	Unrestricted Fund	Expendable Endowment Fund	December 2020 Total	December 2019 Total
RECONCILIATION OF FUNDS				
NET MOVEMENT IN THE FUNDS FOR THE YEAR	127,262	(502,013)	(374,751)	1,894,695
Funds Brought Forward At 1st January 2020	959,111	17,349,772	18,308,883	16,414,188
FUNDS CARRIED FORWARD 31 DECEMBER 2020	1,086,373	16,847,759	17,934,132	18,308,883
Represented by:				
Tangible fixed assets	270,414		270,414	276,157
Fixed assets investments		16,763,328	16,763,328	17,073,448
Net current assets	815,959	84,431	900,390	959,278
TOTAL NET ASSETS 31 DECEMBER 2020	1,086,373	16,847,759	17,934,132	18,308,883

The notes on pages 16 to 25 form part of these financial statements.

THE SINO-BRITISH FELLOWSHIP TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2020

	December 2020 £	December 2020 £	<i>December 2019 £</i>
FIXED ASSETS			
Tangible Assets (Note 2b)			
Leasehold property		268,354	273,830
Furnishings		1,884	2,093
Computer Equipment		176	234
Total Fixed Assets		<u>270,414</u>	<u>276,157</u>
Investments (Note 2a)		16,763,328	17,073,448
 CURRENT ASSETS			
Debtors, prepayments and accrued income	3,422		4,044
Income due from broker	9,777		7,559
Investment cash held by broker (Note 2a)	104,309		297,035
Cash at bank and in hand	867,600		861,707
Total Current Assets	<u>985,108</u>		<u>1,170,345</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year			
Grants payable	56,300		184,300
Other creditors and accruals	28,418		26,767
Total Current Liabilities	<u>84,718</u>		<u>211,067</u>
Net current assets		900,390	959,278
NET ASSETS		<u>17,934,132</u>	<u>18,308,883</u>
THE FUNDS OF THE CHARITY (Note 1b)			
Expendable Endowment (note 2a)		16,847,759	17,349,772
General fund		1,086,373	959,111
TOTAL CHARITY FUNDS		<u>17,934,132</u>	<u>18,308,883</u>

Approved by the Trustees on 1st July 2021 and signed on their behalf

A.E. ELY	)	
	)	
	)	Trustees
P.J.ELY	)	
	)	

The notes on pages 16 to 25 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

**STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31ST DECEMBER 2020**

	2020	2019
	£	£
Cashflows from operating activities (Note 7)	(511,305)	(569,224)
Cashflows from investing activities		
Investment income	440,809	533,239
Proceeds from sale of fixed assets	-	-
Purchase of fixed assets	-	-
Proceeds from sale of investments	10,538,072	9,405,660
Purchase of investments	(10,652,193)	(9,329,366)
Net cash provided by investing activities	<u>(184,617)</u>	<u>609,533</u>
 Change in cash and cash equivalents in the period (Note 8)	 (184,615)	 40,309
 Cash and cash equivalents at 1 January 2020	 1,166,301	 1,125,992
 Cash and cash equivalents at 31st December 2020	 <u>981,686</u>	 <u>1,166,301</u>

The notes on pages 16 to 25 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020

The Sino British Fellowship Trust is a charitable incorporated organisation which is registered with the Charity Commission in England and Wales Number 1174487

1. ACCOUNTING POLICIES

a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the CIO's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the CIO are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

b) Fund Accounting

The expendable endowment fund represents the charity's investments. The fund includes cash held by the CIO's brokers, who have a discretionary management agreement. Investment gains, losses and management fees are included in the expendable endowment fund.

c) Income recognition

Investment income and interest are recognised under the accruals concept. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the CIO to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are recognised under the accruals concept. Support costs represent the expenditure incurred in making and controlling grant awards. Governance costs represent the other expenditure associated with the constitutional and statutory requirements of the CIO.

e) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

1. ACCOUNTING POLICIES (Continued)

f) Depreciation

Tangible fixed assets above a value of £500 are capitalised and are depreciated over their estimated useful life at the following rates:-

Leasehold property	2%	on reducing balance
Furnishings	10%	on reducing balance
Equipment	25%	on reducing balance

g) Fixed asset Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sales proceeds and the opening market value or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value.

The main form of financial risk faced by the CIO is that of volatility in investment markets.

h) Costs of raising funds

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

i) Charitable activities

Expenditure on charitable activities includes grants made, together with governance costs and support costs apportioned pro rata to the grants awarded, as shown in note 5.

j) Grants

Grants to institutions are recognised in the Statement of Financial Activities in the period in which the commitment is made, subject to the fulfilment of the conditions which apply to each grant. Grants whose conditions have been fulfilled, but which have not yet been paid are recognised as a liability in the balance sheet. Grants which have been agreed in principle but whose conditions have not yet been fulfilled are not considered material.

Grants to individuals are recognised in the Statement of Financial Activities in the period in which the commitment is made.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

2(a). FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	December 2020 £	December 2019 £
Market value at 31 December 2019	17,073,446	15,215,413
Additions to investments at cost	10,652,193	9,329,366
Disposals	(10,538,072)	(9,405,660)
Net realised gains	(466,953)	719,701
Net gain (loss) on revaluation	42,714	1,214,626
Market value as at 31 December 2020	16,763,328	17,073,446
Euro adjustment	43	-
Cash held by broker	104,309	297,036
	16,867,680	17,370,482
Management fee creditor	(19,921)	(20,710)
	16,847,759	17,349,772

Expendable Endowment Fund

Investments at market value comprised:

	December 2020 £	December 2019 £
Fixed Income Funds	4,635,739	4,122,983
Equity Mutual Funds	8,881,642	8,577,903
Equities	1,758,584	2,210,104
Other	1,487,363	2,162,456
	16,763,328	17,073,446

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)**

2(b). TANGIBLE FIXED ASSETS

	Leasehold Property £	Furnishings £	Computer Equipment £	Total £
Cost:				
At 31 December 2019	285,280	2,514	384	288,178
Additions during the period	-	-	-	-
	285,280	2,514	384	288,178
Depreciation:				
At 31 December 2019	11,450	421	150	12,021
Charge for the period	5,476	209	58	5,743
	16,926	630	208	17,764
Net book value: At 31 December 2020	268,354	1,884	176	270,414
Net book value At 31 December 2019	273,830	2,093	234	276,157

The leasehold property was bought in at net value from the former charity whose work the CIO took over. The original cost in 2005 was £388,138.

The leasehold property is situated at 23 Bede House, Manor Fields, London, SW15 3LT and is held on a 999 year lease from 1 April 1984. It includes garage number 144 which is held on a 99 year lease from 1 April 1969.

All assets are held for the use of charitable purposes.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

3. INVESTMENTS

December 2020 December 2019

3 (a) Investment income is analysed as follows:

Fixed Income Funds	145,748	146,165
Equity Mutual Funds	202,916	105,338
Equities	60,345	228,662
Other	31,218	51,398
	440,227	531,563

3 (b) Investments where the market values are considered to be material are:

			December 2020	December 2019
<i>Fixed Income Funds</i>	<i>Number of Shares</i>			
HSBC Asset Management Common Fund for Income	0 209,482	-		270,860
HSBC Corporate Bond	1,712 -	426,212		-
HSBC GI Global High Yield Bond Shares	53,602 22,159	524,773		216,071
HSBC Global Asia B shares	29,591 21,649	301,887		215,686
HSBC Global Corporate Bonds	41,165 20,268	459,936		218,815
HSBC Global Emerging Mkts Bonds	75,158 49,423	708,966		475,402
HSBC Global Investment Funds – Global Asset-Backed Bond	45,971 76,423	446,148		751,543
HSBC Global Investment Funds Emerging Mkts Local Debt Z	169,016 169,016	1,371,102		1,201,168
HSBC Global Short Duration HYB Shares	30,873 30,873	298,572		300,486
<i>Equity Mutual Funds</i>				
HSBC Global Economic Scale Index GEM Equity Z USD	0 25,015	-		214,586
HSBC Global FTSE All World Index Instl GBP Dis Nav	0 124,675	-		212,196
HSBC Index Tracker Fund – FTSE 250 Index	0 172,528	-		351,162
HSBC FTSE All Share Index Fund	921,696 772,079	2,913,482		2,781,802
HSBC Index Tracker Fund European Index	53,766 41,887	550,563		403,953
HSBC Index Tracker Investment Funds American index	211,324 142,412	1,575,633		946,041
HSBC Index Tracker Investment Funds Japan Index	213,191 185,149	295,269		236,805
HSBC Multi Fac Shares	85,008 35,461	785,859		299,977
HSBC US MltFA Institutional shares	209,942 69,780	885,958		264,116
Ishares Core MSCI EM IMI	187,424 174,398	751,373		621,292
IShares Core MSCI World UCITS ETF Accum USD	0 35,965	-		1,716,609
IShares Core MSCI World UCITS ETF Hedged GBP	0 113,879	-		690,106
ishares V MSCI World GBP Hedged UCITS	8,954 -	595,799		-
<i>Other</i>				
Charities Property Fund	657,987 657,987	815,575		838,671
Goldman Sachs Cross Asset Trend Portfolio	36,055 46,318	337,486		501,421
AQR Man Fut shares	1,712 2,891	175,291		306,817
HSBC GI MA SF shares	14,172 18,935	159,010		209,846

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

4. GOVERNANCE AND SUPPORT COSTS

Support costs

As stated in Note 1(d) support costs represent an apportionment of costs spent in making and controlling grant awards. The Trustees consider that the following costs are a reasonable allocation under this heading.

	December 2020	<i>December 2019</i>
		<i>£</i>
Secretarial, financial and clerical assistance	21,002	22,822
Establishment expenses	13,848	13,106
Stationery, telephone and postage	2,619	2,910
General expenses	673	1,281
Motor and incidental expenses	-	84
AGM and student liaison costs	1,488	2,599
Depreciation	5,743	6,018
	45,373	48,820

Governance costs

As stated in Note 1(d) governance costs are the costs associated with constitutional and statutory requirements of the CIO. The following costs have been incurred under this heading:

	December 2020	<i>December 2019</i>
		<i>£</i>
Legal fees- previous years provision reversed	-	(4310)
Accountancy fees	9,398	8,905
Audit fees	5,040	2,760
Trustees travel costs	258	803
Bank charges and interest	18	24
	14,714	8,182

Total support and governance costs are apportioned pro rata to the grants awarded as shown in note 5.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

5. CHARITABLE ACTIVITIES

	Grants	Support and governance costs	Dec-20 Total	Dec-19
	£	£	£	£
Grants to British academics for study visits to China – object (a)				
UK Institutions:				
British Academy	0	0	0	49,739
British Library	0	0	0	0
Needham Research Institute	4,000	948	4,948	4,352
School of Oriental & African Studies	0	0	0	13,086
St. Antony's College	11,000	2,608	13,608	0
Universities China Committee London	31,000	7,349	38,349	33,687
Overseas Institutions:				
Hong Kong University	0	0	0	6,187
Lingnan University	8,600	2,039	10,639	0
Open University of Hong Kong	0	0	0	2,826
Vocational Training Council (THEi)	0	0	0	1,356
Individuals (0)	0	0	0	2,826
	<u>54,600</u>	<u>12,944</u>	<u>67,544</u>	<u>114,059</u>

Grants to Chinese academics for study visits to Great Britain – object (b)

UK institutions:				
British Academy	0	0	0	29,391
British Museum	0	0	0	13,565
China Kadoorie Biobank	0	0	0	15,600
Great Britain China Educational Trust	46,500	11,024	57,524	53,413
Needham Research Institute	10,000	2,371	12,371	11,474
Royal Society	71,000	16,832	87,832	42,357
School of Oriental & African Studies	0	0	0	3,871
St Cross College, University of Oxford	15,000	3,556	18,556	0
Universities China Committee London	0	0	0	1,356
Overseas Institutions:				0
Chinese University of Hong Kong	0	0	0	22,609
Hong Kong University	(20,000)	(4,741)	(24,741)	15,327
Lingnan University	7,400	1,754	9,154	0
Open University of Hong Kong	12,500	2,963	15,463	8,517
Vocational Training Council	12,500	2,963	15,463	14,130
China Scholarship Council	9,000	2,134	11,134	14,696
Individuals (2)	13,960	3,309	17,269	67,895
	<u>177,860</u>	<u>42,165</u>	<u>220,025</u>	<u>314,201</u>

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

5. CHARITABLE ACTIVITIES (continued)

Promotion of Chinese language studies – object (c)

UK Institutions

Great Britain China Educational Trust	3,500	830	4,330	3,109
Universities China Committee London	4,000	948	4,948	4,522
Individuals (1)	2,000	474	2,474	565
	<u>9,500</u>	<u>2,252</u>	<u>11,752</u>	<u>8,196</u>

Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)

UK Institutions:

University Birmingham/Peking University	0	0	0	45,217
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Chinese Institutions:

Lingnan University	4,000	948	4,948	0
Hong Kong University	0	0	0	1,094
Open University of Hong Kong	7,500	1,778	9,278	11,266
	<u>11,500</u>	<u>2,726</u>	<u>14,226</u>	<u>57,577</u>

TOTAL GRANTS FOR YEAR	253,460	60,087	313,547	494,033
	<u><u>253,460</u></u>	<u><u>60,087</u></u>	<u><u>313,547</u></u>	<u><u>494,033</u></u>

There were 3 (2019: 6) grants to individuals during the year.

The CIO is committed to spending £ 560,620 (2019 £567,050) in respect of grants within the following year and £1,007,865 (£1,015,600) in the two years of 2022 and 2023. Most grants are approved on a 3 year basis with an annual payment each year and many long established grants are renewed after the 3 year period has expired.

6. STAFF COSTS

	December 2020	<i>December 2019</i>
	£	<i>£</i>
Salaries and wages	20,390	22,216
Employer pension contributions	612	606
	<u>21,002</u>	<u>22,822</u>

There is 1 part time member of staff employed by the CIO.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

CASHFLOW STATEMENT

Note 7

	December 2020	December 2019
Net income/ (expenditure) for the period to 31st December 2020	(374,751)	1,894,695
Adjustments for:		
Depreciation charges	5,743	6,016
(Gains)/losses on investments	424,239	(1,934,327)
Investment income	(440,809)	(533,239)
(Increase)/decrease in debtors	622	3,572
Increase/(decrease) in creditors	(126,349)	(5,941)
Net cash provided/(used) operating activities	(511,305)	(569,224)

Note 8

	December 2020 12 months	December 2019 9 months
Analysis of cash and cash equivalents		
Cash held as part of investment portfolio	114,086	304,594
Cash at bank and in hand	867,600	861,707
Total cash and cash equivalents	981,686	1,166,301

9. TRUSTEES

No trustee received any remuneration for this period but travelling expenses for relevant charitable activities were paid as necessary.

10. RELATED PARTIES

During the period grants were paid to the Great Britain China Educational Trust. This institution has a trustee in common with the charity. Grants were also paid this year to the British Academy, the Open University of Hong Kong, Needham Research Institute, the Royal Society, St Cross College Oxford and St Antony's College Oxford. There are connections with these institutions by virtue of Trustees holding honorary positions. Such grants are reviewed annually and have been approved unanimously at Trustees meetings.

During the period an amount of £ 0 (2019: £300) was paid to Mr C. Ely for maintaining the Charity's database. His wife, Mrs A.E. Ely is the Chairman of the Trustees and his son, Mr P.J. Ely, is Deputy Chairman.

The furnishings in Bede House were donated to the former Charity in 2005 by the Elizabeth Frankland Moore Foundation and the foundation has a trustee in common with the Charity.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2020 (Continued)

11. CORONAVIRUS COVID 19 UPDATE

As mentioned in the Trustees report 2020 was dominated by the Covid-19 pandemic, which had a considerable impact on travel between China and the UK, and on academic research collaboration between the two countries. During the year the CIO kept in close touch with partner organisations and individual grant beneficiaries, aiming to maintain support as far as possible as plans were changed in the light of the pandemic. Travel difficulties resulted in several research initiatives being put on hold so there was a decrease in grants paid out this year; some increase is expected in 2021 although some projects may well be extended through to 2022.

The Income from the CIO all comes from interest and dividends from the investments and as a result of the pandemic it is expected there will be a further decrease in investment income during 2021. The situation is being monitored regularly by the Trustees to consider whether a transfer of funds from the expendable endowment will be required. When the decrease in expenditure caused by travel problems is taken into account, it seems likely that the existing free reserves of £815,958 will be sufficient to fund all regular and expected grants through to 2023 without such a transfer being required.

12. TAXATION

As a registered charity the trust is not subject to income taxes or Value added tax.