

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
	<hr/>	<hr/>
Market value as at 31 December 2022	16,736,371	17,613,957
Euro adjustment	0	42
Cash held by broker	0	732,199
	<hr/>	<hr/>
	16,736,371	18,346,198
Management fee creditor	0	(20,509)
	<hr/>	<hr/>

Expendable Endowment Fund

16,736,371

18,325,689

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	
	<hr/>	<hr/>
	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