

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 £	<i>December 2022 £</i>
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	December 2022
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	400,306	496,063
	400,306	610,807

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

	Number of Shares/Units 2023	Number of Shares/Units 2022	December 2023	December 2022
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	3,840,753	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)**

4. GOVERNANCE AND SUPPORT COSTS

Governance and Support costs

Support costs

	December 2023	<i>December 2022</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
	69,770	54,092

Governance Costs

	December 2023	<i>December 2022</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
	25,004	18,667

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