

THE SINO-BRITISH FELLOWSHIP TRUST

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

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2018

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2018

The trustees present their report along with the financial statements of the Charitable Incorporated Organisation (CIO) for the period ended 31 December 2018. 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 published on 16 July 2014.

OBJECTIVES

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

In advancing education and training in any subject:

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

SIGNIFICANT ACTIVITIES

Annual grants to Institutions amounted to £417,100 and individual grants of £52,716 were awarded during the period.

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2018 (Continued)

PUBLIC BENEFIT

The Trustees have reviewed the outcomes and achievements of the objectives and activities for the period, to ensure they remain focused on the charitable aims, and continue to deliver benefits to the public. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the CIO.

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

Benefits of the CIO's works:

The promotion of knowledge and raising standards by:

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

GRANT MAKING POLICY

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

ACHIEVEMENTS AND PERFORMANCE

This first reporting period for the CIO covers a 16 month period from 4 September 2017 to 31 December 2018. The CIO was first registered on 4th September 2017. During the period 4th September 2017 to 31 March 2018, it held no assets and conducted no activities. On 1 April 2018 the CIO took over the assets,

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2018 (Continued)

liabilities and on-going activities from the “Sino-British Fellowship Trust”, registered charity number 313669. The financial statements show the CIO’s financial situation in the 9 months since it took over from the old charitable Trust.

Since the final set of accounts for the former charity was completed, investment income has decreased in absolute terms, but was proportionally higher than in the previous period. There was also a proportional increase in grants requested by institutions and there was a higher uptake of individual grants. Overall grants are proportionally higher compared to the previous period. Total expenditure is £585,568 compared with £630,242 in the 15 months ending 31st March 2018. The free reserves fell from £770,332 to £637,730.

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 9 month period to 31 December 2018 amounted to £387,875.

The cost of raising funds was £59,625 and expenditure on charitable activities amounted to £525,943 giving net outgoing resources of £197,693.

The investments at 31 December 2018 had a market value of £15,215,413 after net losses for the period of £580,346.

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

The investment policy is to obtain a reasonable long-term overall return at a moderate level of risk. Performance is monitored by the Investment Committee of Mrs A.E. Ely, Mr P.J. Ely, Mrs L. Thompson and Dr F. Wood. The market value of the investments, including the cash held by the broker, decreased by 3.96% during the period. Total returns for the period (annualised capital plus interest) were -5.31% net of fees compared with the benchmark of - 3.83% for a balanced fund.

RISK MANAGEMENT

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

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2018 (Continued)

FUTURE PLANS AND CHARITABLE STATUS

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

RESERVES POLICY

In the opinion of the trustees the assets of the CIO are sufficient to meet its liabilities on a fund by fund basis. The CIO has taken on the assets of the former charity (RCN 313669), which was set up in 1948 with funds applicable to capital and income and so provides income to its continuing activities. The trustee's powers of investment to expend capital and income are not restricted in the Constitution of the CIO.

In accordance with the original wishes of those providing funds to set up the charity, the trustees have reclassified the Investment Fund as Expendable Endowment Funds, representing the residue of the original funding, and the remainder, representing net incoming resources for the year, as the Unrestricted Funds.

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

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

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

The free reserves of the CIO at 31 December 2018 were £637,730. The trustees consider it to be prudent to retain a minimum of 6 months investment income as free reserves.

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ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2018 (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sino-British Fellowship Trust is a Charitable Incorporated Organisation (CIO) registered on 4th September 2017. The registered charity number is 1174487. The CIO was set up to take over the work of the charity of the same name (registered charity number 313669). The assets of the former charity were transferred to the CIO on 1st April 2018 and the former charity was removed from the Register of Charities on 13th November 2018.

The trustees who have served during the period and since the period end are set out on page 6. 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 9 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 in the past has approached persons known to have an interest in related activities or who have worked for Institutions the CIO has supported with grants.

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

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2018 (Continued)

REFERENCE, LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs A.E. Ely, Chairman and Honorary Director
Emeritus Professor H.D.R Baker, BA, PhD
Mr P. J. Ely, BA(Hons), IPFA, Deputy Chairman
Emeritus Professor R.J. Foot, FBA
Professor W.W.C. Luk, FEng, CEng, CITP, FBCS, MIET, FIEEE
Emeritus Professor G.D.W. Smith, FRS, FIMMM, FInstP, FRSC, CPhys, CEng
Mrs L. Thompson, OBE
Dr F. Wood

Honorary Advisor

Lady Pamela Youde, OBE

Office

23 Bede House
Manor Fields
Putney Heath
London SW15 3LT

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Solicitors

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

Investment Advisers

HSBC Private Bank (UK) Ltd
78 St James's Street
London SW1A 1JB

Investment Custodian

HSBC Global Asset Management (UK) Ltd
8 Canada Square
Canary Wharf
London E14 5HQ

Auditor

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

THE SINO-BRITISH FELLOWSHIP TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2018 (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
5. prepare financial statements on the going concern basis unless it is inappropriate to assume that the Trust 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 Trust 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 trust deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 26 September 2019 and signed on their behalf by:

Mrs A.E. ELY Chairman

THE SINO-BRITISH FELLOWSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2018

Opinion

We have audited the financial statements of Sino-British Fellowship Trust (the charity) for the period ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2018 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

THE SINO-BRITISH FELLOWSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SINO-BRITISH FELLOWSHIP TRUST FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)

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;
- the financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

David Wheeler F.C.C A.

Senior Statutory Auditor

For and on behalf of

Braidwood Wheeler & Co – Statutory Auditor

Chartered Certified Accountants

Goodman House

13a West Street

Reigate

Surrey

RH2 9BL

Date: 30th September 2019

THE SINO-BRITISH FELLOWSHIP TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31ST DECEMBER 2018

	Unrestricted Fund £	Expendable Endowment Fund £	December 2018 9 months Total £
INCOME AND ENDOWMENTS			
Income from investments (Note 3)	387,156	-	387,156
Interest	719	-	719
Other income	-	-	-
TOTAL INCOME	387,875	-	387,875
EXPENDITURE			
Costs of raising funds			
Investment management fee (Note 1h)	-	59,625	59,625
Expenditure on Charitable Activities (Note 5)			
Grants to British academics for study visits to China – object (a)	105,627	-	105,627
Grants to Chinese academics for study visits to Great Britain – object (b)	322,182	-	322,182
Promotion of Chinese language studies – object (c)	28,950	-	28,950
Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)	69,184	-	69,184
TOTAL EXPENDITURE	525,943	59,625	585,568
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS	(138,068)	(59,625)	(197,693)
Net investment gains/(losses):			
Realised gains/(losses):	-	106,520	106,520
Unrealised gains/(losses):	-	(686,866)	(686,866)
NET (EXPENDITURE)	(138,068)	(639,971)	(778,039)
Transfer between funds (Note 8)	(585)	585	-
NET MOVEMENT IN THE FUNDS FOR THE YEAR	(138,653)	(639,386)	(778,039)
RECONCILIATION OF FUNDS			
Transfer from Charitable Trust	1,058,558	16,133,669	17,192,227
FUNDS CARRIED FORWARD 31 DECEMBER 2018	919,905	15,494,283	16,414,188
Represented by:			
Tangible fixed assets	282,175	-	282,175
Fixed assets investments	-	15,215,413	15,215,413
Net current assets	637,730	278,870	916,600
TOTAL NET ASSETS 31 DECEMBER 2018	919,905	15,494,283	16,414,188

The notes on pages 12 to 20 form part of these financial statements.

THE SINO-BRITISH FELLOWSHIP TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2018

	December 2018 9 months £	December 2018 9 months £
FIXED ASSETS		
Tangible Assets (Note 2b)		
Leasehold property		279,536
Furnishings		2,326
Computer Equipment		313
Total Fixed Assets		<hr/> 282,175
Investments (Note 2a)		15,215,413
 CURRENT ASSETS		
Investment cash held by broker (Note 2a)	298,173	
Income due from broker	11,507	
Debtors, prepayments and accrued income	7,616	
Cash at bank and in hand	816,312	
	<hr/>	
Total Current Assets	1,133,608	
 CURRENT LIABILITIES		
Creditors: Amounts falling due within one year		
Other creditors	186,505	
Accruals	30,503	
	<hr/>	
Total Current Liabilities	217,008	
	<hr/>	
Net current assets		916,600
		<hr/>
NET ASSETS		16,414,188
		<hr/> <hr/>
THE FUNDS OF THE CHARITY (Note 1b)		
Expendable Endowment (note 2a)		15,494,283
General fund		919,905
		<hr/>
TOTAL CHARITY FUNDS		16,414,188
		<hr/> <hr/>
Approved by the Trustees on 26 September 2019 and signed on their behalf		
 A.E. ELY)	
)	
)	
P.J.ELY)	Trustees
)	

The notes on pages 12 to 20 form part of these financial statements

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018

1. ACCOUNTING POLICIES

a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

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

b) Fund Accounting

The expendable endowment fund represents the charity's investments. The fund includes cash held by the Charity'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 charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that 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 charity.

e) Irrecoverable VAT

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

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)

1. ACCOUNTING POLICIES (Continued)

f) Depreciation

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

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

g) Fixed asset Investments

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

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

h) Costs of raising funds

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

i) Charitable activities

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

j) Grants

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

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

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)

2. TRANSFER FROM FORMER CHARITY

On 1st April 2018 the CIO received all assets, liabilities and on-going activity from the “Sino-British Fellowship Trust”, registered charity number 313669.

2(a). FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	December 2018 9 months £
Market value at 1 April 2018	15,795,509
Additions to investments at cost	3,388,160
Disposals at carrying value	(3,281,390)
Net gain (loss) on revaluation	(686,866)
Market value as at 31 December 2018	15,215,413
Cash held by broker	298,173
	15,513,586
Management fee creditor	(19,303)
	15,494,283
Expendable Endowment Fund	

Investments at market value comprised:

	December 2018 9 months £
Fixed Interest Securities	2,272,121
Funds	775,544
Equities	11,121,140
Alternatives	1,046,608
	15,215,413

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)

2(b). TANGIBLE FIXED ASSETS

	Leasehold Property £	Furnishings £	Computer Equipment £	Total £
Cost:				
At 1 April 2018	388,138	-	-	388,138
Additions during the period	-	2,514	384	2,898
At 31 December 2018	388,138	2,514	384	391,036
Depreciation:				
At 1 April 2018	102,858	-	-	102,858
Charge for the period	5,744	188	71	6,003
At 31 December 2018	108,602	188	71	108,861
Net book value: At 31 December 2018	279,536	2,326	313	282,175

The leasehold property was bought in at net value from the former charity whose work the CIO took over.

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

The depreciation of the property has been calculated and provided for in these financial statements to write down the assets over its remaining useful life, on takeover of the former charity, of 37 years.

The furnishings in Bede House were donated to the Charity by the Elizabeth Frankland Moore Foundation.

All assets are held for the use of charitable purposes.

3. INVESTMENTS

December 2018
9 months
£

3 (a) Investment income is analysed as follows:

Fixed Interest Securities	87,926
Funds	1,648
Equities	261,495
Alternatives	36,087
	387,156

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)

3 (b) Investments where the market values are considered to be material are:	December 2018 9 months £
HSBC Asset Management common fund for income (515,247)	644,059
Charities Property Fund (653,188)	849,928
HSBC Global Emerg Mkts Bonds (43,397)	393,216
HSBC Global FTSE All World Index Instl GBP Dis Nav (962,462)	1,362,846
HSBC Global Economic Scale Index GEM Equity Z USD (36,302)	293,073
HSBC Index Tracker Investment Funds American index (235,561)	1,250,123
HSBC Global Investment Funds Emerg Mkts Local Debt Z (200,042)	1,407,179
HSBC FTSE All Share Index Fund (641,804)	2,020,399
Ishares VII Plc MSCI EMU UCITS ETF (3,248)	287,501
HSBC Index Tracker Investment Funds Japan Index (537,388)	608,323
HSBC Index Tracker Fund – FTSE 250 Index (172,084)	277,227
HSBC Index Tracker Fund European Index (35,574)	291,746
Ishares Core MSCI World UCITS ETF (168,926)	835,930
HSBC Global Investment Fund Econ Scale US Equity Z USD (11,559)	371,275
Ishares Core MSCI EM IMI (154,382)	502,323
HSBC Global Investment Funds – Global Asset – Backed Bond (41,532)	407,769
HSBC Merit US Equity Bond (120,779)	367,774

4. GOVERNANCE AND SUPPORT COSTS

Support costs

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

	December 2018 9 months £
Secretarial, financial and clerical assistance	16,776
Establishment expenses	10,086
Stationery, telephone and postage	3,347
General expenses	562
Motor and incidental expenses	178
Depreciation	6,003
	<hr/>
	36,952
	<hr/>

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)**

4. GOVERNANCE AND SUPPORT COSTS (Continued)

Governance costs

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

	December 2018 9 months
	£
Legal fees	848
Accountancy fees	9,090
Audit fees	2,760
Trustees travel costs	338
Bank charges and interest	184
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	13,220
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Total support and governance costs are apportioned pro rata to the grants awarded as shown in note 5.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)

5. CHARITABLE ACTIVITIES

	Grants	Liaison	Support and governance costs	December 2018 9 months Total
	£	£	£	£
Grants to British academics for study visits to China – object (a)				
UK Institutions:				
British Academy	44,000	558	4,699	49,257
British Library	9,100	115	972	10,187
Needham Research Institute	4,212	53	450	4,715
School of Oriental & African Studies	8,042	102	859	9,003
St. Anthony's College	11,000	139	1,175	12,314
Universities China Committee London	5,000	63	534	5,597
Overseas Institutions:				
Hong Kong University	5,921	75	632	6,628
Lingnan University	6,476	82	691	7,249
Individuals (1)	<u>605</u>	<u>8</u>	<u>64</u>	<u>677</u>
	<u>94,356</u>	<u>1,195</u>	<u>10,076</u>	<u>105,627</u>
Grants to Chinese academics for study visits to Great Britain – object (b)				
UK institutions:				
British Academy	26,000	330	2,777	29,107
British Library	13,400	170	1,431	15,001
British Museum	12,000	152	1,281	13,433
China Kadoorie Biobank	16,300	207	1,741	18,248
Great Britain China Educational Trust	27,750	352	2,963	31,065
Kingston University	12,000	152	1,282	13,434
Needham Research Institute	9,788	124	1,045	10,957
Royal Society	38,000	483	4,058	42,541
School of Oriental & African Studies	6,958	88	743	7,789
St Cross College, University of Oxford	15,000	190	1,602	16,792
Overseas Institutions:				
Chinese University of Hong Kong	20,000	254	2,136	22,390
Hong Kong University	9,735	123	1,040	10,898
Lingnan University	13,524	171	1,444	15,139
Open University of Hong Kong	6,343	80	677	7,100
Vocational Training Council	12,500	158	1,335	13,993
Individuals (3)	<u>48,500</u>	<u>615</u>	<u>5,180</u>	<u>54,295</u>
	<u>287,798</u>	<u>3,649</u>	<u>30,735</u>	<u>322,182</u>

THE SINO-BRITISH FELLOWSHIP TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)**

5. CHARITABLE ACTIVITIES (Continued)

	Grants	Liaison	Support and governance costs	December 2018 9 months Total
	£	£	£	£
Promotion of Chinese language studies – object (c)				
UK institutions				
Great Britain China Educational Trust	22,250	282	2,376	24,908
Individuals (2)	3,611	46	385	4,042
	<u>25,861</u>	<u>328</u>	<u>2,761</u>	<u>28,950</u>
 Joint UK /China academic programmes, and exchanges between Hong Kong and other parts of China – object (d)				
UK Institutions:				
British Library	3,800	48	406	4,254
University Birmingham/Peking University	40,000	507	4,272	44,779
Chinese Institutions:				
Hong Kong University	4,344	55	464	4,863
Open University of Hong Kong	13,657	173	1,458	15,288
	<u>61,801</u>	<u>783</u>	<u>6,600</u>	<u>69,184</u>
 TOTAL GRANTS FOR YEAR	 469,816	 5,955	 50,172	 525,943
	<u></u>	<u></u>	<u></u>	<u></u>

There were 6 grants to individuals during the year.

The charity is committed to spending £467,750 in respect of grants within the following year and £380,000 in respect of grants in more than one year.

THE SINO-BRITISH FELLOWSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018 (Continued)

6. STAFF COSTS

	December 2018 9 months £
Salaries and wages	16,450
Employer pension contributions	329
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	16,779
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There is 1 part time member of staff employed by the charity.

7. TRUSTEES

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

8. TRANSFER

The transfer from the unrestricted fund to the expendable endowment is arrived at as follows:

	December 2018 9 months £
Deposit interest transfer	585
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9. RELATED PARTIES

During the period grants were paid to the Great Britain China Educational Trust. This institution has a trustee in common with the charity. Grants were also paid to the British Library, the Open University of Hong Kong, Needham Research Institute, St. Anthony's College, Oxford, St. Cross College, Oxford, the Great Britain China Educational Trust and the School of Oriental and African Studies. There are connections with these institutions by virtue of Trustees holding honorary positions. Such grants are of longstanding and have been approved unanimously at Annual General Meeting.

During the period an amount of £300 was paid to Mr C. Ely for maintaining the Charity's database. His wife, Mrs A.E. Ely is the Chairman of the Trustees and his son, Mr P.J. Ely, is Deputy Chairman. The payment was approved by all Trustees.

Mrs. D. Haine was paid £16,450 together with employer contributions to the workplace pension of £329 during the period as the Charity's employed administrator. She is the daughter of Lady P. Youde and her appointment as an employee of the Charity was approved by all Trustees.