

**CAMBRIDGE CHINA DEVELOPMENT  
TRUST**

**Annual Report and Financial Statements**

**Year ended 31 July 2019**

**( - 10/12/2019)**

**Cambridge China Development Trust**

# **CAMBRIDGE CHINA DEVELOPMENT TRUST**

## **REPORT AND FINANCIAL STATEMENTS 2019**

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# CAMBRIDGE CHINA DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 1. OBJECTS AND PURPOSES OF THE TRUST

The Cambridge China Development Trust was established by Trust Deed, dated 9 October 2005, to advance education and in particular any branches or aspects of education likely to be for the benefit of either British subjects on the one hand or citizens of the People's Republic of China on the other, or both, in the field of economics, business studies, systems of governance and the development of leadership, managerial and business skills, in particular by:

- (a) putting on courses, seminars, training programmes and lectures at Cambridge and elsewhere; and
- (b) the provision of visiting fellowships, scholarships, bursaries and secondments for study at Cambridge, elsewhere in the United Kingdom and in the European Union, and in the People's Republic of China.

The Trustees confirm that these objects are educational and intended solely for the public benefit. None of the contributing corporations derive any benefit, individual or corporate, from their support of the Trust; their contributions are charitable donations. No employee or any person connected with the corporations are beneficiaries of the Trust. The senior persons from corporations who have agreed to teach on the China Executive Leadership Programme (or may be involved in other aspects of future teaching and research programmes) do so, and will do so, *pro bono*. The purpose of the Trust's activities is that those who benefit from these programmes of education, learning and research, will, in their turn, contribute to the public benefit in their countries.

### 2. ORGANISATION AND MANAGEMENT OF THE TRUST

The Trust is a charity registered with the Charity Commission (Charity Reference Number 1111605).

The Trust is governed by its Trustees. Day-to-day matters are delegated to an Executive Committee comprising the Trustees resident in Cambridge. Trustee indemnity insurance is in place.

Professor Peter Nolan and Dr Anil Seal are Joint Directors of the Trust. Dr Nicholas Branson is Treasurer of the Trust.

The financial administration of the Trust is conducted from 11 Madingley Road, Cambridge which is the headquarters of the Malaysian Commonwealth Studies Centre. The Trustees express their gratitude to the Trustees of the Malaysian Commonwealth Studies Centre for providing this accommodation.

The China Executive Leadership Programme and other Trust activities are based in the China Centre, Jesus College.

#### Recruitment, induction and training of Trustees

All Trustees have considerable administrative experience and knowledge of related governance procedures, in most cases having run or held senior positions in educational or business institutions. Some Trustees are leading figures from within the University of Cambridge and its Colleges, and others are major figures in international business. It is the policy of the Trust that all new Trustees should receive full minutes of recent meetings of Trustees and their Executive Committee as well as details of the accounts and budgets for up to three years prior to appointment; that they should receive a copy of the Trust Deed and any rules and regulations made under it; and that they should be given an informal briefing by the officers and invited to contact the Joint Directors for further and better particulars or for any matters arising after perusing background papers. Ongoing training is carried out by making Trustees aware of the notes of guidance for Trustees which are available on the Charity Commission website.

#### Key Management Personnel

The key management personnel policy and remuneration is included in Note 4 on page 14.

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 2. ORGANISATION AND MANAGEMENT OF THE TRUST (continued)

#### Investment Policy

The Trust does not at present have sufficient assets to warrant the investment of its funds other than through its bank deposit account. This matter will be kept under review by the Trustees.

#### Ethical Investment Policy

The Trustees do not have an ethical investment policy as such. If they reach the point of being able to invest their funds, they will rely on the ethical investment policies of the managers of the individual funds concerned.

### 3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST BETWEEN 1 AUGUST 2018 AND 31 JULY 2019

#### China Executive Leadership Programme (CELP)

The principal activity of the Trust continues to be the running of the China Executive Leadership Programme. This programme consists of an annual two-week training course in Cambridge for the Chief Executive Officers of China's 150 largest state owned enterprises (typically 25 CEOs annually).

From 2018, the CELP partner has been transferred to the State-owned Assets Supervision and Administration Commission (SASAC). SASAC selects and evaluates the CELP participants each year. They arrange pre-course training in China and make the international air transport arrangements. The Chinese delegates' institutions in China pay for the international air travel to and from China. The delegates are from China's largest SOEs and a few of them are from SASAC. None of the participants derive personal financial benefit from the programmes, nor do their companies benefit commercially. The programme has been judged by all concerned to be outstandingly successful, and continues to be commended at the highest levels in the Chinese Government.

The fourteenth CELP ran from 1-19 July 2019. Mr Ma Hui, Minister for the Embassy of the People's Republic of China in the UK, attended the inauguration. The head of the 2019 delegation was Mr Lin Zhan, Chief Executive Officer, China Forestry Group Corporation Ltd.

#### China Centre, Jesus College

CCDT trustees have decided to provide financial support within the limits of CCDT's budget for the China Centre, Jesus College. The China Centre is a not-for-profit institution, with the objective of using China's history and philosophy to deepen understanding between China and the West in order to understand better the common challenges facing the human species in the 21st century and the way in which these might be resolved through East-West cooperation. The China Centre has a close partnership with the Development Research Centre (DRC) of the State Council of China, the leading policy think-tank in China.

The China Centre was established in Autumn 2017. Its purpose (i.e. contributing to mutual understanding between China and the West) is consistent with the objectives of the Cambridge China Development Trust.

The China Centre and the DRC are co-editing a series of scholarly books on the political economy of Chinese development with a series of workshops in the China Centre. The Centre is also developing academic partnerships with leading Chinese universities, including Peking University and Zhejiang University. The Centre will explore other paths for deepening mutual understanding between China and the West.

In November 2018 the CCDT received RMB492,000 (about £55,000) from the DRC as advance payment for translation fees and associated costs of a collaborative publication project between CCDT and the DRC. Most of this sum will be expended during 2019-20.

During 2018-19, the Trust contributed £39,636 towards the work of the China Centre (2017-18: £13,549).

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST BETWEEN 1 AUGUST 2018 AND 31 JULY 2019 (continued)

#### Other activities

An essential element in the educational activities of the Trust is the dissemination of the results of the China Executive Leadership Programme and other Trust activities. In order to take these initiatives forward, the Trust appointed Dr Liu Chunhang (Honorary Director of the China Industrial Development Research Centre at Peking University) as Senior Research Associate. The Trust also supported Research Associates for all or part of 2018-19 as follows:

- Ms Zhang Yan on the project *Governing the commons in China – evidence from the Lancang River*.
- Dr Zhang Jin as CCDT Senior Research Fellow while on academic leave from the Judge Business School.
- Dr Alexandra Winkels as Senior Research Associate in the Department of Politics and International Studies (75% of the cost being met by the Institute of Continuing Education).
- Dr Muhammad Tayyab Safdar, on the impact of China's *One Belt One Road* initiative on host countries (project also supported by the Isaac Newton Trust).
- Ms Xu Jing, a PhD student in Development Studies, as CCDT Research Scholar.

The research activities of Professor Nolan, as Joint Director, and the persons mentioned above, are proving essential to underpin the educational aspects of the CELP.

The Trust has a collaborative publication project with the Development Research Centre (DRC) of the People's Republic of China State Council. During 2018-19 the DRC contributed RMB492,000 (about £55,000) to CCDT as a contribution towards forthcoming translation fees and associated costs. As a consequence, the Accounts for 2018-19 show deferred income in note 8.

#### Public benefit

All of the activities of the trust generate public benefit. The participants in the CELP, including those who lead the seminars, derive considerable benefit from the teaching and learning programmes, and this in turn helps to strengthen business leadership and widen international understanding of the challenges facing the global economy at this critical stage in China's development.

The research activities supported by the trust are leading to a better understanding of the relationship between China and the rest of the world, a matter of self-evident public benefit.

The Trustees are satisfied that all of the activities of the Trust, as described in this report and in the accompanying accounts, are entirely for charitable purposes and fully meet the 'public benefit' requirement of the Charities Act 2011. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit.

#### Finances of the Trust

The finances of the Trust are on a secure footing, with sufficient capital to sustain the research activities of the Trust and the initial start-up costs of the 2020 CELP, ahead of the receipt of contributions in 2020.

### 4. FUTURE OUTLOOK

The Trust's immediate task is to maintain the success of the China Executive Leadership Programme in 2019-20 and future years, and to build on its success.

Among other future prospects are collaborative research programmes on the Chinese economy, including programmes involving collaboration between relevant Departments at Cambridge and their counterparts in China, and the provision of scholarships for study in Cambridge by students and officials from China.

The Trust intends to continue to support Research Associates based in Cambridge in 2019-20.

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 5. FINANCIAL REVIEW

Donations for the year ended 31 July 2019 were £645,000 (2018: £490,000). The expenditure for the year ended 31 July 2019 was £557,034 (2018: £538,168).

The net income for the year ended 31 July 2019 was £90,984 (2018: net expenditure of £47,003). The total assets less current liabilities were £1,190,892 (2018: £1,099,908).

### 6. GOING CONCERN

After making adequate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for at least the next 12 months. The Trust had total assets less current liabilities of £1,190,892 as at 31 July 2019 (2018: £1,099,908). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### 7. RESERVES POLICY

The assets of the Trust are expendable and available generally for the purposes of the Trust in accordance with the Trust Deed. These assets provide a modest but useful cushion to underpin the activities of the Trust in 2019-20 and beyond.

There are inevitably risks associated with running the China Executive Leadership Programme where the selection of participants is outside the immediate control of the Trust. It is the policy of the Trustees to retain sufficient reserves to cover any unexpected events, of whatever nature, which might affect the running of the China Executive Leadership Programme. It is also necessary to retain sufficient reserves to cover all existing commitments for the support of Research Associates. The present level of reserves is considered by the Trustees to be prudent in all the circumstances.

The unrestricted reserves at 31 July 2019 were £1,190,892 (2018: £1,099,908).

There were no restricted reserves at 31 July 2019 (2018: £nil).

### 8. RISK MANAGEMENT


The Trustees have examined the major strategic, business and operational risks which the Trust faces, and are satisfied that, with the regular reports they receive at meetings, they are able to assess these risks and to put in hand on a timely basis any necessary actions (mainly in relation to the scale of the activities of the China Executive Leadership Programme) to lessen or avoid them.

A risk register has been compiled, and is kept under annual review.

Projected future income is sufficient to meet the commitments currently envisaged for 2019-20 and future years.

The principal risk is that future income from bodies participating in the CELP will be insufficient to cover costs. This risk is managed through the close contacts maintained between the Joint Directors and the CEOs of participating companies.

Approved and signed on behalf of the Trustees:

  
Professor Peter Nolan  
Date: 12 December 2019

# **CAMBRIDGE CHINA DEVELOPMENT TRUST**

## **LEGAL AND ADMINISTRATIVE DETAILS**

### **TRUSTEES**

The Trustees for the year to 31 July 2019 and to the date of signing these financial statements, unless otherwise stated, were the following:

Professor Lord Broers (Chairman)  
Professor Simon Deakin  
Professor Sir Brian Heap  
Professor Lord Hunt of Chesterton  
Mr Muhtar Kent  
Mr Raymond Kwok  
Sir Mark Moody-Stuart  
Professor Peter Nolan  
Sir John Parker  
Dr Anil Seal  
Professor Ian White  
Mr Simon Henry  
Mr Robert Wilkinson  
Dame Ann Dowling  
Mr Douglas Flint  
Mr Dominic Barton  
Professor Michael Landesmann  
Professor Kjeld Erik Brodsgaard

### **TREASURER**

Dr Nicholas Branson

### **TRUST ADDRESS**

Cambridge China Development Trust  
Trinity College  
Cambridge CB2 1TQ

### **LEGAL STATUS**

The charity was established by a Deed of Trust dated 9 October 2005.  
The trust is registered with the Charity Commission, Reference Number 1111605.

# **CAMBRIDGE CHINA DEVELOPMENT TRUST**

## **LEGAL AND ADMINISTRATIVE DETAILS**

### **BANK**

National Westminster Bank Plc  
23 Market Street  
Cambridge  
CB2 3PA

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
1 Station Square  
Cambridge  
CB1 2GA

### **ANNUAL REPORT**

These financial statements should be read in conjunction with the trustees' annual report which is published on the same date as these accounts.



# **CAMBRIDGE CHINA DEVELOPMENT TRUST**

## **TRUSTEES' RESPONSIBILITIES STATEMENT**

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CAMBRIDGE CHINA DEVELOPMENT TRUST**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Cambridge China Development Trust (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31 July 2019 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011 and the trust deed.

We have audited the financial statements which comprise:

- the statement of financial activities;
- the balance sheet;
- the cash flow statement;
- the notes to the cash flow statement;
- the accounting policies; and
- the related notes 1 to 9.

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).

### **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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CAMBRIDGE CHINA DEVELOPMENT TRUST (continued)**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 a 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 respect of these matters.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 section 145 of the Charities Act 2011 and report in accordance with 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CAMBRIDGE CHINA DEVELOPMENT TRUST (continued)**

### **Report on other legal and regulatory requirements**

#### **Matters on which we are required to report by exception**

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

#### **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 auditor's 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.

*Deloitte LLP*

#### **Deloitte LLP**

Statutory Auditor  
Cambridge, United Kingdom

12 December 2019

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 July 2019

	Note	Total unrestricted funds	
		2019	2018
		£	£
<b>INCOME FROM:</b>			
Donations	1	645,000	490,000
Interest receivable		3,018	1,165
<b>TOTAL INCOME</b>		<u>648,018</u>	<u>491,165</u>
<b>EXPENDITURE ON:</b>			
Charitable activities	2	557,034	538,168
<b>TOTAL EXPENDITURE</b>		<u>557,034</u>	<u>538,168</u>
<b>NET INCOME (EXPENDITURE) FOR THE YEAR AND NET MOVEMENT OF FUNDS</b>		90,984	(47,003)
<b>TOTAL FUNDS</b> brought forward at 1 August		<u>1,099,908</u>	<u>1,146,911</u>
<b>TOTAL FUNDS</b> carried forward at 31 July		<u>1,190,892</u>	<u>1,099,908</u>

All results are derived from continuing activities.

There are no recognised gains and losses for the current or preceding financial year other than as stated in the Statement of Financial Activities.

The accounting policies and notes set out on pages 11 to 16 form part of these financial statements.

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## BALANCE SHEET 31 July 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	6	-	-
<b>CURRENT ASSETS</b>			
Debtors	7	251,722	175,000
Cash at bank and in hand		1,073,433	1,198,305
		<u>1,325,155</u>	<u>1,373,305</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(134,263)</u>	<u>(273,397)</u>
<b>NET CURRENT ASSETS</b>		<u>1,190,892</u>	<u>1,099,908</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,190,892</u>	<u>1,099,908</u>
<b>FUNDS</b>			
Unrestricted funds		<u>1,190,892</u>	<u>1,099,908</u>

The accounting policies and notes set out on pages 11 to 16 form part of these financial statements.

These financial statements were approved by the Trustees on 12 December 2019

Signed on behalf of the Trustees



Professor Peter Nolan

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## CASH FLOW STATEMENT Year ended 31 July 2019

	Note	2019 £	2018 £
Net cash (outflow) inflow from operating activities	a.	<u>(124,872)</u>	<u>132,426</u>
(Decrease) increase in cash	b.	<u>(124,872)</u>	<u>132,426</u>
 <b>Reconciliation of net cash flow to movement in net funds</b>			
		2019 £	2018 £
(Decrease) increase in cash in the year		<u>(124,872)</u>	<u>132,426</u>
Change in net funds resulting from cash flows		(124,872)	132,426
Net funds at 1 August 2018/2017		<u>1,198,305</u>	<u>1,065,879</u>
Net funds at 31 July 2019/2018		<u>1,073,433</u>	<u>1,198,305</u>

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## NOTES TO THE CASH FLOW STATEMENT Year ended 31 July 2019

	2019 £	2018 £	
<b>a. RECONCILIATION OF NET INCOME (EXPENDITURE) TO NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES</b>			
Net income (expenditure)	90,984	(47,003)	
Increase in debtors	(76,722)	(35,930)	
(Decrease) increase in creditors	(139,134)	215,359	
	<u>(124,872)</u>	<u>132,426</u>	
Net cash (outflow) inflow from operating activities			
<b>b. ANALYSIS OF NET FUNDS</b>			
	2018 £	Decrease in year £	2019 £
Cash fund deposit and at bank	<u>1,198,305</u>	<u>(124,872)</u>	<u>1,073,433</u>



# CAMBRIDGE CHINA DEVELOPMENT TRUST

## ACCOUNTING POLICIES

Year ended 31 July 2019

The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice "Accounting by Charities 2015" issued January 2015 (revised 1 January 2016), Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The particular accounting policies adopted by the trustees are described below.

### General information and basis of accounting

Cambridge China Development Trust is a charitable trust. The financial statements have been prepared under the historical cost convention.

### Going concern

The trustees are confident that the charity has adequate funds and resources to continue operating for the foreseeable future and is well placed to manage its business risks successfully. The Trust had total assets less current liabilities of £1,190,892 as at 31 July 2019 (2018: £1,099,908). For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### Fund accounting

The charity maintains:

#### *General unrestricted funds*

General unrestricted funds represent income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

### Income

All income is recognised in the statement of financial activities when the conditions for receipt have been complied with.

#### *Donations*

Donations and all other receipts are reported gross and the related fundraising costs are reported in other expenditure.

#### *Investment income*

Investment income is accounted for when receivable.

### Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objects of the charity and principally comprises the following:

Support for the China Executive Leadership Programme

Support for research related to the purposes of the Trust.

### Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit and legal fees.

### Support costs

Support costs include administration costs for charitable activities.

### Tangible fixed assets

Fixed assets are depreciated so as to write off their cost less estimated residual value in equal annual instalments over their estimated useful lives which are considered to be:

Computers - over 4 years

# **CAMBRIDGE CHINA DEVELOPMENT TRUST**

## **ACCOUNTING POLICIES**

**Year ended 31 July 2019**

### **Financial instruments**

The charity only have 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, which are described on pages 11 and 12, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2019

### 1. DONATIONS

	2019	2018
	£	£
HSBC	35,000	35,000
Boeing	35,000	35,000
Bloomberg	35,000	35,000
Anglo American PLC	35,000	35,000
British-American Tobacco	35,000	35,000
Coca-Cola China (Beverages) Limited	35,000	35,000
McKinsey Corporation	35,000	35,000
Novartis International AG	35,000	35,000
WPP	35,000	35,000
Siemens AG CD S	35,000	35,000
Sun Hung Kai - Kwoks' Foundation	50,000	-
Linklaters	35,000	35,000
Bosch China	35,000	35,000
Shell International	35,000	35,000
KPMG	35,000	35,000
Blackrock	35,000	-
Prudential	35,000	-
Standard Life	35,000	-
	<u>645,000</u>	<u>490,000</u>

### 2. CHARITABLE ACTIVITIES

	2019	2018
	£	£
<b>Principal activities</b>		
Education and research	183,027	167,484
Main programmes	215,688	215,368
Salaries - functions	57,473	43,234
Travel	41,833	63,089
Consultants - translations	33,497	29,474
	<u>531,518</u>	<u>518,649</u>
<b>Support costs</b>		
Rent	13,000	6,954
Bank charges	135	96
Telephone and fax	1,991	2,369
Governance costs (note 3)	10,304	10,100
Postage	86	-
	<u>25,516</u>	<u>19,519</u>
	<u>557,034</u>	<u>538,168</u>

Grants paid to individuals for research for the year ended 31 July 2019 were £32,000 (2018: £41,000).

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2019

### 3. GOVERNANCE COSTS

	2019	2018
	£	£
Auditor's remuneration - fee payable to the Trust's auditor	5,304	5,100
Treasurer	5,000	5,000
	<u>10,304</u>	<u>10,100</u>

### 4. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

#### Employees

##### Key Management Personnel

Key management personnel comprised the two Joint Directors, two part-time administrative staff, and the Treasurer.

The total remuneration (including pension contributions and employer's national insurance) of the key management personnel of the charity for the year ended 31 July 2019 was £62,473 (2018: £48,234).

The remuneration of the Treasurer is determined by the Trustees.

The remuneration of the part-time administrative staff is determined by the Joint Directors. In setting the levels of remuneration, consideration is given to comparable pay levels in the University of Cambridge.

##### Joint Directors

The Joint Directors, as Trustees, provided their services on a *pro bono* basis and received no remuneration in that capacity (2017-18: nil).

##### Administrative staff

Administrative staff support for the China Executive Leadership Programme is provided on a part-time basis when needed, remunerated on an hourly basis. The rates of pay are agreed by the Joint Directors. The remuneration of the Treasurer is set by the Trustees.

Total administrative staff support costs for the year ended 31 July 2019 were £57,473 (2017-18: £43,234). The costs of the Treasurer for the year ended 31 July 2019 were £5,000 (2017-18: £5,000).

##### Trustees

No Trustee received any remuneration from the Trust (2017-18: nil).

During the year, 6 trustees had travel expenses reimbursed or paid on their behalf. The total net travel reimbursed was £12,026 (2017-18: 4 trustees had travel expenses totalling £14,808 reimbursed or paid on their behalf).

No employees received salaries of over £60,000 (2017-18: £60,000).

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2019

### 5. TAXATION

Cambridge China Development Trust is a registered charity and is exempt from tax on income and capital gains falling within Chapter 3 of Part II to the Corporation Tax Act 2010 or Section 256 of the Taxation of Capital Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charges have arisen in the Charitable Trust.

### 6. TANGIBLE FIXED ASSETS

	Computers £
<b>Cost</b>	
At 1 August 2018 and 31 July 2019	4,061
<b>Accumulated depreciation</b>	
At 1 August 2018 and 31 July 2019	4,061
<b>Net book value</b>	
At 31 July 2019	-
At 31 July 2018	-

### 7. DEBTORS

	2019 £	2018 £
Donations receivable	251,722	175,000

Debtors is comprised of amounts falling due within one year.

### 8. CREDITORS

	2019 £	2018 £
Trade creditors	55,278	213,739
Accruals	23,706	59,658
Deferred income	55,279	-
	<u>134,263</u>	<u>273,397</u>

# CAMBRIDGE CHINA DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2019

### 9. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of its Governing Body, it is inevitable that transactions will take place in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length. All such transactions were immaterial.

During the year, 6 trustees had travel expenses reimbursed or paid on their behalf. The total net travel reimbursed was £12,026 (2017-18: 4 trustees had travel expenses totalling £14,808 reimbursed or paid on their behalf).