

# REGISTRAR OF COMPANIES

## China Dialogue Trust

### Annual Report and Financial Statements

31 December 2010

Company Registration Number  
06477262 (England and Wales)  
Charity Registration Number  
1125378

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## Reference and administrative details of the charity, its trustees and advisers

<b>Trustees</b>	Dr Kerry Brown Mr Jonathan James O'Grady Cameron Dr Paul Gilmore Clifford Mr Charles Jeremy Mawdesley Hardie Ms Malini Mehra Mr David Potter Ms Laura Sandys (Resigned 1 January 2010) Ms Shuyun Sun
<b>Chief executive officer</b>	Isabel Hilton
<b>Company secretary</b>	Jane Smith (Appointed 1 November 2010) Sharon Harris (Resigned 31 October 2010)
<b>Registered office</b>	China Dialogue Trust Suite 306 Grayston Centre 28 Charles Square London N1 6HT
<b>Telephone</b>	020 7324 4765
<b>Website</b>	<a href="http://www.chinadialogue.net">www.chinadialogue.net</a>
<b>Charity registration number</b>	1125378
<b>Company registration number</b>	06477262 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc 74 Goswell Road Clerkenwell London EC1V 7DA
<b>Solicitors</b>	Stone King LLP 16 St Johns Lane London EC1M 4BS

## **Trustees' report 31 December 2010**

The trustees present their report together with the financial statements of the charity for the year ended 31 December 2010

This report constitutes a directors' report for the purposes of Part 15 of the Companies Act 2006

The financial statements have been prepared in accordance with the accounting policies set out on pages 12 to 13 of this document and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005

### **Introduction**

China Dialogue Trust (the Trust) was incorporated as a company limited by guarantee on 18 January 2008 and obtained charitable status on 6 August 2008. In accordance with a legal transfer of undertakings dated 23 October 2008, the assets and liabilities of China Dialogue Limited (Company Registration Number 05825437) were transferred to the Trust as at midnight on 30 September 2008.

### **Objectives**

The objects for which the Trust is established are

- a to advance the education of the public (including in particular the public of the People's Republic of China) in the conservation, protection and improvement of the physical and natural environment, and
- b to promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment and, in particular, but not so as to restrict the proceeding wording, the physical and natural environment in the People's Republic of China

The Trust publishes a bilingual Chinese/English website – chinadialogue – dealing with issues concerning conservation protection and improvement of the physical and natural environment in the People's Republic of China

### **Public benefit**

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit

### **Governance, structure and management**

Structure, staff and advisers

The trustees meet regularly throughout the year and are inducted through detailed briefings

**Governance, structure and management** (continued)

Structure, staff and advisers (continued)

The Chief Executive Officer of the Trust is Isabel Hilton, assisted in the London office by Tan Copsey the Operations and Development Manager, Sam Geall the Deputy Editor and Maryann Bird, the Associate Editor. Linden Ellis was appointed in 2009 to lead the Trust's activities in the United States of America. The Trust provides funding for a Beijing office of China Dialogue which is led by Lucky Yi and Huo Weiya. This office in Beijing is a separate legal entity established in China and is not controlled or owned by the Trust.

Trustees

The following trustees were in office at 31 December 2010 and served throughout the period except where indicated.

Trustees	Appointed/Resigned
Dr Kerry Brown	
Mr Jonathan James O'Grady Cameron	
Dr Paul Gilmore Clifford	
Mr Charles Jeremy Mawdesley Hardie	
Ms Malini Mehra	
Mr David Potter	
Ms Laura Sandys	Resigned 1 January 2011
Ms Shuyun Sun	

Statement of trustees' responsibilities

The trustees (who are also directors of China Dialogue Trust for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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, including the income and expenditure, 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),
- ♦ make judgements and estimates that are reasonable and prudent,
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**Governance, structure and management (continued)**

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

Each of the trustees confirms that

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Risk management

The trustees review all risks applicable to the charity, especially the availability of funding in the current economic climate.

**Activities, specific objectives and relevant policies**

Review of the period

In 2010, we published 253 feature articles, 145 blog posts (since the new blog was launched), 18 book reviews, 17 mini reviews, 23 video podcasts and 101 bi-weekly news round-ups, keeping us on track to meet our publishing targets for 2010. Our volunteer translation network has now grown to more than 450 people, extending our influence and providing an invaluable resource.

We met other goals including publishing six issues of a bi-monthly journal for Chinese policymakers, political and business leaders – including a special edition for the C40 Cities conference in Hong Kong. We also launched a new staff blog and upgraded our comment system to better facilitate cross-cultural dialogue.

In addition, chinadialogue produced several reports: our report on the crisis in the Himalayan watershed, *The Waters of the Third Pole: Sources of threat, sources of survival*, was published this April in partnership with University College London, King's College London and the Australian National University. More recently, we have completed *climate change journalism in China: Opportunities for International Cooperation*, a report on the state of climate change journalism in China. This was compiled in partnership with International Media Support (Denmark) and Caxin Media, publishers of *Century Weekly*, one of China's most respected, cutting-edge publications, founded by former *Cajing* editor Hu Shuli. Work on a report for Friends of Europe, a Brussels based think-tank, on the impacts of the 12th Five Year Plan on green business was published in March of 2011.

**Activities, specific objectives and relevant policies (continued)**

Review of the period (continued)

We continue to build and consolidate relationships with Chinese media. The inaugural chinadialogue prizes for environmental journalism were presented in a well-attended ceremony in Beijing in April. Lu Zhenhua of the 21st Century Business Herald won the "biggest impact" category for a piece covering the investment frenzy in China's wind-energy market. Yang Chuanmin of Southern Metropolis Daily won the "in-depth reporting" category for a report on a chemical project near the Three Gorges Reservoir and Southern Weekend's Meng Dengke won the "investigative journalism" category for an in-depth piece on corporate links to waste-incineration advocates.

We conducted a training session for 40 of China's top environmental journalists prior to United Nations climate-change negotiations in Tianjin, on behalf of the Global Campaign for Climate Action. The training session was attended by journalists from state media including China Daily and Xinhua News Agency, as well as non-state media including Southern Weekend, Business China, China Economic Herald and South China Morning Post, and from major internet portals including people.cn, sohu.com, sina.cn and qq.com. Sze Ping of Greenpeace China noted that the event was "highly successful", that twice the expected number of journalists attended and that many had personally informed him how useful the training was. In 2011 we plan to build on this success, expanding the number of awards and soliciting a larger number of entrants.

We have hosted events in London, Beijing and San Francisco, including a business seminar in London with the leading Chinese economist Hu Angang. chinadialogue has also secured funding to employ a staff member in India to work on building recognition, knowledge networks and editorial contributions for the third pole project, promoting awareness and dialogue on the critical environmental and climate issues affecting the Himalayan watershed.

Progress

We attracted 388,755 visitors to our website in 2010. Just over 45% of visitors were from mainland China. Unfortunately Chinese readership fell 20% in 2010. This online audience was complemented by a print-journal readership of more than 1,000 per issue, more than 10,000 subscribers who now access our content through RSS feeds and 6,222 people receiving our weekly email updates.

Our core audience remains relatively young. 80% of respondents to our most recent survey<sup>1</sup> were between the ages of 21 and 40, mostly specialists. 61% said their work was related to environmental issues; and influential. 96% said they were "in a position to influence others". chinadialogue itself continues to influence the way readers think about climate change and to inspire them to action. 69% of survey respondents said that chinadialogue had influenced the way they think about environmental and climate-change issues and a further 69% said that the articles had encouraged them to take action.

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<sup>1</sup> The survey was last conducted in December 2009 and was completed by 227 people.

**Activities, specific objectives and relevant policies (continued)**

**Progress (continued)**

The survey provided positive feedback, including the following two comments from Chinese readers "You have inspired me to actively expose individuals and organisations (especially local government) that damage the environment in the pursuit of profit and without regret "

"Reading articles on chinadialogue deepens people's knowledge of themselves, not only Chinese people, but the people of the world The people of each nation should cooperate and together face environmental issues "

**Future plans**

Over the next three years, we plan to build on these achievements. In particular, we plan to extend the reach and impact of chinadialogue material by focusing on activities that set international and Chinese media and policy agendas To achieve this, we aim to

- ◆ Increase our output of original, cutting-edge reporting in China, with an expanded team of editors, contributors and advisers,
- ◆ Continue to make available to Chinese readers material that is otherwise inaccessible,
- ◆ In partnership with The Guardian and Sina, extend the reach and influence of our prize for Chinese environmental journalism, driving up standards in China and increasing our impact in Chinese print-media,
- ◆ Continue to leverage our expertise and that of our contributors to publish longer-form reports and policy briefs, including a report on Chinese environmental civil society aimed at stimulating philanthropic donor interest in this sector;
- ◆ Begin new projects and editorial projects including a focus on the effect of Chinese outward investment, an in-depth series on the development and practice of environmental law and on Germany's radical decision to abandon nuclear power
- ◆ Build on existing work in South Asia, training and networking with journalists on third pole issues and creating an information bridge across the Himalayas,
- ◆ We continue to develop our unique, fully bilingual website to better facilitate cross-cultural engagement and offer new features

## Trustees' report 31 December 2010

### Financial review

#### Financial position and reserves policy

The Trust continues to be very dependent on a small number of grants to support core funding. The total income for the period was £533,520 (2009 - £481,026). These grants are often of only one year's duration and require a fresh application each year. The funds at the year end were £187,197 (2009 - £74,287) of which £38,670 (2009 - £11,874) were restricted and £148,527 (2009 - £62,413) were unrestricted. The Trust will continue to build reserves through chargeable project work with the aim of generating reserves equal to between three and six months operating expenditure.

Approved by the trustees



Trustee

MALINI MEHRA

Approved on

27/10/11

CHINA DIALOGUE TRUST : COMPANY NUMBER 06477262 (ENGLAND AND WALES)

## **Independent auditor's report 31 December 2010**

### **Independent auditor's report to the members of the China Dialogue Trust**

We have audited the financial statements of the China Dialogue Trust for the year ended 31 December 2010 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

## **Independent auditor's report 31 December 2010**

### **Opinion on financial statements**

In our opinion the financial statements

- ◆ give a true and fair view of the state of the China Dialogue affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the financial statements are not in agreement with the accounting records and returns, or
- ◆ certain disclosures of trustees' remuneration specified by law are not made, or
- ◆ we have not received all the information and explanations we require for our audit

Buzzacott LLP

Amanda Francis, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

31 October 2011

# Statement of financial activities Year to 31 December 2010

	Notes	Restricted funds £	Unrestricted funds £	2010 Total funds £	2009 Total funds £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	1	12,414	350,056	<b>362,470</b>	345,882
Interest receivable	2	—	55	<b>55</b>	42
Incoming resources from charitable activities	3	163,082	—	<b>163,082</b>	127,038
Other incoming resources		—	7,913	<b>7,913</b>	8,064
<b>Total incoming resources</b>		<b>175,496</b>	<b>358,024</b>	<b>533,520</b>	<b>481,026</b>
<b>Resources expended</b>					
Cost of generating funds					
Fundraising	4	—	105	<b>105</b>	30,462
Charitable activities					
Educational programmes	5	148,700	268,305	<b>417,005</b>	362,637
Governance	7	—	3,500	<b>3,500</b>	5,750
<b>Total resources expended</b>		<b>148,700</b>	<b>271,910</b>	<b>420,610</b>	<b>398,849</b>
<b>Net movement in funds i.e net income</b>		<b>26,796</b>	<b>86,114</b>	<b>112,910</b>	<b>82,177</b>
<b>Fund balances brought forward at 1 January 2010</b>		<b>11,874</b>	<b>62,413</b>	<b>74,287</b>	<b>(7,890)</b>
<b>Fund balances carried forward at 31 December 2010</b>		<b>38,670</b>	<b>148,527</b>	<b>187,197</b>	<b>74,287</b>

The Trust has no recognised gains and losses other than those shown above. Therefore, no separate statement of total recognised gains and losses has been prepared.

All the charity's activities derived from continuing operations during the above two financial periods.

**Balance sheet** 31 December 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	11	1,484	2,066
Investment in subsidiary	12	2	2
		<b>1,486</b>	<b>2,068</b>
<b>Current assets</b>			
Debtors	13	<b>71,954</b>	78,033
Cash at bank and in hand		<b>183,278</b>	145,430
		<b>255,232</b>	223,463
<b>Creditors</b> amounts falling due within one year	14	<b>(69,521)</b>	(151,244)
<b>Net current assets</b>		<b>185,711</b>	72,219
<b>Total net assets</b>		<b>187,197</b>	<b>74,287</b>
<b>Represented by</b>			
<b>Funds and reserves</b>			
Unrestricted funds		<b>148,527</b>	62,413
Restricted funds	16	<b>38,670</b>	11,874
		<b>187,197</b>	<b>74,287</b>

Approved by the trustees and signed on their behalf by



Trustee

MALINI MEHRA

Approved on

27/10/11

CHINA DIALOGUE TRUST . COMPANY NUMBER 06477262 (ENGLAND AND WALES)

## **Principal accounting policies 31 December 2010**

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the requirements of the Companies Act 2006 Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements

### **Incoming resources**

Incoming resources are recognised in the period in which the Trust is entitled to receipt and the amount can be measured with reasonable certainty

Grants from government and other agencies have been included as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding

### **Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and excludes VAT which can be recovered

Resources expended comprise the following

- a The cost of generating funds comprises fundraising and related costs
- b The costs of charitable activities comprise expenditure on the Trust's primary charitable purposes as described in the trustees' report Such costs include the costs of maintaining, editing and developing the website
- c Support costs represent indirect charitable expenditure In order to carry out the activities of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment

These costs are allocated out to the activities they are supporting on the basis described in note 6

- d Governance costs comprise the costs directly attributable to the governance of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements and the strategic running of the charity

### **Tangible assets**

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised, and are stated at cost less depreciation

All tangible fixed assets, are depreciated on the straight-line method over their estimated useful lives as follows

- ♦ Computer equipment 3 years

## **Principal accounting policies 31 December 2010**

### **Funds structure**

The funds of the charity are all unrestricted and can be expended at the discretion of the trustees in line with the governing document of the Charity.

Restricted funds comprise monies raised for, or their use restricted to a specific purpose or contributions subject to donor imposed conditions

### **Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term

## Notes to the financial statements 31 December 2010

### 1 Voluntary income

	2010 £	2009 £
Grants receivable	362,470	345,538
Donations	—	344
	<b>362,470</b>	<b>345,882</b>

Grants receivable includes £nil (2009 - £43,588) received from DFID (Department for International Development)

### 2 Interest receivable

	2010 £	2009 £
Interest receivable on UK bank accounts	55	42

### 3 Incoming resources from charitable activities

	2010 £	2009 £
Project income	163,082	114,103
Other fees receivable	—	12,935
	<b>163,082</b>	<b>127,038</b>

Project income includes £89,290 (2009 - £nil) received from DFID (Department for International Development)

### 4 Fundraising

	2010 £	2009 £
Direct fundraising costs	105	22,627
Support costs (note 6)	—	7,835
	<b>105</b>	<b>30,462</b>

## Notes to the financial statements 31 December 2010

### 5 Educational programmes

	Direct Costs £	Support costs (note 6) £	Total £
Chinadialogue net	362,612	54,393	<b>417,005</b>

### 6 Support costs

	2010 £	2009 £
Establishment costs	<b>16,754</b>	22,308
Entertaining, travel and subscriptions	<b>18,519</b>	12,759
Office costs	<b>9,940</b>	5,251
Legal and professional fees	<b>9,180</b>	15,295
Other costs	—	5,638
	<b>54,393</b>	61,251

The support costs have been allocated to fundraising and to educational programmes on the basis of time spent by employees in these areas

### 7 Governance

	2010 £	2009 £
Audit fees	<b>3,500</b>	5,750

### 8 Net movement in funds i.e net income

This is stated after charging

	2010 £	2009 £
Staff costs (note 9)	<b>129,897</b>	97,406
Auditor's remuneration – statutory audit services	<b>3,500</b>	5,750
Depreciation	<b>1,186</b>	610
Operating lease rentals	<b>12,871</b>	12,600

## Notes to the financial statements 31 December 2010

### 9 Staff costs

	2010 £	2009 £
Salaries and wages	118,679	89,087
Social security costs	11,218	8,319
	<b>129,897</b>	<b>97,406</b>

The average number of employees (excluding temporary and agency staff) analysed by function was as follows

	2010 £	2009 £
Editorial staff	4	4
Administration staff	1	1
	<b>5</b>	<b>5</b>

No employee received remuneration exceeding £60,000 (2009 £nil)

No trustee received any remuneration during the period in connection with services to the Trust (2009 £nil)

None of the trustees was reimbursed expenses during the year (2009 £nil)

### 10 Taxation

China Dialogue Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

### 11 Tangible assets

	Computer equipment £
<b>Cost</b>	
At 1 January 2010	2,831
Additions	604
At 31 December 2010	<b>3,435</b>
<b>Depreciation</b>	
At 1 January 2010	765
Charge for the year	1,186
At 31 December 2010	<b>1,951</b>
<b>Net book values</b>	
At 31 December 2010	<b>1,484</b>
At 31 December 2009	2,066

## Notes to the financial statements 31 December 2010

### 12 Investments

The charitable company owns the entire called up share capital of £2 in China Dialogue (HK) Limited, a company incorporated in Hong Kong. Consolidated financial statements have not been prepared given the results of the company and its aggregate reserves and capital are, in the opinion of the trustees, immaterial to the group.

The results for China Dialogue (HK) Limited are shown below

	Year ended 31 December 2010 £	Period from 4 September 2008 to 31 December 2009 £
<b>Profit and loss account</b>		
Turnover	5,170	—
Operating expenses	(5,692)	(668)
Loss	(522)	(668)
Taxation	—	—
<b>Loss after taxation</b>	<b>(522)</b>	<b>(668)</b>

	2010 £	2009 £
<b>Balance sheet</b>		
Bank balance	12,778	6,061
Current liabilities	(13,946)	(6,729)
Net current liabilities	(1,168)	(668)
Share capital	2	2
Accumulated losses	(1,170)	(670)
	<b>(1,168)</b>	<b>(668)</b>

Included within current liabilities are amounts £10,787 (2009 - £785) owed to China Dialogue Trust

### 13 Debtors

	2010 £	2009 £
Fees and project income receivable	—	6,428
Other debtors	7,262	24,267
Prepayments and accrued income	47,128	46,083
Amounts due from subsidiary undertaking	10,787	785
VAT recoverable	6,777	470
	<b>71,954</b>	<b>78,033</b>

## Notes to the financial statements 31 December 2010

### 14 Creditors: amounts falling due within one year

	2010 £	2009 £
Expense creditors	3,035	4,954
Other creditors	2,986	5,135
Accruals and deferred income	63,500	141,155
	<b>69,521</b>	<b>151,244</b>

### 15 Related parties

Laura Sandys is a Director of China Dialogue Limited, the company which transferred its assets and liabilities to the Trust as at midnight on 30 September 2008

The financial statements do not include transactions between the Trust and its wholly owned subsidiary, China Dialogue (HK) Limited. This is because, as a parent entity of a wholly owned subsidiary, it is exempt from the requirement to disclose such transactions under Financial Reporting Standard 8 "Related Party Disclosures"

### 16 Restricted funds

	31 December 2009 £	Incoming resources £	Resources expended £	31 December 2010 £
American office funds	11,874	64,307	(49,925)	<b>26,256</b>
Three Poles Project	—	89,290	(89,290)	—
Chinabase Project	—	12,414	—	<b>12,414</b>
Other projects	—	9,485	(9,485)	—
	<b>11,874</b>	<b>175,496</b>	<b>(148,700)</b>	<b>38,670</b>

- ◆ American office funds are for the running costs of the Trust's office in the United States of America
- ◆ Three Poles Project monies are to be used for research into glacial melt and water resource management in the Himalaya watershed
- ◆ Chinabase Project monies are to fund improvements to the chinadialogue website

### 17 Operating lease commitments

At 31 December 2010 the Trust had annual commitments under non-cancellable operating leases in respect to land and buildings as follows

	2010 £	2009 £
Operating leases which expire Within two to five years	<b>12,938</b>	—

**Notes to the financial statements** 31 December 2010

**18 Analysis of net assets between funds**

	Restricted funds £	Unrestricted funds £	Total 2010 £
Funds balances at 31 December 2010 are represented by			
Fixed assets	—	1,486	<b>1,486</b>
Current assets	38,670	216,562	<b>255,232</b>
Creditors amounts falling due within one year	—	(69,521)	<b>(69,521)</b>
Total	<b>38,670</b>	<b>148,527</b>	<b>187,197</b>