

**REGISTERED CHARITY NUMBER: 1180013**

Report of the Trustees and Financial Statements for the  
Year Ended 31 December 2020

Hong Kong Watch  
(A Charitable Incorporated Organisation)



**Contents of the Financial Statements for the  
Year Ended 31 December 2020**

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**Company Information for the  
Year Ended 31 December 2020**

**Report of the Trustees  
for the Period 1 January 2020 to 31 December 2020**

The trustees present their report with the financial statements of the charity for the period 1 January 2020 to 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

**REFERENCE AND ADMINISTRATIVE DETAILS**

Registered Charity number: 1180013

**Principal address**

Office 7  
35-37 Ludgate Hill  
London  
EC4M 7JN

**Trustees**

Gray Sergeant (Chairman)  
Dr Malte Kaeding  
Aileen Yi Wan Lam

**UK Patrons**

Alistair Carmichael MP  
Lord Alton of Liverpool  
Catherine West MP  
Fiona Bruce MP  
Sir Geoffrey Nice QC  
Sir Malcolm Rifkind QC  
Lord Patten of Barnes  
Sarah Champion MP

**International Patrons**

Hon. David Kilgour JD (Canada)  
Garnett Genuis MP (Canada)  
Jung-Hoon Lee (South Korea)  
Ambassador Derek Mitchell (US)  
Ambassador Sam Brownback (US)  
Hon. Irwin Cotler (Canada)  
Senator Jim Munson (Canada)  
Senator Leo Housakos (Canada)  
James Bezan MP (Canada)

**Independent examiner**

Samuel Troy ACA  
Connected Accounting Limited,  
2 Victoria Square, St Albans, AL1 3TF

**Trustees' Report for the  
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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The charity was formed on 20 September 2018 as a Charitable Incorporated Organisation, controlled by its governing document and which constitutes an incorporated charity. The charity registration number is 1180013.

**Trustee Selection and Training**

Hong Kong Watch is governed by a board of Trustees whose members are elected as the need arises. The Trustees who have served during the year are set out above. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The charity trustees will make available to each new charity trustee, on or before his or her first appointment: a) a copy of the current version of this constitution; and b) a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

**Organisational Structure**

The Board of Trustees administers the charity and meets regularly. Responsibility for day-to-day management of the charity has been delegated to the Chief Executive appointed by the Trustees.

Hong Kong Watch has grown significantly during the reporting period; we recruited four new staff members during the reporting period. Notably, in February 2020, we appointed Sam Goodman as our Senior Policy Advisor, in September 2020, our co-founder Benedict Rogers joined the staff team as Chief Executive, and in October 2020, our team were joined by Hong Kong student activist Joey Siu on a freelance basis.

Our team have been working from home since March 2020 as a result of the pandemic, and we have made the most of opportunities to expand our global contact base and increase international collaboration through web-platforms.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**OBJECTIVES AND ACTIVITIES**

Hong Kong Watch's charitable objects are to promote human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) in Hong Kong by all or any of the following means:

- Monitoring abuses of human rights;
- Raising worldwide awareness of human rights issues in Hong Kong;
- Promoting respect for human rights among individuals and corporations;
- Publishing authoritative research reports which provide an in-depth examination of potential violations of human rights;

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- Providing technical advice to the British government and governments worldwide on human rights issues in Hong Kong;
- Commenting on proposed human rights legislation affecting Hong Kong;
- Commenting on the causes of human rights abuses in Hong Kong, including violations of judicial independence and freedom of speech in academia;
- Carrying out international advocacy of human rights, making recommendations to the British government and the wider international community when violations of human rights in Hong Kong take place;
- Facilitating discussion and engagement with human rights in Hong Kong among key stakeholders in government, parliament, media, academia and Hong Kong civil society.

The Board of Trustees review the aims, objectives and activities of the organisation each year. This report looks at what the organisation has achieved and the outcomes of its work in the reporting period. The Board of Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Board of Trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Board of Trustees consider how planned activities will contribute to the aims and objectives that have been set.

**PUBLIC BENEFIT**

In carrying out its work Hong Kong Watch pays due regard to Charity Commission guidance concerning public benefit. The trustees are satisfied that all Hong Kong Watch's activities for the financial year that ended 31 December 2020 were of public benefit and that the organisation's funds were spent so as to achieve public benefit.

**ACHIEVEMENTS AND PERFORMANCE**

The year 2020 has been Hong Kong Watch's most impactful year to date. We have engaged with more parliamentarians than ever before and shaped the debate in new and tangible ways.

All these actions were a necessary response to the grim trajectory of Hong Kong politics, with the year seeing an unprecedented assault on Hong Kong's freedoms. In the reporting period, we saw the Hong Kong National Security Law being passed and implemented. The law has proven to be a watershed for the city, and we are witnessing a discernible decline in the city's safeguards for fundamental rights and freedoms. There has been:

- an unprecedented crackdown on pro-democracy activists through arrests;
- a dismantling of democracy through the mass disqualification of pro-democracy Legislative Councillors;
- an assault on Hong Kong's free press, most notably through the targeting of Jimmy Lai;
- the complicity of big tech and the banking sector in enforcing the new law;
- the overhaul of Hong Kong's education sector, with 'patriotic education' at the heart;
- judges under pressure.

**Trustees' Report for the  
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The National Security Law has proven to be a double-edged sword. It has led to the most significant deterioration in the human rights situation in Hong Kong in a generation, but also has provided significant opportunities for us to have a sustained impact on the policy of Western governments towards Hong Kong. Our work on lifeboat campaign and sanctions have been particularly impactful, as we have helped drive policy change in multiple capitals around the world.

This period has seen a number of positive breakthroughs for our work. In particular, the Lifeboat campaign has been highly successful, with Hong Kong Watch achieving policy change in Canada and the UK, as well as testifying before a Congressional hearing in the United States. Although there has been great appetite among international parliamentarians for Magnitsky sanctions to be applied, governments have been more reticent to enact this recommendation. Our engagement with civil society groups and Hong Kong activists remains a core strength, as does our media reach.

**Campaigns**

*Response to the National Security Law*

One of our focuses in 2020 was responding to the imposition of the National Security Law.

At the global level, Hong Kong Watch was successful in rallying support for Hong Kong and denouncing the National Security Law. We coordinated a letter from 900 international parliamentarians from more than 40 countries which denounced the law. In addition, we were influential in encouraging more than 50 UN Special Rapporteurs to condemn the legislation in late June 2020. We facilitated a letter signed by seven former UK Foreign Secretaries called on the British government to raise the issue at the G7.

We also spoke with over 10 foreign ministries, and regularly briefed foreign offices from a range of European Union member states.

We had over 150 meetings with parliamentarians and staff from nine countries. These calls focused on updating them about the situation in Hong Kong and providing recommendations on the full range of our campaigns. In follow-up we secured signatories to a range of joint letters and other actions promoting human rights in Hong Kong.

*British National (Overseas) (BNO)*

We have been at the forefront in speaking to stakeholders in the UK with regards to extension of rights to the BNO. The British government announced its intention to offer British Nationals (Overseas) a pathway to citizenship in May.

On 1 July 2020, the British government introduced a policy which allows Hong Kongers who hold British National (Overseas) passports to access a pathway to citizenship in the United Kingdom, offering a lifeline to those who were facing political persecution. We were one of the leading groups in the UK to advocate for this from soon after our establishment in 2017.

Hong Kong Watch has been in regular contact with the UK Home Office. As a result of our advocacy, the UK Home Secretary agreed to lay out an exemption to ensure that protestors with a protest-related criminal conviction are not denied access to the British National Overseas (BNO) passport scheme.

**Trustees' Report for the  
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Throughout the year, we worked to iron out the gaps in the BNO policy. Following our advocacy, the British government decided to offer the opportunity for dependents of BNOs under 23 to travel with their parents. This was a significant concession, given that the original plan was to only allow dependents under the age of 18 to travel.

We are in touch with many Hong Kong activists who have arrived in the UK and this is now shaping the work we are conducting in the United Kingdom. We are working with other local groups to ensure that there is a strong civil society response to the arrival of Hong Kongers, advocating for refugee NGOs, church groups, local authorities and the government to make Hong Kongers' integration and settlement a priority.

The pandemic has increased the challenge for Hong Kongers seeking refuge abroad, as travel restrictions make it more difficult to leave the city and seek asylum elsewhere. This makes our BNO campaign even more relevant and important.

*International Lifeboat*

Our work on refugee policies around the world has taken multiple tracks. We have been encouraging a range of international governments to adopt student visa schemes or similar. In Australia, a student visa scheme we helped to shape was adopted, offering a five-year pathway to citizenship for Hong Kong students. In November, Canada adopted our recommendation for a graduate visa pathway for Hong Kongers.

Hong Kong Watch also directly briefed a number of governments on options their governments could take to adopt similar lifeboat schemes. Joey Siu, Hong Kong Watch's new Associate, testified at a hearing on Safe Harbor in the United States Senate.

*Save 12 Hong Kong Youths*

In August 2020, 12 young people from Hong Kong were detained in Shenzhen. We were at the forefront of the international effort to call for their release. This campaign has been spear-headed by Joey Siu, our new Associate, as well as the wider team.

The organisation drafted four joint letters from parliamentarians and secured signatories. The international statement included 155 parliamentarians from around the world. We also drafted major letters to the respective foreign offices pushing for action from parliamentarians in Canada, the UK and the EU. Finally, we initiated a social media campaign on the topic. This generated support around the world, including from international politicians and activists, notably Greta Thunberg endorsed the campaign.

*Magnitsky sanctions*

The call for international sanctions for gross human rights abuses on the officials responsible for the deterioration in Hong Kong has been a core recommendation in our briefings throughout the year. The topic was routinely raised in the UK Parliament, Canadian Parliament, and European Parliament as a direct result of our briefings and advocacy.

We were involved in the development of the Hong Kong Autonomy Act in the US and were pleased to see the Hong Kong Chief Executive among those listed on the sanctions list.

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In the UK, we pushed hard for the inclusion of Chinese Communist Party officials in the new Magnitsky register. This was a key demand in every parliamentary debate, and we have ensured that it is now frontbench policy of all the major opposition parties through briefings of key figures.

Similarly, this was a core ask of the European parliamentarians who we work with in their various resolutions on Hong Kong. It was adopted as a recommendation in the European Parliament's resolution on Hong Kong.

In Canada, we coordinated a number of big pushes for the enactment of Magnitsky sanctions by various leading parliamentarians, including a joint-letter in both the Senate and the House of Commons to the Canadian Prime Minister.

*Free All Political Prisoners*

Since the 2019 protests, more than more than 10,000 people have been arrested in protest-related cases, and over 2,300 charged. Many of them have been detained and are facing prosecution under the National Security Law and illegal-assembly rules.

Hong Kong Watch has started a campaign to ensure that those facing political prosecution are not forgotten. We have put together a comprehensive political prisoner timeline, a database which details key upcoming court cases, and profiles of leading imprisoned activists. Our social media team has used Twitter, Facebook and Instagram to share these profiles with the wider public.

*Extradition*

We have moved our campaign on to focus on European extradition treaties with China, recognizing that the overseas nature of the National Security Law and the precedence of the 12 Hong Kong Youths means that Hong Kongers and other dissidents could be extradited to the mainland to stand trial. Our campaign alongside the Inter-Parliamentary Alliance on China saw Ireland, the Netherlands, UK, USA, Canada, Australia, New Zealand, Germany, Finland and Czech Republic suspend their extradition treaties with Hong Kong.

The demand for the suspension of extradition treaties with China was included in the European Parliament's motion on the Uyghurs in December as a result of our advocacy campaigning and we briefed Member States directly of the European Foreign Ministers discussion on Hong Kong in December on the need to suspend extradition treaties.

**Engagement between Hong Kong civil society actors and policymakers**

Drawing on our strengths in establishing relationships with Hong Kong civil society actors and activists and with policymakers in the UK and around the world, Hong Kong Watch has acted as a bridge connecting the Hong Kongers to engage with policymakers to highlight the human rights issues in Hong Kong and to make a case for global support to Hong Kong to defend its rule of law and freedoms.

We provided a platform throughout the year for prominent democracy activists in Hong Kong and those in exile, regularly introducing them to parliamentarians, inviting them to speak at webinars and relaying their priorities in our advocacy. We are not divulging further details here because of the potential sensitivities tied to the National Security Law.



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Hong Kong Watch has also been actively engaging with diasporic Hong Kong communities across the globe to coordinate joint efforts in pushing for policy changes. Our Community Outreach Initiative was launched in October 2020 and held the first online meeting in November with more than 15 groups based in the various countries. We co-hosted an online music rally with musician Joe Tay in December 2020 featuring messages from politicians and activists in exile, including Lord Patten, Senator Rubio, Leader Erin O'Toole, Ted Hui, Nathan Law, Ray Wong and more. The event reached 250K views online and was widely covered by press.

**Research reports and briefings**

One of Hong Kong Watch's main objectives is to provide independent, comprehensive analysis and thought leadership on freedom and human rights in Hong Kong. We regularly monitor developments in Hong Kong legislation related to human rights, compliance of the Hong Kong government with domestic and international human rights standards, violations or abuse of human rights and insufficiency of protections or inconsistency under existing legal frameworks with international standards.

During the reporting period, we have published five in-depth research reports and briefings assessing and commenting on how existing and proposed legislation in Hong Kong affect its human rights and freedoms. All research reports and briefings were available to the public for free via our website. The reports were also shared widely with policymakers around the world, academia and media to maximise the educational effects of these reports and raise worldwide awareness on Hong Kong's human rights situation.

In February 2020, we launched a major report called *Why Hong Kong Matters* after a month of planning the launch event and drawing together a media strategy including op-eds Press Releases. The report launch took place in the UK Parliament. It was attended by five Members of Parliament and speakers included Sir Malcolm Rifkind, the former Foreign Secretary and Gideon Rachman, the Chief Foreign Columnist for the *Financial Times*. At the event, Johnny Patterson presented the key report findings. Mr Rachman and Sir Malcolm both remarked on the innovative and interesting nature of the report. The report's launch was covered by multiple Cantonese media outlets.

The research achieved widespread reach as a result of our multi-pronged advocacy strategy, and the decision by the team to incorporate the key insights – particularly the cost for China of cracking down on Hong Kong's freedoms – into our advocacy strategy following the announcement of first the extradition law and then the National Security Law crisis.

The report received exposure in more than 20 influential media outlets as a result of the press engagement of Lord Patten, Sir Malcolm Rifkind, Benedict Rogers and Johnny Patterson. We have educated parliamentarians and government officials in the findings of the research from US, UK, EU, Germany, Canada and Hong Kong. This shaped government policy, messaging, and played a role in the passage of the Hong Kong Autonomy Act in the US.

**Public awareness and education – Media and social media**

Advocacy via media and our social media channels is an essential tool for Hong Kong Watch to raise public awareness of Hong Kong's human rights issues and to disseminate educational information with regards to human rights standards to a wide audience.

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Hong Kong Watch has broadened its extensive network in international and Hong Kong media, both print and online. During the reporting period, a total of 28 op-eds written by our Trustees, Patrons and staff were published in newspapers in the UK, Hong Kong, Canada and the US. Some top media outlets that mentioned us were *Financial Times*, *The Spectator*, *The Wall Street Journal*, *Al Jazeera*, *The Guardian*, *The Diplomat*, *BBC* and others.

We continued to build on our reputation of expertise on Hong Kong by giving interviews and commenting on TV and radio channels. Our media coverage more than doubled compared to 2019, with Hong Kong Watch being mentioned over 320 times in various foreign-language and Chinese-language outlets:

- 180 times in 84 foreign-language media outlets in Hong Kong, Taiwan, Japan, Australia, Canada, the US, the UK, Germany, France, the Netherlands, Switzerland.
- 75 times in 27 Chinese-language media outlets in Hong Kong, Taiwan, Malaysia, Canada, Germany, France, and the US.
- 68 times in 45 foreign-language and Chinese-language outlets about our Save12HKYouths campaign in Hong Kong, Taiwan, Thailand, Vietnam, Portugal, France, Spain, the UK, the US, Australia.

Hong Kong Watch makes an impact through online presence as well, on social media platforms and our website by:

- raising awareness and reaching new audiences
- publicising our research and views
- offering ways for our supporters and Hong Kong people to communicate with us
- allowing us opportunities to establish relationships with civil society actors, policymakers and media globally
- promoting our fundraising campaigns

On YouTube, we launched a new interview series called *In Conversation with Benedict Rogers* in May 2020. Three of the interviews held in 2020 have been watched over 1,000 times. In addition, the YouTube clip of the Paddy Ashdown Memorial Lecture has been watched almost 2,000 times.

Our other main social media platforms are Facebook and Twitter. Both have grown significantly over the reporting period. Our impact data shows that on Facebook:

- We achieved an average engagement rate of over 7%, while the industry benchmark in 2020<sup>1</sup> for engagement rate in politics (0.9%) and non-profits (0.16%) is much lower.
- With the increase in the frequency of posts and more strategic social media efforts in 2020, our number of page likes have increased by almost 70% to 48,804.
- Our page has reached significantly more people than just those who have liked our page. We achieved a page reach (the number of people who had any content from or about the HKW page on their screen) of 2.2 million, which is more than 45 times as much as our page likes.

Our Twitter account shows a similar steep increase in impact:

- The number of engagements (retweets, likes, replies, link clicks within tweets) rose substantially to over 133 million in the reporting period.

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<sup>1</sup> <https://www.socialinsider.io/blog/social-media-industry-benchmarks/>

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- Engagements were higher in Q2 and Q3 (433.6K and 452.8K respectively) compared to Q1 and Q4 (around 225K).
- Our engagement rate increased from 4.7% at the end of 2019 to an average of 5.45% in 2020. This is consistently above the industry average<sup>2</sup> of 0.47% for politics and 0.06% for non-profits in 2020.

This increased online presence is also reflected on our website, which contains all activity updates, research reports, events, campaigns and media coverage of the organisation. The number of unique visitors, number of visits and total page views in Q2 and Q3 in 2020 are significantly larger compared to both 2019 and Q1 and Q4 2020, which reflects the trend on our Twitter account. This is likely to be due to the turn of events in Hong Kong, most notably the passing of the National Security Law in July, and the international response to the situation of Hong Kong freedoms.

The majority of visitors are from Hong Kong. They are our target audience and many of our donors are from Hong Kong or Hong Kongers who live outside of Hong Kong. However, traffic figures indicate our content has consistently reached a wide audience across different countries, i.e., the US, the UK, Australia, Canada, Japan, Taiwan, New Zealand and various countries in Europe.

Visitors to our website are mainly driven by three types of traffic. They are: direct, search and social media. There was a significant increase in direct traffic in Q3, which could be due to Hong Kongers planning to flee the country and visiting our website to learn about our lifeboat campaign. Traffic from social media remained high, accounting for almost 40% of the total. This indicates that our activities on the social media platforms remained successful in raising awareness among our audiences and rallying a certain level of interest and support from them.

Compared to industry benchmarks<sup>3</sup>, our performance has been strong:

- Direct traffic: industry benchmark is 21.5%, HKW achieved an average of 26.8%.
- Social traffic: industry benchmark is 6.3%, HKW achieved an average of 37.2%.

**Public awareness and education – Events**

Another important avenue for Hong Kong Watch to raise awareness about the human rights situation in Hong Kong and to deliver educational benefits to the public was through organising events. Most of our events were open to the general public and were free to attend. As a result of the pandemic, many of these were webinars.

During the reporting period, Hong Kong Watch organised 10 seminars or webinars.

The inaugural Paddy Ashdown Memorial Lecture in February was delivered in Westminster Central Hall by Lord Patten of Barnes, the last British governor of Hong Kong and a Patron of the organisation. The lecture was one of Lord Patten's most substantial speeches on Hong Kong in recent years, proposing that an independent inquiry, reform of public order legislation and political reforms should all form part of a road map towards the reconciliation of Hong Kong's society.

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<sup>2</sup> <https://www.socialinsider.io/blog/social-media-industry-benchmarks/>

<sup>3</sup> 'Digital Comms in 2020-21 Report' published on [charitycomms.org.uk](http://charitycomms.org.uk)

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In February, we also launched our report *Why Hong Kong Matters*, which is detailed in the section on research reports and briefings (p.8).

Hong Kong Watch was also involved in organizing a range of roundtables with parliamentarians and other key stakeholders. In April we hosted a dialogue between Hong Kong activists, US and UK policy makers. In May, one of our Canadian patrons, Garnett Genuis, hosted a parliamentary webinar on our *Why Hong Kong Matters* report.

June was a busy month. On 3 June, we hosted a webinar to mark the anniversary of the Hong Kong pro-democracy movement with victims of communism, and leading speakers including parliamentarians from Europe, the US and UK. On 10 June, we worked with a German MP to host activists in a dialogue. On 12 June, our Canadian patron, David Kilgour, chaired a webinar with Canadian Senators and Hong Kong student leaders.

In late July, we collaborated with the UK Bar Human Rights Committee to host a virtual roundtable with senior legal figures in the UK, US and Hong Kong.

In September, we collaborated with the Canada-based MacDonald Laurier Institute to host a webinar which drew together Lord Patten; Nathan Law, the exiled Hong Kong activist; Dr. Miles Yu, the China Policy Advisor to the US Secretary of State Mike Pompeo and Garnett Genuis MP, Canada's Shadow Minister for International Development and Human Rights and our co-founder and Chief Executive Benedict Rogers on the panel. This was a major webinar viewed by thousands of people around the world, which helps keep the situation in Hong Kong on the international community's agenda.

We subsequently hosted an event on Magnitsky sanctions with Bill Browder, a number of international MPs and Nathan Law in November. In December, we convened a discussion on what the BNO policy means for Hong Kongers.

**FINANCIAL REVIEW**

Hong Kong Watch ended its second financial year with accumulated surplus reserves of £783,874, an increase from £163,397 at the start of the period. This is the result of successful fundraising and the prudent management of expenditure. A key financial objective at the start of the year was to establish the necessary reserves to sustain the charity in the long term. Significant progress has been made in respect of this objective and the charity is now in a strong position to both expand and sustain its activity in 2021 and beyond.

Fundraising was concentrated on the campaign during the summer of 2020 and directly resulted in the expansion of activity, included the hiring of an additional four members of staff during the year, bringing the total number of employees to six.

The strong financial position has enabled the charity to continue to expand its activities and staff base in 2021. As of September 2021, the charity has seven employees and had expanded the remit of its activities from the foundation achieved during 2020.

**Trustees' Report for the  
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**Principal funding sources**

The principal source of funding for Hong Kong Watch during the reporting period was private donations from individuals, making up 94% of the total income. Total income increased by 350% compared to the previous period due to the support of the many individual donors and the increased profile of the charity as it has become established. We would like to express our gratitude for the generous contributions made by the individuals who have funded our work, as well as the grant makers and foundations that have also supported us with donations during 2020.

Hong Kong Watch has not employed any professional fundraisers or commercial participators to carry out fundraising activities directly with the public. The organisation also did not have any fundraising carried out by third parties and therefore did not subscribe to any fundraising schemes or codes.

**Policy on reserves**

The Board of Trustees has reviewed the charity's requirements for reserves in light of the main risks to the organisation, and the objective to ensure that the charity will be in a position to sustain its activities in the long term. It has been duly determined that the organisation should maintain unrestricted reserves adequate for 3 years of the current level of activity and expenditure.

The Director and Finance & Operations Manager will continue to work with the Board of Trustees to monitor reserves and manage annual budgets and current activities to align with this policy whilst the profile and reach of the charity grows.

**PLANS FOR FUTURE PERIODS**

With the crackdown on freedoms in Hong Kong in full force, there has never been a more important time for organisations like Hong Kong Watch to step up. The National Security Law is a watershed moment which means that our work is more important than ever.

Priority areas going forwards including supporting the rights and freedoms of Hong Kong political prisoners by speaking up for them and ensuring they are not forgotten; considering the best ways for us to support new arrivals from Hong Kong in the United Kingdom as they establish themselves in Britain; researching the intersection between business, human rights and ethical investment in Hong Kong and China; and furthering solidarity among Hong Kong civil society actors in exile.

**Responsibilities of trustees**

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' Statement of Recommended Practice (SORP);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate

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to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO INDEPENDENT EXAMINER**

Each of the persons who is a Trustee at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant information of which the charitable company's independent examiner is unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's independent examiner in connection with preparing their report and to establish that the charitable company's independent examiner are aware of that information.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Trustees on 28 OCTOBER 2021 and signed on their behalf by:

GREY SERGEANT

.....

**Grey Sergeant**  
**Chair, Hong Kong Watch**

**Report of the Independent Examiner to the Trustees of  
Hong Kong Watch**

I report on the accounts for the Year Ended 31 December 2020, which are set out on pages fifteen to twenty one.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I have examined your charity's accounts as required under section 145 of the Charities Act 2011 ('the Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. that accounting records were not kept as required by section 130 of the Act; or
2. that the accounts do not accord with those records; or
3. that the accounts do not comply with the accounting requirements of the Act; or
4. that there is further information needed for a proper understanding of the accounts.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission I have found no matters that require drawing to your attention.

SAMUEL TROY

.....

Samuel Troy FCA

Connected Accounting Limited

Date: 29 OCTOBER 2021

**Statement of Financial Activities for the**  
**Year Ended 31 December 2020**

	Unrestricted funds £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
Notes				
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Donation and legacies	710,117	46,467	756,584	215,763
Investment income	-	-	-	-
<b>Total incoming resources</b>	<u>710,117</u>	<u>46,467</u>	<u>756,584</u>	<u>215,763</u>
<b>RESOURCES EXPENDED</b>				
<b>Costs of generating funds</b>				
Fundraising	20,332	-	-	-
<b>Charitable activities</b>				
Research and Advocacy	54,427	44,963	99,390	34,195
General	<u>16,385</u>	<u>-</u>	<u>16,385</u>	<u>18,171</u>
<b>Total resources expended</b>	<u>91,144</u>	<u>44,963</u>	<u>136,107</u>	<u>52,366</u>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>	<u>618,973</u>	<u>1,504</u>	<u>620,477</u>	<u>163,397</u>
<b>Total funds brought forward</b>	<u>160,794</u>	<u>2,603</u>	<u>163,397</u>	<u>-</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>779,767</u></u>	<u><u>4,107</u></u>	<u><u>783,874</u></u>	<u><u>163,397</u></u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.  
The statement of financial activities includes all gains and losses recognised in the year.

The notes form part of these financial statements.



**Balance Sheet**  
**At 31 December 2020**

	Notes	Unrestricted funds £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	4	596	749	1,345	-
<b>CURRENT ASSETS</b>					
Cash in hand		768,747	3,358	772,105	165,138
Other Debtors		<u>12,851</u>	<u>-</u>	<u>12,851</u>	<u>-</u>
		781,598	3,358	784,956	165,138
<b>CREDITORS</b>					
Amounts falling due within one year	9	(2,427)	-	(2,427)	(1,741)
		<u>779,767</u>	<u>4,107</u>	<u>783,874</u>	<u>163,397</u>
<b>NET CURRENT ASSETS</b>					
		<u>779,767</u>	<u>4,107</u>	<u>783,874</u>	<u>163,397</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>779,767</u>	<u>4,107</u>	<u>783,874</u>	<u>163,397</u>
<b>NET ASSETS</b>					
		<u><u>779,767</u></u>	<u><u>4,107</u></u>	<u><u>783,874</u></u>	<u><u>163,397</u></u>
<b>FUNDS</b>					
	6			779,767	160,794
Unrestricted funds				<u>4,107</u>	<u>2,603</u>
Restricted funds				<u>783,874</u>	<u>163,397</u>
<b>TOTAL FUNDS</b>					
				<u><u>783,874</u></u>	<u><u>163,397</u></u>

These financial statements have been prepared in accordance with the provisions applicable to the small companies' regime. The financial statements were approved by the Board of Trustees on 28 OCTOBER 2021 and were signed on its behalf by:

GREY SERGEANT

.....  
Gray Sergeant, Chair

The notes form part of these financial statements.

**Notes to the Cash Flow Statement for the  
Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
<b>Net cash inflow from operating activities</b>	1	606,967	165,138
<b>Returns on investments and servicing of finance</b>		-	-
<b>Cash and cash equivalents at the beginning of the reporting period</b>		165,138	-
		<u>772,105</u>	<u>163,138</u>

**1. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.12.20 £	31.12.19 £
Net (outgoing)\incoming resources	606,863	165,138
Depreciation charges	104	-
Decrease/(increase) in debtors	-	-
Decrease in creditors	-	-
<b>Net cash inflow from operating activities</b>	<u>606,967</u>	<u>163,397</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.01.20 £	Cash flow £	At 31.12.20 £
<b>Net cash</b>			
Cash in hand	165,138	606,967	772,105
<b>Liquid resources</b>			
Current asset investments	-	-	-
<b>Total</b>	<u>165,138</u>	<u>620,581</u>	<u>772,105</u>

The notes form part of these financial statements

**Notes to the Financial Statement for the  
Year Ended 31 December 2020**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hong Kong Watch meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**2. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the period ended 31 December 2020.

**Trustees' expenses**

Expenses reimbursed to trustees' for the period ended 31 December 2020 were £75 (2019: £6,213), paid to 1 trustee for travel and meeting costs.

**Notes to the Financial Statement for the**  
**Year Ended 31 December 2020**

**3. STAFF COSTS**

	31.12.20	31.12.19
	£	£
Wages and salaries	95,213	29,500
Social security costs	3,494	227
Employer pension costs	2,172	496
Other	<u>-</u>	<u>1,000</u>
	<u>100,879</u>	<u>31,223</u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
	<u>4</u>	<u>2</u>

No employees received emoluments above £60,000

**Key management personnel**

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £11,785 (2019: Nil), including pension costs.

**4. TANGIBLE FIXED ASSETS**

	Office equipment
<b>COST</b>	
At 01 January 2020	-
Additions	<u>1,449</u>
At 31 December 2020	<u>1,449</u>
<b>DEPRECIATION</b>	
At 1 January 2020	-
Charge for year	<u>(104)</u>
At 31 December 2020	<u>(104)</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>-</u>
At 31 December 2020	<u>1,345</u>

**Notes to the Financial Statement for the**  
**Year Ended 31 December 2020**

**5. ANALYSIS OF SUPPORT AND DIRECT COSTS**

<b>Support Costs</b>	Fundraising	Research & Advocacy	General	31.12.20 Total	31.12.19 Total
	£	£	£	£	£
<b>Management</b>					
Insurance	-	-	-	-	480
Postage & Stationery	26	372	21	418	614
Advertising	52	766	27	845	90
Sundries	225	-	-	225	201
Depreciation	8	89	7	104	-
Computer Software, Telephone & Consumables	<u>109</u>	<u>678</u>	<u>87</u>	<u>874</u>	<u>1,449</u>
	420	1,905	142	2,467	2,834
<b>Finance</b>					
Bank & Transaction Charges	15,104	56	6	15,165	3,302
Foreign exchange Gains /Loss	1,802	1,385	(33)	2,434	760
Accountancy, Legal & Professional fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540</u>
	16,186	1,441	(27)	17,600	4,602
<b>Governance</b>					
Independent Examination Fees	216	1,051	173	1,440	1,440
<b>Human Resources</b>					
Wages & Salaries	<u>688</u>	<u>16,277</u>	<u>3,209</u>	<u>20,174</u>	<u>31,223</u>
<b>Total Support Costs</b>	<u>17,510</u>	<u>20,674</u>	<u>3,496</u>	<u>41,680</u>	<u>40,099</u>
<b>Direct Costs</b>					
Event Costs	-	2,412	-	2,412	4,497
Other Research Costs	-	3,304	-	3,304	284
Travel Costs	66	1,670	52	1,788	7,486
Wages & Salaries	2,757	65,112	12,836	80,705	-
Consultancy	<u>-</u>	<u>6,217</u>	<u>-</u>	<u>6,217</u>	<u>-</u>
<b>Total Direct Costs</b>	<u>2,823</u>	<u>78,716</u>	<u>12,888</u>	<u>94,427</u>	<u>12,267</u>
<b>Total Resources Expended</b>	<u>20,332</u>	<u>99,391</u>	<u>16,385</u>	<u>136,107</u>	<u>52,366</u>

**Notes to the Financial Statement for the**  
**Year Ended 31 December 2020**

**6. MOVEMENT IN FUNDS**

	At 1.1.20 £	Income £	Expenditure £	At 31.12.20 £
<b>Unrestricted funds</b>				
General fund	160,794	710,117	(91,144)	618,973
<b>Restricted funds</b>				
Democracy Fund 1	-	10,000	(9,011)	989
Democracy Fund 2	2,603	36,467	(35,952)	3,118
Total Restricted Funds	<u>2,603</u>	<u>46,467</u>	<u>(44,963)</u>	<u>4,107</u>
<b>TOTAL FUNDS</b>	<u>163,397</u>	<u>756,584</u>	<u>(136,107)</u>	<u>783,874</u>

**Comparatives for movement in funds**

	At 20.9.18 £	Income £	Expenditure £	At 31.12.19 £
<b>Restricted funds</b>				
Democracy Fund 1	-	<u>9,151</u>	<u>(6,548)</u>	<u>2,603</u>
<b>TOTAL FUNDS</b>	<u>-</u>	<u>9,151</u>	<u>(6,548)</u>	<u>2,603</u>

**Fund Note**

**Democracy Fund 1**

A research project to serve as a basis for Human rights advocacy with International Governments

**Democracy Fund 2**

A project to research and advocate collaboration on international policy between legislators

**7. PENSIONS AND OTHER POST RETIREMENT BENEFITS**

**Defined contribution plans**

The amount recognised in income or expenditure in relation to defined contribution plans was £2,172 (2019: £496).

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions of £1,593 (2019: £173) were payable to the fund as at the balance sheet date.

**Notes to the Financial Statement for the**  
**Year Ended 31 December 2020**

**8. FINANCIAL INSTRUMENTS**

	31.12.20	31.12.19
	£	£
Financial assets measured at fair value through income and expenditure	769,105	154,292
Financial assets measured at amortised cost	<u>15,851</u>	<u>10,846</u>
	<u>784,956</u>	<u>165,138</u>
Financial liabilities measured at amortised cost	<u>(1,625)</u>	<u>(1,440)</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade creditors	185	-
Other creditors	802	301
Accruals and deferred income	<u>1,440</u>	<u>1,440</u>
	<u>2,427</u>	<u>1,741</u>

**10. POST BALANCE SHEET EVENTS**

Since 31 August 2020, the spread of COVID-19 continued to have a severe impact on many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The charity has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to make reliable estimate of the duration and severity of these consequences, nor of their impact on the financial position and results of the charity for future periods.