
The Great Britain China Centre

Annual Report and Accounts 2012-13

Presented to Parliament pursuant to Section 6 of the Government Resources and Accounts Act 2000
(Audit of Non-profit-making Companies) Order 2009

Ordered to be printed by the House of Commons on 25 June 2013

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**The Great Britain - China Centre (Limited by Guarantee)
Report and Financial Statements**

CONTENTS	Page
Company Information	1
Directors' Report	2 - 4
Remuneration Report	5
Governance Statement	6 -9
Statement of Accounting Officer's & Directors Responsibilities	10
The Certificate and Report of the Comptroller and Auditor General	11-12
Statement of Comprehensive Net Expenditure	13
Statement of Financial Position	14
Statement of Cash Flows	15
Statement of Changes in Taxpayers' Equity	16
Notes to the Financial Statements	17 - 21

The Great Britain - China Centre (Limited by Guarantee)
Company Information
as at 31 March 2013

DIRECTORS

Mr Peter Batey OBE	- Chairman
Mr Hugh Davies CMG	- Vice Chairman
Ms Lorna Ball	- Vice Chairman
Mr Martin Davidson	
Professor Hugo de Burgh	- Resigned 18 September 2012
Mr Christopher Fitzgibbon	- Honorary Treasurer
Ms Clare Hammond	
Mr John Hughes	
Sir Christopher Hum	- Vice Chairman appointed 18 December 2012
Ms Joanna Roper	
Ms Madeleine Sturrock	
Mr Richard Graham MP	
Mr Duncan Hames MP	
Mr Liam Byrne MP	

Co-opted Members

Mr Richard Pascoe	- Resigned 1 October 2012 when became executive head of GBCC
Mr Rod Wye	

SECRETARY

Ms Katie Lee	- Seconded to the FCO on 28 September 2012
Mr Richard Pascoe	- Appointed 1 October 2012

REGISTERED OFFICE

15 Belgrave Square
London SW1X 8PS

AUDITORS

National Audit Office
157 - 197 Buckingham Palace Road
London SW1W 9SP

The Great Britain - China Centre (Limited by Guarantee)

Directors' Report

The Directors present their report and financial statements for the period ended 31 March 2013. These accounts also include the results for the UK-China Forum which is wholly controlled by the Directors of the Great Britain - China Centre (GBCC). The information contained in the Directors' Reports is not subject to audit.

The financial statements have been prepared in a form directed by the Secretary of State for Foreign and Commonwealth Affairs with the consent of the Treasury and in accordance with the Companies Act 2006 and the HM Treasury Financial Reporting Manual. None of the Directors were remunerated.

The Great Britain - China Centre

The GBCC was established in 1974, and is an executive non-departmental public body. The Centre receives Grant-in-Aid from the Foreign and Commonwealth Office.

Principal activities

The company's principal activity during the year continued to be the promotion of closer cultural, professional, economic, educational, legal, judicial and other contacts between Britain and China and to encourage mutual knowledge and understanding.

Management Commentary:

Results

The results for the year are set out on page 13 and take into account the requirement under the Government Financial Reporting Manual that Grant-in-Aid is to be treated as financing and is taken directly to reserves as opposed to being recognised as income. Accordingly the deficit for the year, before accounting for Grant-in-Aid is £151,649 (2011-12 £174,546).

This deficit is offset against the Grant-in-Aid, which leaves total funds of £394,387 to be carried forward at the end of the year (2011-12 £276,036). The Directors consider the state of the company's affairs to be satisfactory.

Board of Directors and Company Secretary

Directors who served on the Board during the year and who were Directors under the Companies Act 2006 are identified as Directors on page 1 of the Report and Accounts. Katie Lee, the Company Secretary resigned on the 1 October 2012 because of a secondment to the FCO and was replaced by Richard Pascoe who was previously a co-opted member of the Board.

Audit Committee

GBCC's Audit Committee ensures that GBCC adheres to the highest standards of propriety in the management of public funds and also promotes the development of internal control systems. During the year ended 31 March 2013 membership of the Audit Committee comprised:

Chris Fitzgibbon	Chairman
Lorna Ball	
Clare Hammond	
Richard Pascoe	Resigned 1 October 2012 when took over as executive head of GBCC

The Great Britain - China Centre (Limited by Guarantee)

Directors' Report

Equal Opportunities

GBCC is an equal opportunities employer and is committed to ensuring that there will be no unlawful discrimination against any person who works for or with the GBCC. The application process for advertised job and Board vacancies at GBCC is designed to ensure that applications from all candidates, regardless of disability, ethnicity, sexuality or gender, are given full and fair consideration. The Equality Act 2010 is followed and GBCC will make reasonable adjustments for people with disabilities. Decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria. If a member of staff becomes disabled while working at GBCC, everything possible will be done to ensure they continue working for us.

Employee Information

Each member of staff has their performance against agreed objectives appraised annually. An integral part of this review requires the identification of training needs and the development of a training programme to address these needs. Consultation is provided to employees on an ad hoc basis as necessary.

Sickness Absence data

The average number of sick days taken by staff in the year was 7.75 (2011-12 16.29) These figures were higher than one would expect because of the long term absence of two individuals over a 20 month period.

Awareness of Relevant Audit Information

The Directors also confirm that:

* as far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and

* they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Comptroller and Auditor General is appointed as statutory auditor for the GBCC accounts and that the auditors have not conducted any non statutory audit work. The fee for the statutory audit was £6,000 (2011-12 £8,000).

Creditors

The average time taken to pay invoices in the current year was 29.90 days (2011-12 17.51 days) while the average amount owed to trade creditors in days at 31 March 2013 was 11.61 (2011-12 10.45 days)

The Great Britain - China Centre (Limited by Guarantee)
Directors' Report

Data Loss

There have been no personal data related incidents during the year.

Going Concern

GBCC has budgeted for a £50,000 loss in the new financial year but this will not be a major concern as there are sufficient reserves to cover this. Funding with the FCO has now been confirmed at £243,000, a 10% cut on 2012-13.

Expenditure will be carefully controlled and new revenue generation prioritised through a sponsorship drive and bidding for new projects. No capital expenditure is anticipated although this does mean the prologation of existing levels of contingent business continuity risk, an issue on which a creative rethink is in progress in the management team.

Events since Year End

There have been no significant events since year end.

This report was approved by the Board on 11 June 2013.

Richard Pascoe
Executive Director, Company Secretary and Accounting Officer

**The Great Britain - China Centre (Limited by Guarantee)
Remuneration Report for the year ended 31 March 2013**

GBCC has a Personnel Committee responsible for advising on all aspects of staff recruitment, employment terms, conditions and remuneration. The committee is made up of the following members:

Chairman	-	Peter Batey	
Vice Chairman	-	Hugh Davies	
Board Member	-	Madeline Sturrock	
Executive Director	-	Katie Lee	Seconded to the FCO 28 September 2012
Executive Director	-	Richard Pascoe	Appointed 1st October 2012

Richard Pascoe, the new Executive Director, commenced employment on 24 September and after a one week handover took up post as Secretary on 1st October. He is employed on a fixed term contract with a review after 2 years and an optional extension for a third year, subject to mutual agreement. The overall salary package is similar to the outgoing director but the basic salary is higher because the new director elected not to join the pension scheme by agreement.

The personnel sub-committee reviews the remuneration of all GBCC staff including the Executive Secretary based on annual appraisals carried out by the staff line managers.

	2013		2012	
	K Lee £	R Pascoe £	K Lee £	R Pascoe £
Gross salary on full time equivalent basis	72,450	87,750	72,450	0
Accrued pension as at 31 March	24,341	0	21,961	0
Accrued lump sum as at 31 March	73,022	0	65,882	0
Real increase in pension	1,897	0	147	0
Real increase in lump sum	5,690	0	442	0
Cash equivalent transfer value at 31 March	471,000	0	413,000	0
Real increase in cash equivalent value funded by the employee	33,000	0	(4,000)	0
Employee contributions	4,064	0	6,390	0
No benefits in kind were paid. [2011-12 nil]				
A non-pensionable bonus of £8,000 was paid to Katie Lee in 2012-13 [2011-12 £6,037] in respect of 2011-12 performance and is not included in Gross Salary.				

The government financial reporting manual now requires the banded remuneration of the highest paid director and the ratio between this and the median remuneration of the reporting entities staff for all those in post at year end.

The calculation is based on the Full Time Equivalent staff of the reporting entity at the 31 March 2013 on an annualised basis and includes any temporary staff employed during the year.

	2013 £	2012 £
Median total of Employees (exc director)	35,307	35,307
Pay multiple at 31 March	2.48	2.05

The pay data in the remuneration report is subject to audit.

The notes on pages 17 to 21 form part of these accounts

Richard Pascoe
Executive Director, Company Secretary and Accounting Officer

Date

11-Jun-13

The Great Britain - China Centre (Limited by Guarantee) Governance Statement

Governance Framework

The Great Britain - China Centre (GBCC), an executive non-departmental public body, is governed by the Board (previously known as the Executive Committee) and three committees, the Audit Committee, the Management Committee and the Personnel Committee. The Board is made up of the Chairman, two Vice-Chairmen, an Honorary Treasurer and up to ten other elected members including up to five Members of Parliament. The Chairman of the GBCC Board is an appointment of the Secretary of State for Foreign and Commonwealth Affairs; the Vice-Chairmen and Chairman of the Audit Committee are elected from within the Board membership as is membership of the Audit Committee, the Personnel Committee and the Management Committee. The Audit Committee is also attended by representatives from the National Audit Office (NAO) and the Foreign and Commonwealth Office (FCO).

During 2012-2013 the number of Board and committee meetings with individual attendance was as follows:

Director	Board(4)		Audit Committee(5)		Management Committee(1)		Personnel Committee(2)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
L Ball	4	1	5	3	1	1	-	-
P Batey	4	3	-	-	1	1	2	2
L Byrne	4	0	-	-	-	-	-	-
M Davidson	4	1	-	-	1	1	-	-
H Davies	4	4	-	-	-	-	2	2
H de Burgh	3	1	-	-	-	-	-	-
C Fitzgibbon	4	3	5	5	1	1	-	-
R Graham	4	3	-	-	-	-	-	-
D Hames	4	2	-	-	-	-	-	-
C Hammond	4	3	5	5	-	-	-	-
J Hughes	4	4	-	-	-	-	-	-
C Hum	4	2	-	-	-	-	-	-
R Pascoe	3	1	3	3	0	0	-	-
J Roper	4	2	-	-	-	-	-	-
M Sturrock	4	3	-	-	-	-	2	2
R Wye	4	2	-	-	-	-	-	-
Totals	62	35	18	16	4	4	6	6
Percentage		56%		89%		100%		100%

As Accounting Officer, I have responsibility for maintaining a sound system of internal control and governance that supports the achievement of the GBCC's purpose and objectives whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*. In addition as Director (Chief Executive) of the GBCC I have responsibility for its day-to-day management. I have a formal reporting and accountability line to the Board, the Audit Committee, the Personnel Committee and to meetings of the Management Committee during periods when the Board does not meet. There are also frequent informal discussions between the Director and the Chairman on an "as needs" basis, and members of the Board are consulted individually on certain issues related to their expertise.

The System of Internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the GBCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the GBCC for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

The Great Britain - China Centre (Limited by Guarantee) Governance Statement

As the new Director, in order to improve the return to GBCC on new contract work and improve the performance of our project managers in our project accounting, I have initiated a step by step process of elevating the status of the Finance Manager in the team so that he is consulted more frequently and his advice taken into account more regularly in project planning and project management, in line with what happens routinely in private businesses.

During the Finance Manager's first two years in GBCC, he has thoroughly overhauled and revamped the accounting system and made financial management more transparent, efficient and effective. He is now in a much better position to provide regular guidance and advice to the Director and the team on how to improve GBCC's financial performance across the board, and the new Director positively encourages his playing an important leadership role in these areas.

Project proposals or bids are no longer issued without his involvement, and both his and the Director's approval, and I have explicitly advised the team that in EU bids we need to strive for better cost recovery and to consider the overall return to the organisation more carefully before bids are made. This process was taken into account in our very large EU-China Access to Justice bid. I was not prepared to bid for this work without adequate cost recovery to GBCC, and the bid was designed accordingly. Sadly we lost this bid, which would have been worth 2 million Euros to GBCC over four years. But we came a very close second, behind the British Council's consortium. Arguably the EU found the BC bid more cost-effective. Losing it may have been the consequences of this tougher financial approach. But because of the need for proper financial management and risk management, I was not prepared to discount in order to win it. The undesirability of getting into a position where two FCO arms-length bodies bid against each other for EU project work has been raised with the British Council and the FCO, and it is hoped that this situation can be avoided in future and that the two organisations can cooperate.

EU Project Management

I requested an FCO Internal Audit of our EU project management processes in order to gain assurance that the EU audit risk of Chinese partner expenditure being declared ineligible retroactively at some point in the future.

We already have a second audit company, RSM Tenon, to audit all EU project expenditure receipts from Chinese partners routinely to manage this risk. This FCO audit will also examine whether our financial project accounting processes are in line with best practice.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control and governance. In order to achieve an effective system of internal control we operate administrative procedures including the segregation of duties and a system of delegation and accountability in proportion and reasonable to the size of GBCC as an organisation of six staff members. In particular, it includes:

- * the drafting by the Finance Manager in consultation with the Director of an annual budget prepared on a prudent basis and approved by the Board and agreed by the China Department of the FCO;
- * regular scrutiny by the Audit Committee and the Board of management accounts and the annual financial report which indicate financial performance against budget;
- * setting targets to measure financial and other performance;
- * formal project management disciplines in line with the requirements of FCO, and EU project procedures.
- * a system of risk assessment and management.
- * regular discussion with the Finance Manager on all significant issues.

I have instituted a new practice of a monthly discussion on the management accounts with the Finance Manager and monthly sign-off of the management accounts by the Director, to impose more discipline around what was already happening informally

The Great Britain - China Centre (Limited by Guarantee) Governance Statement

The Audit Committee is managed diligently by a senior and highly experienced financial expert with an accounting background, and is treated as a welcome source of financial and management advice. The National Audit Office takes a substantive approach to the testing of GBCC's internal controls as part of its annual audit, and while taking account of any work done by any internal audits that may take place during the year.

Following the consolidation of the GBCC accounts into the FCO's accounts, the FCO Head of Internal Audit Jon Hews informed GBCC that as an ALB under the FCO the GBCC now fell within the FCO Internal Audit remit, and would therefore be subject to periodic internal audits. In addition, should the GBCC Director or Audit Committee feel the need for additional audit work, it may now request this from the FCO. Where the work was required for the FCO's own purposes, the FCO would not charge GBCC. The first FCO Internal Audit was therefore requested by the Director into the GBCC's EU project management processes, and took place during April and May 2013.

The FCO Internal Audit Department has also proved a welcome source of advice, and has helped improve communication with other parts of the FCO and to demystify the FCO internal structure for the new Director. As a result, all GBCC staff may now access the non-secure version of the FCO's internal web resources, which will help improve both efficiency and alignment with FCO policies across the board.

My review, therefore, of the effectiveness of the system of internal control is informed by the oversight of the Audit Committee, and I am also informed by the work of the National Audit Office, GBCC's external auditor, when it reviews GBCC's systems and internal controls as part of its annual audit of GBCC's accounts, and take advice as necessary from FCO Internal Audit.

Overview of Board Performance

Members of the public apply to join the GBCC Board in response to a public advertisement and are chosen by the other Board members from open competition. They are chosen for their experience on UK-China relations in various fields and for their governance expertise. The Board has also chosen to have two co-opted members to spread representation of other UK interests in China. In addition there are two nominated members, one representing the FCO and one the British Council. Members of the Board have corporate responsibility for ensuring that the GBCC complies with any statutory or administrative requirements for the use of public funds. Other important responsibilities of Board members include:

- ensuring that high standards of corporate governance are observed at all times;
- establishing the overall strategic direction of the organisation within the policy and resources framework agreed with the responsible government minister;
- ensuring that, in reaching decisions, the Board has taken into account any guidance issued by the sponsor department.

A full list of Board members and their details is presented on page 1 of the GBCC report and statements.

The Board meetings are governed by the GBCC Articles of Association which determines that a meeting is quorate if seven or more members attend. During 2012-13 the Board met four times with attendance by Board members or their alternates as follows: ten, seven, eight and ten. The new HM Treasury Code of Conduct was adopted by the Board, and a summary of Directors' Duties was circulated to all. There is a Management Statement and Financial Memorandum between the FCO and GBCC, and a draft Information Management Agreement has been presented by the FCO.

As part of GBCC's Articles of Association as a company limited by guarantee it is stipulated that, in addition to the nominee members, the membership of the Board shall comprise not less than eleven nor more than twenty other persons elected by the Board of whom not less than five shall be Members of Parliament.

The Board, of around 10 members refreshed with three enthusiastic MPs representing the three main political parties, has proved its worth in terms of the quality of recent discussions on the strategy and the future funding of GBCC. The Board holds three meetings a year, supported by the Management Committee meeting at three different times of the year. Membership of the Management Committee is the Chairman, the two Vice-Chairmen, and the Honorary Treasurer. The Honorary Treasurer is also Chairman of the Audit Committee and this allows for cross-reference between these two committees and the Board.

The Great Britain - China Centre (Limited by Guarantee)

Governance Statement

Risk Assessment

As the new Director from late September 2012, I took the view that the assessment of GBCC' risks by the Board needed to be improved. I therefore have elevated the risk register process from what was previously purely an Audit Committee exercise to a regular Board review, after prior scrutiny and discussion at the Audit Committee.

The Risk Register document has been revamped into a living document, frequently updated by the Director and used as a tool in managing GBCC. It was updated in October, December, January, March and again in April 2013, taking into account Audit Committee and Board advice on each occasion. The Audit Committee wants still further improvements and these will be made.

The main risk as stated on the Risk Register remains the progressive cutting of the FCO Grant-in-Aid, which is jeopardising GBCC's viability and sustainability. It had already been cut to £270,000 a year from £300,000 and this year it is again being cut 10% to £243,000. If cuts continue on this basis GBCC may no longer be able to operate. The Board has discussed the implications of these cuts in detail and a series of actions are being undertaken to manage this risk.

During the year, the Chairman and the Director have been closely reviewing the relationship between GBCC and the UK-China Forum, an organisation effectively controlled by GBCC and whose accounts are therefore consolidated into GBCC's but with outside trustees. A meeting of UKCF's Board of Trustees will be held early in the next financial year.

I confirm that the GBCC complies with the Corporate Governance Code for central government departments in so far as the Code is relevant to an organisation of GBCC's size and circumstances.

Richard Pascoe

Executive Director, Company Secretary and Accounting Officer

Date

11 June 2013

The Great Britain - China Centre (Limited by Guarantee)

Statement of the Secretary as Accounting Officer, and the Directors' Responsibilities

Under the Government Resources and Accounts Act 2000, the Secretary of State (with the consent of HM Treasury) has directed the GBCC to prepare for each financial year a statement of accounts in the form and on the basis set out in the *Accounts Direction Handbook*. The accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of the GBCC and of its income and expenditure, changes in taxpayer's equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual*, and company law requires the Company Secretary and Directors to comply in a similar manner as follows:

- * observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements and apply them consistently;
- * make judgements and estimates on a reasonable basis;
- * state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- * prepare the accounts financial statements on a going concern basis

The Accounting Officer of the Foreign and Commonwealth Office has designated the Secretary as Accounting Officer of the Great Britain - China Centre. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Great Britain - Centre's assets, are set out in *Managing Public Money* published by HM Treasury and in the Companies Act 2006.

The Company Secretary and Directors are similarly responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the company and comply with the Companies Act 2006. They also have a general responsibility for taking such steps as are reasonably available to safeguard the assets of the company and to prevent fraud and other irregularities.

The Great Britain - China Centre (Limited by Guarantee)

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF THE GREAT BRITAIN-CHINA CENTRE

I certify that I have audited the financial statements of the Great Britain - China Centre for the year ended 31 March 2013 under the Government Resources and Accounts Act 2000. The financial statements comprise the Group and Parent Company Statements of Comprehensive Income, Financial Position, Cash Flows, Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Executive Secretary and Directors' Responsibilities and the Statement of Accounting Officer's responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board'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 group and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Great Britain-China Centre and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Directors Report, the Governance Statement and the part of the Remuneration Report that is not audited to identify material inconsistencies with the audited financial statements. If I become aware of any material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities that govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

The Great Britain - China Centre (Limited by Guarantee)

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

Opinion on Financial Statements

In my opinion:

- * the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's net expenditure for the year then ended; and
- * the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- * the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion:

- * the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- * the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters for which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- * adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff;
- * the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- * I have not received all of the information and explanations I require for my audit; or
- * the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

- * I have no observations to make on these financial statements.

*Amyas C E Morse
Comptroller and Auditor General*

Date: 13 June 2013

*National Audit Office
157-197 Buckingham Palace Road
Victoria,
London, SW1W 9SP*

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Statement of Comprehensive Net Expenditure for the Period Ended 31 March 2013

	Notes	Consolidated		Great Britain - China Centre	
		2013	2012	2013	2012
		£	£	£	£
Income					
Revenue from activities	2	1,144,284	1,370,306	1,054,154	1,275,123
Exchange Gain/(Loss)		4457	(5,549)	4457	(5,549)
Other revenue	3	<u>3,617</u>	<u>1,654</u>	<u>3,617</u>	<u>1,654</u>
		1,152,358	1,366,411	1,062,228	1,271,228
Expenditure					
Cost of activities	2	(868,577)	(1,077,595)	(820,567)	(973,853)
Staff costs	5	(353,931)	(361,837)	(353,931)	(361,837)
Administration expenses	4	(82,680)	(101,834)	(82,680)	(101,834)
		<u>(1,305,188)</u>	<u>(1,541,266)</u>	<u>(1,257,178)</u>	<u>(1,437,524)</u>
Net Expenditure		(152,830)	(174,855)	(194,950)	(166,296)
Taxation on interest received	6	(295)	(327)	(295)	(290)
Interest receivable		<u>1,476</u>	<u>636</u>	<u>1,476</u>	<u>636</u>
Net Expenditure after Taxation and Interest	7	<u>(151,649)</u>	<u>(174,546)</u>	<u>(193,769)</u>	<u>(165,950)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Other Comprehensive Expenditure

The company has no gains or losses other than the net expenditure for the above two financial years.

The notes on pages 17 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Statement of Financial Position as at 31 March 2013

	Notes	Consolidated		Great Britain-China Centre	
		2013	2012	2013	2012
		£	£	£	£
Non-current assets					
Property, plant and equipment	7	3,538	8,959	3,538	8,959
Intangible assets	8	<u>12,001</u>	<u>4,135</u>	<u>12,001</u>	<u>4,135</u>
		15,539	13,094	15,539	13,094
Current assets					
Trade receivables	9	259,878	135,787	304,878	195,788
Cash	10	<u>426,885</u>	<u>651,188</u>	<u>320,378</u>	<u>495,197</u>
		686,763	786,975	625,256	690,985
Current liabilities					
Trade payables and other current liabilities	11	<u>(304,915)</u>	<u>(479,878)</u>	<u>(254,198)</u>	<u>(393,713)</u>
Net current assets		381,848	307,097	371,058	297,272
Total assets less current liabilities		<u>397,387</u>	<u>320,191</u>	<u>386,597</u>	<u>310,366</u>
Provision for liabilities and charges	12	(3,000)	(44,155)	(3,000)	(3,000)
Total assets less liabilities		<u>394,387</u>	<u>276,036</u>	<u>383,597</u>	<u>307,366</u>
Statement of changes in taxpayer's equity					
General Reserves		<u>394,387</u>	<u>276,036</u>	<u>383,597</u>	<u>307,366</u>

These accounts are exempt from the requirements of Part 16 of the Companies Act 2006 by virtue of section 482 (non-profit-making companies subject to public sector audit) of that Act.

The financial statements were approved by the Board on 11 June 2013

Peter Batey
Chairman

Richard Pascoe
Executive Secretary and Accounting Officer

The notes on pages 17 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Cash Flow Statement for the period ended 31 March 2013

Statement of cash flows	Notes	Consolidated		Great Britain - China Centre	
		2013	2012	2013	2012
		£	£	£	£
Net Expenditure for the year before interest and taxation		(152,830)	(174,855)	(194,950)	(166,296)
Adjustments for:					
Depreciation charges	7 & 8	10,998	8,727	10,998	8,727
Loss on disposal of non current assets			-		
(Increase)/decrease in trade receivables and other current assets	9	(124,091)	(46,560)	(109,090)	(43,730)
Increase/(decrease) in trade payables and other current liabilities	11	(174,963)	(445,531)	(139,515)	(476,773)
Increase/(decrease) in provisions	12	(41,155)	(4,522)	0	(16,000)
Net cash outflow from operating activities		<u>(482,041)</u>	<u>(662,741)</u>	<u>(432,557)</u>	<u>(694,072)</u>
Cash flows from investing activities		1,180	309	1,180	345
Purchase of non current assets and intangible assets	7 & 8	(13,442)	(1,086)	(13,442)	(1,086)
Cash flows from financing activities		270,000	270,000	270,000	270,000
(Decrease)/increase in cash and cash equivalents in the period		<u>(224,303)</u>	<u>(393,518)</u>	<u>(174,819)</u>	<u>(424,813)</u>
Cash and cash equivalents at the beginning of period	11	651,188	1,044,706	495,197	920,010
Cash and cash equivalents at the end of period		<u>426,885</u>	<u>651,188</u>	<u>320,378</u>	<u>495,197</u>

The notes on pages 17 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Statement of Changes in Taxpayer's Equity for the Period Ended 31 March 2013

	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
Balance at 31 March 2011 & 2012	276,036	180,582	307,366	203,316
Statement of Comprehensive Net expenditure for 2012-13	(151,649)	(174,546)	(193,769)	(165,950)
Grant in aid received	270,000	270,000	270,000	270,000
Balance at 31 March 2013 & 2012	<u>394,387</u>	<u>276,036</u>	<u>383,597</u>	<u>307,366</u>

The notes on pages 17 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Notes to the Accounts for the Year Ended 31 March 2013

1 Basis of preparation and consolidation

These financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Great Britain - China Centre (GBCC) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the GBCC are listed below. They have been applied consistently in dealing with items that are considered material to the accounts.

As at 31 March, the GBCC had one subsidiary, the UK-China Forum, which was wholly controlled by the GBCC. The GBCC statements consolidate the results of its subsidiary under merger accounting rules.

Intra-group transactions are eliminated on consolidation and all income and expenditure figures in the Statement of Financial Activities relate to external activities only.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards stated above.

Non-current assets

Non current assets costing over £1,000 are capitalised. Given their value, depreciated historic cost is used as a proxy for fair value for all categories of property, plant and equipment.

Depreciation

Depreciation is provided on all non-current assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer hardware	25% straight line depreciation on cost
Fixtures, fittings and office equipment	20% on the reducing balance

Amortisation

Software licences and related consultancy are valued at cost and are treated as intangible assets. They are amortised over 4 years on a straight line basis

Foreign currencies

Transactions in foreign currencies are translated at the EU rate prevailing in the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the EU rate of exchange ruling at the balance sheet date. All differences are taken to the net expenditure account.

Pensions

The company is a member of the Principal Civil Service Pension Scheme (PCSPS) and for accounting purposes, it is treated as a defined contribution pension scheme. Contributions are charged to the net expenditure account as they become payable in accordance with the rules of the scheme.

Income and expenditure

Income is recognised in the period in which it is receivable and expenditure is charged in the period to which it relates. GBCC only operates through one segment.

Income consists of project funding for its activities. Grant -in-Aid received from the FCO is treated as financing through Changes in Taxpayers Equity.

The cost of unpaid leave is accrued at the end of the financial year.

Bad debt provisions are only made on specific bad debts.

GBCC activities are funded by external project grants and not from GBCC funds. The activities do not generate revenues although a management charge is made by the GBCC for project management.

The Great Britain - China Centre (Limited by Guarantee)

Consolidated Notes to the Accounts for the Year Ended 31 March 2013

2 Analysis of activities	Consolidated			Great Britain - China Centre		
	2013 Income £	2013 Expenditure £	2013 Net £	2013 Income £	2013 Expenditure £	2013 Net £
UK-China Forum	135,130	48,011	87,119	45,000		45,000
Judges training - 13th year			0			0
Judges training - 14th year		76	(76)		76	(76)
Death penalty project 2			0			0
Death penalty project 3	110,905	109,448	1,457	110,905	109,447	1,458
Preventing Torture project 2	179,033	174,194	4,839	179,033	174,194	4,839
Freedom of expression project	193,959	194,010	(51)	193,959	194,010	(51)
Business & Human Rights	121,407	121,231	176	121,407	121,231	176
Complaining with Confidence	97,730	97,730	0	97,730	97,730	0
CCLS EU Death Penalty	24,287	24,287	0	24,287	24,287	0
Legal Protection for the Media	72,835	72,835	0	72,835	72,835	0
EU Civil Society	24,821	24,819	2	24,821	24,821	0
Evidence			0			0
Mental Health Project			0			0
RWI Consultancy	28,296	1,601	26,695	28,296	1,601	26,695
Project Development		335	(335)		335	(335)
Management fees	7,945		7,945	7,945		7,945
Overhead Recovery	56,357		56,357	56,357		56,357
Salary Recovery	91,579		91,579	91,579		91,579
	<u>1,144,284</u>	<u>868,577</u>	<u>275,707</u>	<u>1,054,154</u>	<u>820,567</u>	<u>233,587</u>

The UK-China Forum consolidated expenditure of £48,011 for 2013 is after writing back a consolidation adjustment for VAT of £41,155 that was applied in last years accounts.

Analysis of activities	Consolidated			Great Britain - China Centre		
	2012 Income £	2012 Expenditure £	2012 Net £	2012 Income £	2012 Expenditure £	2012 Net £
UK-China Forum	155,183	103,742	51,441	60,000	0	60,000
Judges training - 13th year	48,737	42,778	5,959	48,737	42,778	5,959
Judges training - 12th year	0	642	(642)	0	642	(642)
Death penalty project 2	0	(12,759)	12,759	0	(12,759)	12,759
Death penalty project 3	223,750	223,848	(98)	223,750	223,848	(98)
Preventing Torture project 2	277,266	277,286	(20)	277,266	277,286	(20)
Freedom of expression project	310,908	314,928	(4,020)	310,908	314,928	(4,020)
EU Civil Society	9,215	9,215	-	9,215	9,215	0
Evidence	110,805	110,805	0	110,805	110,805	0
Mental Health Project	4,018	3,816	202	4,018	3,816	202
RWI Consultancy	3,294	3,294	-	3,294	3,294	0
Project Development	0	0	-	0	0	0
Management fees	38,800	0	38,800	38,800	0	38,800
Overhead Recovery	82,504	0	82,504	82,504	0	82,504
Salary Recovery	105,826	0	105,826	105,826	0	105,826
	<u>1,370,306</u>	<u>1,077,595</u>	<u>292,711</u>	<u>1,275,123</u>	<u>973,853</u>	<u>301,270</u>

3 Other revenue	Consolidated		Great Britain - China Centre	
	2013 £	2012 £	2013 £	2012 £
Disposal of Assets		564		564
Miscellaneous	3,617	1,090	3,617	1,090
	<u>3,617</u>	<u>1,654</u>	<u>3,617</u>	<u>1,654</u>

4 Administration expenses	Consolidated		Great Britain - China Centre	
	2013 £	2012 £	2013 £	2012 £
Running costs	24,874	39,310	24,874	39,310
Rent and service charges	32,939	41,002	32,939	41,002
Auditors' remuneration	6000	11,549	6000	11,549
Depreciation & amortisation	10,997	8,728	10,997	8,728
Employee benefit accruals	7870	1,245	7870	1,245
	<u>82,680</u>	<u>101,834</u>	<u>82,680</u>	<u>101,834</u>

The audit fee for the current year is £6,000 (2011-12 £8,000) and no non audit work has been carried out.

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Notes to the Accounts for the Year Ended 31 March 2013

5 Staff costs	Consolidated		Great Britain -China Centre	
	2013	2012	2013	2012
	£	£	£	£
Wages and salaries	284,204	291,585	284,204	291,585
Social security costs	26,844	23,792	26,844	23,792
Other pension costs	42,883	46,460	42,883	46,460
	<u>353,931</u>	<u>361,837</u>	<u>353,931</u>	<u>361,837</u>

All staff at 31 March 2013 are permanent UK staff.

Average number of employees during the year	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
Administration and activities	6	6	6	6

The GBCC was admitted to the Principal Civil service Scheme(PCSPS) on 1 September 2002. The accrued benefits for staff members of the Centre's previous by analogy scheme were transferred to the PCPS. It is a condition that on admission to the PCPS, the Centre is required to pay each year an accruing superannuation liability charge for the staff members in the scheme. The charge for the year was £42,883(2011-12 £46,460)

6 Tax on interest received	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
UK corporation tax	295	327	295	290

7 Property, plant & equipment

	Computers	Fixtures & Fittings	Office Equipment	Total
	£	£	£	£
GBCC Cost				
At 1 April 2012	21,497	18,612	7,585	47,694
Additions		-	-	0
Disposals	(2,183)			(2,183)
At 31 March 2013	<u>19,314</u>	<u>18,612</u>	<u>7,585</u>	<u>45,511</u>
Depreciation				
At 1 April 2012	15,580	16,788	6,366	38,734
Charge for the year	4,813	365	244	5,422
Disposals	(2,183)			(2,183)
At 31 March 2013	<u>18,210</u>	<u>17,153</u>	<u>6,610</u>	<u>41,973</u>
Net book value				
At 31 March 2013	<u>1,104</u>	<u>1,459</u>	<u>975</u>	<u>3,538</u>
At 31 March 2012	<u>5,916</u>	<u>1,824</u>	<u>1,219</u>	<u>8,959</u>

Property, plant & equipment

	Computers	Fixtures & Fittings	Office Equipment	Total
	£	£	£	£
GBCC Cost				
At 1 April 2011	22,148	18,836	8,006	48,990
Additions	1,087	-	-	1,087
Disposals	(1,738)	(224)	(421)	(2,383)
At 31 March 2012	<u>21,497</u>	<u>18,612</u>	<u>7,585</u>	<u>47,694</u>
Depreciation				
At 1 April 2011	12,600	16,375	6,470	35,445
Charge for the year	4,718	637	317	5,672
Disposals	(1,737)	(224)	(421)	(2,382)
At 31 March 2012	<u>15,581</u>	<u>16,788</u>	<u>6,366</u>	<u>38,735</u>
Net book value				
At 31 March 2012	<u>5,916</u>	<u>1,824</u>	<u>1,219</u>	<u>8,959</u>
At 31 March 2011	<u>9,548</u>	<u>2,461</u>	<u>1,536</u>	<u>13,545</u>

8 Intangible assets

	Total
	£
GBCC Cost	
At 1 April 2012	12,221
Additions	13,442
Disposals	(9,968)
At 31 March 2013	<u>15,695</u>
Amortisation	
At 1 April 2012	8,086
Charge for the year	5,576
Disposals	(9,968)
At 31 March 2013	<u>3,694</u>

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Notes to the Accounts for the Year Ended 31 March 2013

Net book value	
At 31 March 2013	<u>12,001</u>
At 31 March 2012	<u>4,135</u>
Cost	
At 1 April 2011	12,221
Additions	0
Disposals	-
At 31 March 2012	<u>12,221</u>
Amortisation	
At 1 April 2011	5,031
Charge for the year	<u>3,055</u>
At 31 March 2012	<u>8,086</u>
Net book value	
At 31 March 2012	<u>4,135</u>
At 31 March 2011	<u>7,190</u>

All intangibles relate to software and there have been no changes to intangible assets on consolidation.

9 Trade receivables and other curr assets	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
Trade receivables	53,081	100,778	53,081	100,778
Prepayments and accrued income	<u>206,797</u>	<u>35,009</u>	<u>251,797</u>	<u>95,010</u>
	<u>259,878</u>	<u>135,787</u>	<u>304,878</u>	<u>195,788</u>

Trade receivables and other Current Assets are broken down between balances with other Central Government Departments (CGDs) and balances with bodies External to the Government (E to G) as follows:

	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
Balances with other CGDs	17,887	92,477	129,233	92,477
Balances with bodies E to G	<u>241,991</u>	<u>43,310</u>	<u>175,645</u>	<u>103,311</u>
	<u>259,878</u>	<u>135,787</u>	<u>304,878</u>	<u>195,788</u>

10 Cash	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
Balance at 1 April	651,188	1,044,706	495,197	920,010
Net change in Cash	<u>(224,303)</u>	<u>(393,518)</u>	<u>(174,819)</u>	<u>(424,813)</u>
	<u>426,885</u>	<u>651,188</u>	<u>320,378</u>	<u>495,197</u>

All cash is held in UK based commercial bank accounts.

11 Trade payables and other curr liabilities	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
Corporation tax	321	346	295	309
Other taxes, soc security & pension costs	11,538	12,269	11,538	12,269
Other payables	27,148	26,129	27,148	25,691
Accruals and deferred income	<u>265,908</u>	<u>441,134</u>	<u>215,217</u>	<u>355,444</u>
	<u>304,915</u>	<u>479,878</u>	<u>254,198</u>	<u>393,713</u>

Trade payables and other Current Liabilities are broken down between balances with other Central Government Departments and balances with bodies External to the Government as follows:

	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
Balances with other CGDs	11,859	20,916	11,833	20,879
Balances with bodies E to G	<u>293,056</u>	<u>458,962</u>	<u>242,365</u>	<u>372,834</u>
	<u>304,915</u>	<u>479,878</u>	<u>254,198</u>	<u>393,713</u>

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Notes to the Accounts for the Year Ended 31 March 2013

12 Provision for liabilities and charges

A provision of £3000 made for an early retirement liability in 2008/09 remains a potential liability.

	Consolidated		Great Britain - China Centre	
	2013	2012	2013	2012
	£	£	£	£
Balance brought forward	44,155	48,678	3,000	19,000
Provided in year		11,477		0
Irrecoverable Exp Death Penalty 2		(3,241)		(3,241)
Provision w/ b to the Statement of Comp Net Exp	(41,155)	(12,759)		(12,759)
Balance carried forward	<u>3,000</u>	<u>44,155</u>	<u>3,000</u>	<u>3,000</u>

13 Operating lease commitments

Current and future lease commitments under non cancellable operating leases are given in the table below, analysed according to the period in which the expenditure relates. GBCC may terminate the lease by giving six months written notice.

	Consolidated		Great Britain - China Centre	
	Buildings 2013	Buildings 2012	Buildings 2013	Buildings 2012
	£	£	£	£
Current Year	<u>18,244</u>	<u>23,764</u>	<u>18,244</u>	<u>23,764</u>
Within one year	9,078	8,820	9,078	8,820
Between one and five years	-	-	-	-
	<u>9,078</u>	<u>8,820</u>	<u>9,078</u>	<u>8,820</u>

14 Related party transactions

The FCO is regarded as a related party. GBCC is an Executive Non Departmental Government Body (NDPB) and in 2012/13 received £270,000 Grant -in -Aid [2011/12 £270,000] from the FCO and had various other material transactions with it.

The UK-China Forum(UKCF) is also regarded as a related party. A GBCC Director and the Accounting Officer are Board Members of the UKCF Board. In 2012/13 administration fees were receivable from the UKCF of £45,000 (2011/12 £60,000) and the GBCC had £18,668 of recoverable expenses (2011/12 £6,436) from the UKCF. No debts were written off.

The All Party Parliamentary China Group (APPCG) is also regarded as a related party. The GBCC provided employee services to the APPCG(Jan-Mar 2013) and this was governed by a memorandum of understanding between GBCC and the APPCG. The transactions for employee services with the APPCG for 2012/13 amounted to £2,590 [2011/12 £25,337] .

The Great Britain China Educational Trust (GBCET) is also regarded as as a related party. The GBCC provides employee services to the GBCET. The transactions for employee services with the GBCET for 2012/13 amounted to £6,445 (2011/12 £6,422.) There was also £336 of recoverable expenses(2011/12 £510) from the GBCET.

15 Financial instruments

The financial assets of the GBCC include trade debtors, other receivables and cash, and these are recorded at their carrying value.

Appropriate provisions/write offs for estimated irrecoverable amounts are recognised in the statement of comprehensive expenditure where there is evidence that the asset is impaired.

Financial liabilities include trade creditors and accruals and these are valued on recognition.

The GBCC cash requirements are agreed at least a year in advance and so the liquidity position is controllable. There is some credit and market risk but these are for relatively small amounts.

16 Guarantee status

The company is limited by guarantee and in the event of a winding up, each Ordinary Member is liable to contribute an amount not exceeding £1.

17 Events after the reporting period

There are no events after the reporting period.



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