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# **The Great Britain China Centre**

## **Annual Report and Accounts 2014-15**

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

Ordered by the House of Commons to be printed 16 July 2015

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15 Belgrave Square  
London SW1X 8PS

[www.gbcc.org.uk](http://www.gbcc.org.uk)

Print ISBN 9781474121637

Web ISBN 9781474121644

ID P002735722 50136 07/15

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

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

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**The Great Britain - China Centre (Limited by Guarantee)  
Company Information  
as at 31 March 2015**

**DIRECTORS**

Mr Peter Batey OBE	- Chairman-retired from Board December 31, 2014
Sir Martin Davidson	- Chairman- appointed Chairman 5 February 2015
Mr Hugh Davies CMG	- Vice Chairman, appointed December 2004
Ms Lorna Ball	- Vice Chairman-retired from the Board June 1, 2014
Sir Christopher Hum	- Vice Chairman-appointed December 18, 2012
Mr Christopher Fitzgibbon	- Vice Chairman & Honorary Treasurer, appointed VC April 29, 2014
Mr Alan Black	- Appointed June 12 2014
Prof Jude Howell	- Appointed June 12 2014
Mr John Hughes	- Appointed December 2009
Mr William Godwin	- Appointed June 12 2014
Ms Madeleine Sturrock	- Appointed December 2009
Rt Hon Liam Byrne MP	- Appointed September 2011
Mr Richard Graham MP	- Appointed September 2011
Mr Duncan Hames MP	- Appointed September 2011

**Nominees**

Mr Gareth Edward Ward	FCO, Appointed 1 February 2014
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**Co-opted Members**

Mr Charles Haswell	- Appointed October 1, 2014
Mr Richard Jackson	- Appointed October 1, 2014
Mr Stephen Phillips	- Appointed June 1, 2014
Mr Neil Sampson	- Appointed October 1, 2014
Mr Rod Wye	- Appointed September 1, 2011

**SECRETARY**

Mr Richard Pascoe	Appointed September 2012
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**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 2015. These accounts also include the results for the UK-China Forum, run by its Board of Trustees but over which the Directors of the Great Britain - China Centre (GBCC) are deemed to have effective control. The information contained in the Directors' Report 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. The FCO is the ultimate controlling party for the GBCC.

### **New Chairman**

Sir Martin Davidson, former Chief Executive of the British Council, was appointed as Chairman to replace Peter Batey OBE who stepped down after his statutory maximum of 10 years in the post. The Board of Directors and the staff of GBCC express their deep thanks to Peter Batey for his outstanding contribution to the organisation in this entirely voluntary position. He was subsequently appointed honorary Vice President of GBCC. (For details see Governance)

### **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 15 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 £303,535 (2013-14 £239,766).

This deficit is offset against the Grant-in-Aid, which leaves total funds of £394,086 to be carried forward at the end of the year (2013-14 £397,621). 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.

## **The Great Britain - China Centre (Limited by Guarantee)**

### **Directors' Report**

#### **Audit & Risk Assurance Committee**

GBCC's Audit and Risk Assurance 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 2015 membership of the Audit Committee comprised:

Chris Fitzgibbon	Chairman
Lorna Ball	Resigned June 1 2014
Alan Black	Appointed June 12, 2014
Sir Christopher Hum	Appointed June 2013
Neil Sampson	Appointed December 1, 2014
Richard Jackson	Appointed December 1, 2014

#### **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 Equality Act 2010 is followed. Decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria.

#### **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.

#### **Pension Liabilities**

The treatment of pension liabilities is discussed under note 1 in the notes to the accounts.

#### **Sickness Absence data**

The average number of sick days taken by staff in the year was 6.76 (2013-14 1.27)

#### **Awareness of Relevant Audit Information**

The Directors 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 (2013-14 £6,000).

## **The Great Britain - China Centre (Limited by Guarantee)**

### **Directors' Report**

#### **Creditors**

The average time taken to pay invoices in the current year was 16.86 days (2013-14, 22.76 days) while the average amount owed to trade creditors in days at 31 March 2015 was 8.24 days (2013-14, 92 days)

#### **Data Loss**

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

#### **Going Concern**

The FCO Grant in Aid has now been confirmed at £250,000 for the 2015-16 financial year which will cover 61% of core operating costs. The balance will be covered by earnings from externally-funded projects and sponsorship.

#### **Events since Year End**

There have been no significant events since the year end.

This report was approved by the Board on 9 June 2015.

Richard Pascoe

**Executive Director, Company Secretary and Accounting Officer**



## The Great Britain-China Centre (Limited by Guarantee) Strategic Report

GBCC launched a new strategic initiative in 2014-15 to help China develop the rule of law, a development priority to which Beijing gave renewed political emphasis during the year but also one of crucial global importance in terms of safeguarding stable economic growth for China and for its major trading partners including the UK.

To this end GBCC launched a new annual judicial dialogue between China and the UK, led by the Supreme People's Court and the UK Supreme Court, and established a 3-way joint venture with China's top law school at Renmin Law School and Oxford University Law Faculty to set up a Common Law Centre in Beijing.

A UK delegation led by a Supreme Court judge visited China in December for the 1<sup>st</sup> annual UK-China Judicial Roundtable and a Chinese delegation was invited by GBCC to attend the Global Law Summit marking the 800<sup>th</sup> anniversary of the Magna Carta – a major global law conference supported by the Secretary of State for Justice, Chris Grayling MP in February 2015.

The FCO approved GBCC's proposal for a one-year project worth £450,000 to strengthen GBCC to deliver economic growth through working to accelerate rule-of-law-related reforms. The goals include the following:

- Establishing the Centre for Common Law joint venture with China's top law school to act as a stable, strong and inclusive platform to enable a range of UK-China legal cooperation initiatives to improve transparency, open up the legal services market over time, promote common law values as well as commercially useful reforms and further the development of the rule of law.
- Expanding judicial cooperation through establishing a regular annual UK-China Judicial Roundtable, supporting the professionalisation of the Chinese judiciary through training and study visits by Supreme Court and provincial High Court judges and through supporting Chinese judicial reform, including the establishment of its specialist intellectual property courts.
- Helping to develop the legal and regulatory environment for China's free trade zones.

The FCO confirmed GBCC's grant-in-aid at the reduced level of £250,000 for 2015-16, down from £300,000 in the 2014-15 financial year.

Political dialogue with China remained one of GBCC's main areas of work. A cross-party delegation of nine young British politicians made a five-day visit to China in July to take part in the fourth UK-China Young Leaders Roundtable organised by GBCC in partnership with the All-China Youth Federation, the youth wing of the ruling Chinese party, with sponsorship from Prudential and HSBC. The theme of this year's Roundtable was Reform and Innovation. The delegation was led by Liam Byrne MP, who has led this initiative on a cross-party basis since its inception in 2010, and included one conservative and two other labour MPs, plus four others not yet MPs but in senior positions in the conservative and liberal democrat parties. A plan to hold the 8<sup>th</sup> UK-China Leadership Forum in Shanghai in partnership with the International Department of the Communist Party was cancelled after the Chinese government refused a visa for one of the delegation members who had spoken in Parliamentary debates on Hong Kong, and the others refused to go.

GBCC was awarded a major contract by the Dutch Government for a project working with Chinese partners keen to make institutional improvements aimed at discouraging arbitrary detention. The project is worth €870,736 over three years.

GBCC was established in 1974 as a non-departmental public body (NDPB) supported by the FCO to build UK-China relations. Initially acting as intermediary for a broad range of relationships – educational, cultural and scientific – it has since narrowed its role to focus mainly on political dialogue and the development of the rule of law, good governance and to promote sustainable development in China.

As an NDPB under the supervision of the FCO, GBCC aligns its work with the FCO's strategy for relations with China while remaining independent of government with its own governing Board of Directors. The 2013 Triennial Review of GBCC concluded that: **"GBCC, with its Chinese and other partners, has produced a series of outstanding projects with real and lasting results in a number of sensitive rights-related rule of law fields. It has built up a unique set of relationships and**

## **The Great Britain-China Centre (Limited by Guarantee) Strategic Report**

**deep trust which enables it to engage in complex areas where Chinese partners are seeking change and development. This is valuable..."**

GBCC has developed close relationships with Chinese ministries, the judiciary and research bodies over four decades, working with reform-minded Chinese academics and others to influence policy or legislative change. It has earned a reputation as a trusted partner delivering projects successfully in support of policy priorities of both sides, often in politically sensitive areas. Its projects run continuously, normally unaffected by vicissitudes in the UK-China political relationship. GBCC is a small, flexible and bilingual expert organisation with only six employees, with in-house expertise in China's legal, judicial and media development, as well as project management expertise to deliver measured outcomes to high quality standards.

GBCC has developed a track-record on issues ranging from criminal justice reform, human rights, labour standards and freedom of expression to public finance, leadership training, government engagement with civil society and corporate social responsibility as well as managing political dialogues. GBCC's work contributes to the "soft power" of the UK as a source of best practice and a welcome comparator for Chinese officials and academics as new rule of law reforms and good governance practices are introduced. GBCC's programmes provide the UK with a platform to engage and make interventions in key areas of concern.

The reforms aimed at developing the rule of law approved at last year's "Fourth Plenum" leadership meeting in Beijing, including the need for continuing judicial reform and greater judicial transparency has created fertile ground to expand UK influence and build new partnerships.

GBCC's mission is to develop UK-China relations by deepening understanding through dialogue and promoting the rule of law, good governance and sustainable development. This mission serves not only the human rights agenda of UK foreign policy but also HMG's prosperity agenda, as peaceful transition towards the rule of law is not only the cornerstone of political and economic progress in China, but also underpins sustainable global economic growth.

GBCC successfully completed a 3-year project to strengthen legal protection for Chinese journalists and explore issues affecting media regulation in the internet age. This project, led by GBCC in collaboration with expert teams from Oxford, Peking and Renmin Universities, was funded by a €1-million grant from the European Union.

R Pascoe  
Executive Director, Accounting Officer and Company Secretary

09.6.2015

**The Great Britain - China Centre (Limited by Guarantee)  
Remuneration Report for the year ended 31 March 2015**

GBCC has a Personnel and Appointments 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 retired - Dec 31 2014
Chairman	Sir Martin Davidson - Appointed 5 February 2015
Vice Chairman	- Hugh Davies
Board Member	- Madeline Sturrock
Executive Director	- Richard Pascoe
Member Ad Interim	- John Hughes

Richard Pascoe, the Executive Director, is employed on a fixed term contract up to December 31 2016 .  
The Personnel Committee reviews the remuneration of all GBCC staff including the Executive Secretary based on annual appraisals carried out by the staff line managers.

The Executive Director's remuneration details as detailed below have been subject to Audit:

	<b>2015</b>	<b>2014</b>
	R Pascoe	R Pascoe
	£	£
Gross salary on full time equivalent basis	88,566	88,750
Accrued pension as at 31 March	-	-
Accrued lump sum as at 31 March	-	-
Real increase in pension	-	-
Real increase in lump sum	-	-
Cash equivalent transfer value at 31 March	-	-
Real increase in cash equivalent value funded by the employer	-	-
Employee contributions	-	-
No benefits in kind were paid. [2013-14 nil]	-	-
No bonus was paid to Richard Pascoe in the current year.[2013-14 Nil]	-	-

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 2015 on an annualised basis and includes any temporary staff employed during the year.

	<b>2015</b>	<b>2014</b>
	£	£
Median total of Employees (exc director)	33,552	33,252
Pay multiple at 31 March	2.64	2.67

The pay multiple has reduced because the median salary has increased during the current financial year.  
The pay data in the remuneration report is subject to audit.

The notes on pages 18 to 24 form part of these accounts

Richard Pascoe

Date

09-Jun-15

## **1. Appointment of New Chairman**

Peter Batey OBE stood down as Chairman on December 31, 2014 after he had served just over 10 years in the post as laid down in the rule of the Office for the Commissioner for Public Appointments (OCPA). In line with the OCPA rules the post was advertised and an independently-led panel was appointed by the OCPA to identify a successor. Sir Martin Davidson, former Chief Executive of the British Council and the Council's nominee Board member, was selected as the new Chairman by the Foreign Secretary with the approval of No 10 Downing St, and the appointment was confirmed by the GBCC Board on February 5, 2015 and took effect from that date. The senior Vice-Chairman, Hugh Davies, had acted as Chairman ad-interim from December 31 to February 5. Sir Martin chaired his first Board meeting on April 28, 2015.

The Board noted its deep appreciation and gratitude to Peter Batey for his great contribution to GBCC during his 10 years as Chairman. Minister of State Hugo Swire, speaking at a reception at the House of Lords hosted by the GBCC's honorary President Lord Howe of Aberavon, expressed his thanks to Peter Batey on behalf of successive governments for his dedicated work for GBCC over the past decade. The Board elected Peter Batey to the honorary post of Vice-President of GBCC, following the election of Lord Mandelson and Lord Powell as Vice-Presidents earlier in the year.

## **2. Overview of Board Structure and Performance**

GBCC, as an executive non-departmental public body (NDPB), is governed by a Board of Directors. Three new Board members – Professor Jude Howell, Alan Black and William Godwin, were appointed as GBCC Directors in June 2014 to fill vacant positions after an open competitive recruitment process and additionally three other new Board members, Richard Jackson, Charles Haswell and Neil Sampson, were co-opted shortly afterwards, to strengthen the Board's legal and commercial expertise in order to further develop GBCC's rule of law initiatives with China and to further develop corporate relations. In addition, the Chief Executive of the China Britain Business Council, Stephen Phillips, was appointed as a co-opted ex-officio Board member.

The Board has three sub-committees, the Audit and Risk Assurance Committee, the Personnel and Appointments Committee and a Corporate Relations Committee that was established in September 2014, an expanded group that took the place of the former Sponsorship Committee.

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, for their governance expertise and for the mix of skills and knowledge that the Board brings to GBCC. The Board co-opts additional members from time to time to ensure that it has the optimum level of skills and knowledge available to support GBCC in its work.

The GBCC was independently assessed in a Triennial Review published before Parliament in July 2013. The Review endorsed the value of GBCC's work to HMG and to the Foreign and Commonwealth Office and made a series of recommendations which have now been implemented, or are in the process of being implemented, by the Executive Director with the active support and involvement of the GBCC Board.

In terms of governance, the Review concluded that "GBCC continues to maintain good levels of accountability; does have effective financial management systems in place; is open, transparent, accountable and responsive and therefore complies with recognised principles of good governance".

The Board expansion in mid-2014 re-equipped the Board to adopt a more strategic approach aimed at repositioning the organisation for the future, leveraging GBCC's strengths to play a more useful role in supporting the UK's China strategy overall, as recommended in the Triennial Review. In-depth discussions were held with the FCO to realign objectives and improve coordination and strategic alignment.

The present volunteer Board of 18, led by a Chairman and three Vice-Chairmen, plays a more active role between the quarterly Board meetings, with individual members engaged in assisting the Executive Director actively on a variety of issues.

The Vice-Chairmen and Chairman of the Audit and Risk Assurance Committee are elected from within the Board membership as is membership of the three sub-committees. Chris Fitzgibbon was elected Vice-

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

Chairman as well as Hon Treasurer in April 2014, and Vice-Chairman Lorna Ball stepped down from the Board in June upon the expiry of her term of office. Three members of Parliament are GBCC Board members – Richard Graham MP (Conservative), Liam Byrne MP (Labour) and Duncan Hames MP (Liberal Democrats).

Members of the Board have corporate responsibility for ensuring that the GBCC complies with all 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 sponsoring government department and the recommendations of Triennial Reviews as appropriate.

A full list of Board members and their details is presented on page 1 of the GBCC report and statements. During 2014-15 the number of Board and Committee meetings with individual attendance was as follows:

Director	Board(5)		Audit and Risk Assurance Committee(3)		Personnel Committee(4)		Corporate Relations Committee (1)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
L Ball	2	2	2	2				
P Batey	4	4			3	3		
L Byrne MP	5	1					1	0
M Davidson	4	2			1	1		
H Davies	5	5			4	3		
C Fitzgibbon	5	4	3	3				
R.Graham MP	5	2					1	0
D Hames MP	5	1						
J Hughes	5	5			1	1	1	1
C Hum	5	3	3	2				
R Pascoe	5	5	3	3	4	4	1	1
M Sturrock	5	4			4	2		
G Ward	5	3						
A Black	4	4	1	1			1	1
W Godwin	4	3						
J Howell	4	2						
Co-Opted:								
R Wye	5	4						
S Phillips	4	2						
C Haswell	3	3					1	1
R Jackson	3	3	1	1			1	1
N Sampson	3	2						
<b>Totals</b>	<b>90</b>	<b>64</b>	<b>13</b>	<b>12</b>	<b>17</b>	<b>14</b>	<b>7</b>	<b>5</b>
<b>Percentage</b>		<b>71%</b>		<b>92%</b>		<b>82%</b>		<b>71%</b>

The Board meetings are governed by the GBCC Articles of Association which determine that a meeting is quorate if seven or more members attend. There is a Management Statement and Financial Memorandum between the FCO and GBCC, and a one-page MOU agreed between GBCC and the FCO China Department as recommended by the Triennial Review.

### **3. GBCC Funding**

GBCC's core funding for the year in the form of a grant-in-aid from the FCO was restored to its former level of £300,000 following the call in the Triennial Review to reinforce GBCC's funding. This year the Board played a key role in working with the Executive Director to develop plans to expand cooperation with China in the field of the development of the rule of law, and to apply for additional funding for this from HMG in new funds awarded to China cooperation in the Chancellor's Autumn statement and March 2015 budget. An application was made to HM Treasury via the FCO for additional funding in the financial year to strengthen GBCC to deliver economic growth through rule of law reforms and better governance in China.

GBCC consolidates into its annual accounts the accounts of another legal entity, UK China Forum Ltd, a not-for-profit organisation governed by a separate Board of Trustees which has no staff of its own but contracts its management to GBCC. UK China Forum Ltd, founded many years ago to broaden and deepen UK-China dialogues in various fields, now runs just two regular activities, the UK-China Leadership Forum, an annual political dialogue between the International Department of the Chinese Communist Party and a cross-party delegation of UK members of Parliament, and the UK-China Young Leaders Roundtable, a similar activity with the Communist Party's youth wing, the Communist Youth League, organised in partnership with the All-China Youth Federation. These activities are funded by corporate sponsorship on the UK side. Funds for the UK China Forum Ltd were donated by BP, Barclays Bank, Prudential and HSBC.

Throughout the financial year, the issue of GBCC funding remained the first and main risk identified in the quarterly Risk Register report, which since December 2012 has been discussed in detail at each meeting of the Audit and Risk Assurance Committee and at each GBCC Board meeting.

### **4. Risk Management**

Another major risk remained the political risk associated with project work in China involving human rights, and the situation was kept under close observation and adjustments are made routinely to project work in the light of changing political circumstances. The safety of staff and partners engaged in China project work remains paramount and project managers were given repeated advice on the importance of designing projects that work with the grain of reform in China, building win-win partnerships realistically and cautiously within the political context, seeking advice from the FCO and others as required. In this way GBCC was able to maintain its track record of achieving measurable results in sensitive areas such as death penalty reform and detainee's rights. GBCC's operating model is to design projects that are feasible and practical, based not only on UK or EU policy priorities for China but also on a thorough and deep understanding of China's own reform plans, choosing high-quality partners with integrity and strong track records of success.

GBCC's funding in past years has been augmented by winning EU project funding. One major risk discussed regularly at Board meetings has been the risk of such funding becoming much harder to obtain now that China is perceived in Europe as rich and successful. But the provision of assistance to China as it further reforms its legal and judicial system remains in the national interest of leading EU nations as well as the UK.

GBCC's other main risk frequently discussed by the Board is the organisation's dependence on a small number of project staff. In Q1 2015 the resignation of a Senior Project Manager and the loss of the second Senior Project Manager on 6 week's sick leave had a serious impact on the organisation's project work. A series of temporary measures were taken to fill the gap and project results were still delivered with minimal impact to schedules, but this highlighted the risks to a small organisation of over-dependence on a small number of expert staff.

Measures were planned with promised additional core funding from the FCO to engage additional staff to resolve this issue.

A major reassessment of GBCC's IT strategy was initiated to address business continuity, leveraging the opportunity to introduce Cloud services in a cost-effective manner once new communications bandwidth has been secured under a contract with a new supplier signed in February 2015.

## 5. System of Internal Control

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 public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

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 provides reasonable but 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 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. I confirm that the system of control has been in place at GBCC throughout the financial year ended March 31, 2015 and up to the date of approval of the management accounts, and accords with HM Treasury guidance.

GBCC operates administrative procedures including as far as possible the segregation of duties in a small organisation, and a system of delegation and accountability in proportion to our size. In particular it includes:

- The drafting by the Finance Manager of an annual budget prepared on a prudent basis, reviewed and amended by the Executive Director and approved by the Board and agreed by the China Department of the FCO;
- Regular scrutiny by the Audit and Risk Assurance Committee and the Board of the management accounts and the annual financial report, which are audited by the National Audit Office.
- Formal project management disciplines in line with the requirements of the FCO and EU project procedures.
- A system of risk assessment and management.
- The regular sign-off of the accounts by the Executive Director and regular discussion with the Finance Manager on all significant issues.

The Audit and Risk Assurance Committee (ARAC) is managed diligently by a senior and highly experienced financial expert with an accounting background, in his role as Honorary Treasurer of the GBCC. The NAO takes a substantive testing approach to the testing of GBCC's financial statements as part of the annual audit, while taking into account any work done by internal audits that may take place during the year.

The FCO Internal Audit Department, which now has responsibility for internal audit within GBCC, has proved to be a welcome source of advice and know-how, and helped to improve communication with the different parts of the FCO.

My review as Accounting Officer, therefore, of the effectiveness of the system of internal control is informed by the oversight of the ARAC and I am also informed by the work of the NAO when it reviews GBCC's system of internal controls as part of its annual audit of GBCC's accounts, and take advice as necessary from Internal Audit.

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, and with all laws and regulations of which I am aware. GBCC is in the process of implementing a new Personal Data Protection Policy in order to conform to that of the FCO, to best practice within HMG and to ensure that GBCC achieves full compliance in this regard. This process will require further work over the next several months.

Richard Pascoe

Date: 9 June 2015

Executive Director, Company Secretary and Accounting Officer



## **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 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union and as regards the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006. 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 Directors' Responsibilities Statement, the directors 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 directors; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Directors Report, the Strategic Report, the Governance Statement and the part of the Remuneration Report that is not audited to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent 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 which 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 2015 and of the 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, Strategic Report and Governance Statement 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 by the parent company, or returns adequate for my audit have not been received from branches not visited by my staff; or
- \* 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.

*Sir Amyas C E Morse  
Comptroller and Auditor General*

Date 17 June 2015

*National Audit Office*

**The Great Britain - China Centre (Limited by Guarantee)**

**Consolidated Statement of Comprehensive Net Expenditure for the Period Ended 31 March 2015**

	Notes	Consolidated		Great Britain - China Centre	
		2015	2014	2015	2014
		£	£	£	£
<b>Income</b>					
Revenue from activities	2	672,903	587,458	635,382	541,364
Exchange Gain/(Loss)		(21,343)	(12,882)	(21,343)	(12,882)
Other revenue	3	3,504	313	3,504	313
		<u>655,064</u>	<u>574,889</u>	<u>617,543</u>	<u>528,795</u>
<b>Expenditure</b>					
Cost of activities	2	(551,797)	(443,912)	(512,311)	(398,832)
Staff costs	5	(327,000)	(307,793)	(327,000)	(307,793)
Administration expenses	4	(81,066)	(64,118)	(81,066)	(64,118)
		<u>(959,863)</u>	<u>(815,823)</u>	<u>(920,377)</u>	<u>(770,743)</u>
<b>Net Expenditure</b>		<b>(304,799)</b>	<b>(240,934)</b>	<b>(302,834)</b>	<b>(241,948)</b>
Taxation on interest received	6	(316)	(318)	(316)	(318)
Interest receivable		1,580	1,486	1,580	1,486
<b>Net Expenditure after Taxation and Interest</b>	7	<u><b>(303,535)</b></u>	<u><b>(239,766)</b></u>	<u><b>(301,570)</b></u>	<u><b>(240,780)</b></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 19 to 24 form part of these accounts

**The Great Britain - China Centre (Limited by Guarantee)**  
**Consolidated Statement of Financial Position as at 31 March 2015**

	Notes	Consolidated		Great Britain-China Centre	
		2015	2014	2015	2014
		£	£	£	£
<b>Non-current assets</b>					
Property, plant and equipment	7	1,588	2,348	1,588	2,348
Intangible assets	8	<u>4,201</u>	<u>8,077</u>	<u>4,201</u>	<u>8,077</u>
		5,789	10,425	5,789	10,425
<b>Current assets</b>					
Trade receivables	9	118,957	24,035	159,661	71,695
Cash	10	<u>553,920</u>	<u>649,472</u>	<u>462,195</u>	<u>516,908</u>
		672,877	673,507	621,856	588,603
<b>Current liabilities</b>					
Trade payables and other current liabilities	11	<u>(281,580)</u>	<u>(283,311)</u>	<u>(240,398)</u>	<u>(210,211)</u>
<b>Net current assets</b>		391,297	390,196	381,458	378,392
<b>Total assets less current liabilities</b>		<u>397,086</u>	<u>400,621</u>	<u>387,247</u>	<u>388,817</u>
Provision for liabilities and charges	12	(3,000)	(3,000)	(3,000)	(3,000)
<b>Total assets less liabilities</b>		<u>394,086</u>	<u>397,621</u>	<u>384,247</u>	<u>385,817</u>
<b>Statement of changes in taxpayer's equity</b>					
General Reserves		<u>394,086</u>	<u>397,621</u>	<u>384,247</u>	<u>385,817</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 9 June 2015

Sir Martin Davidson  
**Chairman**

Richard Pascoe  
**Executive Secretary and Accounting Officer**

The notes on pages 19 to 24 form part of these accounts

**The Great Britain - China Centre (Limited by Guarantee)**  
**Consolidated Cash Flow Statement for the period ended 31 March 2015**

Statement of cash flows	Notes	Consolidated		Great Britain - China Centre	
		2015	2014	2015	2014
		£	£	£	£
Net Expenditure for the year before interest and taxation		(304,799)	(240,934)	(302,834)	(241,948)
Adjustments for:					
Depreciation charges	7 & 8	4,636	5,114	4,636	5,114
Loss on disposal of non current assets					
(Increase)/decrease in trade receivables and other current assets	9	(94,922)	235,843	(87,967)	233,183
Increase/(decrease) in trade payables and other current liabilities	11	(1,731)	(21,603)	30,188	(43,986)
Increase/(decrease) in provisions	12	-	-	-	-
Net cash outflow from operating activities		<u>(396,816)</u>	<u>(21,580)</u>	<u>(355,977)</u>	<u>(47,637)</u>
Cash flows from investing activities		1,264	1,167	1,264	1,167
Purchase of non current assets and intangible assets	7 & 8	-	-	-	-
Cash flows from financing activities		300,000	243,000	300,000	243,000
<b>(Decrease)/increase in cash and cash equivalents in the period</b>		<u>(95,552)</u>	<u>222,587</u>	<u>(54,713)</u>	<u>196,530</u>
Cash and cash equivalents at the beginning of period	10	649,472	426,885	516,908	320,378
Cash and cash equivalents at the end of period		<u>553,920</u>	<u>649,472</u>	<u>462,195</u>	<u>516,908</u>

The notes on pages 19 to 24 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 2015**

	Consolidated		Great Britain - China Centre	
	2015 £	2014 £	2015 £	2014 £
Balance at 31 March 2013 & 2014	397,621	394,387	385,817	383,597
Statement of Comprehensive Net expenditure for 2014-15	(303,535)	(239,766)	(301,570)	(240,780)
Grant in aid received	300,000	243,000	300,000	243,000
Balance at 31 March 2014 & 2015	<u>394,086</u>	<u>397,621</u>	<u>384,247</u>	<u>385,817</u>

The notes on pages 19 to 24 form part of these accounts

**The Great Britain - China Centre (Limited by Guarantee)**  
**Consolidated Notes to the Accounts for the Year Ended 31 March 2015**

**1 Basis of preparation and consolidation**

These financial statements have been prepared in accordance with the 2014-15 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 on a going concern basis 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 2015**

2 Analysis of activities	Consolidated			Great Britain - China Centre		
	2015 Income £	2015 Expenditure £	2015 Net £	2015 Income £	2015 Expenditure £	2015 Net £
UK-China Forum	78,121	39,486	38,635	40,600	-	40,600
Judicial Study visit	7,110	7,110	-	7,110	7,110	-
Rule of Law Project	19,265	22,016	(2,751)	19,265	22,016	(2,751)
Rule of Law Strategic Development	-	13,126	(13,126)	-	13,126	(13,126)
EU Death Penalty Project 3	-	-	-	-	-	-
EU Preventing Torture Project 3	-	-	-	-	-	-
EU Freedom of expression project	132,232	130,901	1,331	132,232	130,901	1,331
EU CCLS Death Penalty	60,571	62,470	(1,899)	60,571	62,470	(1,899)
EU Civil Society	-	-	-	-	-	-
Business and Human Rights	-	-	-	-	-	-
Dutch Embassy Project	101,099	101,154	(55)	101,099	101,154	(55)
Complaining with Confidence	-	-	-	-	-	-
SPF EUDP4	7,062	7,067	(5)	7,062	7,067	(5)
Chevening Programme	-	-	-	-	-	-
Chinese Financial Leaders Delegation	-	-	-	-	-	-
Legal Protection for the Media	-	-	-	-	-	-
Moca Child protection	159	159	-	159	159	-
Jiangxi Higher Peoples Court	2,835	2,889	(54)	2,835	2,889	(54)
SPC Legal Evidence	63,555	63,555	-	63,555	63,555	-
SPF Pretrial Detention	61,000	61,005	(5)	61,000	61,005	(5)
Project Development	-	3,297	(3,297)	-	3,297	(3,297)
SPF Death Penalty for Drug crime	37,562	37,562	-	37,562	37,562	-
SPF Torture Prevention Project	-	-	-	-	-	-
RWI Consultancy	-	-	-	-	-	-
Management fees	6,779	-	6,779	6,779	-	6,779
Overhead Recovery	42,732	-	42,732	42,732	-	42,732
Salary Recovery	52,821	-	52,821	52,821	-	52,821
	<u>672,903</u>	<u>551,797</u>	<u>121,106</u>	<u>635,382</u>	<u>512,311</u>	<u>123,071</u>

The expected shortfall of £12,630 in 2013-14 relating to EUDP4 was subsequently received in 2014-15 and has been included as part of the overhead recovery figure of £42,732.

Revenue and expenditure is broken down between EU and Non Eu Elements as follows:

	Consolidated			Great Britain - China Centre		
	2015 £	2015 £	2015 £	2015 £	2015 £	2015 £
EU	199,866	200,438	(573)	199,866	200,438	(573)
NON EU	473,037	351,359	121,679	435,516	311,873	123,644
	<u>672,903</u>	<u>551,797</u>	<u>121,106</u>	<u>635,382</u>	<u>512,311</u>	<u>123,071</u>

Analysis of activities	Consolidated			Great Britain - China Centre		
	2014 Income £	2014 Expenditure £	2014 Net £	2014 Income £	2014 Expenditure £	2014 Net £
UK-China Forum	91,094	45,080	46,014	45,000	-	45,000
Judicial Study visit	-	-	-	-	-	-
Rule of Law Project	-	-	-	-	-	-
Rule of Law Strategic Development	-	-	-	-	-	-
EU Death Penalty Project 3	3	-	3	3	-	3
EU Preventing Torture Project 3	18	15	3	18	15	3
EU Freedom of expression project	243,588	243,504	84	243,588	243,504	84
EU CCLS Death Penalty	51,468	64,098	(12,630)	51,468	64,098	(12,630)
EU Civil Society	27,929	27,929	-	27,929	27,929	-
Business & Human Rights	(417)	(318)	(99)	(417)	(318)	(99)
Dutch Embassy Project	-	-	-	-	-	-
Complaining with Confidence	-	-	-	-	-	-
SPF EUDP4	4,207	4,205	2	4,207	4,205	2
Chevening Programme	22,148	2,148	20,000	22,148	2,148	20,000
Chinese Financial Leaders Delegation	2,920	2,920	-	2,920	2,920	-
Legal Protection for the Media	2	-	2	2	-	2
Moca Child protection	-	-	-	-	-	-
Jiangxi Higher Peoples Court	-	-	-	-	-	-
SPC Legal Evidence	27,229	27,305	(76)	27,229	27,305	(76)
SPF Pretrial Detention	-	-	-	-	-	-
Project Development	-	2,352	(2,352)	-	2,352	(2,352)
SPF Death Penalty for Drug crime	-	-	-	-	-	-
SPF Torture Prevention Project	24,681	24,674	7	24,681	24,674	7
RWI Consultancy	-	-	-	-	-	-
Management fees	6,445	-	6,445	6,445	-	6,445
Overhead Recovery	26,520	-	26,520	26,520	-	26,520
Salary Recovery	59,623	-	59,623	59,623	-	59,623
	<u>587,458</u>	<u>443,912</u>	<u>143,546</u>	<u>541,364</u>	<u>398,832</u>	<u>142,532</u>



**The Great Britain - China Centre (Limited by Guarantee)**  
**Consolidated Notes to the Accounts for the Year Ended 31 March 2015**

GBCC did not expect to recover its full expenditure on the EU CCLS Death Penalty project, on which it is a sub-contractor to Beijing Normal University (BNU), due to difficulties between the Chinese lead contractor and the EU delegation in Beijing which have affected scheduled EU payments to BNU. The underrecovery was approximately £12,630 and is beyond GBCC's control. It was recovered in 2015.

Revenue and expenditure is broken down between EU and Non Eu Elements as follows:

	Consolidated			Great Britain - China Centre		
	2014	2014	2014	2014	2014	2014
	£	£	£	£	£	£
EU	323,006	335,546	(12,546)	323,006	335,546	(12,546)
NON Eu	264,452	108,366	156,092	218,358	63,286	155,078
	<u>587,458</u>	<u>443,912</u>	<u>143,546</u>	<u>541,364</u>	<u>398,832</u>	<u>142,532</u>

3 Other revenue	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
	£	£	£	£
Disposal of Assets	-	-	-	-
Miscellaneous	3,504	313	3,504	313
	<u>3,504</u>	<u>313</u>	<u>3,504</u>	<u>313</u>

4 Administration expenses	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
	£	£	£	£
Running costs	36,636	27,897	36,636	27,897
Rent and service charges	31,984	31,075	31,984	31,075
Auditors' remuneration	6,000	6,000	6,000	6,000
Depreciation & amortisation	4,636	5,114	4,636	5,114
Employee benefit accruals	1,810	(5,968)	1,810	(5,968)
	<u>81,066</u>	<u>64,118</u>	<u>81,066</u>	<u>64,118</u>

The audit fee for the current year is £6,000 (2013-14 £6,000) and no non audit work has been carried out.

5 Staff costs	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
	£	£	£	£
Wages and salaries	270,927	252,279	270,927	252,279
Social security costs	24,439	25,141	24,439	25,141
Other pension costs	31,634	30,373	31,634	30,373
	<u>327,000</u>	<u>307,793</u>	<u>327,000</u>	<u>307,793</u>

All staff at 31 March 2015 are permanent UK staff.

Average number of employees during the year	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
Administration and activities	6	5	6	5

The GBCC was admitted to the Principal Civil Service Pension Scheme (PCSPS) on 1 September 2002. The accrued benefits for staff members of the Centre's previous by analogy scheme were transferred to the PCSPS. It is a condition that on admission to the PCSPS, 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 £31,634 (2013-14 £30,373)

6 Taxation on interest received	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
	£	£	£	£
UK corporation tax	316	318	316	318

7 Property, plant & equipment	Consolidated			Great Britain - China Centre	
	Computers	Fixtures & Fittings	Office Equipment	Total	
	£	£	£	£	
<b>Cost</b>					
At 1 April 2014	19,314	18,612	7,585	45,511	
Additions	-	-	-	-	
Disposals	-	-	(894)	(894)	
At 31 March 2015	<u>19,314</u>	<u>18,612</u>	<u>6,691</u>	<u>44,617</u>	
<b>Depreciation</b>					
At 1 April 2014	18,913	17,445	6,805	43,163	
Charge for the year	272	234	254	760	
Disposals	-	-	(894)	(894)	
At 31 March 2015	<u>19,185</u>	<u>17,679</u>	<u>6,165</u>	<u>43,029</u>	

The Great Britain - China Centre (Limited by Guarantee)  
Consolidated Notes to the Accounts for the Year Ended 31 March 2015

<b>Net book value</b>				
At 31 March 2015	129	933	526	1,588
At 31 March 2014	401	1,167	780	2,348
<b>Property, plant &amp; equipment</b>				
	<b>Computers</b>	<b>Fixtures &amp; Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
	£	£	£	£
<b>GBCC</b>				
<b>Cost</b>				
At 1 April 2013	19,314	18,612	7,585	45,511
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2014	19,314	18,612	7,585	45,511
<b>Depreciation</b>				
At 1 April 2013	18,210	17,153	6,610	41,973
Charge for the year	703	292	195	1,190
Disposals	-	-	-	-
At 31 March 2014	18,913	17,445	6,805	43,163
<b>Net book value</b>				
At 31 March 2014	401	1,167	780	2,348
At 31 March 2013	1,104	1,459	975	3,538

**8 Intangible assets**

	<b>Total</b>
	£
<b>GBCC</b>	
<b>Cost</b>	
At 1 April 2014	15,695
Additions	-
Disposals	-
At 31 March 2015	15,695
<b>Amortisation</b>	
At 1 April 2014	7,618
Charge for the year	3,876
Disposals	-
At 31 March 2015	11,494
<b>Net book value</b>	
31 March 2015	4,201
At 31 March 2014	8,077
<b>Cost</b>	
At 1 April 2013	15,695
Additions	-
Disposals	-
At 31 March 2014	15,695
<b>Amortisation</b>	
At 1 April 2013	3,694
Charge for the year	3,924
Disposals	-
At 31 March 2014	7,618
<b>Net book value</b>	
At 31 March 2014	8,077
At 31 March 2013	12,001

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

<b>9 Trade receivables and other current assets</b>	<b>Consolidated</b>		<b>Great Britain - China Centre</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
Trade receivables	29,532	4,206	29,636	6,866
Prepayments and accrued income	89,425	19,829	130,025	64,829
	<u>118,957</u>	<u>24,035</u>	<u>159,661</u>	<u>71,695</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:

	<b>Consolidated</b>		<b>Great Britain - China Centre</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
Balances with other CGDs	26,358	-	26,358	-
Balances with bodies E to G	92,599	24,035	133,303	71,695
	<u>118,957</u>	<u>24,035</u>	<u>159,661</u>	<u>71,695</u>

**The Great Britain - China Centre (Limited by Guarantee)**  
**Consolidated Notes to the Accounts for the Year Ended 31 March 2015**

10 Cash	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
	£	£	£	£
Balance at 1 April	649,472	426,885	516,908	320,378
Net change in Cash	(95,552)	222,587	(54,713)	196,530
	<u>553,920</u>	<u>649,472</u>	<u>462,195</u>	<u>516,908</u>

Cash is broken down between balances at Commercial Banks and Cash in Hand as follows:

	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
	£	£	£	£
Commercial Banks	551,949	644,797	460,224	512,233
Cash in Hand	1,971	4,675	1,971	4,675
	<u>553,920</u>	<u>649,472</u>	<u>462,195</u>	<u>516,908</u>

11 Trade payables and other current liabilities	Consolidated		Great Britain - China Centre	
	2015	2014	2015	2014
	£	£	£	£
Corporation tax	332	337	316	318
Other taxes, soc security & pension costs	11,481	12,489	11,481	12,489
Other payables	12,107	96,383	12,107	62,693
Accruals and deferred income	257,660	174,102	216,494	134,711
	<u>281,580</u>	<u>283,311</u>	<u>240,398</u>	<u>210,211</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	
	2015	2014	2015	2014
	£	£	£	£
Balances with other CGDs	11,812	12,826	11,797	12,808
Balances with bodies E to G	269,768	270,485	228,601	197,403
	<u>281,580</u>	<u>283,311</u>	<u>240,398</u>	<u>210,211</u>

**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	
	2015	2014	2015	2014
	£	£	£	£
Balance brought forward	3,000	3,000	3,000	3,000
Balance carried forward	<u>3,000</u>	<u>3,000</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	Buildings	Buildings	Buildings
	2015	2014	2015	2014
	£	£	£	£
Current Year	<u>19,043</u>	<u>18,313</u>	<u>19,043</u>	<u>18,313</u>
Within one year	9,599	9,363	9,599	9,363
Between one and five years	-	-	-	-
	<u>9,599</u>	<u>9,363</u>	<u>9,599</u>	<u>9,363</u>

**14 Related party transactions**

The FCO is regarded as a related party. GBCC is an Executive Non Departmental Body (NDPB) and in 2014/15 received £300,000 Grant-in-Aid [2013/14 £243,000] from the FCO and had various other material transactions with it.

The UK-China Forum (UKCF) is also regarded as a related party. A former GBCC Director and the Accounting Officer are members of the UKCF Board. In 2014/15 administration fees were receivable from the UKCF of £40,600 [2013/14 £45,000] and the GBCC had £1683 of recoverable expenses [2013/14 £17,366] 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 [October 2014-March 2015] and this was governed by a memorandum of understanding between GBCC and APPGC. The transactions for employee services with the APPCG for 2014/15 amounted to £334 [2013/14 £0]

The Great Britain China Education trust [GBCET] is also regarded as a related party. The GBCC provides employee services to the GBCET. The transactions for employee services with the GBCET for 2014/15 amounted to £6445 [2013/14 £6445] There was also £46 of recoverable expenses. [2013/14 £137]

**The Great Britain - China Centre (Limited by Guarantee)**  
**Consolidated Notes to the Accounts for the Year Ended 31 March 2015**

**15 Directors Interests**

There are no relevant director's interests.

**16 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.

**17 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.

**18 Events after the reporting period**

There are no events after the reporting period.

ISBN 978-1-4741-2163-7



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