
The Great Britain China Centre

Annual Report and Accounts

2009-10

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

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**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 2010**

DIRECTORS

Mr Peter Batey OBE	- Chairman
Mr Rodney Bickerstaffe	- Vice Chairman
Mr Hugh Davies	- Vice Chairman
Ms Lorna Ball	- Vice Chairman
Ms H-J Brunker	
Mr Ben Chapman MP	
Mr Martin Davidson	
Professor Hugo de Burgh	
Mr Christopher Fitzgibbon	- Honorary Treasurer
Mr Edward Garnier QC MP	
Ms Cheryl Gillan MP	resigned January 2010
Mr Andrew Halper	
Ms Clare Hammond	
Mr Michael Hancock MP	
Mr John Hughes	joined December 2009
Sir Christopher Hum	
Mr Stephen Lillie	resigned June 2009
Ms Julia Longbottom	joined June 2009
Mr Ian Lindsley	
Lady Patricia Mirrlees	
Mr Ian Stewart MP	
Ms Madeleine Sturrock	joined December 2009
Mr Lifen Zhang	

SECRETARY

Ms Katie Lee

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 year ended 31 March 2010.

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 special provisions of Part VII of the Act relating to Small Companies. None of the Directors were remunerated.

The Great Britain - China Centre

The Great Britain - China Centre 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, social, professional, economic, educational and other contacts between Britain and China and to encourage mutual knowledge and understanding.

Results

The results for the year are set out on page 9. The Directors consider the state of the company's affairs to be satisfactory. The Directors also confirm that:

- * as far 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 auditor's are aware of that information.

Statement of the Executive Secretary and Directors' responsibilities

Company law requires the Executive Secretary and Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those financial statements, the Executive Secretary and Directors are required to:

- * select suitable accounting policies and then apply them consistently
- * make judgments and estimates that are reasonable and prudent
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation

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

The Executive Secretary and Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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 and detect fraud and other irregularities.

In addition, in appointing the Executive Secretary of the Great Britain - China Centre as accounting officer of the company, the Secretary of State for Foreign and Commonwealth Affairs has placed on the Executive Secretary a responsibility for ensuring the regularity and propriety of the public finances, a requirement which is set out in the company's financial memorandum.

This report was approved by the Board on 15 July 2010.

Katie Lee
Secretary and Accounting Officer

The Great Britain - China Centre (Limited by Guarantee) Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievements of the Great Britain – China Centre (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 Government Accounting.

The purpose of 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 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk and the risk and control framework

Mazars LLP were appointed internal auditors in March 2006 and are responsible for advising on internal control and risk management. They completed GBCC's fourth annual internal audit for 2009-10 and the Management Report was accepted in February 2010. The high-level risk register was approved at the February 2010 Executive Committee meeting and included in the GBCC's Corporate Plan for 2010-11. The risk register is also reviewed regularly by the Audit Committee. During the year ended 31 March 2010 and up to the approval of the Annual Accounts, the following stages have taken place:

- * The Audit Committee met regularly (three times since April 2009)
- * The fourth Internal Audit Report was presented to the Audit Committee and approved (February 2010)
- * The first audit report for EU Death penalty project 2 by the Contracting Authority (EU) was presented in March 2010. This report showed that although, all expenditure for the second EU death penalty project has been necessary and actually incurred by GBCC, the EU contracting authority had classified some expenditure as ineligible. The failure in our controls relates to two areas:
 - * lack of formal service contracts with service providers with a requirement for tax invoices to be provided for services rendered. This would save GBCC the need to provide employment contracts, time sheets, payslips and bank statements for payments to project researchers; and
 - * failure to provide original tax invoice and receipts for indirect services providers.

The Great Britain - China Centre (Limited by Guarantee) Statement on Internal Control

With regard to formal service contracts, at the start of the project, our Chinese partners were not prepared to enter into formal contracts due the sensitive nature of our work in China.

In our experience, auditors in the UK do not normally insist on tax receipts and invoices for indirect services as long as secondary supporting evidence is provided to verify the expenditure. This is in line with finance guidance from FCO's Strategic Programme Fund. This apparent lack of control should be considered in the context of current financial practice in China itself.

The EU's more stringent requirement for original tax receipts and invoices is to prevent the possibility of double payment, a risk that had not been identified before.

Following the report and discussions with the contracting authority, GBCC has revised its invoice and original tax receipt requirement to ensure compliance with the EU finance guidelines. The appropriate accounting adjustments have also been made to the the current financial statments for the ineligible expenditure.

Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. In order to achieve an effective system of internal control, we have established a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- * comprehensive budgeting systems with an annual budget approved by the Executive Committee and reviewed and agreed by the Far Eastern Group of the Foreign and Commonwealth Office; and
- * ongoing review of the accounting system of GBCC with necessary improvements being made to GBCC's management accounts and implementation of the international finance reporting standards for the financial accounts; and
- * regular reviews by the Executive Committee of quarterly and annual financial reports which indicate financial performance against budget; and
- * setting targets to measure financial and other performance; and
- * formal project management disciplines; and

The Great Britain - China Centre (Limited by Guarantee)
Statement on Internal Control

- * a system of risk assessment and management; and
- * an internal audit function provided by an independent firm of auditors which operates to standards defined in the Government Internal Audit Standards. The work of internal audit is informed by an analysis of the risk to which the GBCC is exposed and annual internal audit plans are based on this analysis. The analysis of risk is approved by me, reviewed by the Audit Committee and endorsed by the GBCC's Executive Committee. Reports are provided to the GBCC's Executive Committee, Far Eastern Group of the Foreign and Commonwealth Office and the Head of the Internal Audit Unit of the Foreign and Commonwealth Office.

My review of the effectiveness of the system of internal control includes the findings from both the work of the internal and external auditors. On this basis, I consider that the risk management, control and governance procedures and arrangements are adequate and effective enough to achieve management objectives.

Katie Lee
Director and Accounting Officer

The Great Britain - China Centre (Limited by Guarantee)
The Certificate 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 GBCC for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Reserves 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. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the directors and auditor

As explained more fully in the Statement of Executive Secretary and Directors' Responsibilities, 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 the financial statements in accordance with applicable law and 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 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 am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

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

The Great Britain - China Centre (Limited by Guarantee)
The Certificate of the Comptroller and Auditor General to the Members of The Great Britain China Centre

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its net expenditure for the period 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 Directors' 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
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Date 16th July 2010

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP

The Great Britain - China Centre (Limited by Guarantee)
Net Expenditure Account for the year ended 31 March 2010

	Notes	2010 £	Restated 2009 £
Income			
Income from activities	3	1,255,092	1,007,750
Other income	4	<u>1,765</u>	<u>11,146</u>
		1,256,857	1,018,896
Expenditure			
Cost of activities	3	(1,224,113)	(883,184)
Staff costs	6	(334,410)	(306,532)
Administration expenses	5	(83,475)	(105,353)
		<u>(1,641,998)</u>	<u>(1,295,069)</u>
Net Expenditure		(385,141)	(276,173)
Taxation on interest received	7	(220)	(700)
Interest receivable		<u>1,066</u>	<u>3,316</u>
Net Expenditure after Taxation and Interest		<u>(384,295)</u>	<u>(273,557)</u>

Continuing operations

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

Statement of total recognised gains and losses

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

The notes on pages 14 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Statement of Financial Position as at 31 March 2010

	Notes	2010 £	2009 £	2008 £
Non-current assets				
Property, plant and equipment	8	17,378	5,566	7,979
Intangible assets	9	<u>7,476</u>	<u>-</u>	<u>-</u>
		24,854	5,566	7,979
Current assets				
Trade receivables	10	126,212	203,506	125,190
Cash	11	<u>450,888</u>	<u>391,632</u>	<u>308,938</u>
		577,100	595,138	434,128
Current liabilities				
Trade payables and other current liabilities	12	<u>(380,391)</u>	<u>(392,731)</u>	<u>(263,577)</u>
Net current assets		196,709	202,407	170,551
Total assets less current liabilities		<u>221,563</u>	<u>207,973</u>	<u>178,530</u>
Provision for liabilities and charges	13	(100,885)	(3,000)	-
Total assets less liabilities		<u>120,678</u>	<u>204,973</u>	<u>178,530</u>
Income and expenditure reserve				
Income and expenditure account		<u>120,678</u>	<u>204,973</u>	<u>178,530</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 15th July 2010

Peter Batey
Chairman

Katie Lee
Accounting Officer

The notes on pages 14 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Statement of Cash Flows for the year ended 31 March 2010

Statement of cash flows	Notes	2010 £	2009 £
Net expenditure for year before interest and taxation		(385,141)	(276,173)
Adjustments for:			
Depreciation charges	8&9	8,460	2,413
Loss on disposal of fixed assets		-	-
(Increase)/decrease in trade receivables and other current assets		77,294	(78,316)
Increase/(decrease) in trade payables and other current liabilities		(12,340)	129,154
Increase/(decrease) in provisions	13	97,885	3,000
Net cash outflow from operating activities		(213,842)	(219,922)
Cash flows from investing activities		845	2,616
Purchase of tangible and intangible assets	8 & 9	(27,747)	-
Cash flows from financing activities		300,000	300,000
(Decrease)/increase in cash and cash equivalents in the period		<u>59,256</u>	<u>82,694</u>
Cash and cash equivalents at beginning of period	11	391,632	308,938
Cash and cash equivalents at end of period		<u>450,888</u>	<u>391,632</u>

The notes on pages 14 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Statement of Changes in Reserves for the year ended 31 March 2010

	Notes	Reserves £
Balances at 31 March 2008		184,962
IFRS Adjustment		(6,432)
Restated balance at 1 April 2008	2	<u>178,530</u>
Changes in reserves 2008-09		
Net expenditure for 2008-09		(273,557)
Grant in aid received		300,000
Balance at 31 March 2009		<u>204,973</u>
Changes in reserves 2009-10		
Net expenditure for 2009-10		(384,295)
Grant in aid received		300,000
Balance at 31 March 2010		<u>120,678</u>

The notes on pages 14 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee) Remuneration Report for the year ended 31 March 2010

GBCC has a personnel sub-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
Vice Chairman	- Rodney Bickerstaffe
Director	- Katie Lee

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

The Director's remuneration details are:

	2010
	£
Gross salary	72,450
Accrued pension as at 31 March 2010	19,512
Accrued lump sum as at 31 March 2010	58,536
Real increase in pension	1,839
Real increase in lump sum	5,518
Cash equivalent transfer value at 31 March 2009	310,826
Cash equivalent transfer value at 31 March 2010	365,700
Real increase in cash equivalent value funded by the employer	28,298
Employee contributions	6,174
No benefits in kind or bonuses were paid	

The notes on pages 14 to 21 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2009-10 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 applied consistently in dealing with items that are considered material to the accounts.

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 tangible fixed 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% on cost
Fixtures, fittings and office equipment	20% on the reducing balance

Amortisation

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

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

Pensions

The company is a member of the Principal Civil Service Pension Scheme (PCSPS) and for accounting purposes, it is treated 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.

Grants for capital expenditure

Grants towards capital expenditure are credited to deferred revenue and released to the net expenditure account over the expected useful life of the assets.

Income and Expenditure

Income is recognised in the period which it is receivable and expenditure is charged in the period to which it relates.

Income consists of project funding for its activities. Grant in aid received from the FCO is treated as financing through the Income and Expenditure reserve.

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

Bad debt provision is only made on specific bad debts.

GBCC does not operate any segments. 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.

2 First-time adoption of IFRS	£
Balance of reserves at 31 March 2009 under UK GAAP	215,458
Adjustments for employee benefits - unpaid leave IAS19	(10,485)
Restated balance at 1 April 2009 under IFRS	<u>204,973</u>
	£
2008-09 net expenditure for the year under UK GAAP	(269,504)
Adjustments for employee benefits - unpaid leave IAS19	(4,053)
2008-09 net expenditure for the year under IFRS	<u>(273,557)</u>

There were no cash equivalent balances held by the GBCC at 31 March 2009 in addition to the cash balances of £391,632 reported under UK GAAP.

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

3 Analysis of activities	Income	Expenditure	2010 Net
	£	£	£
Information services	3,934	3,934	-
Public finance management	63,143	63,143	-
Death penalty judges training	61,778	62,019	(241)
Death penalty Yunnan pilot	48,746	48,361	385
Lawyers law	103,526	103,526	-
Judges training	188,021	188,021	-
Open trial visit	2,247	2,161	86
Enforcement visit	2,200	2,463	(263)
Death penalty project 2	222,881	387,793	(164,912)
Death penalty project 3	135,127	135,127	-
Torture project 1	-	11,847	(11,847)
Torture project 2	199,511	199,532	(21)
Project development	-	16,186	(16,186)
Management fees	144,391	-	144,391
Salary recovery	79,587	-	79,587
	<u>1,255,092</u>	<u>1,224,113</u>	<u>30,979</u>

The Death penalty project 2 income is reduced by a provision of £97,885 to account for the expected claw back of funding due to the ineligible expenditure on this project - Note 13.

The Death penalty project 2 expenditure also includes a bad debt for the amount of £88,636 arising from the ineligible expenditure on the final claim for project funding from the contracting authority.

Analysis of activities	Income	Expenditure	2009 Net
	£	£	£
Information services	5,271	5,271	-
Public finance management	73,138	73,138	-
Death penalty judges training	18,473	18,472	1
Death penalty Yunnan pilot	29,163	29,178	(15)
Lawyers law	6,663	6,663	-
Judges training	188,521	188,521	-
Death penalty project 2	234,190	235,266	(1,076)
Torture project 1	201,036	205,729	(4,693)
Torture project 2	49,521	49,521	-
Judicial management	20,956	20,770	186
Mutual legal assistance	24,339	24,102	237
Judicial seminar	14,440	14,440	-
Corporate social responsibility review	5,000	4,185	815
Project development	-	7,928	(7,928)
Management fees	94,317	-	94,317
Salary recovery	42,722	-	42,722
	<u>1,007,750</u>	<u>883,184</u>	<u>124,566</u>

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

4 Other income	2010	2009
	£	£
Forex gain/(loss)	718	(426)
Miscellaneous	1,047	11,572
	<u>1,765</u>	<u>11,146</u>

5 Administration expenses	2010	2009
	£	£
Running costs	21,081	42,218
Rent and service charges	47,070	41,227
Auditors' remuneration	5,027	5,249
Internal auditor's remuneration	5,837	7,195
Depreciation & amortisation	8,460	2,411
Increase in provisions	-	3,000
Employee benefit accruals	(4,000)	4,053
	<u>83,475</u>	<u>105,353</u>

6 Staff costs	2010	2009
	£	£
Wages and salaries	261,379	234,611
Social security costs	22,172	19,906
Other pension costs	50,859	52,015
	<u>334,410</u>	<u>306,532</u>

All staff are permanent UK staff

Average number of employees during the year

	2010	2009
Administration and activities	8	7

Included in total salaries are the Executive Secretary's salary of £72,450 (2009 - £70,000). The Executive Secretary is a member of the Centre's non-contributory pension scheme.

The Great Britain China Centre 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 £50,859 (2009 - £49,015).

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

7 Tax on interest received	2010	2,009
	£	£
UK corporation tax	220	700

8 Property, plant & equipment	Computers	Fixtures & Fittings	Office Equipment	Total
		£	£	£
Cost				
At 1 April 2009	16,797	17,558	8,006	42,361
Additions	16,501	1,278	-	17,779
Disposals	-	-	-	-
At 31 March 2010	<u>33,298</u>	<u>18,836</u>	<u>8,006</u>	<u>60,140</u>
Depreciation				
At 1 April 2009	16,247	14,991	5,557	36,795
Charge for the year	4,669	769	529	5,967
At 31 March 2010	<u>20,916</u>	<u>15,760</u>	<u>6,086</u>	<u>42,762</u>
Net book value				
At 31 March 2010	<u>12,382</u>	<u>3,076</u>	<u>1,920</u>	<u>17,378</u>
At 31 March 2009	<u>550</u>	<u>2,567</u>	<u>2,449</u>	<u>5,566</u>

Property, plant & equipment	Computers	Fixtures & Fittings	Office Equipment	Total
		£	£	£
Cost				
At 1 April 2008	16,797	17,558	8,006	42,361
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2009	<u>16,797</u>	<u>17,558</u>	<u>8,006</u>	<u>42,361</u>
Depreciation				
At 1 April 2008	15,090	14,349	4,943	34,382
Charge for the year	1,157	642	614	2,413
At 31 March 2009	<u>16,247</u>	<u>14,991</u>	<u>5,557</u>	<u>36,795</u>
Net book value				
At 31 March 2009	<u>550</u>	<u>2,567</u>	<u>2,449</u>	<u>5,566</u>
At 31 March 2008	<u>1,707</u>	<u>3,209</u>	<u>3,063</u>	<u>7,979</u>

There were no investments, finance costs and third party assets as at 31st March 2010.

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

	Total £
9 Intangible assets	
Cost	
At 1 April 2009	-
Additions	9,968
Disposals	-
At 31 March 2010	<u>9,968</u>
Amortisation	
At 1 April 2009	-
Charge for the year	2,492
At 31 March 2010	<u>2,492</u>
Net book value	
At 31 March 2010	<u>7,476</u>
At 31 March 2009	<u>-</u>

There were no intangible assets as at 31st March 2009. The additions in 2009 are made up of labour costs for the IT upgrade

10 Trade receivables and other current assets	2010 £	2,009 £
Trade receivables	111,780	186,691
Prepayments and accrued income	14,432	16,815
	<u>126,212</u>	<u>203,506</u>

11 Cash	At 1 April 2009 £	Cash flows £	At 31 March 2010 £
Cash	391,632	59,256	450,888

12 Trade payables and other current liabilities	2010 £	2,009 £
Corporation tax	220	700
Other taxes, social security costs & pension costs	1,520	7,488
Other payables	17,622	53,137
Accruals and deferred income	361,029	331,406
	<u>380,391</u>	<u>392,731</u>

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

13 Provision for liabilities and charges

A provision of £3,000 made for an early retirement pension liability in 2008/09 remains a potential liability. GBCC has made an additional provision for the EU Death Penalty Project 2 arising from probable ineligible expenditure for the project. The estimated value of the ineligible expenditure is £97,885.

	2010	2,009
	£	£
Balance at 1st April	3,000	-
Provision due to be met next year	97,885	3,000
Balance at 31st March	<u>100,885</u>	<u>3,000</u>

15 Operating lease commitments

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease costs are paid. There is no commitment beyond 2010.

	Buildings	Buildings
	2010	2009
	£	£
Within one year	27,928	26,208
Between one and five years	-	26,208
	<u>27,928</u>	<u>52,416</u>

16 Related party transactions

The Foreign & Commonwealth Office (FCO) is regarded as a related party. GBCC is an Executive Non Departmental Government Body (NDPB) and in 2009/10, received £300,00 Grant in Aid from the FCO and had various other material transactions with it.

The Ministry of Justice is also regarded as a related party and in 2009/10 GBCC received £190,000 to run the 12th consecutive Judges Training Programme.

The UK China Forum (UKCF) is another related party. A GBCC Director and the Accounting Officer are Board Members of the UKCF Board. In 2009/10, GBCC received £30,000 administration fees from the UKCF and the GBCC had £569 of recoverable expenses from the UKCF. No debts were written off.

The Great Britain - China Centre (Limited by Guarantee)
Notes to the Accounts for the year ended 31 March 2010

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 Post Balance Sheet Event

At the time of signing these financial statements, there has been some uncertainty surrounding future public expenditure generally in the UK, and in particular the FCO's spending on programmes, which includes providing core annual funding to the Great Britain China Centre. On 29th June 2010, it was announced in a written Ministerial Statement that the FCO would be making cuts across the Department, but there was no specific mention of GBCC in this regard. The Board has reviewed GBCC's overall financial position over the next twelve months, with specific emphasis on the projected cash flow, grant-in-aid and EU funded projects. The Board is satisfied that the grant-in-aid will continue to be adequate for its regular activity and that no adjustments to the financial statements are necessary. These financial statements were authorised for issue on 15th July 2010.



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