
The Great Britain China Centre

Annual Report and Accounts 2015-16

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 20 July 2016

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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 2016**

DIRECTORS

Sir Martin Davidson	- Chairman- appointed Chairman 5 February 2015
Mr Hugh Davies CMG	- Vice Chairman, Resigned 26 January 2016
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 1 2014
Prof Jude Howell	- Appointed June 1 2014
Mr John Hughes	- Resigned 26 January 2016
Mr William Godwin	- Appointed June 1 2014
Ms Madeleine Sturrock	- Resigned 26 January 2016
Rt Hon Liam Byrne MP	- Appointed September 2011
Mr Richard Graham MP	- Appointed September 2011
Mr Duncan Hames MP	- Resigned 7 May 2015

Nominees

Mr Gareth Edward Ward	- FCO, Appointed February 2014
Mr Dewi Knight	- British Council, Appointed 26 January 2016

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

COMPANY 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 2016. 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.

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 17 and take into account the requirement under the Government Financial Reporting Manual that Grant-in-Aid (GIA) 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 GIA is £213,922 (2014-15 £303,535).

This deficit is offset against the GIA, which leaves total funds of £430,164 to be carried forward at the end of the year (2014-15 £394,086). The Directors consider the state of the company's affairs to be satisfactory.

After offsetting the GIA against the deficit for the year GBCC had an operating surplus of £36,078 (2014-15 £3,535 deficit)

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 2016 membership of the Audit Committee comprised:

Chris Fitzgibbon	Chairman
Alan Black	Appointed June 1, 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 3.40 (2014-15 6.76)

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 (2014-15 £6,000).

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Directors' Report

Creditors

The average time taken to pay invoices in the current year was 16.35 days (2014-15, 16.86 days) . The proportion of the aggregate amount owed to trade creditors at the year end compared with the aggregate invoiced by suppliers during the year was equivalent to 20.07 days(2014-15 , 8.24 days)

Data Loss

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

Going Concern

The FCO GIA has now been confirmed at £500,000 for the 2016-17 financial year which will cover 68% of budgeted core operating costs. The balance will be covered by earnings from externally funded projects and sponsorship.

The Board keeps the issue of "Going Concern" under regular review at Board Meetings, and close liaison is maintained with the FCO's China Department to ensure alignment with its China Strategy. In accordance with the 2014 UK Corporate Code, the Board has assessed the forward strategy of GBCC over a longer period than the 12 months required by the Going Concern statement in the Directors report. The Board's scrutiny of GBCC's forward strategy includes regular assessment of the main risks facing GBCC(see Risk Management section below) and management's methodology to address them.

Management has assumed that the viability Statement should cover a period of 3 years. Each year the FCO provides a letter promising the level of the GIA funding for the following year.

The FCO has committed to doubling GBCC's GIA for the 2016-2017 financial year to £500,000 conditional upon the delivery of the 3rd annual UK-China Judicial Roundtable and a British Legal Week in Beijing in May 2016. While funding levels are not guaranteed by the FCO for subsequent years, the key role played by GBCC in helping to design and deliver the Rule of Law for Prosperity Programme strategy has provided the Board with indirect assurance that GBCC activities will continue to be funded by HMG over the course of the next 3 financial years. At a high level GBCC seminar on advancing the rule of law in China, the FCO Minister of State, the Rt Hon.Hugo Swire MP, announced that in 2016-17 GBCC would be taking forward a new partnership in China with the China Law Society which would expand the scope of GBCC's work in China to support the FCO's wider programme. He said the Government had recently agreed a new programme of funding to support this new strand of cooperation between the UK and China "over the next few years". He said this work would build on GBCC's existing cooperation with China in a wide range of areas from judicial reform and transparency to regulatory reform, from dispute resolution and arbitration to intellectual property, from access to justice to anti-money laundering.

While the details of this programme of funding remained to be clarified at the time of writing, the key role being played by GBCC within the context of the FCO's China Strategy overall provides greater assurance than in previous years of the government's continuing financial commitment to GBCC in the delivery of its China strategy over the life of the present Parliament. GBCC maintained prudent levels of cash reserves at the end of the financial year.

The Great Britain - China Centre (Limited by Guarantee)

Directors' Report

The Directors therefore have a reasonable expectation that GBCC will be able to continue its operation and meet its obligations as they fall due over a period of at least 3 years.

The Board has considered the impact on GBCC from the decision to leave the European Union as a result of the June 23 referendum.

GBCC only has one current grant contract from the EU which is a two-year contract signed in December 2015 worth Euros 400,000 which is valid from 1st April 2016 to 31 March 2018.

Past grant income from the EU has been significant for the work of the GBCC in financing research partnerships to support advantageous policy change in China especially in the field of criminal justice. Since 2003 GBCC has either led or been a partner in eight multi-year contracts with a total income to GBCC over the period of approximately 5.4 million Euros (£4.3 million), mostly from the European Initiative for Democracy and Human Rights (EIDHR) and the EU delegation in China. Such income has been a valuable source of support for GBCC for our China partnership activities, worth on average in excess of Euros 415,000 a year (£329,000) over the past 13 years.

The proportion of EU income to total GBCC income has fallen over the past years and therefore this will not impact GBCC's viability over the three year period. Nonetheless the impact of losing all potential income from EU contracts in future would be significant. GBCC has also benefitted from being able to recruit key multilingual expert staff from EU countries without the need for visa formalities.

Whether or not British entities will be permitted to bid for EU funding in future is a matter for the negotiation that will take place between the UK government and the EU.

Events since Year End

There have been no significant events after the reporting period which need to be noted in these Accounts, except for that disclosed in note 18 to the Accounts.

This report was approved by the Board on 4 July 2016.

Richard Pascoe
Executive Director, Company Secretary and Accounting Officer

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

STRATEGIC REPORT

The GBCC launched a new strategy in 2015-16 to play a pivotal role in UK-China relations in future through promoting the concept of a four-year Rule of Law for Prosperity Programme under which the UK will work closely with multiple Chinese partners to help China implement reforms already under way in its legal and judicial system in a manner that promotes economic growth and mutual prosperity.

GBCC's strategy is to work with three key Chinese partners – the Supreme People's Court, the China Law Society and China's top law school at Renmin University with whom GBCC has established a joint venture Centre for Common Law, working also with Oxford University Law Faculty, to serve as a platform to deepen UK-China legal and judicial cooperation in a broad range of areas.

In the UK GBCC has forged close relationships with the Supreme Court, the Royal Courts of Justice, the Law Society and the Bar Council in London, and was in the process of negotiating a formal agreement with the British Council to work together to advance the rule of law in China leveraging the respective strengths of both organisations.

GBCC proposed a new four-year Rule of Law for Prosperity Programme to the FCO aimed at facilitating reforms to China's judicial, legal and regulatory systems in the interests of economic growth.

GBCC facilitated closer contacts between the judiciaries of both countries by organising a high-level visit to the UK led by the Vice-President of the Supreme People's Court at the head of a seven-strong delegation of Chinese judges who attended the second annual roundtable meeting with the UK Supreme Court and met with counterparts at the Royal Courts of Justice and paid a visit to Scotland. The Roundtable, held to discuss the relationship between the media and courts, sparked keen interest within the UK judiciary for more regular contacts with the Chinese judiciary as it presses ahead with a series of ambitious reforms in order to develop a judicial system more capable of supporting business growth in the world's largest trading economy. This initiative led to a planned exchange of official visits in 2016 by the respective presidents of the UK and Chinese supreme courts, Lord Neuberger and Chief Justice Zhou Qiang. Study visits to the UK were organised for three provincial court delegations from China.

During the year GBCC organised a series of activities to establish the Centre for Common Law in Beijing as a respected platform for legal cooperation with the UK in a number of fields, including discussions on transparency and the rule of law, the opening up of the legal services market and the promotion of English law for international trade and investment and cooperation to help China developed its free trade zones.

In September 2015 GBCC and the Centre held an important conference at Renmin University to mark the 800th anniversary of the Magna Carta, exploring its historical impact on constitutional development around the world and assessing China's own track record in this field. Some 100 scholars attended, of whom 70 were Chinese and about 30 from various foreign countries including the UK, Canada, the US, Australia, Singapore, Hong Kong, Japan and South Korea. In the current political climate obtaining permission to hold a conference involving foreigners on such a politically sensitive topic is difficult, and the success of the conference proved the value of GBCC's close relationship with Renmin Law School. Lord Justice Laws attended from the UK Court of Appeal. A copy of the Magna Carta was put on display in the British Embassy in Beijing the following month, with events held in cooperation with GBCC.

A partnership was established with the Free Trade Zone Research Centre and the Centre for Common Law, leading to discussions with Chinese policy-makers on further reforms to improve the protection of intellectual property rights, to plan for improved regulation of crowd-funding and cooperation to help counter money-laundering.

GBCC organised an authoritative half-day seminar on "Advancing the Rule of Law in China – Issues and Opportunities" on March 16th at the Institute of Directors at which FCO Minister of State, the Rt. Hon. Hugo Swire MP, made a keynote speech updating HM Government policy in this area. GBCC Chairman Sir Martin Davidson presided at the event, and panel sessions were chaired by GBCC Vice-Chairman Sir Christopher Hum, GBCC Vice-President Lord Powell and Sir Jeffrey Jowell, the former Director of the Bingham Centre for the Rule of Law who was appointed Senior Vice-President of the Advisory Council of our Centre for Common Law in Beijing and a member of the GBCC Council of Advisors. A range of views were expressed on working with China in this area, and former Chief Justice Lord Phillips, who was the inaugural president of the UK Supreme Court, gave "A Judge's View" to sum up the consensus at the end. Lord Phillips is now joint President of the

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

Advisory Council of the joint venture Centre for Common Law at Renmin University. A first meeting of the Advisory Council is planned for Q4 this year in Beijing.

A grant of 400,000 Euros was secured from the EU Delegation in Beijing for a two-year project on Promoting Effective Safeguards During Criminal Pre-Trial Detention in China, to be delivered in partnership with the Centre for Criminal Justice and Reform (CCJR) of Renmin University. The Dutch government continued to fund a separate GBCC project to eradicate the roots of torture in the pre-trial detention system, again working through strong Chinese partners closely connected to the Chinese judiciary and procuratorial system.

Political dialogue with China remained one of GBCC's main areas of work. In September 2015, GBCC hosted the 5th UK-China Young Leaders Roundtable in London on the theme of innovation and entrepreneurship. Held for the first time under the banner of the UK-China People to People Dialogue, it was the most successful so far, with more than 40 young leaders taking part and an expanded closing session attended by 100 people including a visiting Chinese Vice-Premier, the Chinese ambassador in London and the British ambassador in Beijing. Chinese Vice-Premier Liu Yandong praised the Roundtable as a valuable initiative to bridge the historical and cultural gulf between the two countries. FCO Minister Hugo Swire, ACYF Vice-President Zhou Changkui, and Liam Byrne MP, former Chief Secretary to the Treasury, also spoke at the event. Afterwards the Vice-Premier reportedly listed the Roundtable as one of the five highlights of her UK visit. The annual Roundtable is organised in partnership with the All-China Youth Federation -- the front organisation for the powerful Communist Youth League, which grooms future leaders. The Roundtable was sponsored by HSBC and Prudential.

Two months later GBCC organised the 8th UK-China Leadership Forum in Beijing and Shanghai on 16-20th November with the International Department of China's ruling Communist Party. Sponsored by BP and Barclays, the Forum brought together 14 senior cross-party UK Parliamentarians, led by Rt Hon Kenneth Clarke MP and Lord Mandelson, with a group of Chinese counterparts led by International Department Minister, Wang Jiarui and Vice-Minister Chen Fengxiang and Vice-Minister Long Guoqiang with the aim of developing high level political relationships and understanding. The theme focused on implementing the outcomes of Xi Jinping's high profile State Visit to the UK which had taken place 3 weeks earlier. Both sides were keen to emphasise the opportunity arising from a greatly improved relationship. UK Ambassador Barbara Woodward said the Forum was a valuable platform to build shared understanding of our different political systems as well as our commonalities and to build a 21st century global partnership. The delegation held an 80-minute meeting with Vice-President Li Yuanchao, the highest level of access the Forum has had so far, which allowed the UK side to raise the importance of cooperation on counter-terrorism and against IS in the wake of the Paris attacks. Vice-President Li paid tribute to the UK-China Leadership Forum as playing an important role in developing relationships between the CPC and UK political parties.

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.

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 five permanent 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. During the year it added four contract staff to help deliver the expanded strategy.

The GBCC has developed a track-record on issues ranging from criminal justice reform, legal and judicial transparency, human rights, labour standards and freedom of expression to the legal and regulatory environment for China's free trade zones, intellectual property rights, crowdfunding and anti-money laundering. 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 Great Britain-China Centre (Limited by Guarantee) Strategic Report

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, including a key relationship with the China Law Society begun during the year.

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.

Richard Pascoe
Executive Director, Accounting Officer and Company Secretary

4 July 2016

**The Great Britain - China Centre (Limited by Guarantee)
Remuneration Report for the year ended 31 March 2016**

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

Chairman	- Sir Martin Davidson- Appointed 5 February 2015
Vice Chairman	- Hugh Davies-resigned 26 January 2016
Board Member	- Madeline Sturrock-resigned 26 January 2016
Executive Director	- Richard Pascoe
Member Ad Interim	- John Hughes- co-opted 26 January 2016

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 are given below. He has waived his right to a pension from GBCC. These figures have been subject to Audit:

	2016	2015
	R Pascoe	R Pascoe
	£	£
Gross salary on full time equivalent basis	89,761	88,566
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. [2014-15 nil]		
A performance- related award of £10,045 was paid in 2015-16(2014-15 nil) in respect of 2014-15 performance and is not included in gross salary.		

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

The calculation is based on the Full Time Equivalent staff of the reporting entity at the 31 March 2016 on an annualised basis and includes any temporary staff employed during the year.

	2016	2015
	£	£
Median total of Employees (exc director)-remuneration	30,287	33,552
Pay multiple at 31 March	3.3	2.64

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

The notes on pages 21 to 26 form part of these accounts

Richard Pascoe
Executive Director, Company Secretary and Accounting Officer

Date

4 July 2016

1. Board Membership

GBCC, as an executive non-departmental public body (NDPB), is governed by a Board of Directors. Its longest serving Vice-Chairman, Hugh Davies, stepped down from the Board in January. He had managed the Board during the interregnum before the arrival of the new Chairman last year and has agreed to continue after stepping down as Convenor of GBCC's Council of Advisers, a new non-Board role, in order to revamp the Council to play a more active role. The Board passed a vote of thanks to Hugh Davies, at its January 2016 meeting, for his 14 years of dedicated service to GBCC.

Duncan Hames MP resigned from the Board as a parliamentary member after losing his seat in the general election. Two other Board members stood down at the end of their terms in January 2016 – John Hughes and Madeleine Sturrock. Dewi Knight joined at the same time as the nominee representative of the British Council. The above changes reduced the size of the Board to 15, including 10 directors, two of whom are nominee appointees from the Foreign and Commonwealth Office and the British Council respectively and two of whom are Members of Parliament, and five co-opted members.

2. Overview of Board Structure and Performance

Under the new Chairman, Sir Martin Davidson, formerly the CEO of the British Council, the Board has played a proactive role in shaping GBCC's strategy for the future at an opportune time in UK-China relations following the State Visit by President Xi Jinping in November 2015.

The Board held a one-day strategy meeting together with senior staff in July 2015 to help hone a new strategy for a new era in UK-China relations in which GBCC will play a pivotal role in relevant areas of UK-China relations, working closely with the FCO.

GBCC subsequently proposed a new four-year Rule of Law for Prosperity Programme to the FCO aimed at facilitating reforms to China's judicial, legal and regulatory systems in the interests of economic growth, working closely with the FCO and the judiciary in the UK and with a range of key partners in China, including the Supreme People's Court and the China Law Society, as well as China's top law school at Renmin University with whom GBCC has established a joint venture Centre for Common Law in partnership with Oxford University Law Faculty to act as a platform for legal and judicial cooperation with the UK.

The Board had two sub-committees active during the year, the Audit and Risk Assurance Committee and the Personnel and Appointments Committee, with Board members working individually between meetings with the Chairman and Executive Director to advance strategic goals. A new Strategy and Corporate Relations Committee was being established to further formalise strategic development and business partnerships and will begin its work in the 2016-17 financial year.

Members of the public apply to join the GBCC Board in response to public advertisements and are chosen by the other Board members in 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 required to support GBCC in its work.

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

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

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

- Ensuring that, in reaching decisions, the Board has taken into account any guidance issued by the sponsoring government department.

A full list of Board members and their details is presented on page 1 of the GBCC report and statements. During 2015-16 the number of Board and Committee meetings with individual attendance was as follows:

Director	Board(4)		Audit and Risk Assurance Committee(4)		Personnel Committee(2)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
L Byrne MP	4	1				
M Davidson	4	4			2	2
H Davies	4	4			2	2
C Fitzgibbon	4	4	4	4		
R.Graham MP	4	2				
D Hames MP	1	1				
J Hughes	4	3			2	2
C Hum	4	2	4	2		
R Pascoe	4	4	4	4	2	2
M Sturrock	4	3			2	1
G Ward	4	1				
A Black	4	4	4	4		
W Godwin	4	3				
J Howell	4	2				
D Knight	1	1				
Co-Opted:						
R Wye	4	2				
S Phillips	4	0				
C Haswell	4	4				
R Jackson	4	3	4	3		
N Sampson	4	2	4	0		
Totals	74	50	24	17	10	9
Percentage		68%		71%		90%

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 in the last Triennial Review.

The Board will conduct an effectiveness review in the 2016-17 financial year at the request of the new Chairman.

3. GBCC Funding

The GBCC Board keeps the issue of GBCC Funding under close scrutiny in order to fulfil the financial risk management aspect of its governance responsibilities. GBCC won a £450,000 one-year contract from the FCO for 2015-16 to strengthen GBCC's partnership work in China to advance the rule of law in the interests of economic growth, which provided the necessary resources on top of GBCC's annual grant-in-aid, which was

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

reduced to £250,000 from £300,000 for the financial year 2015-16, to deliver the new strategy referred to above. This enabled the recruitment of an expanded team of four project managers tasked not only with the delivery of specific projects but also with the development of a Rule of Law for Prosperity Programme for the future.

GBCC continues to win supplementary revenue from corporate sponsorship and other sources including the Dutch government, for whom GBCC is delivering a successful project with a top Chinese criminal justice institute to help eradicate the roots of torture in the pre-trial detention system, and the EU delegation in Beijing which awarded a new 400,000-Euro contract to GBCC during the year.

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, runs 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.

4. Risk Management

The main risks to GBCC are elaborated before each Board meeting in the form of a Risk Register, which lists actions taken to mitigate the main risks and outlines action plans to deal with risks if they materialise. This is reviewed at each Board meeting and also within the Audit and Risk Assurance Committee.

The main risk to GBCC throughout the year has been the risk of being unable to raise sufficient funds to support our project work in China.

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 partnerships working 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.

The Board continued to consider the possible impact on the GBCC's operations of the proposed law governing the operation of international NGOs which was expected to be passed early in the 2016-17 financial year. The Executive is working with the FCO to assess the impact on GBCC's future operations.

GBCC's other main risk is the organisation's dependence on a small number of key staff, a problem partially alleviated through the recruitment of new contract staff under the Strengthening GBCC for Economic Growth project for the FCO this year but again highlighted by the resignation of the Deputy Director in Q1 2016. The Board's Personnel and Appointments Committee addressed this issue through holding a strategy meeting with staff in April 2016, through two promotions and by means of a thorough ongoing review of GBCC's management structure which will lead to further changes early in the next financial year.

The IT system was replaced with a new Cloud system and improved internet communications to resolve business continuity planning issues during the year, although unexplained system problems in China possibly connected to Chinese internet censorship continued to impact efficiency when project staff are travelling in China and further work is needed on this next year.

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, 2016 and up to the date of approval of the year-end 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 is audited by the Comptroller and Auditor General.
- 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 Vice Chairman and Hon. Treasurer of the GBCC. The Comptroller and Auditor General's audit 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.

ICT system security was improved during the year through the adoption of new ICT Security Operations Procedures based on a simplified version of FCO Procedures but further improvements to these are required and will be implemented early in the New Year. There were no lapses of data security or data losses during the year.

Richard Pascoe

Date: 4 July 2016

Executive Director, Company Secretary and Accounting Officer

The Great Britain - China Centre (Limited by Guarantee)

Statement of the Company 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 GBCC. 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 GBCC'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 2016 under the Government Resources and Accounts Act 2000. The financial statements comprise the Group and Parent Company 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 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 group's and the parent company's affairs as at 31 March 2016 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 European Union; and
- * the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion:

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

Matters for which I report by exception

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

- * adequate accounting records have not been kept by the parent company ; 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

Date 7 July 2016

Comptroller and Auditor General

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

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Statement of Comprehensive Net Expenditure for the Period Ended 31 March 2016

	Notes	Consolidated		Great Britain - China Centre	
		2016	2015	2016	2015
		£	Restated £	£	Restated £
Income					
Revenue from activities	2	934,701	577,350	853,525	539,829
Exchange Gain/(Loss)		29,305	(21,343)	29,305	(21,343)
Other revenue	3	-	3,504	-	3,504
		<u>964,006</u>	<u>559,511</u>	<u>882,830</u>	<u>521,990</u>
Expenditure					
Cost of activities	2	(900,375)	(551,797)	(819,994)	(512,311)
Administration expenses	4	(278,743)	(312,513)	(278,743)	(312,513)
		<u>(1,179,118)</u>	<u>(864,310)</u>	<u>(1,098,737)</u>	<u>(824,824)</u>
Net Expenditure		(215,112)	(304,799)	(215,907)	(302,834)
Taxation on interest received	6	(298)	(316)	(298)	(316)
Interest receivable		<u>1,488</u>	<u>1,580</u>	<u>1,488</u>	<u>1,580</u>
Net Expenditure after Taxation and Interest		<u>(213,922)</u>	<u>(303,535)</u>	<u>(214,717)</u>	<u>(301,570)</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 21 to 26 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Statement of Financial Position as at 31 March 2016

	Notes	Consolidated		Great Britain-China Centre	
		2016	2015	2016	2015
		£	£	£	£
Non-current assets					
Property, plant and equipment	7	3,237	1,588	3,237	1,588
Intangible assets	8	<u>1,817</u>	<u>4,201</u>	<u>1,817</u>	<u>4,201</u>
		5,054	5,789	5,054	5,789
Current assets					
Trade receivables	9	43,698	118,957	82,593	159,661
Cash	10	<u>791,984</u>	<u>553,920</u>	<u>740,893</u>	<u>462,195</u>
		835,682	672,877	823,486	621,856
Current liabilities					
Trade payables and other current liabilities	11	<u>(407,572)</u>	<u>(281,580)</u>	<u>(406,010)</u>	<u>(240,398)</u>
Net current assets		428,110	391,297	417,476	381,458
Total assets less current liabilities		<u>433,164</u>	<u>397,086</u>	<u>422,530</u>	<u>387,247</u>
Provision for liabilities and charges	12	(3,000)	(3,000)	(3,000)	(3,000)
Total assets less liabilities		<u>430,164</u>	<u>394,086</u>	<u>419,530</u>	<u>384,247</u>
Statement of changes in taxpayer's equity					
General Reserves		<u>430,164</u>	<u>394,086</u>	<u>419,530</u>	<u>384,247</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 and authorised for issue by the Board on 4 July 2016

Sir Martin Davidson
Chairman

Richard Pascoe
Executive Director, Company Secretary and Accounting Officer

The notes on pages 21 to 26 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Cash Flow Statement for the period ended 31 March 2016

Statement of cash flows	Notes	Consolidated		Great Britain - China Centre	
		2016	2015	2016	2015
		£	£	£	£
Net Expenditure for the year before interest and taxation		(215,112)	(304,799)	(215,907)	(302,834)
Adjustments for:					
Depreciation charges	7 & 8	5,667	4,636	5,667	4,636
(Increase)/decrease in trade receivables and other current assets	9	75,259	(94,922)	77,068	(87,967)
Increase/(decrease) in trade payables and other current liabilities	11	125,992	(1,731)	165,612	30,188
Net cash outflow from operating activities		<u>(8,194)</u>	<u>(396,816)</u>	<u>32,440</u>	<u>(355,977)</u>
Cash flows from investing activities		1,190	1,264	1,190	1,264
Purchase of non current assets and intangible assets	7 & 8	(4,932)	-	(4,932)	-
Cash flows from financing activities		250,000	300,000	250,000	300,000
(Decrease)/increase in cash and cash equivalents in the period		<u>238,064</u>	<u>(95,552)</u>	<u>278,698</u>	<u>(54,713)</u>
Cash and cash equivalents at the beginning of period	10	553,920	649,472	462,195	516,908
Cash and cash equivalents at the end of period		<u>791,984</u>	<u>553,920</u>	<u>740,893</u>	<u>462,195</u>

The notes on pages 21 to 26 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 2016

	Consolidated		Great Britain - China Centre	
	2016 £	2015 £	2016 £	2015 £
Balance at 1 April 2014 & 2015	394,086	397,621	384,247	385,817
Statement of Comprehensive Net expenditure	(213,922)	(303,535)	(214,717)	(301,570)
Grant in aid received	250,000	300,000	250,000	300,000
Balance at 31 March 2015 & 2016	<u>430,164</u>	<u>394,086</u>	<u>419,530</u>	<u>384,247</u>

The notes on pages 21 to 26 form part of these accounts

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Notes to the Accounts for the Year Ended 31 March 2016

1 Basis of preparation and consolidation

These financial statements have been prepared in accordance with IFRS as applied in accordance with the provisions of the Companies Act 2006 and in accordance with those parts of the Government Financial Reporting Manual (FREM) that do not conflict with the Companies Act 2006. 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 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 in the accounts.

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

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

Accounting convention

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

Non-current assets

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

Depreciation

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

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

Amortisation

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

Foreign currencies

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

Pensions

The company is a member of the Principal Civil Service Pension Scheme (PCSPS) and for accounting purposes, it is treated as a defined contribution pension scheme. Contributions are charged to the Statement of Consolidated net expenditure as they become payable in accordance with the rules of the scheme. The PCPS scheme was closed to all new GBCC employees from April 1, 2014. All new employees were enrolled into a GBCC defined pension contribution scheme with Standard Life from January 1, 2016. Contributions are charged to the Statement of Consolidated net expenditure as they become payable in the same way as the PCSPS 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 2016

2 Analysis of activities	Notes	Consolidated			Great Britain - China Centre		
		2016	2016	2016	2016	2016	2016
		Income	Expenditure	Net	Income	Expenditure	Net
		£	£	£	£	£	£
UK-China Forum		120,071	80,381	39,690	38,895	-	38,895
Stengthening GBCC to deliver Economic Growth	5	450,000	451,596	(1,596)	450,000	451,596	(1,596)
Judicial Study visit		-	-	-	-	-	-
Rule of Law Project		-	-	-	-	-	-
Rule of Law Strategic Development		-	-	-	-	-	-
EU Freedom of expression project		(2,251)	(233)	(2,018)	(2,251)	(233)	(2,018)
EU CCLS Death Penalty		3,574	3,574	-	3,574	3,574	-
Dutch Embassy Project		246,272	246,272	-	246,272	246,272	-
EU Civil Society		-	7,411	(7,411)	-	7,411	(7,411)
China Network Fund Judicial Roundtable		7,000	7,001	(1)	7,000	7,001	(1)
SPF EUDP4		-	-	-	-	-	-
Magna Carta Conference		9,241	9,241	-	9,241	9,241	-
Beijing Higher Peoples Court		1,628	1,649	(21)	1,628	1,649	(21)
Guizhou High Court		1,378	1,378	-	1,378	1,378	-
Moca Child protection		-	-	-	-	-	-
Jiangxi Higher Peoples Court		1,378	1,438	(60)	1,378	1,438	(60)
SPC Legal Evidence		-	-	-	-	-	-
SPF Pretrial Detention		-	-	-	-	-	-
SPF Death Penalty for Drug crime		-	-	-	-	-	-
SPF Pre-emptive Prevention of Torture		60,009	60,009	-	60,009	60,009	-
SPF Death Penalty Review Procedures		29,276	29,276	-	29,276	29,276	-
Business Development		-	1,382	(1,382)	-	1,382	(1,382)
Management fees		7,125	-	7,125	7,125	-	7,125
		<u>934,701</u>	<u>900,375</u>	<u>34,326</u>	<u>853,525</u>	<u>819,994</u>	<u>33,531</u>

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

	Consolidated			Great Britain - China Centre		
	2016	2016	2016	2016	2016	2016
	£	£	£	£	£	£
EU	1,323	10,752	(9,429)	1,323	10,752	(9,429)
Non EU	933,378	889,623	43,755	852,202	809,242	42,960
	<u>934,701</u>	<u>900,375</u>	<u>34,326</u>	<u>853,525</u>	<u>819,994</u>	<u>33,531</u>

Analysis of activities		Consolidated			Great Britain - China Centre		
		2015	2015	2015	2015	2015	2015
		Income	Expenditure	Net	Income	Expenditure	Net
		Restated	Restated	Restated	Restated	Restated	Restated
		£	£	£	£	£	£
UK-China Forum		78,121	39,486	38,635	40,600	-	40,600
Stengthening GBCC to deliver Economic Growth	5	-	-	-	-	-	-
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 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)
Dutch Embassy Project		101,099	101,154	(55)	101,099	101,154	(55)
EU Civil Society		-	-	-	-	-	-
China Network Fund Judicial Roundtable		-	-	-	-	-	-
SPF EUDP4		7,062	7,067	(5)	7,062	7,067	(5)
Magna Carta Conference		-	-	-	-	-	-
Beijing Higher Peoples Court		-	-	-	-	-	-
Guizhou High Court		-	-	-	-	-	-
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)
SPF Death Penalty for Drug crime		37,562	37,562	-	37,562	37,562	-
SPF Pre-emptive Prevention of Torture		-	-	-	-	-	-
SPF Death Penalty Review Procedures		-	-	-	-	-	-
Business Development		-	3,297	(3,297)	-	3,297	(3,297)
Management fees		6,779	-	6,779	6,779	-	6,779
		<u>577,350</u>	<u>551,797</u>	<u>25,553</u>	<u>539,829</u>	<u>512,311</u>	<u>27,518</u>

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
	Restated	Restated	Restated	Restated	Restated	Restated
	£	£	£	£	£	£
EU	199,865	200,438	(573)	199,865	200,438	(573)
Non EU	377,485	351,359	26,126	339,964	311,873	28,091
	<u>577,350</u>	<u>551,797</u>	<u>25,553</u>	<u>539,829</u>	<u>512,311</u>	<u>27,518</u>

The Great Britain - China Centre (Limited by Guarantee)
Consolidated Notes to the Accounts for the Year Ended 31 March 2016

3 Other revenue	Consolidated		Great Britain - China Centre	
	2016	2015	2016	2015
	£	£	£	£
Disposal of Assets	-	-	-	-
Miscellaneous	-	3,504	-	3,504
	-	3,504	-	3,504

4 Administration expenses	Notes	Consolidated		Great Britain - China Centre	
		2016	2015	2016	2015
		£	Restated £	£	Restated £
Running costs		38,557	36,636	38,557	36,636
Rent and service charges		33,675	31,984	33,675	31,984
Auditors' remuneration		6,000	6,000	6,000	6,000
Depreciation & amortisation		5,668	4,636	5,668	4,636
Permanent Staff Costs	5	324,187	328,810	324,187	328,810
Salary Recovery		(80,067)	(42,732)	(80,067)	(42,732)
Overhead Recovery		(49,277)	(52,821)	(49,277)	(52,821)
		278,743	312,513	278,743	312,513

The audit fee for the current year is £6,000 (2014-15 £6,000) and no non audit work has been carried out.

- 5 Payroll costs are broken down between "Permanent Staff costs" which are included in Administration expenses and "Contract Staff costs" which are included in the Cost of Activities. Contract Staff Costs represent project staff taken on to fulfill the Contract to "Strengthen GBCC to deliver economic growth".

Salary recovery and Overhead recovery of £95,553 were treated as income in last year's accounts but it is now felt more appropriate to apply these recoveries against administration expenditure. The figures have been restated in respect of the previous year. Both permanent staff and contract staff are recharged against project activities.

Permanent staff costs are shown below:

Permanent Staff costs	Consolidated		Great Britain -China Centre	
	2016	2015	2016	2015
	£	£	£	£
Wages and salaries	269,398	270,927	269,398	270,927
Social security costs	25,062	24,439	25,062	24,439
Other pension costs PCPS	27,277	31,634	27,277	31,634
Other pension costs Standard Life	390	-	390	-
Employee Benefit Accruals	2,060	1,810	2,060	1,810
	324,187	328,810	324,187	328,810

Contract Staff costs totaling £136,184 are shown below and form part of the total project costs of £451,596 for the Stengthening of GBCC to deliver Economic Growth.

Contract Staff	Consolidated		Great Britain -China Centre	
	2016	2015	2016	2015
	£	£	£	£
Wages and salaries	116,450	-	116,450	-
Social security costs	11,145	-	11,145	-
Other pension costs PCPS	-	-	-	-
Other pension costs Standard Life	2,168	-	2,168	-
Employee Benefit Accruals	6,421	-	6,421	-
	136,184	0	136,184	0

Total Payroll Costs	Consolidated		Great Britain -China Centre	
	2016	2015	2016	2015
	£	£	£	£
Wages and salaries	385,848	270,927	385,848	270,927
Social security costs	36,207	24,439	36,207	24,439
Other pension costs PCPS	27,277	31,634	27,277	31,634
Other pension costs Standard Life	2,558	-	2,558	-
Employee Benefit Accruals	8,482	1,810	8,482	1,810
	460,372	328,810	460,372	328,810

Average number of employees during the year	Consolidated		Great Britain - China Centre	
	2016	2015	2016	2015
Administration and activities	5	6	5	6
Contract Staff	4	-	4	0
Total	9	6	9	6

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 PCPS. It is a condition that on admission to the PCPS, the Centre is required to pay each year an accruing superannuation liability charge for the staff members in the scheme. The charge for the year was £27,277 (2014-15 £31,634) The PCPS scheme was closed to new entrants from April 1, 2014. A pension scheme with Standard Life was set up for new entrants from 1 January 2016 and the charge for the year was £2558.

6 Taxation on interest received	Consolidated		Great Britain - China Centre	
	2016	2015	2016	2015
	£	£	£	£
UK corporation tax	298	316	298	316

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7 Property, plant & equipment

	Computers	Fixtures & Fittings	Office Equipment	Total
	£	£	£	£
GBCC				
Cost				
At 1 April 2015	19,314	18,612	6,691	44,617
Additions	1,001	-	2,664	3,665
Disposals	-	(18,612)	(6,406)	(25,018)
At 31 March 2016	<u>20,315</u>	<u>-</u>	<u>2,949</u>	<u>23,264</u>
Depreciation				
At 1 April 2015	19,185	17,679	6,165	43,029
Charge for the year	341	933	742	2,016
Disposals	-	(18,612)	(6,406)	(25,018)
At 31 March 2016	<u>19,526</u>	<u>-</u>	<u>501</u>	<u>20,027</u>
Net book value				
At 31 March 2016	<u>789</u>	<u>-</u>	<u>2,448</u>	<u>3,237</u>
At 31 March 2015	<u>129</u>	<u>933</u>	<u>526</u>	<u>1,588</u>

Property, plant & equipment

	Computers	Fixtures & Fittings	Office Equipment	Total
	£	£	£	£
GBCC				
Cost				
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>
Depreciation				
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>
Net book value				
At 31 March 2015	<u>129</u>	<u>933</u>	<u>526</u>	<u>1,588</u>
At 31 March 2014	<u>401</u>	<u>1,167</u>	<u>780</u>	<u>2,348</u>

8 Intangible assets

	Total
	£
GBCC	
Cost	
At 1 April 2015	15,695
Additions	1,267
Disposals	(2,253)
At 31 March 2016	<u>14,709</u>
Amortisation	
At 1 April 2015	11,494
Charge for the year	3,651
Disposals	(2,253)
At 31 March 2016	<u>12,892</u>
Net book value	
31 March 2016	<u>1,817</u>
At 31 March 2015	<u>4,201</u>
Cost	
At 1 April 2014	15,695
Additions	-
Disposals	-
At 31 March 2015	<u>15,695</u>
Amortisation	
At 1 April 2014	7,618
Charge for the year	3,876
Disposals	-
At 31 March 2015	<u>11,494</u>
Net book value	
At 31 March 2015	<u>4,201</u>
At 31 March 2014	<u>8,077</u>

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

9 Trade receivables and other current assets	Consolidated		Great Britain - China Centre	
	2016	2015	2016	2015
	£	£	£	£
Trade receivables	23,703	29,532	23,703	29,636
Prepayments and accrued income	19,995	89,425	58,890	130,025
	<u>43,698</u>	<u>118,957</u>	<u>82,593</u>	<u>159,661</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:

The Great Britain - China Centre (Limited by Guarantee)
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	Consolidated		Great Britain - China Centre	
	2016 £	2015 £	2016 £	2015 £
Balances with other CGDs	23,703	26,358	23,703	26,358
Balances with bodies E to G	19,995	92,599	58,890	133,303
	<u>43,698</u>	<u>118,957</u>	<u>82,593</u>	<u>159,661</u>

10 Cash	Consolidated		Great Britain - China Centre	
	2016 £	2015 £	2016 £	2015 £
Balance at 1 April	553,920	649,472	462,195	516,908
Net change in Cash	238,064	(95,552)	278,698	(54,713)
	<u>791,984</u>	<u>553,920</u>	<u>740,893</u>	<u>462,195</u>

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

	Consolidated		Great Britain - China Centre	
	2016 £	2015 £	2016 £	2015 £
Commercial Banks	790,450	551,949	739,359	460,224
Cash in Hand	1,534	1,971	1,534	1,971
	<u>791,984</u>	<u>553,920</u>	<u>740,893</u>	<u>462,195</u>

11 Trade payables and other current liabilities	Consolidated		Great Britain - China Centre	
	2016 £	2015 £	2016 £	2015 £
Corporation tax	312	332	298	316
Other taxes, soc security & pension costs	18,007	11,481	18,007	11,481
Other payables	41,981	12,107	41,981	12,107
Accruals and deferred income	347,272	257,660	345,724	216,494
	<u>407,572</u>	<u>281,580</u>	<u>406,010</u>	<u>240,398</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	
	2016 £	2015 £	2016 £	2015 £
Balances with other CGDs	16,515	11,812	16,515	11,797
Balances with bodies E to G	391,057	269,768	389,495	228,601
	<u>407,572</u>	<u>281,580</u>	<u>406,010</u>	<u>240,398</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	
	2016 £	2015 £	2016 £	2015 £
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 2016 £	Buildings 2015 £	Buildings 2016 £	Buildings 2015 £
	Current Year	<u>19,329</u>	<u>19,043</u>	<u>19,329</u>
Within one year	11,209	9,599	11,209	9,599
Between one and five years	-	-	-	-
	<u>11,209</u>	<u>9,599</u>	<u>11,209</u>	<u>9,599</u>

14 Related party transactions

The FCO is regarded as a related party. GBCC is an Executive Non Departmental Body(NDPB) and in 2015/16 received £250 000 GIA [2014/15 £300,000] 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 2015/16 administration fees were receivable from the UKCF of £38,895[2014/15 £40,600] and the GBCC had £10,493 of recoverable expenses[201 4/15 £1683]

The All Party Parliamentary China Group[APPCG] is also regarded as a related Party. The GBCC provided employee services to the APPCG and this was governed by a memorandum of understanding between GBCC and APPGC. The transactions for employee services with the APPCG for 2015/16 amounted to £680 (2014 /15 £ 334)

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 2015/16 amounted to £6445[2014/15 £6445] There was also £ 24 of recoverable expenses [2014 / 15 £46]

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

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. Apart from the following there are none to report:

The result of the referendum held on the 23 June was in favour of the UK leaving the EU. This is a non adjusting event. GBCC holds bank accounts denominated in foreign currencies, the value of which have changed with the fluctuations in the value of sterling since the referendum result. A reasonable estimate of the financial effect of this event cannot be made at this time.

The Accounting Officer authorised these financial statements for issue on the date on which the accounts are confirmed by the Comptroller and Auditor General.

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