



China-Britain
Business Council
英中贸易协会

ANNUAL REPORT 2022 - 2023

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CHAIR'S FOREWORD

SIR SHERARD COWPER-COLES



I am delighted to introduce this Annual Report for 2022-2023, after a busy and successful year for the China-Britain Business Council. UK exports to China broke a new record in 2022, growing over 35% to £38bn. Two-way trade was over £110bn. This underlines the importance of the China opportunity for UK business. And at a time when rebuilding economic growth is the top national priority, and with exports and inward investment key drivers of that growth, it underlines the importance of the UK-China trade and investment relationship to the UK economy and employment.

While businesses felt the effect for some of the year of pandemic restrictions in China, the ending of lockdown measures in late 2022 helped set the stage for a welcome normalisation of business activity, and for the further growth of this critical trade and investment relationship with the world's second biggest economy.

The China-Britain Business Council is proud of its role as the voice, and the vehicle, for this vital business relationship.

The year continued to present challenges for businesses in the UK and China. While pandemic travel and other restrictions were lifted in the UK, their continuation for much of the year in China affected business engagement and activity, and made the operating environment more difficult for many of our Members. The lockdown in Shanghai in 2022 had a significant impact on global supply chains.

Meanwhile, geo-political tensions had an impact on business confidence, with Russia's invasion of Ukraine and, at the time of writing, the conflict between Hamas and Israel adding new elements to those geo-political differences.

The China-Britain Business Council continued to support our Members in navigating these challenges via the range of Membership activities and services we provide; and by championing the importance of the UK-China business relationship.

Reflecting the more complex political environment, the top-level advocacy and access opportunities we provide for our Members are central to our work. We continued our series of virtual meetings with senior Chinese policy makers, responding to the very positive feedback from Members on these. Highlights during this year included meetings with the Governor of Guangdong Province, Mr Wang Weizhong, and with Governor Xu Kunlin of Jiangsu Province.

It is an apt reminder of the size and scale of the China opportunity, that the economy of Guangdong is on a par with that of Canada, a G7 member; while Jiangsu's economy is on a par with that of South Korea.

In the UK we stepped up our public affairs work highlighting to UK policymakers and opinion formers the importance to the UK economy of the trade and investment relationship with China. This included focused analysis and attention on a region-by-region basis across the UK, of the regional economic and employment impact of trade with China. And this impact is substantial: some 800 Chinese enterprises in the UK directly employ more than 75,000 people nationwide. Research shows that our exports to China support - at a conservative estimate - a further 120,000 jobs.

In early 2023, the British Government released its 'Refresh' of the Integrated Review of foreign defence and security policy. We were pleased to see that, in regard to China, alongside the recognition of the need



I am proud to say that the China-Britain Business Council continued to work hard on its mission of helping its Members develop their business with the exciting but complex China market. ”

for the UK to protect its national security interests and stand up for its values, there was recognition that, “... a positive trade and investment relationship can benefit both the UK and China”.

In his Mansion House speech on China in April, the Foreign Secretary, James Cleverly said: “We believe in a positive trade and investment relationship, whilst avoiding dependencies in critical supply chains. We want British companies to do business with China - just as American, ASEAN, Australian and EU companies currently do - and we will support their efforts to make the terms work for both sides, pushing for a level playing field and fairer competition”.

We are encouraged by the positive context this sets for further developing the UK-China business relationship. A sound economic relationship with China is a foundation which allows the UK to pursue its broader goals with China. And that relationship means globally competitive companies, employment, and prosperity right across the UK.

On the ground, the year saw a welcome return of more normal Membership and business programmes including some notable high-profile events. In the UK, these included a highly successful in-person China Consumer Conference in June 2022; The UK-China Business Forum in March 2023; and in China, two well attended dinners in Beijing and Shanghai respectively to mark the 50th anniversary of the UK's establishment of ambassador-level relations with China.

We also worked closely with the UK government to help British businesses in China, including through the Department for Business and Trade's Export Support Service - International Markets (ESS-IM), which CBBC delivers for DBT in partnership with Grant Thornton.

Some of CBBC's business lines inevitably felt the impact of the more difficult operating environment - in particular the Covid-related travel restrictions.

But our Launchpad service saw increased interest, particularly from the higher education sector, as our clients sought to drive student recruitment and partnership development in a market that continues to be of great importance to UK higher education.

And our Membership proved resilient. We continue to serve a community of hundreds of businesses, and the continued strength in our Premium Membership - with strong representation from FTSE 100 and 250 companies - has been noteworthy.

I am proud to say that the China-Britain Business Council continued to work hard on its mission of helping its Members develop their business with the exciting but complex China market.

We do this through:

- On-the-ground market entry and business development advice and support in China and the UK;
- Expert analysis and insights on policy, regulations, and developments in-market;
- An apolitical platform and independent voice for our Members; and
- Access for our Members to senior level government policy makers and regulators.

No other body provides this capacity. We are the unique voice speaking up both in the UK and in China for the importance and value of this business relationship.

I am proud of everything that we have achieved over the last year. I am very grateful to you as our Members and stakeholders for the support and engagement which have made this possible. I am also very grateful for the strong support and wise advice of the CBBC Board. And I wish to place on record my warm thanks to the entire CBBC team for their hard work, dedication, and enthusiasm through the year. As a result of these successes, I am confident we are in a strong position to support our Members and their customers through 2024 and beyond.

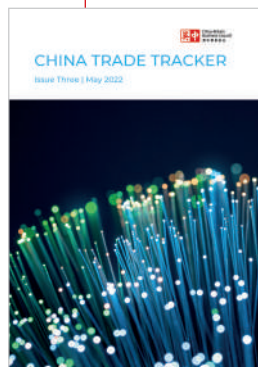
A YEAR IN REVIEW

APRIL 2022

5th April

CBBC was delighted to launch our Comprehensive Higher Education Strategy Service (CHESS) in April 2022: providing access to a range of practical quarterly workshops, insights, and reports for UK higher education institutions.

MAY 2022



In May, CBBC published the third edition of our China Trade Tracker report. The report acts as an 'always-on' reference tool to provide the facts and analysis on the importance of UK trade with China. Two more Trade Trackers were published in September and December 2022.

16th May

On 16th May, CBBC co-hosted a special online dialogue with the Shanghai Municipal Government and related agencies in Shanghai, in partnership with the Shanghai Municipal Commission of Commerce (SCOFCON). During this online event, Members took the opportunity to raise questions and comments about pandemic control measures.

19th May

CBBC attended a meeting with Former Premier Li Keqiang as part of the China Council for the Promotion of International Trade's 70th Anniversary Symposium which was held at the Diaoyutai State Guesthouse in Beijing. Former Premier Li was joined at the meeting by Vice Premier Hu Chunhua, State Council Secretary-General Xiao Jie, NDRC Minister He Lifeng, and Ren Hongbin, Chairman of CCPIT. CBBC welcomed the opportunity to meet with Former Premier Li and the other officials present to discuss the economy and business issues at a time when many UK companies were experiencing difficulties due to covid restrictions.



8th June

On 8th June, CBBC launched our latest report from the 'In the Zone' series: 'In the Zone: Green Transition Within China's Economic Zones'. The report was simultaneously launched offline with a roundtable at CBBC's London office and online via a live stream with our partner, China Development Zone Innovation & Development Conference (CDI).



14th June

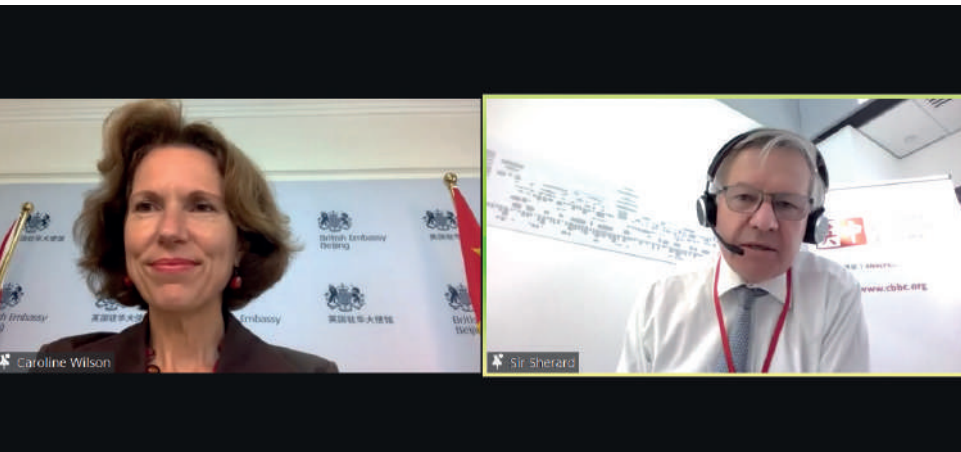
On 14th June, Tom Simpson, CBBC's Managing Director, China, attended and spoke at an online roundtable with Shanghai Vice Mayor, Zong Ming, on economic recovery organised by SCOFCON. The event addressed questions and concerns raised by CBBC Members.



20th June

On 20th June, CBBC's Chair, Sir Sherard Cowper-Coles led a meeting with the British Ambassador to China, Dame Caroline Wilson CMG, in partnership with the British Chamber of Commerce and the Confederation of British Industry.

In the meeting, Dame Caroline spoke about Her Majesty's Government's priorities for China with a particular focus on trade and investment between the UK and China, while also providing her insights on China's recovery from the recent Shanghai lockdown, geopolitical tensions, and bilateral exchanges.





28th-30th June

CBBC hosted our first ever China Consumer Conference: China Consumer 2022 - on 28th and 30th June in London and online.

From panel discussions to workshops, focus groups and meet the China buyer opportunities, CBBC's China Consumer 2022 offered a holistic view of China's consumer trends, tangible business leads and shared best practices.

The event proved a fantastic opportunity for UK Consumer brands to hone their China market strategy, with over 120 delegates attending.

JULY 2022

22nd July

CBBC has been organising employability forums and activities to support UK universities in the Greater Bay Area since 2018. In July 2022, CBBC organised a group visit for UK universities and alumni to the Guangdong-Macao In-Depth Cooperation Zone in Hengqin to foster cross-collaboration and understanding.

AUGUST 2022

CBBC was delighted to launch our new Executive Leadership Programme - in partnership with the Cheung Kong Graduate School of Business and the China Europe International School of Business - with the programme visiting Beijing, Shanghai, and Shenzhen between August and December 2022.

The programme enabled senior executives from British and other multinational companies to undertake intensive study of China's business environment, political landscape, and regulatory regime - equipping them with the skills needed to lead an internationally orientated business from the mainland.



SEPTEMBER 2022

1st September

On 1st September, CBBC signed an agreement with Invest Beijing to be one of its eight global partners for the promotion of inbound investment at the China International Fair for Trade in Services, the annual flagship event in China for the promotion of trade in services. The partnership covers information sharing, event support, the promotion of Beijing, and business matching.



8th September

On 8th September, Tom Simpson, CBBC's Managing Director, China, spoke at the Investment Promotion Agency of Ministry of Commerce's annual investment promotion conference in Xiamen. The conference, which introduced new policies relating to China's opening-up, took place during the annual China International Fair for Investment and Trade.



OCTOBER 2022

From October 2022 to January 2023, CBBC ran a series of business workshops - under our 'Navigating China' series - to help UK companies to better understand and navigate the China opportunity. China experts shared their latest insights on the China business landscape to help attendees make informed decisions on their approach to the China market.

NOVEMBER 2022

7th November

With the support of CBBC, the UK's Department for Business and Trade hosted a dinner reception in Shanghai on 7th November to mark this year's China International Import Expo (CIIE). The dinner provided an opportunity to celebrate the signing of a partnership between UK and Chinese companies at the CIIE to help strengthen trade partnerships between the UK and China.



15th November

On 15th November, CBBC's President Lord Sassoon hosted a virtual meeting between CBBC Members and Jiangsu Provincial Governor, Xu Kunlin as part of our ongoing senior-level advocacy programme.

CBBC Member company representatives from a wide range of industries attended the meeting, which covered topics including Jiangsu's business environment and supply chain sustainability, the province's plans for low carbon and sustainable development, and how British and Chinese companies could cooperate within innovation partnerships.



17th November

On 17th November, CBBC's popular China Chat event series returned with a face-to-face meeting in our London office. Launched in 2020, China Chat was created by CBBC to build up a community of China experts, retailers, and marketeers, who can re-engage their connection to China from afar. The event provided content-rich actionable insights into Chinese consumers' behaviour from leading China experts and analysts.

DECEMBER 2022

1st December

On 1st December, CBBC hosted a Premium Member Business Roundtable with the Chinese Ambassador to the UK, Zheng Zeguang. A stellar audience was in attendance with 25 CEOs and Chairs of CBBC's Premium Membership base. The Business Roundtable provided CBBC Premium Member participants with an opportunity to discuss the UK-China business relationship with the Ambassador.



6th December

On 6th December, CBBC held our 2022 Annual General Meeting - which was followed by our Winter Reception. Held in London, the events provided an enjoyable evening and chance to catch up with old friends, as well as an opportunity to meet new contacts.

JANUARY 2023

10th January

CBBC and the Birmingham C.A.S.E. Automotive Research & Education Centre successfully held an Automotive Roundtable on developments and advances for commercial vehicles and new energy at the University of Birmingham on 10th January, supported by Silverstone Technology Centre, the Northern Automotive Alliance, and UK Chinese Society of Automotive Engineers, with live streaming service provided by Gasgoo Automotive.





13th January

CBBC's first Brands of Britain Tour, was held at Dezan Shira & Associates' Beijing office on 13th January. At this event, CBBC's Consumer Team brought carefully selected samples from three distinctive leading brands from the UK - Whittard of Chelsea, Vitabiotics, and Downland - and spent an enjoyable Friday afternoon sharing them with colleagues at Dezan Shira & Associates.

26th January

The 6th annual China-Scotland Business Awards took place on 26th January in Glasgow: recognising and celebrating achievements in trade and investment between Scotland and China. The Awards were presented during CBBC's 10th annual Chinese Burns Supper, which proved a delightful occasion combining Chinese and Scottish customs and festivities celebrating both Chinese New Year and Burns Night.



FEBRUARY 2023

6th February

On 6th February, CBBC held a roundtable meeting at the British Centre in Guangzhou between CBBC Members and HM Trade Commissioner, John Edwards, during his visit to the city. Apart from the HM Trade Commissioner, HM Consul General of the British Consulate-General in Guangzhou, Matt Moody, the Economic Consul, Will Kennedy, and a representative from the Department for Business and Trade also attended the meeting and shared insights with CBBC Members.



8th February

On 8th February, working with The 48 Group Club, CBBC and the CCCUK supported the annual 'Icebreakers' Chinese New Year Dinner 2023, which was held in association with Bank of China, Hawksford, HSBC, PetroChina, and Vitabiotics.

The dinner, held in London, was one of the most significant UK-China events of the year - and offered a key opportunity for guests to network with senior representatives from industry, the diplomatic service, academia, and those involved in culture and the arts.



10th February

On 10th February, CBBC in collaboration with the Department for Business and Trade hosted a roundtable with a focus on the outlook of the international Higher Education market in Shanghai. This roundtable brought together representatives from leading UK universities to network and share ideas.



20th February

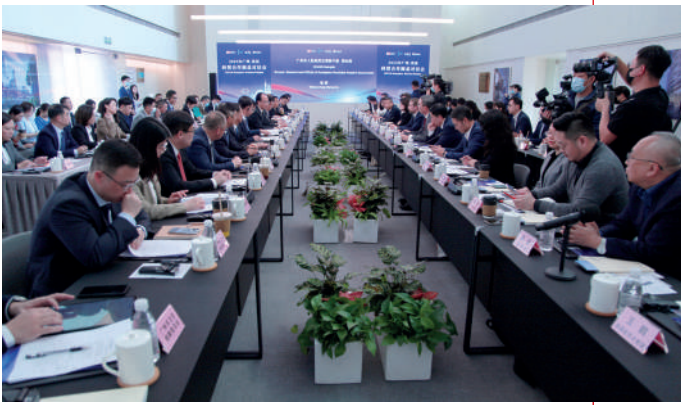
On 20th February, CBBC's Chair, Sir Sherard Cowper-Coles, and President, Lord Sassoon, hosted a virtual meeting between CBBC Members and the Governor of the People's Government of Guangdong Province, Wang Weizhong, as part of our ongoing senior-level advocacy programme.

27th February

On 27th February, organised by CBBC and supported by the British Embassy and RELX Group, the UK-China Digital Economy Forum was successfully held in Beijing. During the event, CBBC's Digital Economy Working Group was officially launched.

The Forum aimed to promote and deepen exchange and cooperation between China and the UK in the field of data and the digital economy and share digital opportunities for global economic development.





28th February

On 28th February, CBBC co-hosted the third UK Business Dialogue with the Guangzhou Municipal Government in partnership with the Guangzhou Municipal Commerce Bureau, the Liwan District Government, and Guangzhou Pearl River Industrial Park Investment and Development Co Ltd.

CBBC Members shared their experiences of operating businesses in Guangzhou and raised questions covering topics in a range of sectors for discussion with the Guangzhou Municipal Government.

MARCH 2023

15th March

On 15th March, CBBC hosted our first major UK-China Business Forum since the pandemic. The UK-China Business Forum 2023 was held in London and was attended by over 200 delegates.

Speakers from government, industry, finance, and academia spoke on topics ranging from Green Finance to China's dynamic consumer market, and technological collaboration: with the Forum providing a well-timed platform for thought-leadership and knowledge exchange amongst UK companies interested in the China market.



21st & 28th March

CBBC marked the 50-year anniversary of UK-China Ambassadorial Relations with a dinner reception on 21st March in Beijing. This was followed by a dinner reception on 28th March in Shanghai.

The dinners brought together the British and Chinese Government and business communities to celebrate the long-standing relationship between the UK and China. Speakers looked back on the last 50-years while sharing their reflections on the importance of the relationship today and into the future.



MEMBERSHIP

The China-Britain Business Council is a not-for-profit Membership organisation and the UK's leading China business organisation helping our Members grow their business with and between the UK and China: promoting trade and investment links.

We support our Members and clients by the provision of:

- On-the-ground market entry and business development advice, and support in China and the UK;
- Expert analysis and insights on policy, regulations and developments in-market;
- An apolitical platform and independent voice for our Members;
- Access for our Members to senior level government policy makers and regulators.

No other business body provides this capacity.

With a Membership of over 350 businesses and universities, the China-Britain Business Council's core remit is to be a strong and effective advocate for equitable and sustainable UK-China economic engagement, always supporting our Members and the wider business community with accessible, fact-based information and analysis. We continue to push for greater market access for British businesses who are active in the Chinese market.

Over in China, CBBC has never been more impactful, offering clear value to Members on-the-ground. Whilst this was another year in which high-level government-to-government engagement has been somewhat of a rarity, CBBC has had the opportunity to meet with Former Premier Li Keqiang, Mr Wang Weizhong, the Governor of Guangdong Province, Mr Xu Kunlin, the Governor of Jiangsu Province, Ms Sima Hong, the Vice Mayor of Beijing, Ms Zong Ming, the Vice Mayor of Shanghai, H.E. Mr Zheng Zeguangu, Chinese Ambassador to the UK, and many more senior officials.

WORKING GROUPS IN CHINA

CBBC's Digital Economy Working Group was launched in February 2023. The Group, together with CBBC's Member companies that have joined the Working Group, focuses on deepening UK-China collaboration on digital innovation across three key pillars: policy advocacy, business collaboration, and information sharing.

CBBC's Government Affairs Working Groups in Beijing and Shanghai have been running since December 2021. We highly encourage Members to get involved. These are closed door, off the record, and cross-sectoral forums that on the one hand contribute directly to CBBC's advocacy work, and on the other provide Members with a forum to exchange ideas and share best practises for handling issues inhibiting the expansion of British business in China.

NOTABLE HIGHLIGHTS

- CBBC launched the Comprehensive Higher Education Strategy Service (CHESS) in April 2022, providing access to a range of practical quarterly workshops, insights, and reports for UK Higher Education Institutions.
- CBBC held its first ever China Consumer Conference in June 2022. Over 120 attendees were in attendance to learn about the huge opportunities in the Chinese consumer market. Speakers included representatives from leading businesses such as Holland & Barrett, Fortnum & Mason, KPMG, Alibaba, Shakeup Cosmetics, and many others.
- The CBBC business community came together at the CBBC Winter Reception in the offices of APCO Worldwide in 2022.
- The highly successful China-Scotland Business Awards and Chinese Burns Supper were held in Glasgow in January 2023.
- Over 200 delegates attended the UK-China Business Forum in March 2023. The conference focused on the importance of a balanced and positive two-way trade and investment relationship between the UK and China. Our speakers included leading representatives from the Department for Business and Trade, HSBC, JLR, Johnson Matthey, the China Europe International Business School, Red Rock Power, bp, DLA Piper, Invest Hong Kong, and Hasbro.
- 50 years of UK-China Ambassadorial Relations were celebrated in Beijing and Shanghai in March 2023, with over 200 attendees joining for each dinner.

It is thanks to the strength of our Membership that we can make the case for a sensible and balanced relationship with China, and to speak to both the UK and Chinese governments at the most senior level, to the benefit of all CBBC Members.

MEMBERSHIP IN NUMBERS

The number of Members at 31st of March 2023 stood at **356**. This is in line with our Membership strategy which is to focus on companies and universities who stand to benefit most from structured advice, analysis, and access.

The Membership revenue line continues to be resilient. **At the end of March 2023, Membership revenue for the year totalled £1,303,663.**

We would like to thank our Members, partners, and clients for their strong support and cooperation. Your involvement and active participation in our community is invaluable to us.

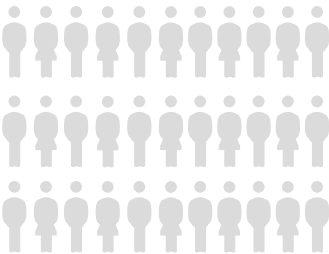
CHINA-BRITAIN BUSINESS COUNCIL

A YEAR IN REVIEW

2022-2023



Our Membership



356

Members

58%

of Members
are SMEs

80

of the world's
largest companies

43

of the UK's
leading
universities



CBBC supported an extensive network of UK and Chinese companies from a broad range of sectors.



Technology & Innovation



Financial & Professional Services



Agriculture,
Food & Drink



Retail, Consumer
& E-commerce



Culture, Creative
Industries & Sports



Healthcare & Life Sciences



Energy, Environment & Infrastructure



Education & Training



Advanced Engineering, Manufacturing & Transport



Our Services

UK businesses are continuing to realise the value of Launchpad: expanding their representation in China post-pandemic.



42

Companies supported by Launchpad



We supported companies with their market research and partner identification.

76

Commercial clients serviced through:



GATEWAY



NAVIGATOR



We advocated on behalf of Members in the UK and China.

CBBC Members met with senior Chinese leaders over the year through a series of high-level meetings. CBBC advocated for our Members to Provincial, Municipal and Central Government bodies across China via a programme of Regional and Business Dialogues, and held meetings and events with key representatives in the UK and China.



Former Chinese Premier,
Li Keqiang



Shanghai Vice Mayor,
Zong Ming



Jiangsu Provincial Governor,
Xu Kunlin



Guangdong Provincial Governor,
Wang Weizhong



British Ambassador to China,
Dame Caroline Wilson CMG



Chinese Ambassador to the UK,
Zheng Zeguang



We continued to provide high-quality content to meet the needs of our Members across the UK and China.



Delivered 98 updates on UK-China news, China policies, and China's economy to CBBC members.



Delivered quarterly sector-specific newsletters with updates on market conditions and highlighted opportunities.



Released 3 new China Trade Tracker reports which provide an overview of the impact of trade with China.



Our online content platform FOCUS went from strength to strength with 63,000 new visitors and 24,000 page views per month. FOCUS is now in the Top 20 Google rankings for "China Business News".



Events ranging from flagship conferences to one-to-one business clinics and meetings with leading China experts and advocates for the UK-China trade relationship.

98

Webinars & Events

COMMERCIAL HIGHLIGHTS

With pandemic conditions and the related impact on UK-China trade continuing into the 2022-2023 financial year, CBBC's commercial services further evolved to address the market challenges faced by our Members and clients.

With the transition of China's zero covid policy towards a rapid reopening of the China market during the final quarter of the financial year, and CBBC once again able to resume offline events in the UK, we brought companies together with large-scale events - including China Consumer 2022 and the UK-China Business Forum 2023.

Commercial revenues support CBBC's Membership offer through the **Expertise** of our sector teams, the **Insights** they bring to Members through newsletters and discussion groups - like China Chat and CBBC's Education Forum - and finally, the **Access** they bring through their extensive networks across the UK and China.

The following summary highlights CBBC's commercial achievements throughout the 2022-2023 financial year across key service lines.



Launchpad exceeded targets in terms of revenues for the 2022-2023 financial year. We saw **23 new service agreements signed** (new clients and existing clients taking more desks). This represents strong performance with continued interest from clients. Interest was particularly strong from the **higher education sector** - as our educational clients sought to prioritise marketing campaigns to drive

student recruitment and partnership development in a market that is of great importance to the UK's higher education sector. Launchpad proved valuable to our clients during this extended period of travel bans and uncertainty. Performance in other sectors was moderate, with positive new interest from companies in the **retail and healthcare sectors**.



GATEWAY

China Gateway research and our Navigator service have allowed UK companies to assess market potential, identify partners and distributors, and inform strategic decisions about how to engage the China market as a fundamental part of their global export strategy.



NAVIGATOR

Gateway performance has remained steady year-on-year, although we still saw interruptions in delivery outputs due to Covid lockdowns in China, and the impact of highly restricted travel to the country. Despite a broadly negative perception of China expressed at the political level in the UK, **CBBC continued to secure new and repeat business projects over the year.**



ZHITONG YINGGUO | 直通英国

With more Chinese companies looking to access the UK market and seek UK partners, CBBC developed a suite of services tailored to supporting Chinese clients. Offering a tailored and flexible approach to meeting clients' needs, we started promoting the service as Covid lockdowns lifted and travel between the UK and China started to slowly return towards the end of the 2022-2023 year.

Through 'Zhitong Yingguo' 直通英国 we can make full use of CBBC's resources in both China and the UK: **allowing us to deliver quality work for Chinese companies, trade bodies, industrial zones, and government offices.**



MAJOR CONFERENCES

Our first major conference following the pandemic, CBBC's **China Consumer Conference** held in **June 2022** was a huge success: with over 120 delegates in attendance hearing directly from speakers about the China market opportunity, consumer trends, tangible business leads and shared best practices.

Following this, the **UK-China Business Forum** took place in **March 2023**. Centring on the theme of 'Sustainable Trade and Investment for the

Digital Age': over 200 delegates heard from leading speakers across a wide range of industries, with the Forum providing a platform for thought-leadership and debate on sustainable engagement between China and the UK.

Both events were well received and successful from a positioning and commercial perspective; and will form part of our events programme for the 2023-2024 financial year.



COMPANY INFORMATION

Directors

Sir Sherard Cowper-Coles (Chair)
Mr Duncan Clark OBE (Vice Chair)
Mr Gordon Orr (Vice Chair)
Mr Kenneth Macpherson (Vice Chair)
Mr Andrew Seaton (Chief Executive)
Mr Edward Salt
Mr Neil Sampson
Sir Charles Bowman
Ms Nicole Chen
Mrs Sharon Cheng
Ms Suwin Lee
Mr Shixu Yang
Mr Wilson Del Socorro
Mr David Pillsbury
Mr David Roth
Mr David King
Mr David Slater
Mr Qing Pan
Sir James Wood
Ms Caroline Raggett
Mr Jeremy Amias

Company Secretary

Mr Robert Ismay

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Registered office

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London
SW1P 3HQ

Auditor

Sopher + Co LLP
Chartered Accountants
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Elstree Way
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WD6 1JD

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and consolidated financial statements for the year ended 31 March 2023

PRINCIPAL ACTIVITIES

The China-Britain Business Council (CBBC) is the United Kingdom's leading organisation to assist British companies to do business in China and with Chinese companies. CBBC's principal activities cover the delivery of a wide range of China business development services in both the UK and China, including the organisation of large-scale VIP events and conferences. Through our network of offices in China and the UK, CBBC provides companies with support to access the potential of the China market and to develop a sound business strategy. CBBC's

membership activities include analysis of business relevant policy and market developments in China, and advocacy support with government, official and other bodies in respect of market access and business environment issues. Practical in-market assistance includes market research, "Representative Office", "Launchpad®" and "Hot Desk" facilities, trade missions and exhibitions, event management and translation services.

PERFORMANCE

Group turnover in the year saw a modest increase of

£15k compared to FY 2021/22. After the restructuring of the business in the previous year, overheads have been regularised. The resulting Group net surplus was £58k (FY21/22: loss £905k).

The fixed contract sum under the Enhanced International Support Service (EISS) contract entered into by CBBC and Grant Thornton (the prime contractor) with the Department for Business and Trade was reduced, through agreement by all parties, in the light of the lower than anticipated volume of enquiries. The contract revision, effective from 15 June 2022 capped the fixed contract sum at £300k p.a. with a termination date of 31 July 2023. DBT, Grant Thornton and CBBC have subsequently agreed a further contract extension to 28 July 2025.

However, other (non-DBT) revenues in the year to March 2023, having previously been significantly impacted by the COVID-19 pandemic, have started to see growth and increased by 12%.

In the year membership revenues remained broadly static year on year but FCDO prosperity funded projects ceased and thus revenue from this source reduced by 96%. However, our commercial services have grown strongly: Launchpad revenues increased by 21% on the previous year. With the return of face-to-face events, the combined commercial revenues increased revenue year on year by £167k.

Included in the above, the turnover delivered by the CBBC Wholly Foreign-Owned Enterprise (WFOE) in China increased by 31% during the year.

COVID-19

COVID-19 and the associated restrictions on normal business travel and activity continued to affect the way CBBC operated and the services we delivered to our members and clients in the year. We saw a continued impact on CBBC's revenue generating opportunities in the year.

In the UK, the year saw business returning to more normal operation, with the introduction and demand for in-person meetings and events. We continue to present a strong forward plan of events in the UK.

In China, where previously have seen localised lockdowns and significant restrictions in movement,

for example in Shanghai and to a lesser extent in Beijing, the lifting of COVID restrictions and international travel restrictions late in FY 22/23 meant a pick up in business activity and travel. Looking ahead we see pent-up demand for delegations travelling to the UK, which should have a positive impact on events revenues in the next financial year.

BUSINESS ENVIRONMENT

The continuing underlying rationale for CBBC and the range of its operations is more compelling than ever. A key factor is the size of the China business opportunity: the Department for Business and Trade expects the Chinese economy to continue to grow to become the world's largest by 2030 and sees rising demand for goods and services from the fast-growing Chinese middle class – to double in size by 2030 and triple by 2050 – as a key opportunity for UK business in coming decades. Reflecting this, China now plays a central part in many major UK companies' global business strategy; as well as offering growing and diversifying opportunities for SMEs.

In the other direction, the number of Chinese companies investing in the UK continues to grow – notwithstanding sensitivities over investment in critical infrastructure and certain technologies.

China remains in some respects an opaque, complex and challenging market, where market knowledge and an ability to navigate through official and regulatory processes are at a premium. Business with China can also now raise potential reputational and risk issues for companies operating there, because of the more complicated geo-political context. In this regard CBBC provides services to support businesses who wish to enter or develop their China market; expert analysis and advice on policy, regulations and developments in market; an apolitical platform and independent voice for our members; and access for our members to senior level government policy makers and regulators. No other body provides this capability.

Following the return to surplus generation in this year, we are confident in the trading future of CBBC. At a strategic level, we believe that strong validation of CBBC's role and purpose is provided by the combination of the growing importance of the China business opportunity to the UK economy and UK business, as recognised by HMG; and CBBC's unique leadership role in this business relationship.

GOING CONCERN

Having restructured the business in October 2021, our objective for the FY was to return the company to delivering a modest surplus and cash generation. This objective was secured and the year delivered a small contribution to the Group reserves. We expect this performance will continue in the next financial year.

We have identified a number of uncertainties in the current economic climate that could impact our business, most arising from the normal course of commercial events, together with those associated with a worsening political relationship with China. However, with the recent visit to Beijing by the UK Foreign Secretary and following the Strategic Review (Reset), with its recognition of the importance of the trade and investment relationship, we can now look forward to a resumption of other ministerial and official exchanges.

The company continues to have a positive cash position with cash balances of approximately £2.8m as at the date of approval of these financial statements. The company has no borrowing.

Therefore, after careful consideration, and the encouraging trading performance this year, and the continued growth of events and other commercial income in both the UK and China, the Board has concluded that the Company will continue to have adequate financial resources to realise assets and discharge liabilities as they fall due over the period to 31 October 2024. Consequently, these financial statements are prepared on a going concern basis.



CONSTITUTION

China-Britain Business Council is incorporated as a company limited by guarantee and not having share capital.

HONORARY PRESIDENT

Lord Sassoon Kt

DIRECTORS

The Articles of Association provide that CBBC shall be managed by a Board. The Board shall consist of not less than 11 or more than 24 Board Members, comprising:

- the Chair;
- the Chief Executive Officer;
- the Vice-Chairs;
- the Elected Board Members; and
- the Co-opted Board Members.

The Board met four times during the financial year.

The directors who served during the year were:

Sir Sherard Cowper-Coles (Chair)

Mr Duncan Clark OBE (Vice Chair)

Mr Gordon Orr (Vice Chair)

Mr Kenneth Macpherson (Vice Chair)

Mr Andrew Seaton (Chief Executive)

Mr Edward Salt

Mr Neil Sampson

Sir Charles Bowman

Ms Nicole Chen

Mrs Sharon Cheng

Ms Suwin Lee

Mr Shixu Yang

Mr Wilson Del Socorro

Mr David Pilsbury

Mr David Roth

Ms Catherine Li (resigned 31 May 2022)

Dr Shengke Zhi (resigned 4 September 2022)

Mr Philip Thomson (resigned 1 November 2022)

Mr David Sayer (Vice Chair)

(resigned 6 December 2022)

Mr Jonathan Bewes (resigned 31 March 2023)

Mr David King (appointed 6 December 2022)

Mr David Slater (appointed 6 December 2022)

Mr Qing Pan (appointed 6 December 2022)

Sir James Wood (appointed 6 December 2022)

Ms Caroline Raggett was appointed as a director after the year end on 1 April 2023.

Mr Jeremy Amias was appointed as a director after the year end on 19 May 2023.

The Company Secretary is Mr Robert Ismay.

In addition, the Secretary of State for International Trade, and the Secretary of State for Foreign, Commonwealth and Development Affairs are each invited to appoint one observer. Other observers include representatives from CBI, China Chamber of Commerce in the UK and the British Chambers of Commerce in China.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

APPOINTMENT OF CEO

Having joined CBBC as Chief Executive on 01 June 2021, Andrew Seaton has given the Board notice that he wishes to step-down from the role in FY 23/24. The Board is therefore currently undertaking a search for a new Chief Executive. The Board wish to thank Andrew for his skills and management guiding the organisation through the difficult period of COVID and reshaping the business so that the organisation returned to a position of surplus generation once more.

COMMITTEES

The Board may delegate powers to committees and sub-committees. CBBC currently has an Executive Committee, an Audit & Financial Risk Committee and a Nominations Committee.

The Executive Committee meets every month and is chaired by the Chief Executive. The Executive Committee comprises of the following individuals:

Mr Andrew Seaton, Chief Executive
Ms Lise Bertelsen, Executive Director
Mr Adriaan Commandeur, Chief Membership Officer
Mr Robert Ismay, Chief Operating Officer

Mr Kiran Patel, Senior Director, Commercial
Mr Tom Simpson, Managing Director, China
Ms Claire Urry, Chief Commercial Officer

The Audit & Financial Risk Committee is chaired by Mr Edward Salt. Sir Charles Bowman, Ms Suwin Lee, Mr Gordon Orr, and Mr Neil Sampson are members. Meetings of the Audit & Financial Risk Committee are attended by the Chief Executive and the Chief Operating Officer at the invitation of the Chairman of the Committee. The Committee met four times during the year.

The Nominations Committee is chaired by Mr Gordon Orr. Mr Kenneth Macpherson and Ms Caroline Raggett are members. Meetings of the Nominations Committee are attended by the Chief Commercial Officer at the invitation of the Chairman of the Committee. The Committee met three times during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

AUDITORS

Sopher + Co LLP were appointed as auditors on 1 March 2023.

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as the auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 November 2023 and signed on its behalf.

Mr Robert Ismay
Secretary



DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies for the Group's financial statements and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CHINA-BRITAIN BUSINESS COUNCIL

OPINION

We have audited the financial statements of China-Britain Business Council (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 24, the directors are

responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of Events management and international relations sector.

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the Company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Iseman FCA
(Senior Statutory Auditor)

for and on behalf of

Sopher + Co LLP
Chartered Accountants
5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

20 November 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover		4,704,554	4,689,026
Cost of sales		(3,102,407)	(3,238,630)
Gross profit		1,602,147	1,450,396
Administrative expenses		(1,629,829)	(2,033,923)
Restructuring costs	6	46,277	(273,184)
Interest receivable and similar income		10,168	2,221
Profit/(loss) before taxation		28,763	(854,490)
Tax on profit/(loss)	5	29,221	(50,437)
Profit/(loss) for the financial year		57,984	(904,927)
Currency translation differences		10,281	(17,007)
Cashflow hedge		-	10,459
Other comprehensive income for the year		10,281	(6,548)
Total comprehensive income for the year		68,265	(911,475)
Profit/(loss) for the year attributable to:			
Owners of the parent Company		57,984	(904,927)

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 33 to 41 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	128,234	202,824
Current assets			
Debtors: amounts falling due within one year	9	1,584,533	1,644,251
Bank and cash balances		3,748,677	2,807,853
		5,333,210	4,452,104
Current liabilities			
Creditors: amounts falling due within one year	10	(5,071,557)	(4,258,001)
Net current assets		261,653	194,103
Total assets less current liabilities		389,887	396,927
Provisions for liabilities			
Other provisions	11	(28,470)	(103,775)
Net assets		361,417	293,152
Capital and reserves			
Other reserves		-	17,964
Profit and loss account		361,417	275,188
		361,417	293,152

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 November 2023.

Sir Sherard Cowper-Coles (Chair)
Director

Mr Edward Salt
Director

The notes on pages 33 to 41 form part of these consolidated financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	120,998	184,982
Investments	8	-	-
		120,998	184,982
Current assets			
Debtors: amounts falling due within one year	9	816,156	663,432
Cash at bank and in hand		2,044,572	2,157,289
		2,860,728	2,820,721
Current liabilities			
Creditors: amounts falling due within one year	10	(2,259,602)	(2,265,130)
Net current assets		601,126	555,591
Total assets less current liabilities		722,124	740,573
Provisions for liabilities			
Other provisions	11	(28,470)	(103,775)
Net assets		693,654	636,798
Capital and reserves			
Other reserves		-	17,964
Profit and loss account		693,654	618,834
		693,654	636,798

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 November 2023.

Sir Sherard Cowper-Coles (Chair)
Director

Mr Edward Salt
Director

The notes on pages 33 to 41 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2021	7,505	1,197,122	1,204,627
Loss for the year	-	(904,927)	(904,927)
Currency translation differences	-	(17,007)	(17,007)
Cashflow hedge - movement	10,459	-	10,459
At 1 April 2022	17,964	275,188	293,152
Profit for the year	-	57,984	57,984
Currency translation differences	-	10,281	10,281
Cashflow hedge - movement	(17,964)	17,964	-
At 31 March 2023	-	361,417	361,417

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2021	7,505	1,264,293	1,271,798
Loss for the year	-	(645,459)	(645,459)
Cashflow hedge - movement	10,459	-	10,459
At 1 April 2022	17,964	618,834	636,798
Profit for the year	-	56,856	56,856
Cashflow hedge - movement	(17,964)	17,964	-
At 31 March 2023	-	693,654	693,654

The notes on pages 33 to 41 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit/(loss) for the financial year	57,984	(904,927)
Adjustments for:		
Depreciation of tangible assets	78,277	83,797
Loss on disposal of tangible assets	-	989
Interest received	(10,168)	(2,221)
Taxation charge	8,457	50,437
Increase in debtors	(52,267)	(266,088)
Increase in creditors	815,013	555,139
Decrease in provisions	(75,305)	(74,143)
Corporation tax paid	(9,916)	(7,746)
Foreign exchange differences	3,092	-
Corporation tax received	111,986	2,248
Net cash generated from operating activities	927,153	(562,515)
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,500)	(645)
Interest received	10,168	2,221
Net cash from investing activities	7,668	1,576
Net increase/(decrease) in cash and cash equivalents	934,821	(560,939)
Cash and cash equivalents at beginning of year	2,807,852	3,385,798
Effect of exchange rate on cash and equivalents	6,003	(17,007)
Cash and cash equivalents at the end of year	3,748,676	2,807,852
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,748,676	2,807,852

The notes on pages 33 to 41 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General Information

China-Britain Business Council is a private limited company by guarantee without share capital, registered in England and Wales. The company's registered number is 06291886 and registered office address is King's Building, 16 Smith Square, London, SW1P 3HQ.

Details of the principal activity are set out in the Directors report on page 19.

2. Accounting policies

2.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The Company's forecast and projections, taking account of reasonably possible changes in trading performance and the continued financial support from the parent company, show that the Company should be able to continue to meet its operating liabilities as they fall due. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of their approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. Please refer to the Director's report for further details.

2.4 Foreign currency translation Functional and presentation currency

The Company's functional and presentational currency is £ Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2.5. Revenue

Turnover represents the value, net of value added tax, of all income recognised including grants, charges and subscriptions receivable for the period. Grants received for future events are deferred.

Membership subscriptions are recognised over the period to which they relate, and subscriptions paid in advance are deferred in the consolidation statement of financial position and amortised over the period of the subscription.

Revenue from service delivered contracts is recognised when the performance obligation has been met and the company is entitled to the revenue.

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Pensions

The Group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7. Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% Straight Line
Office improvements	- Straight line over the life of lease
Computer equipment	- 25% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at the transaction price, less any impairment

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Creditors

Short-term creditors are measured at the transaction price.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

a. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless

the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Hedge accounting

The Company designates certain derivatives as hedging instruments in cash flow hedges. At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the Company determines, and documents causes for hedge ineffectiveness. Note 15 sets out details of the fair values of the derivative instruments used for hedging purposes.

c. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	24,390	27,180

4. Employees

The average monthly number of employees, including directors, during the year was 55 (2022 - 61).

5. Taxation

	2023 £	2022 £
Corporation tax		
Adjustments in respect of previous periods	(8,457)	49,439
Foreign tax on income for the year	-	1,508
Foreign tax in respect of prior periods	-	(10,100)
Total current tax	(8,457)	40,847
Deferred tax		
Origination and reversal of timing differences	-	(26,111)
Adjustment for prior years	(20,764)	24,450
Tax rate change	-	11,251
Total deferred tax	(20,764)	9,590
Total tax (credit)/charge for year	(29,221)	50,437

5. Taxation (continued)

Factors affecting tax charge for the year:

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	28,763	(854,490)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	5,465	(162,353)
Effects of:		
Expenses not deductible for tax purposes	196	724
Depreciation for year in excess of capital allowance	11,942	12,983
Utilisation of tax losses	(9,902)	-
Adjustments to tax charge in respect of prior periods	(8,457)	40,487
Adjustment to tax charge in respect of prior periods - deferred tax	(20,764)	24,450
Short-term timing difference leading to an decrease in taxation	(9,093)	13,278
Re-measurement of deferred tax - change in UK tax rate	-	11,251
Unrelieved loss carried forward	-	135,728
Movement in deferred tax charge recognised	-	(26,111)
Unrelieved loss on foreign subsidiaries	1,392	-
Total tax charge for the year	(29,221)	50,437

Factors that may affect future tax charges

The Company has losses of £490,772 (2022: £543,511) available to carry forward against future trading profits. No provision has been made for a deferred tax asset in respect of the excess of these losses over accelerated capital allowances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Exceptional items

The average number of employees, including directors, during the year was as follows:

	2023	2022
Restructuring cost	(46,277)	273,184

7. Tangible fixed assets

Group	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2022	83,442	448,958	353,627	886,027
Additions	-	-	2,500	2,500
Exchange adjustments	-	-	2,220	2,220
At 31 March 2023	83,442	448,958	358,347	890,747
Depreciation				
At 1 April 2022	65,064	352,955	265,184	683,203
Charge for the year on owned assets	6,267	34,804	37,207	78,278
Exchange adjustments	-	-	1,032	1,032
At 31 March 2023	71,331	387,759	303,423	762,513
Net book value				
At 31 March 2023	12,111	61,199	54,924	128,234
At 31 March 2022	18,378	96,003	88,443	202,824

7. Tangible fixed assets (continued)

Company	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2022	83,442	448,958	289,583	821,983
Additions	-	-	2,500	2,500
At 31 March 2023	83,442	448,958	292,083	824,483
Depreciation				
At 1 April 2022	65,064	352,955	218,982	637,001
Charge for the year on owned assets	6,267	34,804	25,413	66,484
At 31 March 2023	71,331	387,759	244,395	703,485
Net book value				
At 31 March 2023	12,111	61,199	47,688	120,998
At 31 March 2022	18,378	96,003	70,601	184,982

8. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2022	157,895
At 31 March 2023	157,895
Impairment	
At 1 April 2022	157,895
At 31 March 2023	157,895

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	988,436	1,009,124	591,273	398,767
Amounts owed by group undertakings	-	-	1,050	-
Other debtors	321,548	268,616	45,455	45,401
Prepayments and accrued income	274,549	254,525	178,378	107,278
Corporation tax	-	111,986	-	111,986
	1,584,533	1,644,251	816,156	663,432

10. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	335,665	329,265	139,649	145,391
Amounts owed to group undertakings	-	-	6,353	151,254
Corporation tax	63,628	65,087	63,628	63,628
Other taxation and social security	58,187	67,205	58,184	91,925
Other creditors	1,276,968	1,059,484	980,280	837,363
Accruals and deferred income	3,337,109	2,736,960	1,011,508	975,569
	5,071,557	4,258,001	2,259,602	2,265,130

Included in other creditors are Launchpad deposits held on behalf of clients amounting to £890,729 (2021 - £719,029).

11. Provisions

Group

	Deferred Taxation	Restructuring	Dilapidations	Total
	£	£	£	£
At 1 April 2022	20,764	54,541	28,470	103,775
Charged to profit or loss	(20,764)	-	-	(20,764)
Utilised in year	-	(54,541)	-	(54,541)
At 31 March 2023	-	-	28,470	28,470

Company

	Deferred Taxation	Restructuring	Dilapidations	Total
	£	£	£	£
At 1 April 2022	20,764	54,541	28,470	103,775
Charged to profit or loss	(20,764)	-	-	(20,764)
Utilised in year	-	(54,541)	-	(54,541)
At 31 March 2023	-	-	28,470	28,470

12. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

13. Pension commitments

The Company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £111,234 (2022 - £148,084). Contributions totalling £11,546 (2022 - £13,770) were payable to the fund at the reporting date and are included in creditors.

14. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non- cancellable operating leases for each of the following periods:

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Not later than 1 year	270,268	730,988	127,468	285,123
Later than 1 year and not later than 5 years	226,445	547,844	215,124	341,359
	496,713	1,278,832	342,592	626,482

15. Related party transactions

The Company has taken advantage of the exemption available in accordance with FRS 102 33.1A 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of the group.

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