

Company registration number 05093170

BC Trading International Ltd

**Annual Report and Financial Statements
For the year ended 31 March 2023**



BC Trading International Ltd

Annual Report and Financial Statements for the year ended 31 March 2023

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BC Trading International Ltd

Strategic report

Strategic report for the year ended 31 March 2023

The directors present their strategic report on the Company for the year ended 31 March 2023.

Business environment and future outlook

The Company has shown a profit before taxation over the last few years. The profit before taxation is lower, as prior year included dividend income and proceeds from the sale of the India subsidiary. The Company paid a dividend to BC Holdings (United Kingdom) Limited which include the final proceeds from the sale of the subsidiary.

The increase in turnover indicates that the Company's main income stream had a slow recovery from the covid-19 restrictions during the year. Potential recovery to pre-covid-19 turnover is expected to be slower than anticipated, as many business partners focus on their business recovery plans with additional pressure relating to global inflation. Management has less certainty to predict the longer-term forecasts on the company's operational and financial results, however an incremental increase in turnover resulted in continued profitability during the financial year and expected to continue in the next financial year.

In addition, the British Council has invested in additional global subsidiaries, which can carry out the same general commercial activities as the Company. The strategic investment in these subsidiaries reduces cross border trading and encourages commercial activities, however, the Company will continue in areas where the British Council does not have a trading subsidiary presence.

Results

The profit before taxation was £122,425 (2022: £46,780,851) which was significantly lower after the prior year sale of a subsidiary. However, the profit before taxation on normal business activities, excluding the proceeds from the sale of the subsidiary, increased during the financial year to £122,425 (2022: £52,505). The profit before taxation was donated to the British Council, therefore, the result for the financial year was nil (2022: Profit £41,646,953). The deed of covenant donates taxable profits and the proceeds from the sale of the subsidiary was tax exempt which resulted in the prior profit and was considered as the dividend payment to BC Holdings (United Kingdom) Limited. The cash balance of £376,549 (2022: £349,192) was higher than last year and the cash retained after the dividend payment will be sufficient to continue with normal operating activities.

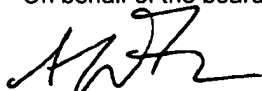
The net asset position of £277,694 (2022: £948,616) decreased from prior year due to a dividend payment to BC Holdings (United Kingdom) Limited of £670,822 (2022: £45,319,369). The dividend paid to BC Holdings (United Kingdom) Limited was the final proceeds from the sale of the subsidiary.

Principal risks and uncertainties

The principal risk relates to the uncertainties in relation to sponsorship income. Besides the expected slow recovery as mentioned in the business environment and future outlook section above, the British Council is monitoring global economic and political environments which can impact sponsorship income and managing the risk and uncertainties in order to avoid losing its market share to competitors.

In addition, the recovery after Covid-19 was slowed down by the growing geopolitical circumstances and inflationary pressures which increase global economic uncertainty and continue to impact the Company's performance. The ultimate financial impact and duration of these events is difficult to estimate and the impact for the Company is largely that sponsorship income continues to decrease globally. The Company is looking forward to improved performance with the easing of inflation and economic uncertainty over the next few years.

On behalf of the board



Andrew Horton
Director

01 December 2023

BC Trading International Ltd

Directors' report

Directors' report for the year ended 31 March 2023

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2023.

Principal activities

As set out in the strategic report, during the year ended 31 March 2023 the principal activity of the Company was to carry out general commercial activities, predominantly generating sponsorship and advertising income through British Council events. In addition, the company generated income from training activities to businesses.

Financial Risk Management

The Company is subject to credit risk through the potential default of a customer or other counterparty, and in order to minimize this risk evaluates and monitors all customers' creditworthiness on an ongoing basis.

The Company's activities expose it to the financial risks of changes in foreign currency rates. Overall, the Company has minimal exposure to currency risks due to it mainly transacting in Pounds sterling.

The Company's liquidity risk is low as the cash on hand is sufficient to meet the short-term overhead costs and liabilities.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements, except where otherwise shown, were as follows:

Andrew Horton (Chair)

Denise Waddingham

Fiona Nicolle

Johannes Meusen

The Company secretary is Sarah Howard.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the financial year, and also at the date of approval of the financial statements.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

BC Trading International Ltd

Directors' report

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

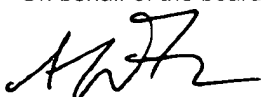
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the board



Andrew Horton
Director
01 December 2023

BC Trading International Ltd

Independent Auditors' report to the members of BC Trading International Ltd

Report on the audit of the financial statements

Opinion

In our opinion, BC Trading International Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2023; the profit and loss account and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

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

BC Trading International Ltd

Independent Auditors' report to the members of BC Trading International Ltd

Reporting on other information (continued)

statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 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 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to

BC Trading International Ltd

Independent Auditors' report to the members of BC Trading International Ltd

Auditors' responsibilities for the audit of the financial statements (continued)

which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journals to manipulate financial results. Audit procedures performed by the engagement team included:

- Identifying and testing journal entries, in particular, journal entries posted with unusual account combinations to income or expenditure accounts and understanding and evaluating any significant transactions outside the normal course of business;
- Enquiring of management and the board of directors, including consideration of whether there were any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of the board of directors; and
- Assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DChan

Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
01 December 2023

BC Trading International Ltd

Profit and loss account For the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	2	366,211	287,347
Cost of sales		(62,256)	(54,053)
Gross profit		303,955	233,294
Administrative expenses		(181,530)	(283,308)
Income from shares in group undertakings	4	-	3,511,554
Profit on disposal of operations	5	-	43,319,311
Profit before taxation	6	122,425	46,780,851
Gift aid donation		(122,425)	(52,505)
Tax on profit	7	-	(5,081,393)
Profit for the financial year		-	41,646,953

There are no recognised gains and losses other than the profit for the financial year (2022: none). Accordingly, a separate statement of other comprehensive income is not presented.

All amounts arise from continuing operations.

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

BC Trading International Ltd
(Company No. 05093170)

Balance sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	8	100,000	100,000
Current assets			
Debtors	9	116,772	918,846
Cash at bank and in hand		376,549	349,192
		<u>493,321</u>	<u>1,268,038</u>
Current liabilities			
Creditors: amounts falling due within one year	10	(315,527)	(419,422)
Net current assets		<u>177,794</u>	<u>848,616</u>
Total assets less current liabilities		<u>277,794</u>	<u>948,616</u>
Net assets		<u>277,794</u>	<u>948,616</u>
Capital and reserves			
Called up share capital	11	100	100
Retained earnings		277,694	948,516
Total shareholders' funds		<u>277,794</u>	<u>948,616</u>

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

The financial statements of BC Trading International Ltd on pages 7 to 16 were approved by the board of directors and authorised for issue on 08 November 2023. They were signed on its behalf by:



Andrew Horton
Director
01 December 2023

BC Trading International Ltd

Statement of changes in equity For year ended 31 March 2023

	Called up share capital	Retained earnings	Total shareholders' funds
	£	£	£
At 1 April 2021	100	4,620,932	4,621,032
Profit for the financial year and total comprehensive income	-	41,646,953	41,646,953
Dividend paid to BC Holdings (United Kingdom) Limited	-	(45,319,369)	(45,319,369)
At 31 March 2022	100	948,516	948,616
At 1 April 2022	100	948,516	948,616
Result for the financial year and total comprehensive income	-	-	-
Dividend paid to BC Holdings (United Kingdom) Limited	-	(670,822)	(670,822)
At 31 March 2023	100	277,694	277,794

Retained earnings represent accumulated comprehensive profit for the financial year and prior years plus related tax credits and charges from the parent company.

BC Trading International Ltd

Notes to the financial statements For the year ended 31 March 2023 (continued)

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

BC Trading International Ltd (Company number 05093170) is a private company limited by shares and is incorporated in United Kingdom and registered in England and Wales. The address of its registered office is 1 Redman Place, London, E20 1JQ, United Kingdom.

The separate financial statements of BC Trading International Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There were no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements. The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, the British Council, includes the company's cash flows in its own consolidated financial statements.

Consolidated financial statements

BC Trading International Ltd owns one subsidiary company: Ying He Advertising (Beijing) Co. LTD, see note 8.

BC Trading International Ltd is a wholly owned subsidiary of BC Holdings (United Kingdom) Limited and of its ultimate parent, the British Council, whose principal place of business is 1 Redman Place, London, United Kingdom. It is included in the consolidated financial statements of the British Council which are publicly available. Therefore, the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

Going concern

BC Trading International Ltd has continued to operate profitably throughout 2023. This profitable performance is expected to continue in the year to 31 March 2024 and for at least 12 months from the date of approval of these financial statements. A number of new sponsorship contracts have been signed at the date of approving these financial statements that are expected to contribute to this.

BC Trading International Ltd has limited fixed costs, mainly audit and tax fees. The majority of both cost of sales and administrative expenses are incurred based on the income generated from third party sponsorship contracts.

In addition to this, the gift aid donation paid up to the British Council, as the parent charity, would need to be a legal distribution from the company's distributable reserves. This is based on the profit generated by the company.

As a result, the directors believe that the Company will be able to maintain positive cash flows for the foreseeable future, and the going concern basis of accounting has therefore been adopted.

BC Trading International Ltd

Notes to the financial statements For the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

Foreign currency

The company's functional and presentation currency is the pound sterling. Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. 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.

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 as an exchange gain or loss in the profit and loss account.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and value added taxes. Turnover is recognised with the delivery of the contracted service provided that: the stage of the completion, the costs incurred in delivering the service and the costs to complete the requirements of the contract can all be measured reliably. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Fixed asset investments

The investments in subsidiary companies are held at cost less accumulated impairment losses.

Debtors

Debtors are amounts due from customers for services performed in the ordinary course of business. Debtors are recognised at carrying value, reduced by appropriate provisions for estimated irrecoverable amounts. The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade or other debtors, management considers factors including the current credit rating of the debtors, the ageing profile of debtors and historical experience.

Cash at bank and in hand

Cash consists of cash and cash equivalents held to meet short-term cash commitments as they fall due and includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with maturities of three months or less.

Creditors

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised at their settlement amount. The company does not have any creditors due in more than one year.

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments. The company has financial assets and liabilities of a kind that qualify as basic and complex financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. BC Trading International Ltd has opted to take advantage of the disclosure exemptions available in paragraph 1.12 (c) in relation to financial instrument disclosures required by sections 11 and 12 since BC Trading International Ltd is a qualifying entity and equivalent disclosures are made in the British Council's group financial statements.

Gift aid

Gift Aid payments are made under a deed of covenant arrangement to the parent undertaking, the British Council, being remeasured by the taxable profit to the profit and loss account. The estimate of

BC Trading International Ltd

Notes to the financial statements For the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

Gift aid (continued)

gift aid payable is the lesser of the Company's taxable profits for the period and the balance of the Company's reserves which is available for distribution.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Dividend income

Dividends are recognised when the Company's right to receive payment is established.

Dividend payment

Dividend payments are recognised when the Company's board of directors approve dividends after considering future operational and cashflow activities against the Company's reserves available for distribution.

2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to £99,012 (2022: £152,187). The turnover is attributable to the Company's principal activity.

3. Employees and Directors

(i) Employees

No employees (including directors) were employed by BC Trading International Ltd during the financial year (2022: none).

BC Trading International Ltd

Notes to the financial statements (continued) For the year ended 31 March 2023

3. Employees and Directors (continued)

(ii) Directors' remuneration

None of the directors of BC Trading International Ltd were remunerated by the Company for their services as directors in the current or prior accounting periods. All costs of remunerating the directors, who are employees of the British Council, are met by the British Council, in whose financial statements all such costs have been recognised. The amount of remuneration paid to the directors cannot be apportioned accurately for their services to BC Trading International Ltd, and would be immaterial to disclose.

4. Income from shares in group undertakings

	2023 £	2022 £
Income from shares in group undertakings	-	3,511,554

The dividend income was exempt from taxation. The deed of covenant commits taxable profits; therefore, the dividend income was not donated to the British Council during the previous financial year.

5. Profit on disposal of operations

	2023 £	2022 £
Income from shares sold in group undertakings	-	43,319,311

The profit on disposal of operation was exempt from taxation. The deed of covenant commits taxable profits; therefore, the proceeds from the disposal was not donated to the British Council during the previous financial year.

6. Profit before taxation

The profit before taxation for the year is stated after charging:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	30,000	28,315
Tax compliance services	6,135	5,850

BC Trading International Ltd

Notes to the financial statements (continued) For the year ended 31 March 2023

7. Tax on profit

BC Trading International Ltd is committed to pay all of the taxable profits for the year ended 31 March 2023 to the British Council, its ultimate parent charity, under the deed of covenant. This is treated as a qualifying donation and is not subject to taxation.

	2023 £	2022 £
Current taxation		
United Kingdom corporation tax at 19% (2022: 19%)	-	-
Overseas taxation	-	5,081,393
Total current tax	-	5,081,393
Deferred taxation	-	-
Tax on profit	-	5,081,393
 Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	23,261	8,888,362
Effects of:		
Income exempt from tax	-	(8,897,864)
Effects of group relief	-	19,478
Effects of overseas tax rates	-	5,081,393
Qualifying donation to British Council for the year	(23,261)	(9,976)
Tax on profit	-	5,081,393

In March 2021, the UK Government announced an increase in tax rate of up to 25% that will come into effect from 1 April 2023. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. Investments

	2023 £	2022 £
At 1 April	100,000	101,739
Disposal in the year	-	(1,739)
At 31 March	100,000	100,000

The Company had directly held investments in the following subsidiary undertakings:

Organisation name	Country	Registered address	Principal activity	Class shares held/%	Investment amount £
Ying He Advertising (Beijing) Co.LTD	China	Office 2151, 21/F, Sunflower Tower, No.37, Maizidian Street, Chaoyang District, Beijing	Raising funds through trading activities	Ordinary/100%	100,000

BC Trading International Ltd

Notes to the financial statements (continued) For the year ended 31 March 2023

9. Debtors

	2023	2022
	£	£
Trade debtors	95,474	227,855
Other debtors	21,298	20,170
Amounts owed from disposal of operations	-	670,821
	<u>116,772</u>	<u>918,846</u>

All amounts are due within one year.

10. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	-	2,125
Amounts owed to group undertakings	226,958	173,706
Accruals	40,323	73,591
Deferred income	48,246	170,000
	<u>315,527</u>	<u>419,422</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. Called up share capital

	2023	2022
	£	£
Allotted and fully paid:		
One hundred Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. Dividends paid to BC Holdings (United Kingdom) Limited

	2023	2022
	£	£
Equity - Ordinary	<u>670,822</u>	<u>45,319,369</u>

13. Ultimate parent company

The ultimate parent undertaking and controlling party is the British Council.

The Company is a wholly-owned subsidiary of BC Holdings (United Kingdom) Limited. BC Holdings (United Kingdom) Limited is itself a wholly-owned subsidiary of the British Council. The group of which the British Council is the parent organisation forms the largest and smallest group preparing consolidated financial statements which include BC Trading International Ltd.

The consolidated financial statements of the British Council can be obtained from the British Council's website at www.britishcouncil.org or at its registered address 1 Redman Place, London, E20 1JQ, United Kingdom, or from the Charity Commission for England and Wales website at www.charity-commission.gov.uk.

BC Trading International Ltd

Notes to the financial statements (continued) For the year ended 31 March 2023

14. Related party transactions

BC Trading International Ltd has no related party transactions apart from with other companies that are wholly owned within the British Council Group. The company has taken advantage of the exemption under FRS102 from disclosing related party transactions with other companies that are wholly owned within the group.