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Mr Len Duvall  
Chair of the GLA Oversight Committee  
City Hall  
The Queens Walk  
London SE12AA

16<sup>th</sup> April 2015

Dear Len,

**GLA Oversight Committee – 24 March 2015, Royal Albert Dock**

Thank you for your letter of 10<sup>th</sup> April regarding attendance at the above meeting. You asked for further information arising from the discussion.

I will respond to your points in turn:

- **Providing background documentation in relation to the Moore Stephens Report**  
Due to the commercial sensitivity of the information and legal issues in relation to publishing emails without the sender's or recipient's permission we are not in a position to publish the background information in the report. As discussed at the meeting, the report was commissioned by the board of London & Partners who are confident about the robustness of the report. This report, that was release to you in its entirety, clearly refutes the allegations made against London & Partners as well as providing full details of London & Partners involvement in marketing the Royal Albert Dock.
- **London & Partners Press Release issued on 31 May 2013**  
The information contained within the press release confirms that London & Partners role was to promote and market the Royal Albert Dock internationally and to support ABP by providing information and advice on the practicalities of locating and doing business in the capital. As confirmed by the Moore Stephens report, London & Partners played no part in the procurement of the Royal Albert Dock.
- **London & Partners' media strategy in response to the Channel 4 programme**  
The London & Partners' press team were made aware of the enquiry by Channel 4 News by the GLA press team on 6th November after they received a request for information. At no point did London & Partners receive a direct request for information from Channel 4. Our press team prepared a statement addressing the allegations relating to London & Partners and communicated this to Channel 4 on 11th November 2014 prior to the item being broadcast on 13th November. In addition to the above statement our press team then subsequently issued a further statement to Channel 4 News immediately after the broadcast, because it was felt strongly that they did not accurately represent London & Partners position when the story was broadcast and published online. However, this statement was not published or broadcast by Channel 4 News.

Following Channel 4's broadcast, we received further media enquiries, for example, from the Evening Standard, BBC London, The Guardian, ITV London and various Chinese media. At all times our press team issued a robust denial of the story. For example, ITV London News carried a short piece on 15th November 2014 with an extract of our statement confirming that 'London & Partners was not a part of the decision making process nor sought to influence which company would be awarded the contract for the Royal Albert Dock'. Copies of the press statements issued to Channel 4 are contained as an Appendix to this letter.

- **Confirmation of the date on which Mr Tongbo Liu left the employment of London & Partners**

Tongbo Liu left the employment of London & Partners on 31 March 2013.

- **Clarification on the extent to which the GLA internal auditors have access to London & Partners' accounts, and sight of current and future grant agreements and the associated conditions**

Attached is a document which combines the original grant agreement for 2011-2015 with a deed of variation agreed in April 2012 which outlines the arrangements for London & Partners employing Tongbo Liu on behalf of the GLA. A new deed of variation is currently being drawn up by the GLA to extend the grant to 2017. In addition the new deed of variation will augment the provisions in the current agreement for the GLA to have access to London & Partners business records to allow the GLA to conduct inspection visits and scrutiny of London & Partners files and to audit or conduct any other review of the company's use and management of the GLA Grant.

- **Confirmation of when and which London & Partners and GLA staff met with Ms Xuelin Black, particularly in her role as adviser to ABP;**

London & Partners' representative in Shanghai attended a dinner with Zhongrong Holdings Group in conjunction with representatives from the GLA and LDA as part of the Royal Albert Dock marketing campaign on 23<sup>rd</sup> September 2011 at which Ms Xuelin Black was present. Our representative was not aware that Ms Black was an adviser to ABP. I attended a lunch with Gordon Innes of London & Partners after the signing ceremony at City Hall to announce the London ABP project on 29<sup>th</sup> May 2013 at which Ms Xuelin Black was present.

- **Clarification on whether there are records of ABP meeting with any predecessor organisations prior to discussions with London & Partners in relation to the Royal Albert Dock development.**

Having checked the files that were transferred from Think London to London and Partners I can confirm that there are no records of there being any meetings with the predecessor body in relation to the Royal Albert Dock.

Finally, you asked for a response to the following questions:

- **Can you confirm that your role in the due diligence process was to ascertain the capacity of ABP to specifically deliver Chinese businesses to the Royal Albert Docks project? How was this done? Who carried out this process?**

In August 2012 at the request of the GLA London & Partners' China team asked 47 Chinese companies three questions as to whether they were potential buyers or tenants of ABP's proposed development of the Royal Albert Dock.

- i) Was the company located in an existing ABP development in China?
- ii) Did the company have an intention to establish a presence in London in the next few years?
- iii) Was the company aware of ABP's proposal for a development in east London? If yes, did the company intend purchasing premises in the development?

The responses to the questions were recorded in a spreadsheet and passed to the GLA. Moore Stephens has reviewed the spreadsheet and emails in relation to this exercise and concluded it was carried out in a 'factual and neutral way'.

• **Did you have any other role in the due diligence process?**

London & Partners played no other role in the due diligence process.

Yours sincerely,



Sir Edward Lister  
Chairman

cc: Gordon Innes, CEO, London & Partners  
John Barry, Principal Committee Manager, GLA

Appendix

**PRESS STATEMENTS ISSUED TO CHANNEL 4**

Initial statement sent to Channel 4 on 11<sup>th</sup> November 2014:

"Think London was funded by the London Development Agency (LDA) to promote London as a destination for foreign direct investment before being merged into London & Partners in 2011. Think London and subsequently London & Partners was tasked by the LDA and the GLA, into which the LDA was subsumed in 2012, to promote the investment opportunities available in the Royal Albert Docks. London & Partners carried out an international marketing and promotional campaign in 2011, including in India and Australia as well as numerous cities across China and Hong Kong, to highlight to potential investors the opportunities available in the Royal Docks. London & Partners encouraged several companies to bid and to complete the tender process. At no point was Think London or London & Partners a part of the decision making process nor sought to influence which company would be awarded the contract for the Royal Albert Dock.

"London & Partners, as is common practice for many organisations, shares office space with other businesses. We currently rent out a small space in an office at Oriental Plaza in Beijing. The lease was originally taken out by the LDA in 2006 to accommodate Think London's staff and the LDA's representative. ABP subsequently moved into the office in 2011 and separate leases were put in place between Oriental Plaza and ABP and Oriental Plaza and London & Partners with the parties paying rent in proportion to the space they occupied. Two years ago London & Partners decided it wanted to co-locate its staff with UKTI at the British Embassy in Beijing. However the Embassy was unable to accommodate the team until a refurbishment project was completed. When London & Partners lease at Oriental Plaza expired in January 2013, ABP agreed to take on the lease and London & Partners sublet four desks from ABP at the same rate as previously paid. On 1st October 2015, the landlord at Oriental Plaza changed from ABP to Beijing Guo Tou Hui Tang Fund Ltd with whom London & Partners has a short term agreement pending the completion of the documentation to move into the British Embassy in early 2015."

Additional statement sent to Channel 4 immediately after the Channel 4 News broadcast on 13<sup>th</sup> November 2014:

"We believe that Channel Four has not fairly represented London & Partners in its report tonight nor accurately reflected the statement we provided to the programme in its coverage in a balanced way. London & Partners was not a part of the decision making process nor sought to influence which company would be awarded the contract for the Royal Albert Dock. Tongbo Liu was never the chief representative of London & Partners and did not deliver activities for London and Partners in China. London & Partners is in the process of moving into the British Embassy offices in China and during the interim periods has always paid market rates for office space."

**Dated...25...April.....2012**

**(1) THE GREATER LONDON AUTHORITY**

**-and-**

**(2) LONDON & PARTNERS LIMITED**

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**DEED OF VARIATION  
IN RESPECT OF A GRANT FUNDING AGREEMENT BETWEEN  
THE ABOVE PARTIES CONCERNING LONDON & PARTNERS  
LIMITED'S BUSINESS**

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2.2 Condition 6.1.1 of the Agreement shall be deleted and replaced with the following:

6.1.1 No later than 15 working days after each Quarter Day (or as more often as reasonably requested by us) provide us with a duly completed Financial Activities & Outputs Report ("**Financial Activities & Outputs Report**"), incorporating at least the elements set out in schedule 4, or such other information or in such form as we may reasonably request from time to time. Each Financial Activities & Outputs Report shall detail progress against the Business Plan and shall identify the amount of Grant that has been defrayed in meeting expenditure relating to the Business or which will be defrayed in meeting expenditure relating to the Business in the period of 4 weeks following the date of the Report.

2.3 The following definitions shall be added to schedule 1:

"London's China Representative Activities" has the meaning set out at schedule 6.

"Claim Form" means the form attached at schedule 7 or as provided by the GLA to the Grantee from time to time.

2.4 Schedule 2 of the Agreement shall be deleted and replaced with a new schedule 2 a copy of which is set out at Appendix 2 hereto.

2.5 New schedules 6 & 7 shall be added to the Agreement copies of which are set out at Appendices 3 and 4 hereto.

**3 Continuation of Agreement**


3.1 Except as expressly amended by the terms of this Deed, the Agreement will otherwise continue in full force and effect in accordance with its terms.

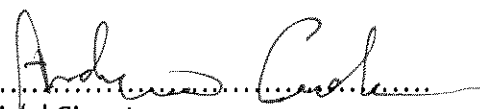
**IN WITNESS OF THE ABOVE THE PARTIES HAVE EXECUTED THIS AGREEMENT AS A DEED ON THE DATE WRITTEN AT THE HEAD OF THIS DEED**

**SIGNED AS A DEED BY THE GREATER LONDON AUTHORITY acting by:**

  
.....  
Authorised Signatory

**LONDON & PARTNERS LIMITED acting by:**

  
.....  
Authorised Signatory

  
.....  
Authorised Signatory

## **Appendix 1**

### **The Agreement**



## GRANT AGREEMENT

### PARTICULARS OF GRANT AGREEMENT

THIS AGREEMENT dated 31 March 2011

#### BETWEEN

- (1) THE MAYOR OF LONDON in exercise of the functions of the Greater London Authority of City Hall, The Queen's Walk, London, SE1 2AA, (the "GLA" or "us" or "we"); and
- (2) LONDON & PARTNERS LIMITED a company limited by guarantee (registered number 06900359) whose registered office is at City Hall, The Queen's Walk, London, SE1 2AA (the "Grantee" or "you").

#### BACKGROUND

- (A) We have power to make grant funding available to facilitate certain purposes.
- (B) You have requested grant funding from us for the Business, which falls within one of the purposes for which we are empowered to make grants.
- (C) We have agreed to provide grant funding to you on the terms and conditions set out in this Agreement.
- (D) You have agreed to enter into this Agreement to provide us with remedies (including repayment of Grant) if you fail to comply with your obligations under this Agreement.

#### IT IS AGREED

1. As a condition of us providing the Grant and you accepting the Grant you agree to comply with the terms and conditions of this Agreement.
2. The Maximum Sum to be provided by us under this Agreement shall be as set out in Part 1 of Schedule 2 which shall be distributed as set out in Part 2 of Schedule 2.
3. No funding shall be payable under this Agreement (save at our entire discretion) for any Financial Year prior to our approval of the Business Plan to which that Financial Year relates.
4. Where this Agreement refers to funding beyond the Current Financial Year, such funding shall be conditional on us issuing a supplementary Award Letter confirming the maximum sum for that Financial Year before the beginning of the relevant Financial Year. Until an Award Letter is issued, we shall not be obliged under this Agreement or on any other grounds including any claimed or alleged legitimate expectation on your part in relation to funding for Future Financial Years, and any reference in this Agreement or elsewhere relating to potential funding for Future Financial Years is indicative only.
5. The Commencement Date for this Agreement shall be 1 April 2011.

We have each executed and delivered this Agreement by our duly authorised representatives on the date set out above.

In witness whereof the GLA and London & Partners Limited have duly executed and delivered this document as a Deed the day and year first before written.

EXECUTED as a Deed by: ) *M. D. Allen*

Authorised Signatory:

Executed as a deed by  
LONDON & PARTNERS LIMITED  
acting by the following officers:

)  
)  
)

Director: *Judith Maghen Jones*

Director: *Derry Lopez*

## Terms and Conditions of the Grant Funding Agreement

### Interpretation

- 1.1 In this Agreement, unless the context otherwise requires words and expressions set out in Schedule 1 (generally identified by capitalisation of the initial letter(s)) shall have the meanings given to them in Schedule 1.
- 1.2 The Schedules and the Particulars at the front of this Agreement are incorporated into and form part of this Agreement.

### 2. Grantee's Representations and Undertakings

- 2.1 You represent and undertake to us as a fundamental condition of this Agreement and you acknowledge that we have relied, and will rely, on such statements in entering into this Agreement and each time we pay an installment of the Grant that:

- 2.1.1 you have sufficient resources, including competent and qualified personnel, financial resources, premises and other resources as necessary, to carry on the Business;
- 2.1.2 you will have all consents, approvals, permissions and accreditations necessary for the valid execution of this Agreement and the lawful and proper carrying on of the Business and shall maintain and comply with all the requirements of such consents, approvals, permissions and accreditations;
- 2.1.3 you will not use the Grant for any purpose other than that of carrying on the Business. In particular, you will not use any Grant for the purpose of supporting, directly or indirectly, any political party, organisation or activities, or for any exclusively religious purpose or for any purpose which is likely to bring the institutions of the GLA, the Mayor of London into disrepute;
- 2.1.4 you will not without our prior written consent make any material changes to the Business;
- 2.1.5 any information you provide to us in the future relating to this Agreement or the Business will be true, complete and accurate and not misleading in any way; and
- 2.1.6 you have the necessary power and authority to enter into this Agreement and each of the obligations imposed on you under this Agreement shall be binding and legally enforceable against you.

- 2.2 The representations and undertakings set out in this Condition 2 shall be deemed to be repeated by you on each occasion when an installment of Grant is paid to you under this Agreement, as if made by reference to the circumstances existing at the date such payment is made.

### 3. The Business

- 3.1 You will carry on the Business in accordance with the Business Plan and fulfill your obligations in respect thereof in accordance with the terms and conditions of this Agreement.

3.2 You and all persons under your control will act in accordance with ethical business standards and will use appropriate procedures and controls to ensure that real or apparent impropriety is avoided.

3.3 We shall be entitled to appoint an observer who shall be one of our officers. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all meetings of your board.

#### 4. Procurement

4.1 All works, equipment, goods and services to be purchased for the Business shall be procured on the basis of best value, and in accordance with all relevant law (including relevant procurement legislation), rules and regulations.

4.2 Subject always to Condition 4.1 you will obtain a minimum of three written quotes from possible suppliers of any works, equipment, goods and services to be purchased for the Business where the purchase price is £10,000 (excluding VAT) or more. You will not split purchase contracts artificially so as to circumvent this requirement.

#### 5. Management and Evaluation

5.1 You will nominate an individual who will be responsible on your behalf for ensuring the proper management of the Business and who will be our main point of contact for this Agreement and you will notify us of any substitute person who may be appointed. The individual nominated by you will carry out his/her functions personally or through directly managing other staff to carry out particular functions. If such individual ceases to hold a position of authority with you, you must immediately inform us, in writing, and provide details of the person who you propose should replace such person.

5.2 We will notify you of the person who shall be your main point of contact at the GLA for this Agreement and we will notify you of any substitute person who may be appointed.

5.3 You will at no additional cost to us comply fully with the evaluation requirements set out in Schedule 3.

5.4 You will attend review meetings with us (no less than quarterly) to discuss progress against the Business Plan.

#### 6. Reporting

6.1 You shall:

6.1.1 No later than 10 working days after each Quarter Day (or more often as reasonably requested by us) provide us with a duly completed Financial Activities & Outputs Report ("Financial Activities & Outputs Report"), incorporating at least the elements set out in schedule 4, or such other information or in such form as we may reasonably request from time to time. Each Financial Activities & Outputs Report shall detail progress against the Business Plan and shall identify the amount of Grant that has been defrayed in meeting expenditure relating to the Business or which will be defrayed in meeting expenditure relating to the Business in the period of 4 weeks following the date of the Report.

- 6.1.2 Provide us with copies of the same management accounts which are provided to your Board and provide oral and/or written explanations relating to the financial status of your business and forecast expenditure as may be requested by us.
- 6.1.3 Ensure that you have in place appropriate procedures to identify and address areas of risk that may arise in relation to the Business at all times for the duration of this Agreement.
- 6.2 You shall procure that at each meeting of the Board, your executives report to the Board in order that the directors may consider whether a Material Deviation has occurred and, if it so considers, you shall promptly:
- 6.2.1 report such Material Deviation (together with details of the reasons for such Material Deviation) to us in writing; and
- 6.2.2 provide us with a Material Deviation Action Plan.
- 6.3 If we approve a Material Deviation Action Plan provided pursuant to Condition 6.2 you shall implement such Material Deviation Action Plan in accordance with its terms.
- 6.4 If we do not approve a Material Deviation Action Plan pursuant to Condition 6.3, we shall inform you of the reasons for our refusal to approve the Material Deviation Action Plan and you shall present a revised Material Deviation Action Plan to us and Conditions 6.2 and 6.3 shall apply to such revised Material Deviation Action Plan until such time as a revised Material Deviation Action Plan is approved by us.
- 6.5 In the event that we believe that you have failed in your obligation to report a Material Deviation to us pursuant to Condition 6.2 we may ask you to reconsider whether a Material Deviation has occurred. If you reconsider that a Material Deviation has occurred or is reasonably likely to occur, then you shall report to us pursuant to Condition 6.2. If you, after reconsidering the matter, conclude that a Material Deviation has not occurred or is not reasonably likely to occur then you shall report such fact to us together with your reasons.
7. **Records and Reconciliation**
- 7.1 You will for at least 10 years after the end of the Term of this Agreement keep complete, accurate and auditable records of all matters relating to the Grant and the Business, including all income and expenditure (differentiating between Grant funding and all other moneys received) and your overall financial position and will provide us with access to and copies of these records on request from time to time ("Business Records").
- 7.2 As soon as reasonably practical after the end of the Current Financial Year in respect of which Grant payment has been or is to be sought, and no later than 31<sup>st</sup> July in the Subsequent Financial Year prepare and submit to us a reconciliation statement in respect of the Financial Year just ended (or the final period of this Agreement, as the case may be) ("Annual Reconciliation Statement"), (with such supporting documentation and information as we may reasonably request) which shall detail (a) your aggregate actual expenditure in the Financial Year just ended (or the final period of this Agreement, as the case may be); (b) your actual expenditure in the Financial Year just ended (or the final period of this Agreement, as the case may be) in respect of each of the individual heads of expenditure referred to in your budget ("Heads of Expenditure") for the corresponding period. The Annual Reconciliation Statement shall also contain a statement detailing (i) the amount of Grant received under this Agreement up to the

date of such Annual Reconciliation Statement; (ii) the amount of Grant that has been defrayed in meeting the expenditure referred to in the Annual Reconciliation Statement broken down by reference to the Heads of Expenditure; and (iii) the amount of Grant that you hold at the date of the Annual Reconciliation Statement which has not yet been defrayed in meeting expenditure relating to the Business again broken down by reference to the Heads of Expenditure ("Overpayment").

- 7.3 Unless you have previously obtained our consent to build up financial reserves from the Grant, which shall not exceed £500,000 (or such other amount that may be agreed between us from time to time)("Agreed Reserve"), we shall be entitled to demand repayment of the amount of any Overpayment which is in excess of the amount of the Agreed Reserve.
- 7.4 You shall procure that the Annual Reconciliation Statement is certified by your chief financial officer and audited by your external auditors within 30 days of the end of each Financial Year and that such auditors certify to us the amount of Grant received by you from us under this Agreement in the relevant period, your actual expenditure during the corresponding period (in aggregate amount and broken down into the Heads of Expenditure ), the amount of any Overpayment and the amount of any financial reserves created by you from the Grant.
- 7.5 In addition to your obligations to ensure that your annual report and accounts comply with all applicable law and regulation, you will incorporate into your annual accounts and reports by way of a note to the accounts or in such other way which shall be satisfactory to us acting reasonably details of the amount of Grant received by you under this Agreement, details of the amount of expenditure in respect of which such Grant has been provided, the amount of Grant actually defrayed in meeting expenditure relating to the Business and the amount of any financial reserves created from the Grant.
- 7.6 You will notify us in writing as soon as an under-spend or over-spend of more than 5% is identified in respect of each Head of Expenditure. You may not carry forward funding or build up financial reserves from the Grant without our prior written consent.
- 7.7 You may not use Grant or apply any financial reserves that have been built up in accordance with this Agreement to defray any expenditure in excess of the individual limits imposed on the relevant Head of Expenditure set out in Part 3 of Schedule 2 without our prior written consent.

## **8. Publicity and Communications**

- 8.1 If we ask you to you will incorporate our logo in marketing materials, and we permit the use of our logo solely for this purpose and for no other purpose whatsoever.
- 8.2 We will be entitled to publish on our website or elsewhere brief details of the existence of this Agreement together with your name and address, brief particulars of the subject matter of this Agreement and the value of this Agreement. By entering into this Agreement, you agree that we can publish such details, as we think fit.
- 8.3 You will notify us of any announcements and communications you intend to make relating to this Agreement and to the impact of activities funded by the Grant and we will be entitled to approve and be represented in any such communication.

8.4 We will be entitled to publish on our website or elsewhere, or use in speeches and presentations, any data and market intelligence that you provide to us which provides an assessment of the performance of London's economy.

8.5 You will co-operate fully and provide all information and assistance as required by us for the purpose of responding to internal and external enquiries. Such requests may be made at any time, on reasonable notice to you. Such co-operation shall be provided in good faith and at no additional cost to us.

## 9. Freedom of Information

9.1 You acknowledge that we are a public authority for the purpose of the Freedom of Information Act 2000 (the "FOI Act") and the Environmental Information Regulations 2004 (the "EIR") and that we will, as a public authority, determine in our absolute discretion, and be responsible for, all responses to any request for information made to us under the FOI Act and/or the EIR and we shall not be liable to you or any other person for any loss suffered as a result of any bona fide disclosure of information under the FOI Act and/or the EIR or any other statutory information disclosure obligation.

9.2 Where information is requested from us relating to you under the FOI Act and/or EIR we will, whenever practicable, consult you regarding the request in order to obtain your views on the disclosure of the information and whether it should be exempt from disclosure.

## 10. Payment of Grant

10.1 Each installment of Grant as set out in Part 3 of Schedule 2 shall be paid in accordance with Condition 10.3.

10.2 The parties agree that the Grant does not represent consideration for a taxable supply to us and is therefore not subject to VAT. If HM Revenue and Customs rule that VAT is payable, then the amount of the Grant shall be deemed to be inclusive of VAT. You acknowledge that we shall not be obliged to make any further payment in addition to the Grant in respect of any VAT which may be payable on Grant funded activities.

10.3 We shall endeavour to pay each installment of Grant referred to in Part 3 of Schedule 2 within 15 days of the date specified for payment in Part 3 of Schedule 2, but will not be responsible for any delay or the consequences of any delay.

## 11. Withholding, Reduction and Recovery of Grant

11.1 We can in our absolute discretion, reduce, suspend or withhold the payment of Grant if:

11.1.1 there is a breach of any material terms of this Agreement;

11.1.2 you make a substantial change to the Business which we have not previously approved in writing;

11.1.3 there is evidence of financial irregularity, impropriety or negligence in the operation of the Business which is not rectified within the timescale specified by us (if any);

11.1.4 if you have built up financial reserves from the Grant in excess of the amount of any Agreed Reserve in aggregate amount without our prior written consent;

11.1.5 you receive a grant from another funding source towards costs intended to be funded by the Grant;

11.1.7 you do not file, by the due date, any accounts, returns or other documents which you are required to file at Companies House, with HM Revenue and Customs or with any other Government body or agency;

and may in the case of the circumstances described in Conditions 11.1.1, 11.1.4 and 11.1.6 require all or part of the Grant to be repaid provided that the amount of the Grant which we may withhold, suspend, reduce or require to be repaid shall be limited to the amount of Grant which we, in our reasonable opinion, consider is affected by the existence of the particular circumstances referred to in this Condition 11.1. We will notify you in writing of any decision we take to reduce, suspend or withhold Grant.

11.2 If we demand repayment of the Grant or any part of it, you will make the repayment within 20 days of the notice demanding the repayment. We shall be entitled to charge interest on any late payment at the rate of 2% per annum above the base rate from time to time of Barclays Bank plc.

11.3 The provisions of this Condition 11 are without prejudice to any other rights or remedies we have under this Agreement or otherwise at law or in equity.

## 12. Assignment and Sub-Contracting

12.1 You shall not assign the whole or any part of this Agreement or the benefit of this Agreement without our prior written consent.

## 13. Intellectual Property Rights

13.1 You grant to us and any Functional Body a non exclusive, royalty-free, worldwide, irrevocable, non-assignable, perpetual licence of any of your Intellectual Property Rights to use the same for the purposes of any of our functions or the functions of that Functional Body (the "Approved Purposes"), and in this Condition "use" shall include the acts of copying (for the Approved Purposes only), but not modifying, adapting and translating the material in question and/or incorporating them with other materials.

13.2 The provisions of this Condition 13 shall survive the termination of this Agreement for any reason.

## 14. Termination and Consequences of Termination

14.1 We may terminate this Agreement by notice in writing to you and demand repayment of all or part of the Grant in our absolute discretion if:

14.1.1 you are in breach of any material term of this Agreement or any other agreement in force between us from time to time relating to the Business that is capable of remedy, and we have served a notice requiring the breach to be remedied, and you have not remedied the breach to our reasonable satisfaction within the period set out in the notice;

14.1.2 you purport to assign your rights under this Agreement without obtaining our prior written consent;



14.1.3 you cease, or threaten to cease, to carry on the whole or a substantial part of your business;

14.1.4 you are convicted or charged (or any of your directors, officers or representatives are convicted or charged) of a criminal offence related to business, professional conduct or dishonesty;

14.1.5 your directors, officers or representatives fail to disclose any material misrepresentation in supplying information required by us in or pursuant to this Agreement.

14.2 On expiry or termination of this Agreement for any reason, you will return to us within 30 days any unused Grant (unless we give our specific written consent in respect of its retention).

14.3 For the avoidance of doubt, any consent given to the creation of financial reserves is not and shall not be construed as being consent for the purpose of Condition 14.2 to the retention of any such financial reserves on or following the expiry or termination of this Agreement.

## 15. Insolvency

15.1 You must notify us in writing immediately upon the occurrence of any of the following events in relation to you:

15.1.1 a winding up order is made; or

15.1.2 a resolution is proposed for voluntary winding up; or

15.1.3 the court makes a composition or arrangement with your creditors; or

15.1.4 have an administrative receiver, administrator, receiver or manager appointed by a creditor or by the court; or

15.1.5 possession is taken of any of your property under the terms of a fixed or floating charge; or

15.1.6 you becomes insolvent within the meaning of Section 123(1) of the Insolvency Act 1986.

15.2 We may terminate the Grant and/or this Agreement with immediate effect by notice in writing to you if any of the events described above occur.

## 16. Insurance

16.1 You will during the term of this Agreement and in respect of claims arising during the term of this Agreement take and out and maintain or will procure the maintenance with a reputable insurance company of employers liability insurance of not less than £5 million, with a minimum of £2 million in respect of any one claim at all times while you employ less than 100 people, and of not less than £10 million with a minimum of £2 million in respect of any one claim whenever you employ 100 people or more, and public liability insurance for not less than £2 million with a minimum of £2 million in respect of any one claim, and when requested by us, you shall provide us with satisfactory evidence of such cover.

16.2 You will not do or permit anything to be done which may render any policy or policies of insurance void or voidable.

17. Miscellaneous

17.1 If any part of this Agreement becomes illegal or unenforceable the remaining provisions shall remain in full force and effect. We each shall (in the above circumstances) negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted which as nearly as possible validly gives effect to our intentions as expressed in this Agreement. Failure to agree on such a provision within three months of commencement of those negotiations shall result in automatic termination of this Agreement. Our obligations under any invalid illegal or unenforceable provision of this Agreement shall be suspended during such a negotiation.

17.2 A failure by us to exercise any right or to enforce performance of any provision or term of this Agreement shall not be a waiver of that or any later default and no waiver shall be effective unless in writing.

17.3 No amendment or variation of this Agreement shall be effective unless agreed in writing and signed by both of us.

17.4 Service of notices shall be in writing and delivered by hand or sent by email or first class post to the address given in the Particulars. Service shall be deemed to be effective:

17.4.1 at the time of delivery if delivered by hand;

17.4.2 if sent by email with confirmed acknowledgement of receipt to have been served on the date of transmission (if transmitted during normal business hours) or, if transmitted outside normal business hours, on the next Working Day; or

17.4.3 if posted by first class post to be served on the second Working Day after the date of posting.

## SCHEDULE 1

### Definitions and Interpretation

#### 1.1 Definitions

"Agreement" means the Grant Funding Agreement between us and you comprising the Particulars of Grant Funding Agreement which are attached to these Terms and Conditions, these Terms and Conditions and the Schedules to these Terms and Conditions.

"Board" means your board of directors.

"Business" means the business to be carried out by you as described in the Business Plan.

"Business Aims" means the aims, objectives, targets and key performance indicators for the financial year to which the Business Plan relates.

"Business Plan" means the Company's business plan and budget as prepared, approved and amended from time to time in accordance with the terms of this Agreement and containing the information set out in schedule 5.

"Business Records" means the records required to be kept as provided for in Clause 7.1

"Commencement Date" means the commencement date set out in the Particulars.

"Condition" means any of the terms and conditions which constitute part of this Agreement.

"Current Financial Year" means the Financial Year during which the Commencement Date falls.

"Evaluation Plan" means a plan setting out the process and approach to evaluation as determined by us from time to time (acting reasonably) and notified to you in writing.

"Financial Activities & Outputs Report" means the report referred to in Condition 6.1.1, and in the format prescribed by us from time to time, to be completed either electronically and submitted on line or any non-electronic version permitted by us.

"Financial Year" means our financial year, being 1 April to 31 March in the following year.

"Functional Body" has the same meaning as in the Greater London Authority Act 1999 as amended from time to time.

"Future Financial Years" means the Next Financial Year and all Subsequent Financial Years referred to in Part 2 of Schedule 2.

"Grant" means the grant funding to be provided by us pursuant to this Agreement in relation to the Business and subject to the terms of this Agreement.

"Intellectual Property Rights" means any and all patents, trade marks, service marks, copyright, database rights, moral rights, rights in a design, know-how, confidential information and all or any other intellectual or industrial property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating or attached thereto.

"Material Deviation" means at any time during a Financial Year, the Company's activities, outputs, achievements in relation to milestones or financial performance

have been or are reasonably likely to be materially inconsistent with the terms of the Business Plan for that Financial Year.

"Material Deviation Action Plan" means an action plan proposed by the Board to rectify a Material Deviation.

"Maximum Sum" means the maximum amount of Grant payable by us for the Business under this Agreement as specified in Part 1 of Schedule 2 to this Agreement.

"Next Financial Year" means the Financial Year immediately following the Current Financial Year.

"Particulars" means the Particulars of Grant Funding Agreement which constitute part of this Agreement.

"Quarter Day" means 30 June, 30 September, 31 December and 31 March in each year;

"Subsequent Financial Year" means any Financial Year following the Next Financial Year.

"Working Day" means a day on which clearing banks in the City of London are (or would be but for a strike, lock-out or other stoppage affecting a particular bank or banks generally) open during banking hours and "Working Days" shall be construed accordingly.

## 2. Interpretation

- 2.1 Headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 2.2 References to any gender shall include any other gender and the singular shall include the plural and vice versa as the context admits or requires.
- 2.3 References to any statute or any section thereof or legislation generally shall, unless the context requires otherwise, be construed as a reference to that statute or statutory provision as from time to time amended, consolidated, modified, extended or re-enacted and all instruments, orders, by-laws and regulations for the time being made, issued or given thereunder, or deriving validity therefrom, and any reference to law or legislation generally shall, unless the context requires otherwise, be construed as a reference to all law or legislation of England and Wales or the United Kingdom and directives and all other legislation of the European Union that are or is directly applicable to the United Kingdom.
- 2.4 The word "including" shall be construed so as not to limit the generality of any words or expressions in connection with which it is used.

## SCHEDULE 2

### Part 1

#### Maximum Sum

£56,000,000

### Part 2

#### Grant distribution (subject to clause 3 of the Particulars)

#### Financial Year

Current Financial Year  
£16,000,000

Next Financial Year  
£14,000,000

Subsequent Financial Year 2013/14  
£13,000,000

Subsequent Financial Year 2014/15  
£13,000,000

### Part 3

#### Grant Payment Terms

Subject to the provisions of this Agreement, we shall pay funding not exceeding the Maximum Sum into the bank account details of which are notified to us in writing:

Quarterly in advance by installments to be determined by us having regard to your cash flow requirements and following receipt of a valid claim on 1 April, 1 July, 1 October and 1 January in each Financial Year.

These Grant Payment Terms will be subject to review at the mid point of this Agreement (i.e. March 2013) and if appropriate altered by agreement between us.

#### Particular items of expenditure to be funded by Grant to be capped

In respect of each Financial Year the total amount of funding for the relevant head of expenditure shall not under any circumstance be exceeded by more than 10% without our express prior written consent.

**SCHEDULE 3**  
**Evaluation Requirements**

1. You will be required to facilitate and support us, so far as reasonably required, in relation to all requests for assistance in connection with evaluation including: provision of beneficiary details to enable surveys (by telephone, email etc.) to be undertaken; assistance with consultation exercises; facilitating contact with staff, stakeholders and partners for interview purposes; providing access to management information systems including financial data; and assistance to identify examples of good practice case studies.
2. You will be required to collect relevant monitoring and evaluation data as may be set out to you in an Evaluation Plan. This will include tracking, where appropriate, the achievement of outputs and outcomes throughout the Financial Years in which the Grant is payable.

#### **SCHEDULE 4**

#### **Financial Activities & Outputs Report format as at the date of this Agreement**

Pursuant to Condition 6.1.1 you will provide the following information to us by email:

Actual income and expenditure and budget to date against individual heads of expenditure as set out in the Business Plan. To include commentary and explanation of any variance against budget.

Full year expenditure and income forecasts against projections set out in the Business Plan. To include commentary and explanation of any variance against budget.

A progress statement against the Business Aims set out in the Business Plan.

A report against the Key Performance Indicators, and provision of data and market intelligence information as set out in the Business Plan.

**SCHEDULE 5**  
**Business Plan**

Each Business Plan will include the following information:

- 1 Review of performance against the previous Business Plan (not applicable for the Current Financial Year 2011/12).
- 2 Detailed particulars of the objectives (the "Business Aims") including:
  - (a) key activities to achieve the Business Aims, including priority sectors and markets;
  - (b) key performance indicators;
  - (c) income and expenditure projected for that financial year in support of the Business Aims, including apportionment of GLA Grant Funding;
  - (d) market context and strategic framework which underpin the Business Aims;
  - (e) assessment of risks in relation to the proposed activities and plans to mitigate such risks;
  - (f) significant milestones during that financial year;in such a form as the GLA shall from time to time by notice to the Company reasonably require.
- 3 Forecast financial statements and budgets for the financial year to which the Business Plan relates in such format and with such content as the GLA shall from time to time by notice to the Company reasonably require.
- 4 General information including:
  - (a) management structures;
  - (b) staffing;
  - (c) governance structures; and
  - (d) business continuity plans.
- 5 Such other information as the GLA shall from time to time by notice to the Company require.



## Appendix 2

### Schedule 2

#### Part 1

#### Maximum Sum

£53,954,741

#### Part 2

#### Grant Distribution (subject to clause 3 of the Particulars)

#### 2011/12 Financial Year

£15,854,741 \*

#### 2012/13 Financial Year

£14,100,000\*\*

#### 2013/14 Financial Year

£12,000,000

#### 2014/15 Financial Year

£12,000,000

\* up to £29,741.00 of which is available solely in relation to costs incurred in respect of the London's China Representative Activities

\*\* up to £100,000.00 of which is available solely in relation to costs incurred in respect of the London's China Representative Activities

#### Part 3

#### Grant Payment Terms

Subject to the provisions of this Agreement and Part 4 of this schedule 2, we shall pay funding not exceeding the Maximum Sum into the bank account details of which are notified to us in writing:

- up to £53,825,000.00 of which shall be paid quarterly in advance by instalments to be determined by us having regard to your cash flow requirements and following receipt of a valid claim on 1 April, 1 July, 1 October and 1 January in each Financial Year; and

- up to £129,741.00 of which shall be paid quarterly in arrears by instalments to be determined by us having regard to your fixed and variable costs of undertaking the London's China Representative Activities and receipt of a valid claim.

#### **Particular items of expenditure to be funded by Grant to be capped**

In respect of each Financial Year the total amount of funding for the relevant head of expenditure shall not under any circumstance be exceeded by more than 10% without our express prior written consent provided always that funding for expenditure incurred on the London's China Representative Activities shall not be exceeded at all without our express prior written consent.

### **Part 4**

#### **Termination of Engagement of London's China Representative**

In the event that you are required under PRC Labour Contract Law to make a payment to the person engaged as London's China Representative (or alternatively to Beijing Foreign Enterprise Human Resources Service Co. Limited on behalf of the person engaged as London's China Representative) as a result of your termination and/or the expiry of his/her engagement on or before 31 March 2013 the GLA shall provide additional funding equal to such required payment provided always that the availability of such additional funding is and shall be conditional upon you:

- providing us with written evidence (to our reasonable satisfaction) of any such requirement under PRC Labour Contract Law to pay such sum and the amount of such sum to the person engaged as London's China Representative (or alternatively to Beijing Foreign Enterprise Human Resources Service Co. Limited on behalf of the person engaged as London's China Representative);
- using your best endeavours to ensure that any such termination is managed in a manner which minimises any sums which might become so payable under PRC Labour Contract Law;
- (save as for where we provide you with written instructions to terminate expressly his/her engagement where no such notification shall be required from you) notifying us in writing of any proposals for the termination of his/her engagement on or before 31 March 2013 at least 6 calendar months in advance of the date on which it is proposed any notice to terminate is to be served;
- providing us with copies of all documentation received by you and which you propose to send in respect of any such proposed and/or actual termination; and
- providing us with any other information, documentation and/or assistance we request from time to time concerning or related to any such proposed and/or actual termination and the amounts required to be payable by you to the person engaged as London's China Representative (or alternatively to Beijing Foreign Enterprise Human Resources Service Co. Limited on behalf of the person engaged as London's China Representative) under PRC Labour Contract Law.

## **Appendix 3**

### **Schedule 6**

You shall become responsible for London's representative function in China from 13 February 2012 and ensure that:

1. you engage FESCO (Beijing Foreign Enterprise Human Resources Service Co., Ltd) to provide a person to act as London's chief representative;
2. you provide one desk for London's chief representative within its Beijing office accommodation at no additional charge to the GLA;
3. you work constructively with London's chief representative sharing information as appropriate to maximise the potential of both organisations and promote London's position within China;
4. the London's chief representative continues to facilitate the closure of the London Development Agency's liaison office in Beijing and ensure that the full closure is completed by 30<sup>th</sup> April 2012 in accordance with the Chinese regulatory and statutory framework.

For the avoidance of doubt you shall not and the GLA shall agree the London's chief representative's activities including the agreeing of an annual work plan, priorities and targets, day-to-day and periodic performance management.

**Appendix 4**

**Schedule 7**

# Grant Claim Form

Please submit a copy of this form, **signed by your Chief Finance Officer**, by email to your project manager.

Grantee Details	
Name:	London & Partners Ltd
Address:	6th Floor 2 More London Riverside London SE1 2RR
Timing of claims:	Monthly <input type="checkbox"/> In advance <input type="checkbox"/> Quarterly <input type="checkbox"/> In arrears <input type="checkbox"/>

Claim Details	
Period for which expenditure is being claimed:	Q [   ]
Maximum annual grant (£):	[   ]
Received to date (£):	[   ]
Outstanding (£)	[   ]
Amount claimed this period (£)	[   ]

Signature of Chief Finance Officer			
Signature	Name in BLOCK letters	Position	Date

Signature of GLA Budget Holder			
Signature	Name in BLOCK letters	Position	Date