



**BRITISH COUNCIL FOR OFFICES
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

**BRITISH COUNCIL FOR OFFICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

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**BRITISH COUNCIL FOR OFFICES
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

The directors present their report and audited financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The company is an organisation providing research, services and facilities for its members. It is dedicated to promote best practice and a better mutual understanding between businesses engaged in the development, construction, management and occupation of offices and business space, together with their professional advisers.

BUSINESS REVIEW

The deficit for the year ended 31 March 2009 was £103,958 (2008: *surplus* £30,365) after taxation.

As in previous years, the British Council for Offices (BCO) has held many events for members and their guests. These have included the Annual Conference, President's Luncheon, Annual and Awards Dinners together with a broad range of regional events. In June 2008, the BCO held its Annual Conference in Brussels, and secured another sell-out event.

Research remains at the very heart of the BCO's work, and many research and policy documents were published throughout the year. Each year, the BCO aims to launch one of these reports nationally, providing a valuable, anchor event for the BCO's regional chapters. The regional chapters have also been working very hard on the development of regional awards events (lunches and dinners) at which the Regional Awards will be presented for the first time in advance of the National Awards Dinner in October.

Each September, the BCO publishes its Annual Review, highlighting the BCO's full programme of events and publications and in January issues a Members' Handbook. While membership continued to grow throughout the year, the BCO has, of course, been affected by the economic downturn and is likely to see some fall-off in membership in the coming year. However, the BCO's prudent reserves policy ensures that any fall-off should have minimal impact on the BCO's capacity to deliver products and services to its members.

The state of the company's affairs is regarded by the directors as satisfactory.

BRITISH COUNCIL FOR OFFICES
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009

BOARD OF MANAGEMENT

The following were directors during the year: -

PRESIDENT

Nicholas Ridley BSc FRICS
NCREal Estate Consulting Limited

SENIOR VICE PRESIDENT

Michael Hussey BSc (Hons) MRICS
Land Securities Group PLC

CHIEF EXECUTIVE

Richard Kauntze BSc (Hons)
British Council for Offices

IMMEDIATE PAST PRESIDENT

Gordon Carey DipArch RIBA
Carey Jones Architect Ltd

JUNIOR VICE PRESIDENT

Gerald Kaye BSc FRICS
Helical Bar plc

HONORARY TREASURER

James Wates FCIQB, FRSA
Wates Group Ltd

MEMBERS

Kevin Arnold BSc (Hons) MRICS
Gardiner & Theobald LLP
Jon Ashcroft MRICS BSc (Hons) (since 15 July 2008)
Aviva Investors
Richard Beasall BA (Hons) BArch (Hons) RIBA
Tp Bennett LLP
William Black BSc FRICS
Capital & Counties Ltd
Stephen Bragg DipArch(Oxford) RIBA FRSA (until 15 July 2008)
Broadway Malyan Ltd
Robin Brodie-Cooper BSc MRICS
Gleeds
Douglas Brown BA(Hons) DipArch FRIAS RIBA (until 15 July 2008)
DEGW plc
Ardell Bunt BSc MRICS (since 15 July 2008)
Barclays Capital PLC
Tim Caiger FBIFM (until 15 July 2008)
Oracle Corporation
Prof Derek Clements-Croome PhD CEng CPhys FICE
FCIBSE FRSA FIOA
University of Reading
Ian Cowley CEng BSc (Hons) MBA MCIBSE MEI
FConSE
Hoare Lea
John Forrester BSc (Hons) FRICS
DTZ
Ron German
Stanhope plc
Tony Giddings BSc FCIQB
Argent Group PLC
David Gidney Solicitor (until 6 November 2008)
Burges Salmon LLP
Christopher Gilmour DipArch RIBA
BAM Construct UK Ltd
Paul Harrington
PricewaterhouseCoopers Services
Barry Horrell FRICS, MRICS & MAPM (until 17 November 2008)
The Royal Bank of Scotland Group plc
Chris Houchin
Bovis Lend Lease Limited

Francis Ives FRICS Dip Proj Man
Cyril Sweett Group plc
Katrina Kostic Samen BIntArch (Hons) NCIDQ (since 15 July 2008)
KKS Strategy LLP
Mark Kowal BA (Hons) DipArch RIBA MAPM (since 15 July 2008)
Sheppard Robson
Ann Minogue MA
Linklaters LLP
Paul D Morrell BSc FRICS Hon FRIBA (until 15 July 2008)
Davis Langdon LLP
Andrew Murdoch MA(Cantab) RIBA (until 15 July 2008)
Aukett Fitzroy Robinson Limited
Mat Oakley
Savills Commercial Ltd
Ralph Pearson BSc MRICS
Cluttons LLP
Martin Pease BSc BARCH RIBA (since 6 November 2008)
Atkins Ltd
Neil Pennell Btech (Hons) CEng MCIBSE
Land Securities Group PLC
Carl Potter BSc EstMan MRICS
GVA Grimley Limited
Peter Wynne Rees BSc BArch BTP RIBA FRTPI FRSA
City of London
Andrew Reynolds BSc MRICS (since 15 July 2008)
Hines UK
Simon Ricketts LLB (Hons), FRSA (since 15 July 2008)
SJ Berwin LLP
Pernille Stafford HND DipMCSD (since 15 July 2008)
Scott Brownrigg Ltd
Cameron Stott BSc MRICS
Jones Lang LaSalle
Simon Ward MRICS
Deutsche Bank AG
Nichola West LLB (since 15 July 2008)
Denton Wilde Sapte LLP
Graham White Solicitor (until 15 July 2008)
Slaughter and May
Gary Wingrove
BT Group plc

**BRITISH COUNCIL FOR OFFICES
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009**

MANAGEMENT EXECUTIVE

In accordance with Article 60, the business of the Council is managed by the Executive which comprises: -

PRESIDENT

Nicholas Ridley BSc FRICS
NCR Real Estate Consulting Limited

SENIOR VICE PRESIDENT

Michael Hussey BSc (Hons) MRICS
Land Securities Group PLC

CHIEF EXECUTIVE

Richard Kauntze BSc (Hons)
British Council for Offices

IMMEDIATE PAST PRESIDENT

Gordon Carey DipArch RIBA
Carey Jones Architects Ltd

JUNIOR VICE PRESIDENT

Gerald Kaye BSc FRICS
Helical Bar plc

HONORARY TREASURER

James Wates FCIOB, FRSA
Wates Group Ltd

MEMBERS

Michael Beaven MCIBSE MIMechE CEng
(until 24 February 2009)
Arup

Mat Oakley
Savills Commercial Ltd

Ian Cowley CEng BSc(Hons) MBA MCIBSE MEI FConSE
Hoare Lea

Martin Pease BSc BARCH RIBA
(since 6 November 2008)
Atkins Ltd

Paul Edwards (since 24 February 2009)
Hammerson PLC

Neil Pennell BTech (Hons) CEng MCIBSE
Land Securities Group PLC

David Gidney Solicitor (until 6 November 2008)
Burges Salmon LLP

Carl Potter BSc EstMan MRICS
GVA Grimley Limited

Paul Harrington (until 3 December 2008)
PricewaterhouseCoopers Services

Jackie Sadek (until 22 October 2008)
CB Richard Ellis Limited

Barry Horrell FRICS, MRICS & MAPM
(until 17 November 2008)
The Royal Bank of Scotland Group plc

Cameron Stott BSc MRICS
Jones Lang LaSalle

Francis Ives FRICS Dip Proj Man
Cyril Sweett Group plc

Paul Warner Dip Arch RIBA
3DReid

Gary Wingrove (since 3 December 2008)
BT Group plc

The chairman of the Technical Affairs Committee is an *ex officio* permanent member of the Executive. The remaining appointments for committee chairmen are made on a rotational basis.

**BRITISH COUNCIL FOR OFFICES
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009**

PROVISION OF INFORMATION TO AUDITORS

So far as the directors are aware at the time the report is approved:

- there is no relevant information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors Horwath Clark Whitehill LLP have expressed their willingness to remain in office.

EXEMPTION

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board on 11th June 2009

Richard Kauntze
Secretary and Chief Executive

BRITISH COUNCIL FOR OFFICES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of its income and expenditure for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In determining how amounts are presented within items in the income and expenditure account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH COUNCIL FOR OFFICES

We have audited the financial statements of the British Council for Offices for the year ended 31 March 2009 which comprise the Income and Expenditure Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 but the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BRITISH COUNCIL FOR OFFICES

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its deficit for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Directors' report is consistent with the financial statements.

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

12th June 2009

HORWATH CLARK WHITEHILL LLP
Chartered Accountants and
Registered Auditors

**BRITISH COUNCIL FOR OFFICES
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

| | Notes | 2009 | 2008 |
|---|-------|-------------------------|-------------------------|
| | | £ | £ |
| OPERATING INCOME | 3 | | |
| Subscriptions | | 614,115 | 568,715 |
| Events | | 1,596,610 | 1,857,432 |
| Interest receivable | | 74,532 | 99,429 |
| Handbook and publications | | <u>29,965</u> | <u>47,718</u> |
| | | 2,315,222 | 2,573,294 |
| OPERATING EXPENDITURE | | | |
| Printing and stationery | | 13,427 | 13,391 |
| Handbook and publications | | 18,073 | 17,646 |
| Direct events expenditure | | 1,269,758 | 1,488,802 |
| Other operating expenditure | | 358,911 | 333,664 |
| Wages and salaries | | 342,026 | 318,655 |
| Staff pension | | 23,199 | 18,793 |
| Research | | 300,395 | 244,950 |
| Rent and rates | | <u>93,459</u> | <u>106,960</u> |
| | | (2,419,248) | (2,542,861) |
| (DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAXATION | 4 | (104,026) | 30,433 |
| Taxation | 5 | <u>68</u> | <u>(68)</u> |
| (DEFICIT)/SURPLUS FOR THE YEAR | | (103,958) | 30,365 |
| Retained surplus brought forward | | <u>1,321,147</u> | <u>1,290,809</u> |
| RETAINED SURPLUS CARRIED FORWARD | | <u>1,217,216</u> | <u>1,321,174</u> |

The notes on pages 10 to 13 form part of these financial statements

BRITISH COUNCIL FOR OFFICES
BALANCE SHEET
31 MARCH 2009

| | Notes | 2009 £ | 2008 £ |
|---|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | <u>157,049</u> | <u>168,692</u> |
| CURRENT ASSETS | | | |
| Stocks | 7 | 9,840 | 7,872 |
| Debtors | 8 | 541,756 | 517,603 |
| Investments | 9 | 1,246,945 | 1,429,408 |
| Cash at bank | | <u>453,890</u> | <u>640,883</u> |
| | | 2,252,431 | 2,595,766 |
| CREDITORS: Amounts falling due within one year | 10 | <u>(1,192,264)</u> | <u>(1,443,284)</u> |
| NET CURRENT ASSETS | | <u>1,060,167</u> | <u>1,152,482</u> |
| NET ASSETS | | <u>1,217,216</u> | <u>1,321,174</u> |
| ACCUMULATED FUND | 11 | <u>1,217,216</u> | <u>1,321,174</u> |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Authorised and approved by the Board on 11th June 2009
and signed on their behalf by:-

..... Nicholas Ridley

..... James Wates

The notes on pages 10 to 13 form part of these financial statements

BRITISH COUNCIL FOR OFFICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and the special provisions of Part VII of the Companies Act 1985 relating to small entities.

b) Value added tax

Taxable income and expenditure are stated net of value added tax.

c) Depreciation

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost or valuation less estimated residual value over its expected useful life as follows:

Computer and office equipment - 25% straight line
Leasehold improvements - Straight line method over the lease period

d) Stocks

Stocks are valued at the lower of cost and net realisable value.

e) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are transferred to the income and expenditure account. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

f) Pension costs

The Council makes contributions to the employees' personal defined contribution pension plans. These are charged to the income and expenditure account when due.

g) Research costs

Research costs are charged to the income and expenditure account as they are incurred and as the research is undertaken.

BRITISH COUNCIL FOR OFFICES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES (continued)

h) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception: -

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

2. SHARE CAPITAL

The company is limited by guarantee and therefore does not have any issued share capital. The liability of each member is limited to £1 in the event of winding up.

3. OPERATING INCOME

Operating income is stated net of Value Added Tax and originates mainly in the UK.

4. (DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAXATION

This is stated after charging:

| | 2009 | 2008 |
|------------------------|----------------------|----------------------|
| | £ | £ |
| Auditors' remuneration | 8,675 | 8,350 |
| Directors emoluments | 124,556 | 122,005 |
| Depreciation | <u>56,080</u> | <u>44,332</u> |

Retirement benefits are accruing under a money purchase scheme to 1 director (2008: 1).

BRITISH COUNCIL FOR OFFICES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009

5. TAXATION

| | 2009 £ | 2008 £ |
|--|--------------------|------------------|
| UK corporation tax charge for the year | - | 1,000 |
| Overprovision in prior year | <u>(68)</u> | <u>(932)</u> |
| Tax for the year | <u><u>(68)</u></u> | <u><u>68</u></u> |

The Inland Revenue regards the Council's activities for its members as not subject to corporation tax. Tax is chargeable on investment and non mutual income.

The tax provision for 2009 is calculated at 21% of the investment income less an allowance for a deficit on non mutual income. A non mutual trading deficit of £74,486 which can be utilised against further non mutual trading surpluses is carried forward at 31 March 2009 (2008 - £128,000). No deferred tax asset has been recognised in respect of tax losses available for offset against future taxable profits as they are not expected to be utilised in the foreseeable future.

6. TANGIBLE FIXED ASSETS

| | Leasehold Improvements £ | Office Equipment £ | Computer Equipment £ | Total £ |
|-----------------------|--------------------------------|--------------------------|----------------------------|-----------------------|
| Cost | | | | |
| 1 April 2008 | 142,304 | 32,008 | 85,158 | 259,470 |
| Additions | <u>-</u> | <u>4,359</u> | <u>40,078</u> | <u>44,437</u> |
| 31 March 2009 | <u>142,304</u> | <u>36,367</u> | <u>125,236</u> | <u>303,907</u> |
| Depreciation | | | | |
| 1 April 2008 | 23,372 | 6,331 | 61,075 | 90,778 |
| Charge for the year | <u>31,307</u> | <u>9,008</u> | <u>15,765</u> | <u>56,080</u> |
| 31 March 2009 | <u>54,679</u> | <u>15,339</u> | <u>76,840</u> | <u>146,858</u> |
| Net book value | | | | |
| 31 March 2009 | <u><u>87,625</u></u> | <u><u>21,028</u></u> | <u><u>48,396</u></u> | <u><u>157,049</u></u> |
| <i>31 March 2008</i> | <u><u>118,932</u></u> | <u><u>25,677</u></u> | <u><u>24,083</u></u> | <u><u>168,692</u></u> |

7. STOCKS

| | 2009 £ | 2008 £ |
|-------------------------------------|--------------|--------------|
| Stock of books held at the year end | <u>9,840</u> | <u>7,872</u> |

BRITISH COUNCIL FOR OFFICES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

8. DEBTORS

| | 2009 £ | 2008 £ |
|------------------|-----------------------|-----------------------|
| Trade debtors | 171,439 | 140,026 |
| Prepaid expenses | <u>370,317</u> | <u>377,577</u> |
| | <u>541,756</u> | <u>517,603</u> |

9. INVESTMENTS

Investments represent Money Market and Bank deposits.

10. CREDITORS: Amounts falling due within one year

| | 2009 £ | 2008 £ |
|--|-------------------------|-------------------------|
| Trade creditors | 89,670 | 66,992 |
| Corporation tax | - | 1,000 |
| Other taxes and social security | 91,136 | 160,466 |
| Other creditors and accruals | 136,433 | 119,768 |
| Subscriptions and fees received in advance | <u>875,025</u> | <u>1,095,058</u> |
| | <u>1,192,264</u> | <u>1,443,284</u> |

11. ACCUMULATED FUND

The policy of the British Council for Offices is to accumulate a reserve which would be sufficient, should the need ever arise, for the company to settle its affairs in an orderly fashion prior to a solvent liquidation and in addition to enable the Council to continue to function during periods of lower income due to economic climate or other difficulties. Further as the Council grows, there are demands for more activities and commitments. Whilst all activities should be self-financing, prior commitments often have to be met and strong finances are needed for the Council to be able to take such risks.

12. COMMITMENTS

There were no capital commitments at the year end.

At 31 March 2009 the annual commitments under non-cancellable operating leases were as follows:

| | Land and Buildings | | Other | |
|---|---------------------------|----------------------|-----------------|---------------------|
| | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| Operating leases which expire: within one year | - | - | 4,488 | - |
| within two to five years | <u>73,865</u> | <u>73,865</u> | <u>-</u> | <u>4,488</u> |