

COMPANY NUMBER: 02498018



**BRITISH COUNCIL FOR OFFICES
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

**BRITISH COUNCIL FOR OFFICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

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**BRITISH COUNCIL FOR OFFICES
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report and audited financial statements for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The company is an organisation providing 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 surplus for the year ended 31 March 2011 was £19,473 (2010: deficit £14,674) 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. Many research and policy documents were also published, some of which were launched nationally through the assistance of the BCO's regional chapter structure.

Each September the BCO publishes its Annual Review highlighting the BCO's full programme of events and publications. The BCO's membership is over 1,400.

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 2011

BOARD OF MANAGEMENT

The following were directors during the year: -

PRESIDENT

Gerald Kaye BSc FRICS
Helical Bar Plc

SENIOR VICE PRESIDENT

Gary Wingrove
BT Group Plc

CHIEF EXECUTIVE

Richard Kauntze BSc (Hons)
British Council for Offices

MEMBERS

Kevin Arnold BSc(Hons) MRICS (until 8 July 2010)
Gardiner & Theobald LLP

Jon Ashcroft MRICS BSc (Hons)
Aviva Investors

Shazad Azam (since 1 February until 1 March 2011)
3D Reid

Alan Bainbridge
BBC North

Richard Beastall BA (Hons) BArch (Hons) RIBA
tp Bennett LLP

William Black BSc FRICS
Capital & Counties Properties Plc

Ardell Bunt BSc MRICS
Barclays Capital Plc

Gordon Carey DipArch RIBA
Carey Jones Limited

James Clark BSc MRICS (since 8 July 2010)
Davis Langdon LLP

Prof Derek Clements-Croome PhD CEng CPhys FICE
FCIBSE FRSA FIOA
University of Reading

John Forrester BSc (Hons) FRICS
DTZ

Ron German
Stanhope Plc

Tony Giddings BSc FCIOB
Argent Group Plc

Christopher Gilmour DipArch RIBA
BAM Construct UK Limited

Peter Grant
Grant Thorp Limited

Pamela Grant MRICS BSc (Hons)
(since 9 November 2010)
Miller Developments

Paul Harrington
PricewaterhouseCoopers Services

Chris Houchin
Bovis Lend Lease Limited

Francis Ives FRICS Dip Proj Man
Retired

IMMEDIATE PAST PRESIDENT

Michael Hussey BSc (Hons) MRICS
Almacantar

JUNIOR VICE PRESIDENT

James Wates FCIOB, FRSA
Wates Group Limited

HONORARY TREASURER

Robin Brodie-Cooper BSc MRICS
Gleeds

Katrina Kostic Samen BlntArch (Hons) NCIDQ
KKS Strategy LLP

Mark Kowal BA (Hons) DipArch RIBA MAPM
Sheppard Robson

Stephen McIntyre BA (Hons) DipArch
FaulknerBrowns Architects

Ann Minogue MA (until 8 July 2010)
Ashurst LLP

Mat Oakley
Savills Commercial Limited

Simon Peacock BSc(Hons)MRICS (since 10 November
2010)

King Sturge

Ralph Pearson BSc MRICS
Cluttons LLP

Martin Pease BSc BARCH RIBA(until 10 November 2010)
Atkins Global Limited

Neil Pennell Btech (Hons) CEng MCIBSE
Land Securities Group Plc

Peter Wynne Rees BSc BArch BTP RIBA FRTPI FRSA
City of London

Andrew Reynolds BSc MRICS
Hines UK

Simon Ricketts LLB (Hons), FRSA
SJ Berwin LLP

Nicholas Ridley BSc FRICS
NCREal Estate Consulting Limited

Tim Robinson BSc (Hons) MRICS
Knight Frank LLP

Pernille Stafford HND DipMCSD
Scott Brownrigg Limited

Cameron Stott BSc MRICS (until 9 November 2010)
Jones Lang LaSalle

Neil Thompson MRICS
Great Portland Estates Plc

Nichola West LLB
Denton Wilde Sapte LLP

David Williams (since 1 March 2011)
Davis Langdon LLP

**BRITISH COUNCIL FOR OFFICES
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011**

MANAGEMENT EXECUTIVE

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

PRESIDENT

Gerald Kaye BSc FRICS
Helical Bar Plc

SENIOR VICE PRESIDENT

Gary Wingrove
BT Group Plc

CHIEF EXECUTIVE

Richard Kauntze BSc (Hons)
British Council for Offices

MEMBERS

Paul Edwards
Hammerson Plc
Cameron Stott BSc MRICS (until 9 November 2010)
Jones Lang LaSalle
Pamela Grant (since 9 November 2010)
Miller Developments

Peter Grant
Grant Thorp Limited
Francis Ives FRICS Dip Proj Man
Retired
Stephen McIntyre
FaulknerBrowns Architects

IMMEDIATE PAST PRESIDENT

Michael Hussey BSc (Hons) MRICS
Almacantar

JUNIOR VICE PRESIDENT

James Wates FCIOB, FRSA
Wates Group Limited

HONORARY TREASURER

Robin Brodie-Cooper BSc MRICS
Gleeds

Mat Oakley
Savills Commercial Limited
Martin Pease BSc BARCH RIBA (until 10 November 2010)
Atkins Global Limited
Simon Peacock BSc (Hons) MRICS
(since November 2010)
King Sturge
Neil Pennell BTech (Hons) CEng MCIBSE
Land Securities Group PLC
Neil Thompson MRICS
Great Portland Estates
Paul Warner Dip Arch RIBA
3DReid

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 2011**

AUDITORS

Crowe Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By Order of the Board on 8 June 2011

Richard Kauntze
Secretary and Chief Executive

BRITISH COUNCIL FOR OFFICES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH COUNCIL FOR OFFICE

We have audited the financial statements of British Council for Offices for the year ended 31 March 2011 which comprise the Income and Expenditure Account, Balance Sheet and the related notes set out pages 10 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BRITISH COUNCIL FOR OFFICE

Matters on which we are required to report by exception

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

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

Patrick Oneill
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Reading

8 June 2011

**BRITISH COUNCIL FOR OFFICES
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011	2010
		£	£
OPERATING INCOME	3		
Subscriptions		511,640	517,230
Events		1,390,840	1,347,381
Interest receivable		15,803	6,238
Handbook and publications		<u>39,752</u>	<u>98,268</u>
		1,958,035	1,969,117
OPERATING EXPENDITURE			
Printing and stationery		10,075	16,110
Handbook and publications		1,135	32,456
Direct events expenditure		1,084,632	1,073,595
Other operating expenditure		314,439	298,675
Wages and salaries		272,496	305,229
Staff pension		20,045	21,689
Research		134,790	120,664
Rent and rates		<u>107,899</u>	<u>115,363</u>
		(1,945,511)	(1,983,781)
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE BEFORE TAXATION	4	12,524	(14,664)
Taxation	5	<u>6,949</u>	<u>(10)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		19,473	(14,674)
Retained surplus brought forward		<u>1,202,542</u>	<u>1,217,216</u>
RETAINED SURPLUS CARRIED FORWARD		<u>1,222,015</u>	<u>1,202,542</u>

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

BRITISH COUNCIL FOR OFFICES
COMPANY NUMBER: 02498018
BALANCE SHEET
31 MARCH 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	6	<u>80,216</u>	<u>131,859</u>
CURRENT ASSETS			
Stocks	7	16,676	24,127
Debtors	8	550,178	415,073
Investments	9	800,000	1,053,052
Cash at bank		<u>739,550</u>	<u>745,441</u>
		2,106,404	2,237,693
CREDITORS: Amounts falling due within one year	10	<u>(964,605)</u>	<u>(1,167,010)</u>
NET CURRENT ASSETS		<u>1,141,799</u>	<u>1,070,683</u>
NET ASSETS		<u>1,222,015</u>	<u>1,202,542</u>
ACCUMULATED FUND	11	<u>1,222,015</u>	<u>1,202,542</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on
and signed on their behalf by:-

..... Gerald Kaye

..... Robin Brodie-Cooper

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 2011

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and on the going concern basis.

The company has cash resources and has no requirement for external funding. The directors therefore have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

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 2011

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

This is stated after charging:

	2011	2010
	£	£
Auditors' remuneration	9,750	9,025
Directors emoluments	108,917	125,635
Depreciation	65,625	68,559

Retirement benefits are accruing under a money purchase scheme to 1 director (2010: 1).

BRITISH COUNCIL FOR OFFICES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

5. TAXATION

	2011	2010
	£	£
UK corporation tax charge for the year	-	-
Over/(Under)provision in prior year	<u>6,949</u>	<u>(10)</u>
Tax credit/(charge) for the year	<u>6,949</u>	<u>(10)</u>

The income from the Council's activities for its members is not considered to be subject to corporation tax on the grounds that it is mutual trading. Corporation tax however, is chargeable on investment and non mutual income.

The tax provision for 2011 is calculated at 21 % of the investment income less an allowance for a deficit on non mutual income. A non mutual trading deficit of £140,468 which can be utilised against further non mutual trading surpluses is carried forward at 31 March 2011 (2010 - £130,722). 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 2010	142,304	37,036	167,936	347,276
Additions	<u>-</u>	<u>-</u>	<u>13,982</u>	<u>13,982</u>
31 March 2011	<u>142,304</u>	<u>37,036</u>	<u>181,918</u>	<u>361,258</u>
Depreciation				
1 April 2010	85,986	24,455	104,976	215,417
Charge for the year	<u>31,307</u>	<u>9,044</u>	<u>25,274</u>	<u>65,625</u>
31 March 2011	<u>117,293</u>	<u>33,499</u>	<u>130,250</u>	<u>281,042</u>
Net book value				
31 March 2011	<u>25,011</u>	<u>3,537</u>	<u>51,668</u>	<u>80,216</u>
<i>31 March 2010</i>	<u>56,318</u>	<u>12,581</u>	<u>62,960</u>	<u>131,859</u>

7. STOCKS

	2011	2010
	£	£
Stock of books held at the year end	<u>16,676</u>	<u>24,127</u>

BRITISH COUNCIL FOR OFFICES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

8. DEBTORS

	2011 £	2010 £
Trade debtors	157,785	110,040
Prepaid expenses	<u>392,393</u>	<u>305,033</u>
	<u>550,178</u>	<u>415,073</u>

9. INVESTMENTS

Investments represent Money Market and Bank deposits.

10. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	100,547	89,687
Corporation tax	-	-
Other taxes and social security	63,996	111,586
Other creditors and accruals	43,771	76,445
Subscriptions and fees received in advance	<u>756,291</u>	<u>889,292</u>
	<u>964,605</u>	<u>1,167,010</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 2011 the annual commitments under non-cancellable operating leases were as follows:

	Land and Buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire:				
within one year	61,554	-	2,341	-
within two to five years	<u>-</u>	<u>73,865</u>	<u>-</u>	<u>2,341</u>