

Company registered number: 778293

British Property Federation (Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 December 2007

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British Property Federation

Annual report and financial statement for the year ended 31 December 2007

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British Property Federation

Directors of the Federation on 31 December 2007

I Marcus	(President)
N S J Ritblat	(Immediate Past President)
F Salway	(Senior Vice President)
R Clarke	(Junior Vice President) – Appointed 10 July 2007
T Moross	(Honorary Treasurer)

I D Coull
I J Henderson
D I Hunter
R Kidby
M R Moore
Mrs E A Peace
A D Strang
J P White (Appointed 20 November 2007)

Company Secretary

T Ogwezi

British Property Federation

Directors' report for the year ended 31 December 2007

Business of the Federation

The purpose of the Federation is to represent the interests of its members to Government and to other key stakeholders and to raise the profile and reputation of the commercial property industry with those in positions of influence. A review of the Federation's activities is provided in the Annual Review, which should be read in conjunction with this report.

Review of business and future developments

During the year, the Federation continued to lobby the Government and other regulatory bodies on a number of fronts. These activities included encouraging the Government to: introduce a tariff-based infrastructure levy rather than its proposal for a planning-gain supplement; include existing properties in its proposals to reduce carbon emissions from buildings; allow commercial properties to source renewable energy from a wider range of options; lower the barriers for entry for institutional investors in the professional private rented sector; extend the REITs regime to prevent the market from stagnating.

Further development of the Federation's services within Scotland was achieved through the Scottish Property Federation, which now has an office and permanently based staff in Edinburgh. And, as part of its role in encouraging best practice, the Federation established the Commercial Landlords Accreditation Scheme to recognise those landlords that had signed up to the new lease code and an additional range of customer service standards.

Results for the year

The results are set out in the income and expenditure account on page 6. The surplus for the year before deducting taxation was £21,276 (2006: Deficit £118,052).

Health and Safety

The Board is committed to achieving the highest standards of care in its attention to health, safety and fire prevention. The Board requires safe working practices to ensure that employees, tenants and the general public are not harmed by the Company's activities. Health and Safety Specialists undertake annual inspections of office equipment, staff welfare and working practices to ensure that correct standards are maintained.

Membership of the Board

The Federation wishes to thank the Directors for their contribution to the affairs of the Federation during the year.

The directors of the Federation on 31 December 2007 are listed on page 1.

British Property Federation

Directors' report for the year ended 31 December 2007

Statement of directors' responsibilities

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 and of the group and their results for that period. 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.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 of the group 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

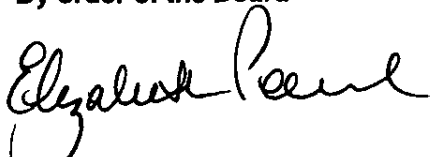
The directors are responsible for the maintenance and integrity of the web site. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps they are expected to have taken as directors, in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



12 May 2008

E Peace
Director
1 Warwick Row
7th Floor
London SW1E 5ER

British Property Federation

Independent Auditor's report to the Members of the British Property Federation (Limited by Guarantee)

We have audited the group and parent company financial statements (the "financial statements") of British Property Federation Limited for the year ended 31 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 information specified by law regarding directors' 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
19 May 2008

British Property Federation

**Consolidated Income and Expenditure Account
For year ended 31 December 2007**

	Notes	2007 £	2006 £
Subscription income		1,724,100	1,649,958
Operating and administrative expenses	2	(2,914,267)	(2,540,772)
Other operating income	5	1,073,722	632,256
Operating deficit		(116,445)	(258,558)
Interest receivable	4	137,371	134,269
Profit on sale of and movement in write down in value of investments		350	6,237
Surplus/(Deficit) on ordinary activities before taxation		21,276	(118,052)
Taxation	6	(28,139)	(31,751)
(Deficit) on ordinary activities after taxation		(6,863)	(149,803)
Income and expenditure balance at 1 January 2007		1,884,431	2,034,234
Income and expenditure balance at 31 December 2007		1,877,568	1,884,431

All income and expenditure relates to continuing operations.

The group had no other recognised gains or losses in the financial period.

The notes on pages 8 to 13 form part of these financial statements.

British Property Federation

**Consolidated Balance Sheet
31 December 2007**

		Group		Company	
		2007	2006	2007	2006
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7	59,750	66,504	-	-
Investments	8	1,502,557	1,729,771	-	-
Loan to subsidiary company	9	-	-	1,633,005	1,633,005
Investment in Group undertakings	9	-	-	200	200
		1,562,307	1,796,275	1,633,205	1,633,205
Current Assets					
Stock		1,241	1,743	-	-
Debtors	10	348,845	269,324	621,009	592,606
Investments	11	730,000	572,289	-	-
Cash at bank and in hand		184,675	208,475	167,412	174,497
		1,264,761	1,051,831	788,421	767,103
Creditors					
Amounts falling due within one year	12	(949,500)	(963,675)	(768,075)	(644,947)
Net current assets		315,261	88,156	20,346	122,156
Total assets less current liabilities		1,877,568	1,884,431	1,653,551	1,755,361
Members' funds					
Income and expenditure account	14	1,877,568	1,884,431	1,653,551	1,755,361

Members' funds includes non equity interests (see note 14)

The financial statements were approved by the Board on

12th May 2008

I Marcus

T Moross

The notes on pages 8 to 13 form part of these financial statements

British Property Federation

Notes to the Consolidated Financial Statements

For year ended 31 December 2007

1 Accounting policies

The financial statements of the Federation have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Subscription income

Income comprises subscriptions from members which are treated as income in the year to which they relate. Income received in the current year relating to future years is credited to deferred income.

Pension costs

Contributions to the Federation's defined contribution pension scheme are charged to the profit and loss account on an accruals basis.

Tangible fixed assets

Tangible fixed assets are stated at cost and depreciated on a straight line basis at the following rates

Computer equipment	33.33%
Furniture, fittings and office equipment	33.33%
Leasehold improvements	25.00%

A full year's depreciation is charged in the year of acquisition.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 (revised 1996) not to prepare a cash flow statement, as the directors believe the company is a small entity under section 246 to 249 Companies Act 1985.

Fixed asset investments

Fixed interest investments are carried at amortised cost, less write down for any permanent diminution in value. The premium or discount is taken to the income and expenditure account over the life of the investment. Equity investments are carried at cost less write down for any permanent diminution in value.

Stocks

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

Taxation

The charge for taxation is based on taxable trading profits, investment income and capital gains.

Basis of consolidation

The group accounts consolidate the accounts of the British Property Federation and its subsidiary undertakings.

Deferred Tax

FRS19 'Deferred Tax' requires that deferred tax is recognised in full in respect of transactions or events that have taken place by the balance sheet date and which could give the company an obligation to pay more or less tax in the future. In accordance with FRS19 the company makes full provision for timing differences which, in the company's case, arise from capital allowances.

Other operating income

Other operating income comprises:

- > Sales of publications
- > Turnover and direct costs of running the Federation's annual conference, annual luncheon and other events
- > Rental income
- > Government grants
- > Income in respect of the running of Reita

Government grants

Government grants are treated as income in the period to which they relate. Income received in the current year relating to future years is credited to deferred income.

British Property Federation

**Notes to the Consolidated Financial Statements
For year ended 31 December 2007 (continued)**

2 Operating and administrative expenses	2007	2006
	£	£
Cost of sales	108,077	101,105
Administration & Overheads		
Staff costs (see Note 3)	1,147,858	1,098,534
Printing & stationery	45,914	53,492
Telephone & postage	27,754	22,608
Insurance	19,421	17,449
Maintenance of equipment & plants	27,353	24,826
Depreciation	45,117	53,467
Loss on disposal of fixed assets	-	1,506
Auditors' remuneration	16,260	15,470
Legal & professional	6,130	9,902
Irrecoverable VAT	75,680	78,032
Consultancy on the future of the Property Industry and the Federation	-	45,000
Sundry expenses	15,466	17,124
	1,426,953	1,437,410
Premises		
Rent and rates	175,625	167,372
Service charge	32,676	33,028
Insurance	1,752	1,672
Light and heat	4,648	4,648
Repairs and renewals	1,814	1,797
Cleaning	7,074	7,095
	223,589	215,612
Lobbying & Member Services		
Consultancy fees and special project work	225,827	203,022
Reita	671,219	389,063
Consultancy on assessment of energy conservation in commercial buildings - Phases 1 and 2	122,179	83,680
Books, periodicals & subscriptions	21,547	23,858
Meetings, conferences and seminars	114,876	87,022
	1,155,648	786,645
	2,914,267	2,540,772
Auditors' remuneration	2007	2006
	£	£
Audit of the parent company and consolidated accounts	9,190	8,760
Fees payable to the company's auditor for other services:		
The audit of the company's subsidiaries pursuant to legislation	7,070	6,710
Tax services	3,000	3,126
	19,260	18,596

British Property Federation

Notes to the Consolidated Financial Statements For year ended 31 December 2007 (continued)

2 Operating and administrative expenses (continued)

Financial commitments

The total operating lease rental expense included in the profit and loss of £127,000 (2006: £127,000) is included in operating and administrative costs.

At 31 December 2007 the group had annual commitments under non-cancellable operating leases expiring as follows:

	2007 £	2006 £
Within one year	-	-
Within one to five years	127,000	127,000
After five years	-	-
	127,000	127,000

3 Employees, directors and pensions

Staff costs consist of:

	2007 £	2006 £
Wages and salaries	938,667	887,549
Social security cost	103,284	87,753
Pension cost	105,907	83,232
Termination payment to ex-employee	-	40,000
	1,147,858	1,098,534

The average weekly number of employees during the year was as follows:

	2007	2006
Full time	17	16

The Federation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Federation in an independently administered fund. The pension cost charge above includes contributions payable by the Federation to the Fund amounting to £60,820 (2006: £62,462).

Directors' emoluments

Directors' emoluments

	2007 £	2006 £
Aggregate emoluments	164,715	156,981
	164,715	156,981

Retirement benefits are accruing to one (2006: one) director under a defined contribution scheme. The aggregate value of the company contribution to the scheme was £97,942 (2006: £76,072).

4 Interest receivable

	2007 £	2006 £
Other interest - short-term deposits	48,446	46,183
Income from fixed asset investments	86,669	85,966
Income from equity investments	2,256	2,120
	137,371	134,269

5 Other operating income

	2007 £	2006 £
Turnover	126,284	146,715
Other	65,122	42,798
Contributions received in relation to the education campaign in respect of REITs (Reita).	743,184	359,063
Grants received from the DTI and The Carbon Trust for the assessment of energy consumption in commercial buildings* - Phase 2:		
DTI	-	13,108
The Carbon Trust	139,132	70,572
	1,073,722	632,256

* The grants from the DTI and The Carbon Trust have been matched to expenditure incurred in the same period.

British Property Federation

Notes to the Consolidated Financial Statements
For year ended 31 December 2007 (continued)

6 Taxation	2007	2006
Current Tax	£	£
UK corporation tax on profits of the period	28,414	32,673
Under provision in prior year	1,075	122
Total current tax	29,489	32,795
Deferred taxation	(1,350)	(1,044)
Tax on profit on ordinary activities	28,139	31,751

The tax assessed for the period is higher (2006: higher) than the standard rate of corporation tax in the UK (30%).
Factors affecting the tax charge for the year:

Profit/(Loss) before taxation	21,276	(118,052)
Profit on ordinary activities multiplied by the standard rate of corporation tax at 30% (2006:30%)	6,383	(35,416)
Disallowed expenses	642,659	630,941
Non-taxable income	(612,654)	(554,559)
Adjustments to tax in respect of previous periods	1,075	122
Depreciation in excess of capital allowances	1,823	1,649
Net effect of different rates of tax for small companies	(91)	(79)
Marginal relief	(9,706)	(9,863)
Current tax charge for the period	29,489	32,795

7 Tangible fixed assets - Group

	Computer £	Furniture, fittings and office equipment £	Leasehold improvements £	Total £
Cost				
At beginning of year	226,289	144,025	183,326	553,640
Additions	31,073	5,389	1,901	38,363
Disposals	-	-	-	-
Cost at end of year	257,362	149,414	185,227	592,003
Depreciation				
At beginning of year	180,446	135,395	171,295	487,136
Provision for year	33,433	6,260	5,424	45,117
Disposals	-	-	-	-
At end of year	213,879	141,655	176,719	532,253
Net book value				
At 31 December 2007	43,483	7,759	8,508	59,750
At 31 December 2006	45,843	8,630	12,031	66,504

Other than as disclosed in Note 9, the company had no Fixed Assets at year end

8 Fixed asset investments	2007 £	Group 2006 £
Eurobonds		
£120,000 Abbey National 5 3/8% 2009	120,145	120,217
£200,000 Halifax 6.375% 2008	199,992	199,945
£116,000 European Investment Bank 4.25% 2010	115,388	115,178
£146,000 HBOS Treasury Floating Rate 2007	-	146,156
£100,000 General Electric Capital 4.5% 2008	99,666	99,303
£80,000 BP Capital Markets Plc 5% 2007	-	79,842
£110,000 Abbey National 5 3/4% 2009	110,037	110,055
£190,000 Marks & Spencer 6.25% 2007	-	190,164
£95,000 Tesco Eur Med Trm 5.125% 2009	95,163	95,245
£102,000 European Investment Bank 4.5% 2013	102,080	102,096
£220,000 Shell International Bank 5.25% 2010	220,667	221,000
Treasury Stock		
£200,000 Treasury 4.75% 2010	200,154	200,218
£190,000 Treasury 5% 2012	188,563	-
	1,451,855	1,679,419
Equity Investments	54,714	54,714
Less write down in value of investment	(4,012)	(4,362)
	50,702	50,352
	1,502,557	1,729,771

British Property Federation

Notes to the Consolidated Financial Statements For year ended 31 December 2007 (continued)

8 Fixed asset investments (continued)

At 31 December 2007 the market value of investments was £1,507,420 (2006: £1,718,240)

Movements in fixed asset investments during the year were as follows:

	Group	
	2007	2006
	£	£
At 1 January	1,729,771	1,732,247
Additions	188,275	421,251
Disposals and redemptions	(416,000)	(429,038)
Amortisation of discounts	161	(926)
Movement in provision for write down in value of investment	350	6,237
At 31 December	1,502,557	1,729,771

Other than as disclosed in Note 9, the company had no Fixed Assets at year end

9 Investments in group undertakings

	£	Company	
	Shares	Loans	Total
	£	£	£
Cost at 1 January 2007	200	1,633,005	1,633,205
Additions	-	-	-
Carrying value at 31 December 2007	200	1,633,005	1,633,205

The Federation beneficially owns all the fully paid up share capital of 100 £1 ordinary shares in the following companies.

British Property Federation (Europe) Ltd which acted as the Federation's member of the European Property Federation whose purpose is to represent the interests of commercial property owners and investors at European Union level is being wound up in 2008. European Property Federation membership will be maintained in the name of the British Property Federation.

BPF Commercial Ltd handles the Federation's income from trading activities, the working capital of the Federation, its own investments and provides accommodation and services to the Federation.

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
10 Debtors				
Accrued interest	49,109	46,393	-	-
Trade debtors	217,141	101,696	209,688	31,102
Taxation	8,761	34,290	-	-
Deferred taxation	8,274	6,924	-	-
Due from Group undertaking	-	-	391,993	534,880
Prepayments	65,560	80,021	19,328	26,624
	348,845	269,324	621,009	592,606

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
11 Current asset investments				
Short term deposits	730,000	572,289	-	-

British Property Federation

Notes to the Consolidated Financial Statements For year ended 31 December 2007 (continued)

	Group		Company	
12 Creditors falling due within one year	2007	2006	2007	2006
	£	£	£	£
Other creditors	180,055	135,689	167,481	118,601
Taxation and social security	38,678	50,659	37,201	50,181
Corporation tax	28,244	32,544	-	-
Accruals	118,825	70,358	109,639	42,677
Deferred Income	583,698	674,425	453,754	433,488
	949,500	963,675	768,075	644,947

13 Related party transactions

Group

- (a) Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.
- (b) Rent and service charges of £162,227 were charged to the group by Land Securities Group of which Mr F Salway is Group Chief Executive. Mr Salway was a director of the British Property Federation during the the period at nil remuneration. The balance due to Land Securities Group at the period end was £1,688

14 Reconciliation of members' funds

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
At 1 January	1,884,431	2,034,234	1,755,361	2,015,077
(Deficit) for the year	(6,863)	(149,803)	(101,810)	(259,716)
Closing members' funds	1,877,568	1,884,431	1,653,551	1,755,361

British Property Federation has not presented its own income and expenditure account, as permitted by Section 230(1)(b) Companies Act 1985. The loss for the year of the company, dealt with in its financial statements, was £101,810 (2006 Loss £259,716).

The British Property Federation is a company limited by guarantee which acts as a non-profit making Organisation in the promotion of the interests of the British property industry. In the event of a deficit arising on a winding up, the members of the company have guaranteed to provide a maximum of up to £1 per member to meet this deficit. In the event of a surplus arising on a winding up, this surplus will be transferred to another Organisation with objectives similar to those of the Federation.