

BRITISH COUNCIL OF SHOPPING CENTRES
(Limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

Registered number: 1755476



BRITISH COUNCIL OF SHOPPING CENTRES
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

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**BRITISH COUNCIL OF SHOPPING CENTRES
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1998**

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

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

Principal Activities

The company, which is registered in England, is limited by guarantee and does not have a share capital.

The company is an organisation for businesses engaged in the development and management of shopping centres, providing services and facilities for its members.

Business Review

Through its central Secretariat in the heart of Westminster, the company is well-placed and resourced to fulfil its objectives and in particular its role in influencing matters of public policy on behalf of its members.

The company continues to pursue a programme of relevant research and focuses, through its specialist committees, on a range of matters of interest in all aspects of shopping centre development and management, information on which is disseminated to members on a regular basis.

Opportunities are provided for members to meet and exchange ideas; during the year a series of luncheon meetings, seminars and study tours and an annual dinner were held for members and their guests. BCSC Scotland was established during the year as a regular forum for members north of the border.

The annual conference was well-supported, and provided an income contribution. The BCSC Educational Trust was provided with a portion of the surplus generated.

There was a surplus for the year ended 31 December 1998 of £50,273. The state of the company's affairs is regarded by the directors as satisfactory.

Fixed Assets

Movements in tangible fixed assets are shown in note 9 to the financial statements.

Directors and Directors' Interests

A list of current directors is given on page 3.

The directors do not have any interest required to be disclosed under Schedule VII of the Companies Act 1985.

BRITISH COUNCIL OF SHOPPING CENTRES
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 1998

The following were directors during the year:

President:

P G Lewis FRICS

Vice Presidents:

I R Watters FRICS

F R Ives FRICS Dip Proj Man (also Hon Treasurer)

Immediate Past-Presidents:

K Redshaw BSc FRICS

R Aldridge OBE ARICS

R A Wright FRICS

Representatives on ICSC European Affairs Committee:

J D Greenwood BSc FRICS

Members:

C J Carter ARICS

R H DeBarr FRICS

Since 12.3.98

A C Edwards MSc FRICS

Until 12.3.98

A P F Gordon MA FRICS

R G Groom FRICS

A R Hoof

P J Langley ARICS

Since 12.3.98

I M Mashiter MA ARICS

M R Meech BSc FRICS

Since 12.3.98

N D Mitchenall

A P Ogg BA DipArch(Leeds) RIBA

M J Pearson Solicitor

R J G Richards BSc FRICS

Since 12.3.98

K G Saunders FRICS

D G Smith BSc ARICS

J A Strachan BSc FRICS

S A Taylor FRICS

B R Walker JP DipSCM

D C Watt MA FRICS

J Whalley BSc (EstMan) FRICS FRSA

Until 12.3.98

N L Woolner DipArch RIBA ARAIA FRSA

Secretary:

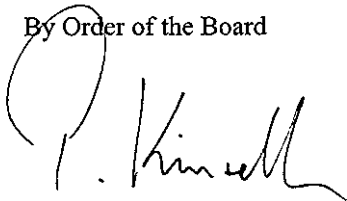
P Kinsella BA Solicitor

BRITISH COUNCIL OF SHOPPING CENTRES
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 1998

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Horwath Clark Whitehill as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



P Kinsella
Secretary

Registered Office:
 190 Strand
 London
 WC2R 1JN

BRITISH COUNCIL OF SHOPPING CENTRES
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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.

AUDITORS' REPORT

TO THE MEMBERS OF BRITISH COUNCIL OF SHOPPING CENTRES

We have audited the financial statements on pages 7 to 12 which have been prepared under the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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.

UNQUALIFIED OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1998 and of the surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kennett House
80 Kings Road
Reading

12 March 1999



HORWATH CLARK WHITEHILL
*Chartered Accountants
and Registered Auditors*

BRITISH COUNCIL OF SHOPPING CENTRES
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998

| | Note | 1998 £ | 1997 £ |
|---|------|------------------|----------------|
| INCOME | | | |
| Subscriptions | | 237,130 | 157,579 |
| Activities | 3 | 161,162 | 123,902 |
| Conference income | | 543,984 | 433,373 |
| Publications Sales | | 5,292 | 2,605 |
| Interest receivable | | 24,572 | 16,758 |
| Awards receivable | | 20,500 | 35,500 |
| Shopping Centre Awards | | 28,585 | 20,918 |
| Other operating income | 4 | <u>21,005</u> | <u>10,696</u> |
| | | <u>1,042,230</u> | <u>801,331</u> |
| EXPENDITURE | | | |
| Printing, stationery, postage & telephone | | 84,311 | 40,134 |
| Secretariat services | 5 | 165,276 | 159,100 |
| Activities | 3 | 150,375 | 115,814 |
| Conference expenditure | | 346,147 | 289,186 |
| Shopping Centre Awards | | 50,872 | 30,337 |
| Research Studies | 6 | 64,808 | 36,437 |
| Donations to BCSC Educational Trust, under Gift Aid | | 39,000 | 72,000 |
| Other operating expenditure | 7 | <u>89,617</u> | <u>51,625</u> |
| | | <u>990,406</u> | <u>794,633</u> |
| Surplus on ordinary activities before taxation | | 51,824 | 6,698 |
| Taxation net of Gift Aid | 8 | <u>(1,551)</u> | <u>-</u> |
| Retained surplus | 12 | <u>£ 50,273</u> | <u>£ 6,698</u> |

The notes on pages 9 to 12 form part of these financial statements.

BRITISH COUNCIL OF SHOPPING CENTRES

BALANCE SHEET

AT 31 DECEMBER 1998


| | Note | 1998 £ | 1997 £ |
|---|------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 9 | 240 | 1,680 |
| Current Assets | | | |
| Debtors | 10 | 102,986 | 109,742 |
| Cash at bank | | <u>585,137</u> | <u>537,889</u> |
| | | 688,123 | 647,631 |
| Creditors: Amounts falling due within one year | 11 | <u>(422,994)</u> | <u>(434,215)</u> |
| Net Current Assets | | <u>265,129</u> | <u>213,416</u> |
| Net Assets | | <u>£ 265,369</u> | <u>£ 215,096</u> |

REPRESENTED BY:

| | | | |
|------------------|----|------------------|------------------|
| Accumulated Fund | 12 | <u>£ 265,369</u> | <u>£ 215,096</u> |
|------------------|----|------------------|------------------|

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 12 March 1999 and were signed on its behalf by:-


P G LEWIS



F RIVES

The notes on pages 9 to 12 form part of these financial statements.

BRITISH COUNCIL OF SHOPPING CENTRES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

1. SHARE CAPITAL

The company is registered by guarantee and does not have a share capital. The liability of members is limited to £1 in the event of winding up.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with:

- (i) The Financial Reporting Standard for Smaller Entities; and
- (ii) The special provisions of Part VII of the Companies Act 1985 relating to small companies.

Depreciation

Tangible fixed assets are depreciated over their estimated useful life by equal annual instalments based on cost at the rate of 50% per annum.

Value Added Tax

Taxable income and expenditure are stated net of VAT. Further details on the VAT status are included in note 8.

Turnover

Turnover includes amounts invoiced to customers excluding VAT and sales of fixed assets.

3. ACTIVITIES

| 1998 | Annual Dinner £ | Luncheon Meetings £ | Visits £ | Seminars £ | Scotland Events £ | Total £ |
|-------------------|-----------------------|---------------------------|-----------------|----------------|-------------------------|------------------|
| Income | 113,575 | 27,991 | 11,498 | - | 8,098 | 161,162 |
| Expenditure | <u>(97,586)</u> | <u>(26,164)</u> | <u>(12,284)</u> | <u>(3,792)</u> | <u>(10,549)</u> | <u>(150,375)</u> |
| Surplus/(deficit) | <u>15,989</u> | <u>1,827</u> | <u>(786)</u> | <u>(3,792)</u> | <u>(2,451)</u> | <u>10,787</u> |

| | | | | | | |
|----------|----------|----------|----------|----------|----------|--|
| No. held | <u>1</u> | <u>5</u> | <u>4</u> | <u>3</u> | <u>5</u> | |
|----------|----------|----------|----------|----------|----------|--|

| 1997 | Annual Dinner £ | Luncheon Meetings £ | Visits £ | Total £ |
|-------------|-----------------------|---------------------------|----------------|------------------|
| Income | 84,766 | 29,143 | 9,993 | 123,902 |
| Expenditure | <u>(77,368)</u> | <u>(28,683)</u> | <u>(9,763)</u> | <u>(115,814)</u> |
| Surplus | <u>£ 7,398</u> | <u>£ 460</u> | <u>£ 230</u> | <u>£ 8,088</u> |

| | | | | |
|----------|----------|----------|----------|--|
| No. held | <u>1</u> | <u>5</u> | <u>4</u> | |
|----------|----------|----------|----------|--|

BCSC Annual Conference 1998

BCSC has made a Gift Aid donation of £39,000 to the BCSC Educational Trust, a charitable body established to promote the study of shopping centres.

BRITISH COUNCIL OF SHOPPING CENTRES
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1998

4. OTHER OPERATING INCOME

| | 1998 | 1997 |
|-----------------------|-----------------|-----------------|
| | £ | £ |
| Year book advertising | 10,230 | - |
| Marketing awards | 2,775 | 1,875 |
| Other income | <u>8,000</u> | <u>8,821</u> |
| | <u>£ 21,005</u> | <u>£ 10,696</u> |

5. SECRETARIAT SERVICES

Added Value Administration Limited provide secretariat services under contract to the company.

The British Council of Shopping Centres does not have any employees.

6. RESEARCH STUDIES

| | | |
|--|-----------------|-----------------|
| Shopping Centre Control Rooms | - | 8,042 |
| Public Transport & Town Centre Accessibility | - | 23,395 |
| Briefing Guide for Shopping Centres | 7,521 | 5,000 |
| Crime Prevention - Good Practice Guide | 6,493 | - |
| Bomb Threats Video | 16,122 | - |
| Shopping Centre Industry Impact Study | <u>34,672</u> | <u>-</u> |
| | <u>£ 64,808</u> | <u>£ 36,437</u> |

7. OTHER OPERATING EXPENDITURE

| | | |
|--------------------------------|-----------------|-----------------|
| Marketing awards | 8,629 | 7,499 |
| Town Centre Environment Award | 13,032 | 4,403 |
| Diploma awards ceremony | 3,626 | 2,824 |
| Presidential expenses | 413 | 1,136 |
| Technical papers | 974 | 3,560 |
| Auditors' remuneration | 2,440 | 2,700 |
| Public relations and promotion | 13,830 | - |
| Euro legislation services | 3,250 | 6,250 |
| National Retail Planning Forum | 5,000 | 5,325 |
| Regional secretariat | 17,057 | 4,996 |
| Depreciation | 1,440 | 1,200 |
| Bad debt provision | 10,556 | - |
| Other expenditure | <u>9,369</u> | <u>11,732</u> |
| | <u>£ 89,617</u> | <u>£ 51,625</u> |

BRITISH COUNCIL OF SHOPPING CENTRES
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1998

8. TAXATION

Corporation tax

The Council believes that corporation tax is payable on investment income and non-mutual trading. For 1998 the Gift Aid payment made to the BCSC Educational Trust covers some of this liability. The remaining corporation tax charge for the current year is £1,551 (1997: £Nil).

Value Added Tax

In accordance with the calculation agreed with H M Customs & Excise, 1998 subscriptions are subject to VAT at standard rate on only 71.4% of a member's subscription; the other 28.6% is zero-rated. All of the Council's activities are subject to VAT.

9. TANGIBLE FIXED ASSETS

| | Computer Equipment £ |
|-------------------------|----------------------------|
| COST | |
| 1 January 1998 | 2,880 |
| Additions | <u>-</u> |
| 31 December 1998 | <u>2,880</u> |
| DEPRECIATION | |
| 1 January 1998 | 1,200 |
| Charge for the year | <u>1,440</u> |
| 31 December 1998 | <u>2,640</u> |
| NET BOOK VALUE | |
| 31 DECEMBER 1998 | <u><u>£ 240</u></u> |
| <i>31 December 1997</i> | <u><u>£ 1,680</u></u> |

BRITISH COUNCIL OF SHOPPING CENTRES
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1998

10. DEBTORS

| | 1998 £ | 1997 £ |
|---------------|------------------|------------------|
| Subscriptions | 184 | 2,400 |
| Activities | 20,656 | 41,973 |
| Awards | 12,513 | 9,929 |
| Publications | 77 | 1,299 |
| Conference | 61,275 | 52,005 |
| Prepayments | 1,060 | 1,060 |
| Other debtors | <u>7,221</u> | <u>1,076</u> |
| | <u>£ 102,986</u> | <u>£ 109,742</u> |

11. CREDITORS AND ACCRUALS

| | | |
|------------------------|------------------|------------------|
| Corporation tax | 1,551 | - |
| Creditors and accruals | 366,497 | 369,236 |
| VAT | 33,621 | 40,689 |
| Deferred income | <u>21,325</u> | <u>24,290</u> |
| | <u>£ 422,994</u> | <u>£ 434,215</u> |

12. ACCUMULATED FUND

| | | |
|--------------------------------|------------------|------------------|
| Balance as at 1 January 1998 | 215,096 | 208,398 |
| Retained surplus | <u>50,273</u> | <u>6,698</u> |
| Balance as at 31 December 1998 | <u>£ 265,369</u> | <u>£ 215,096</u> |