

BRITISH EXPERTISE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2007

A COMPANY LIMITED BY GUARANTEE REGISTERED IN LONDON NO. 896430

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**BRITISH EXPERTISE
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY INFORMATION

Directors:

A K Allum
M R Alder
M Boyd
M Bullough (appointed 14/11/06)
D N V Churton (appointed 14/11/06)
C J Clinton (resigned 14/11/06) (re-appointed 08/02/07)
D F Cook (resigned 14/11/06)
S T Culshaw
W J Dale
J D M Davie
L Edwards
M G Green (resigned 14/11/06)
G S Hand
D Heslett
D M Howell (appointed 14/11/06)
A Kilvington
J L Nutt
D A Raines
J R Robinson (resigned 14/11/06)
R A Shadbolt
R Singh
T Wade
M Wallwork

Secretary: R Pelly

Company number: 896430

Registered office: One Westminster Palace Gardens
1-7 Artillery Row
London SW1P 1RJ

Auditors: Baker Tilly UK Audit LLP
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED

Bankers: HSBC Bank plc
8 Victoria Street
London SW1H 0NJ

**BRITISH EXPERTISE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2007
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**BRITISH EXPERTISE
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

The Board of Directors presents its report and the audited financial statements for British Expertise for the year ended 31 March 2007

Principal Activities

The role of British Expertise, known as BCCB Worldwide until 24 August 2006, is to help members develop their business overseas. We do this by

- Organising trade missions, networking and briefing meetings, and specialised training courses, mostly in London,
- Collating and passing on project leads and other market intelligence,
- Lobbying the British Government on issues that affect the export competitiveness of members;
- Working with the European Commission, World Bank and other international financial institutions to help promote members' interests and resolve problems,
- Solving specific problems for member companies.

After many years operating in an international environment British Expertise has a well earned reputation for rapid and highly efficient service to members, and has developed an extensive network of high level contacts. We offer networking of the highest quality

Board of Directors

The directors who served for the year 2006/07 are shown on the company information page

The company is limited by guarantee. Every member of the company undertakes to contribute such amount as may be required (not exceeding £10) to the company's costs if it should be wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the company's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories

Auditor

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office

**BRITISH EXPERTISE
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

Responsibilities of the board of directors

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to

- a select suitable accounting policies and then consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 requirements of 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 and other irregularities.

Small Company Provisions

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

Statement as to Disclosure of Information to Auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the Board



**D A Raines
Chairman**



**G S Hand
Chief Executive and
Director**

.....6 July 2007
Date

**BRITISH EXPERTISE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR REPORT TO THE MEMBERS
OF BRITISH EXPERTISE**

We have audited the financial statements on pages 4 to 14

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 auditor 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 auditor

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).

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 information given in 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 yet 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.

Basis of 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 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 company's affairs as at 31 March 2007 and of its deficit for the year then ended and 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

BAKER TILLY UK AUDIT LLP
Chartered Accountants & Registered Auditor

Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED

Baker Tilly UK Audit LLP
8 August 2007

BRITISH EXPERTISE
(A COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Income			
Subscriptions receivable		481,404	487,047
British Expertise directory	3	-	5,963
Meetings	4	23,646	23,187
Training seminars	5	12,044	22,852
Support Service	6	53,802	5,000
UKTI Contracts	7	118,920	-
International awards		20,350	10,557
House of Lords		10,200	11,700
British Expertise launch		6,950	-
Summer networking		-	630
Xmas networking		675	885
New members networking		560	-
Other income	8	58,652	56,362
		<u>787,203</u>	<u>624,183</u>
Expenditure			
Staff costs	2	438,792	428,839
Premises		118,190	114,769
British Expertise directory	3	-	355
Depreciation	14	4,241	4,638
Fixed asset disposal	14	-	36
Subscriptions and publications	12	21,192	6,996
Audit fee		4,850	4,650
Legal and professional fees	9	825	18,048
Printing and stationery		3,240	4,459
Public relations		12,371	11,930
Telephone and postage		7,590	7,085
Bad debts	10	2,184	(374)
Meetings	4	5,388	6,361
Training seminars	5	7,721	15,557
UKTI Contracts	7	93,088	-
International awards		17,017	8,502
House of Lords		4,217	4,581
British Expertise launch		13,652	-
Summer networking		-	219
Xmas networking		186	197
New members networking		179	-
Office and other expenses	11	40,684	38,657
		<u>795,607</u>	<u>675,505</u>
Operating deficit		(8,404)	(51,322)
Interest receivable and similar income		10,340	13,736
Surplus/(deficit) on ordinary activities before taxation (carried forward)		1,936	(37,586)

BRITISH EXPERTISE
(A COMPANY LIMITED BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT (continued)
YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Surplus/(deficit) on ordinary activities before taxation (brought forward)		1,936	(37,586)
Taxation	13	(1,962)	(887)
Deficit on ordinary activities after taxation		(26)	(38,473)
		<u> </u>	<u> </u>

All operations are classed as continuing

The company has no recognised gains and losses other than the surpluses/deficits above and therefore no separate statement of total recognised gains and losses has been presented

BRITISH EXPERTISE
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BALANCE SHEET AT 31 MARCH 2007

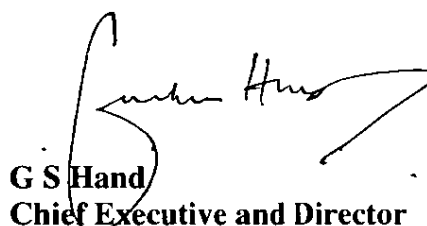
	Note	2007 £	2006 £
Fixed assets			
Tangible fixed assets	14	<u>8,521</u>	<u>10,281</u>
Current assets			
Stocks		2,628	2,571
Debtors falling due within one year	15	164,118	71,276
Cash at bank and in hand		183,632	134,268
		<u>350,378</u>	<u>208,115</u>
Current liabilities			
Creditors amounts falling due within one year	16	<u>(256,576)</u>	<u>(116,047)</u>
Net current assets		<u>93,802</u>	<u>92,068</u>
Total assets less current liabilities		<u>102,323</u>	<u>102,349</u>
Net assets		<u>102,323</u>	<u>102,349</u>
Accumulated surplus of income over expenditure	18	50,698	44,022
Enhancement & Maintenance fund	17	<u>51,625</u>	<u>58,327</u>
		<u>102,323</u>	<u>102,349</u>

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

The financial statements on pages 4 to 14 were approved by the board of directors and authorised for issue on 6 July 2007 and are signed on its behalf by.



D A Raines
Chairman



G S Hand
Chief Executive and Director

**BRITISH EXPERTISE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007**

1. Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

1.1 Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention.

1.2 Income

The income shown in the income and expenditure account represents amounts due from members and is stated net of value added tax.

1.3 Depreciation

Depreciation of fixed assets is provided, on a basis calculated to write off cost over estimated useful lives, at the following rates.

Owned furniture and fittings	25% reducing balance
Computer system and printers	straight line over 3 years

1.4 Stocks

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

1.5 Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

1.6 UK Trade & Investment Grants

Up until 31 March 2007, British Expertise applied for UK Trade & Investment grants to cover the eligible portion of the costs incurred for seminar missions overseas. Such grants were credited to the balance sheet and matched against the mission expenses incurred by British Expertise.

From 2007-8, UK Trade and Investment has moved from an eligible cost recovery basis to a competitive tendering and contract basis for the management of overseas missions. See note 7 on page 9 for further information.

In addition, travel grants are claimed from UK Trade & Investment by British Expertise on behalf of participants attending certain missions. These are also credited to the balance sheet and offset against amounts owed to British Expertise by the mission participants.

**BRITISH EXPERTISE
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007**

1.7 Foreign Currencies

All foreign exchange differences are taken to the income and expenditure account in the year in which they arise

1.8 Pension Costs

The company contributes to the personal pension plans of certain employees. Contributions are charged to the income and expenditure account as incurred.

2. Staff Costs	2007	2006
	£	£
Salaries and wages	373,315	365,725
Social security costs	36,135	33,945
Pension costs	15,498	15,609
Other costs	13,844	13,560
	<u>438,792</u>	<u>428,839</u>

The remuneration paid to the company's directors in the year to 31 March 2007 amounted to

	2007	2006
	£	£
Aggregate emoluments	67,980	66,000
Pension contributions to money purchase schemes	3,399	3,300
	<u>71,379</u>	<u>69,300</u>

The company paid pension contributions in respect of one director (2006 one)
The company also pays pension contributions for employees on completion of three months probation, as mentioned in note 19 on page 13

3. British Expertise Directory	2007	2006
	£	£
Income	-	5,963
Expenditure	-	(355)
Depreciation	-	(294)
	<u>-</u>	<u>5,314</u>
Surplus on British Expertise Directory	-	5,314

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NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

4. Meetings	2007	2006
	£	£
Income	23,646	23,187
Expenditure	(5,388)	(6,361)
	<u>18,258</u>	<u>16,826</u>
Surplus from Meetings	<u>18,258</u>	<u>16,826</u>
5. Training Seminars		
Income	12,044	22,852
Expenditure	(7,721)	(15,557)
	<u>4,323</u>	<u>7,295</u>
Surplus from training seminars	<u>4,323</u>	<u>7,295</u>

6. Support Services

This source of income commenced in February 2006, with British Expertise providing administration and accounting support to the British Association of Private Security Companies

British Expertise also has a two year contract with UK Trade and Investment for Aid-Funded Business Services, commencing April 2007, for the provision of consultancy services

7. UKTI Contract

As noted at 1.6 on page 7, our work for UK Trade and Investment in this financial year and in the future is being carried out on a competitive tender and contract basis. Hence the new heading "UKTI Contracts" under income and expenditure

Income includes subcontractors' fee and recoverable travel costs. These are also reflected in the expenditure section

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NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

8. Other Income	2007	2006
	£	£
Stationery	511	400
Mission management fee	19,605	27,705
Mission other income	(1,515)	(4,590)
Joining fee	4,800	5,550
Hire of boardroom	14,919	11,506
Hire of audio visuals	1,755	955
Lodger unit	16,148	13,704
Advertising income	780	665
Administration income	1,148	175
Other income	501	292
	<u>58,652</u>	<u>56,362</u>
	<u><u>58,652</u></u>	<u><u>56,362</u></u>
 9. Legal and Professional Fees		
Expenditure		
ETC – Baker Tilly	-	207
Consultancy	-	17,811
Professional fee – Shadbolt & Co LLP	800	-
Sundry	25	30
	<u>825</u>	<u>18,048</u>
	<u><u>825</u></u>	<u><u>18,048</u></u>
 The professional fee is for providing legal services in connection with the Crown Agents new lease for Suite 18 Westminster Palace Gardens.		
 10. Bad Debt Credit		
Trade debtors	<u>2,184</u>	<u>(374)</u>
	<u><u>2,184</u></u>	<u><u>(374)</u></u>
 11. Office and Other Expenses		
Repairs and maintenance	5,269	2,094
Travel expenses	6,484	8,266
Computer development/maintenance	22,171	20,955
Bank and credit charges	1,553	771
ICG's Trust Management charge	-	344
Operating rentals	4,116	4,800
Insurance	1,091	1,427
	<u>40,684</u>	<u>38,657</u>
	<u><u>40,684</u></u>	<u><u>38,657</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

12. Subscription and Publications	2007	2006
	£	£
EIC subscription	18,288	4,621
Other subscriptions and publications	2,904	2,375
	<u>21,192</u>	<u>6,996</u>

The EIC subscription was payable from January 2006. It was suspended for the previous twelve months.

13. Taxation

UK corporation tax at 19% on interest receivable for the year	<u>1,962</u>	<u>887</u>
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For UK tax purposes the company is a mutual trading organisation and as such only pays UK corporation tax on its investment income.

14. Tangible Fixed Assets

Cost	Fixtures, fittings and equipment £
At 1 April 2006	81,656
Additions	2,481
Disposals	-
At 31 March 2007	<u>84,137</u>
 Depreciation	
At 1 April 2006	71,375
Charge for the year	4,241
Disposals	-
At 31 March 2007	<u>75,616</u>
 Net Book Value	
At 31 March 2007	<u>8,521</u>
At 31 March 2006	<u>10,281</u>

BRITISH EXPERTISE
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NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

15. Debtors: amounts falling due within one year	2007	2006
	£	£
Trade debtors	105,726	32,952
Other debtors	4,781	3,487
Prepayments and accrued income	53,611	34,837
	<u>164,118</u>	<u>71,276</u>
	<u><u>164,118</u></u>	<u><u>71,276</u></u>
16. Creditors: amounts falling due within one year		
Trade creditors and accruals	157,899	95,371
Subscriptions received in advance	61,748	8,431
Corporation tax	1,962	887
Other taxation including social security	34,967	11,358
	<u>256,576</u>	<u>116,047</u>
	<u><u>256,576</u></u>	<u><u>116,047</u></u>

The company's landlord has supplied an indication of the costs involved for the internal and external redecoration of Suites 1 and 18 Westminster Palace Gardens. The agreement of these sums is a matter for discussion. Trade creditors and accruals include a provision for £30,000 to cover these costs.

17 Enhancement & Maintenance Fund

Advances received from members towards enhancement and the cost of repairs

Balance at 1 April 2006	58,327	79,759
Net decrease in fund during year		
Transfer to income and expenditure account	(6,702)	(21,432)
	<u>51,625</u>	<u>58,327</u>
Balance at 31 March 2007	<u><u>51,625</u></u>	<u><u>58,327</u></u>

The British Expertise Enhancement & Maintenance fund is designated for image enhancement expenditure. The company has an ongoing requirement to maintain this fund for this purpose and to ensure that the company would be able to relocate if the existing rent charges became excessive.

BRITISH EXPERTISE
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NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

18. Accumulated Surplus of Income over Expenditure	2007 £	2006 £
Balance at 1 April 2006	44,022	61,063
Deficit for the year as per income and expenditure account	(26)	(38,473)
	<hr/>	<hr/>
	43,996	22,590
Transfer from Enhance and Maintenance Fund (Note 16)	6,702	21,432
	<hr/>	<hr/>
Balance at 31 March 2007	<u>50,698</u>	<u>44,022</u>

19. Pension Obligations

The company has entered into an arrangement whereby employees who have more than three months' service are encouraged to set up an individual personal pension scheme and the company will contribute 5% of the employee's gross annual salary into the scheme

This arrangement came into effect on 1 April 1991 for individuals who were employed at that date. For new employees joining the company after 1 April 1991 the arrangement will commence from the date the employee notifies the company in writing of their personal pension scheme. However, the company does have a Group Personal Pension Scheme with Standard Life, should it be required.

On this basis, the total pension cost for the company was £15,498 (2006 £15,609) as shown in note 2 on page 8.

20. Financial Commitments

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date.				
Between two and five years	86,914	85,715	4,342	4,342
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>86,914</u>	<u>85,715</u>	<u>4,342</u>	<u>4,342</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007**

21. Transactions with Directors

A number of directors of the company are also directors of companies that are members of British Expertise. There have been no material transactions between these parties and the company during the year.