



NBCC
2007 ANNUAL REPORT

**The Netherlands British
Chamber of Commerce**

NBCC

The Netherlands British Chamber of Commerce

established in London on 16 April 1891,
incorporated in 1958, the name amended in 1971

registered in England and Wales under N^o. 82384
company limited by guarantee and not having a share capital

Registered office:

'Imperial House'
15-19 Kingsway
London WC2B 6UN
ENGLAND
tel: +44-20-7539 7960
fax: +44-20-7836 6988

Netherlands Office

'Oxford House'
NZ Voorburgwal 328L
1012 RW Amsterdam
THE NETHERLANDS
tel: +31-20-421 7040
fax: +31-20-421 7003

e: info@nbcc.co.uk

w: www.nbcc.co.uk

The Netherlands British Chamber of Commerce

has the exclusive rights to and use of the following names and
its abbreviations in its operations:

NBCC

The Netherlands British Chamber of Commerce

De Nederlands-Britse Kamer van Koophandel

The Anglo-Dutch Awards for Enterprise

'InTouch' the official Anglo-Dutch Business Magazine

web site www.nbcc.co.uk

Donating Members

Unilever NV

Corporate Sponsors of NBCC events and activities:

The Anglo-Dutch Awards for Enterprise

ABN AMRO
Heineken UK
Michael Page International

Golf Days for Members

Exact EMEA BV
KLM Royal Dutch Airlines

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The General Council

PATRONS

HE Lyn Parker
HE Pim Waldeck

British Ambassador, The Hague *
Netherlands Ambassador, London *

VICE-PRESIDENT

William H Davidson *Vice-President for Life*

*

OFFICERS OF THE GENERAL COUNCIL

Henk Lafèbre *Chairman*
Alan M Jones *Hon. Secretary*
vacancy *Hon. Treasurer*

Knott Holding BV
LXL

MEMBERS OF THE GENERAL COUNCIL

Stuart Garwood
Roel Huisman
Vincent Knoops
André Kofman *co-opted 30/3/07*
Jan A de Kreij
Rob Marijnen *resigned 29/6/07*
Christine Ourmières
Philip H Paterson
Mark Rutten *co-opted 01/04/08*
Jos Vranken

MPI Ltd
KLM Royal Dutch Airlines
DKR Advisors BV
Heineken UK Ltd
AirFrance/KLM
Boekel de Nerée
Heineken UK Ltd.
NBTC

Hon. Observer at Council meetings

Neil Brigden
Henk Jan Bakker

British Embassy, Den Haag *
Netherlands Embassy, London *

AUDITORS

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU

London, 4 June 2008

** no voting rights at meetings
and no company director*

Report of the General Council

THE NBCC

The NBCC is an independent membership organisation with its main aim to promote both trade and investment between the Netherlands and the United Kingdom.

To this end, the NBCC advises organisations on doing business in both countries, organises network events and other activities for its members as well as promotional events such as trade missions, seminars and partner searches.

FINANCES

The NBCC ended the year 2007 with a surplus of £9,104 (2006 ended with a surplus of £21,360).

The year 2007 was, as the years before, an exciting and busy year.

The level of activity in 2007 was to a large extent attributable to a number of trade promotional activities carried out for EVD, the Dutch Ministry of Economic Affairs' Agency for International Business and Cooperation and Advantage West Midlands, two of NBCC's most important clients.

The NBCC also carried out some interesting ventures without government financial support, such as the campaign "Innovations from Holland".

As can be read in our financial statements we have a healthy financial position from which further investments in new activities can be made.

In our reports for the years 2005 and 2006 we wrote that our auditors had issued adverse opinions due to the fact that our financial statements did not include the information required by Financial Reporting Standard 17: "Retirement benefits" (FRS 17). The reason for not providing this information was that the expense of obtaining the information to enable the disclosures required by FRS 17 to be made could not be justified. However, the General Council has again considered the issue and has decided to comply with the requirements of FRS 17 from this year onwards. Further information about the performance of the scheme is provided in note 10 to the financial statements.

We have not provided the information for disclosures relating to 2006 as the expense of obtaining this information could not be justified. The auditor's have issued a qualified opinion to reflect this.

MEMBERSHIP OF THE GENERAL COUNCIL

At the last Annual General Meeting, held on 29 June 2007 in London, Their Excellencies the Netherlands Ambassador at London, Pim Waldeck, and the British Ambassador in The Hague Lyn Parker were re-appointed as Patrons of the NBCC.

The following members, who retired by rotation, were re-elected to the Council:

Alan Jones (LXL) and Philip H. Paterson (Boekel de Nerée) and Jan de Kreij (DKR Advisors BV).

Henk Jan Bakker (Royal Netherlands Embassy, London) and Neil Brigden (British Embassy, The Hague) were appointed as an Hon. Observer at General Council Meetings.

Mr Mark Rutten of Heineken UK Ltd. has joined the General Council following the resignation of Rob Marijnen of Heineken UK Ltd.

NBCC PERSONNEL

The NBCC employed 4 full-time and two part-time staff during the course of 2007.

To assist with various projects and with other activities, freelance staff was hired in as and when required. Four students from business schools in The Netherlands were given an internship in the offices in Amsterdam and London.

The NBCC runs its own 'Retirement and Death Benefits Scheme' for eligible staff in the UK.

Since 2001 the scheme is closed for new members. Details of the scheme are given in note 9 and 14 of this report.

MEMBERSHIP

As a result of the successful recruitment of 36 new members in The Netherlands and the United Kingdom, offset against the loss of 32 members who resigned, the number of members has increased from 239 at the end of 2006 to 243 in 2007.

At the end of the year there were 127 members in The Netherlands (2006: 129) and 116 members in the United Kingdom and various other countries (2006: 110).

Membership income amounted to £44,317 (2006 £46,385).

The fact that the increase of members is not reflected in an increase of membership income is mainly due to the fact that a substantial number of new members joined as part of a trade promotional project commissioned to the NBCC, and they were subsequently not invoiced for membership separately. The change of the exchange rate of GBP versus Euro has also had some impact here, as the amount of income from membership invoiced in Euro expressed in Sterling has increased relatively, while the actual number of members has not increased.

TRADE AND INVESTMENT PROMOTIONAL ACTIVITIES

The year 2007 was a busy year for trade promotional activities. The NBCC was involved in the organisation and execution of 5 trade and investment promotional missions from The Netherlands to the UK and included one trade mission from the UK to The Netherlands as well as other activities.

- Following the recent appointment of London as the host of the Olympic Games in 2012, the NBCC was commissioned by the EVD, the Dutch Ministry of Economic Affairs' Agency for International Business and Cooperation, and the Royal Netherlands Embassy in London to compile a report outlining the construction and other commercial opportunities arising from the organisation of the Olympic Games. The report was compiled and consequently distributed among a large number of interested Dutch companies who were given the opportunity to download the report at no cost.
- In April, the NBCC organised a fact finding visit for British representatives of companies involved in ICT and Government. The mission coincided with the Exhibition "Overheid & ICT", held in the Jaarbeurs in Utrecht. The mission, which was attended by 8 British companies, included a visit to the leading Dutch exhibition on this subject in Utrecht, individually tailored meetings with potential business partners, a seminar and a networking dinner party.
- In May, the NBCC organised, together with trade association VLM, the representative body for Dutch suppliers to the environmental industry, and commissioned by EVD, the Dutch Ministry of Economic Affairs' Agency for International Business and Cooperation, a trade mission to the UK for Dutch suppliers of environmental solutions. The delegation consisted of 8 company representatives who were all offered an opportunity to discuss their propositions with UK counterparts. The mission included a seminar and a Dutch pavillion at SustainabilityLive, the leading British exhibition on environmental products and services and tailor made meetings with potential agents/distributors and clients for the Dutch delegates, pre-arranged by NBCC.
- As part of its commitment to the building industry and the challenges this market in the UK has to offer to Dutch suppliers, the NBCC, together with trade association FME-CWM, staged a two day trade mission for Dutch suppliers of innovative building products in the UK in June 2007.
More than 100 individual business meetings were confirmed for the Dutch delegates with key players in the market such as Bovis Lendlease, Taylor Wimpey, Carillion and many more.
Because of the overwhelming interest for this particular event, NBCC organised a similar mission in October, during which another 12 Dutch companies, all suppliers to the building industry, were introduced to leading British builders, contractors, architects and other construction related companies.

- The NBCC's leading position as a platform to introduce the Dutch building methods with key UK decision makers, was also recognised by the Dutch government, by granting the NBCC the organisation of an incoming "fact-finding mission" with a view to familiarise the UK building industry with the sophisticated and sustainable Dutch building methods.
The 3-day visit to the Netherlands in November 2007, with key representatives of the UK building industry as well as some journalists, covered areas such as building on water, offsite construction, high rise building in difficult circumstances while respecting major sustainability requirements.
- The NBCC launched a campaign called "Innovations from Holland", presenting profiles of more than 45 leading Dutch suppliers to the construction industry to the UK market. A publication, giving full details on all the participating companies and listing their recently completed projects, was distributed among more than 2000 UK decision makers such as project developers, architects, urban planners, journalists and governmental representatives. The NBCC intends to continue the campaign with a range of activities in 2008 and onwards.
- As part of its activities commissioned by the regional development Agency Advantage West Midlands, NBCC organised 3 information seminars in various locations in The Netherlands, to inform Dutch prospective investors in the UK about investment opportunities, local incentives and other assistance available. The seminars were followed by an inward fact-finding visit to the West Midlands, resulting in some tangible projects for the region.
- NBCC continued the arrangement started in 2005 when it was appointed by the Royal Netherlands Association for Metal Industries (Metaalunie) to act as their local 'support office' in the United Kingdom.
This arrangement allows members of the Metaalunie to obtain basic trade information and contacts in the UK without incurring a charge for the services provided by NBCC.

The trade promotional activities generated an income of £191,330 (2006 £185,325).

BUSINESS SERVICES

Our growing business services include secretarial office services, dedicated telephone answering, provision of trading address and payroll processing facilities. Many companies in The Netherlands and the UK use a variety of these services when they start with their overseas business.

The BTW and VAT reclaim and registration services, the translation service and the electronic company reporting service, continue to be popular. In addition to providing filed details of companies, the NBCC also offers credit checks.

An increasing number of Dutch and British companies use the NBCC services to set up limited companies and branch offices in the UK and The Netherlands.

Market research, partner searches, itinerary preparation and the provision of address lists continue to be highly valued services by both British and Dutch businesses.

As in previous years, NBCC staff delivered a number of business briefings on 'How to do Business' (including cultural aspects) in The Netherlands and the United Kingdom.

Also specialised clinics on legal and tax matters on doing business in the UK and the Netherlands were organised.

The revenue from business services amounted to £123,341(2006: £109,044).

MEMBERS' AND NETWORK ACTIVITIES

- The 116th Annual Luncheon was held on 15 November 2007 at the prestigious Clothworkers' Hall in London. The event was well attended by some 150 members and their guests, as well as our Patron, the Netherlands ambassador at London. The key note speech was delivered by BT CEO Ben Verwaaijen. ABN AMRO, Michael Page International and Heineken UK were the principal sponsors for the event with KLM Royal Dutch Airlines as the official carrier.

The 116th Annual Luncheon coincided with the 26th Celebration of the Anglo-Dutch Awards for Enterprise. Mr Verwaaijen also presented the trophies to the representatives of the winning companies. The 2007 winners were Walraven (ABN AMRO trophy), Atag Heating UK Ltd. (Heineken trophy), Nedap Great Britain (Michael Page) and VLM Airlines (NBCC trophy).

As in previous years the Award scheme attracted a good number of highly interesting and motivated entries.

- Golf days for members were organised in both The Netherlands and England attracting a large number of members and their guests. The NBCC is grateful to its corporate golf event sponsors, Exact EMEA BV in The Netherlands and KLM Royal Dutch Airlines and Heineken in the UK, for their continued generous support at these events.
- A well attended drinks reception was organised in conjunction with the Royal Netherlands Embassy in London in the summer.

INSTITUTE OF DIRECTORS

In The Netherlands the NBCC continued its activities as the secretariat of the overseas branch of the British Institute of Directors (IoD). In this capacity the Amsterdam office of the NBCC was also involved in the organisation of a number of luncheons and dinners with high profile speaker from the international business world.

NBCC members have access to these events at highly preferential rates. Speakers in the past year included Messrs De Grave of Nederlandse Zorg Autoriteit, Savelkoul of Philips NV and Docters van Leeuwen of the Autoriteit Financiële Markten.

MEMBERSHIP AND MARKETING PUBLICATIONS

4 issues of In Touch magazine, the Anglo-Dutch business magazine were published in 2007. New and updated publications and databases were produced, including the traditional titles as 'Britain in The Netherlands', 'Dutch owned companies in the United Kingdom' and the 'Annual NBCC Members Directory'.

The NBCC is also a distributor for outside publishers such as MarketingFile.com and Thomson Directories. These have proved to be very fruitful additions to the NBCC's range of products and services.

ANNUAL GENERAL MEETING

The 116th Annual General Meeting was held in London at ING Bank on 29 June 2007. The meeting was followed by a well attended traditional members' reception, this year sponsored by the Directors of ING. The NBCC is very grateful for their support.

OUTLOOK FOR 2008

With an increasing flow of income from existing and new clients, trade promotional organisations, including regional development agencies in the UK, and the Dutch government, the General Council expects that the NBCC will continue to trade profitably in the year to come. Our organisation will further enhance the commercial links between the two countries it serves and will continue to be a useful vehicle to service its members' interests, as well as the wider Anglo-Dutch business community.

The NBCC as well as the Dutch government and various Dutch trade associations are confident that the level of activity in the UK concerning the London Olympics in 2012 and the Thames Gateway project will generate significant commercial opportunities for Dutch industry in the UK.

NBCC is currently involved in a number of highly interesting initiatives to involve the Dutch business community in these projects. Examples are "Innovations from Holland", a catalogue and website profiling a selection of leading Dutch suppliers of construction related industries which will be distributed to more than 2000 UK architects, building companies, contractors etc. NBCC also was recently commissioned by the Dutch Government to compile an update of the report published in 2007 concerning the projects around the London 2012 Olympics and Paralympics, outlining the nature of the projects, the parties involved and the tendering procedures.

However, in view of the decline of Sterling against the Euro (13% in May 2008 compared to May 2007), the UK market proves more difficult for Dutch exporters.

It is expected that the decline of Sterling may continue in 2009.

In addition, it is expected that the purchase power of the UK consumers will diminish due to the restrictions in the financial markets as a result of the so-called "credit crunch", the higher energy and food prices and a decline in the housing market.

At the other hand, a decline in Sterling offers export opportunities for UK companies. As a result, the NBCC will increase its activities to promote UK companies in the Netherlands.

ACKNOWLEDGEMENTS

The General Council is grateful to all NBCC members for their assistance in a wide variety of formats throughout the year. Furthermore the General Council would like to express its special thanks to the Patrons and the staff at the Royal Netherlands Embassy at London, the EVD and the British Embassy at Den Haag for their continued support. A special thanks goes to all staff of the NBCC for their initiatives, professionalism, loyalty and continuous efforts to promote the members' and the NBCC's commercial interests throughout the year.

STATEMENT OF THE GENERAL COUNCIL'S RESPONSIBILITIES

All the current members of the General Council have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members of the General Council directors are not aware of any relevant audit information of which the auditors are unaware.

Company law requires the General Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the NBCC and of the surplus or deficit for that period.

In preparing those financial statements, the General Council is 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 NBCC will continue in business.

The General Council is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the NBCC and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the NBCC and to prevent and detect fraud and other irregularities.

Financial statements are published on the website of the NBCC in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the website of the NBCC is the responsibility of the General Council. The responsibility of the General Council also extends to the ongoing integrity of the financial statements contained therein.

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

On behalf of The General Council,

London, 25 July 2008

Henk Lafèbre, Chairman

Financial Statements

31 December 2007

Report of the Independent Auditors TO THE MEMBERS OF THE NETHERLANDS BRITISH CHAMBER OF COMMERCE

We have audited the financial Statements of The Netherlands British Chamber of Commerce (NBCC) for the year ended 31 December 2007 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

Respective responsibilities of the General Council and auditors

The General Council's responsibilities for preparing 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 the General Council's 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 have been properly prepared in accordance with the Companies Act 1985, and whether the information given in the General Council's report is consistent with those financial statements. We also report to you if, in our opinion, the NBCC 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 General Council members' remuneration and other transactions is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely on the report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 General Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the NBCC'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.

Qualified opinion arising non-disclosure of comparative information as required by Financial Reporting Standard 17 "Retirement Benefits"

As more fully explained in note 10 to the financial statements, the NBCC has complied with the requirements of Financial Reporting Standard 17 "Retirement Benefits" ("FRS 17") with respect to the NBCC's defined benefit pension scheme for the year ended 31 December 2007. They have not, however, obtained the comparative disclosure information required by FRS 17 as the General Council considers that the costs involved in obtaining this information cannot be

justified. In our opinion, the NBCC should comply with the requirements of FRS 17. If FRS 17 had been complied with, the comparative disclosures in the financial statements would reflect at fair value the assets and liabilities arising from the pension scheme, the changes in these fair values and other disclosures relating to the scheme as required by FRS 17.

Except for the failure to disclose information regarding the defined benefit pension scheme as required by FRS 17 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 NBCC's affairs as at 31 December 2007 and of its surplus 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 General Council's Report is consistent with the financial statements.

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors

London, 25 July 2008

Income and expenditure statement

for the year ending 31 December 2007

	Notes	2007 £	2006 £
INCOME	3		
Membership fees		44,317	46,385
Services and activities		<u>371,051</u>	<u>354,701</u>
		415,368	401,086
EXPENDITURE			
Staff costs	4	164,686	166,383
Office accommodation		39,955	37,972
Depreciation	7	2,149	3,106
Other costs	5	42,835	38,736
Services and activities		<u>156,639</u>	<u>133,529</u>
		<u>(406,264)</u>	<u>(379,726)</u>
		9,104	21,360
Surplus/(deficit) of income over expenditure before and after taxation		<u>9,104</u>	<u>21,360</u>

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ending 31 December 2007

	Notes	2007 £	2006 £
Result on ordinary activities after taxation		9,104	21,360
Currency translation differences	1	<u>8,440</u>	<u>(4,992)</u>
Total recognised gains and losses for the financial year		<u>17,544</u>	<u>16,368</u>

For reasons described in Note 2, the effect of adopting FRS 17 "Retirement Benefits" for the first time this year has not resulted in a prior year adjustment which would be disclosed here.

The notes on pages 20 to 26 form part of these financial statements

Balance Sheet

As at 31 December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible fixed assets	7	4,099	4,139
CURRENT ASSETS			
Debtors	8	116,311	106,432
Cash at bank and in hand		<u>186,551</u>	<u>156,246</u>
		302,862	262,678
CREDITORS			
Amounts falling due within one year	9	<u>(216,134)</u>	<u>(193,534)</u>
NET CURRENT ASSETS		<u>86,728</u>	<u>69,144</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>90,827</u>	<u>73,283</u>
MEMBERS' FUNDS	11	<u>90,827</u>	<u>73,283</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 and the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the General Council and authorised for issue on 25 July 2008

On behalf of the General Council

Henk Lafèbre, Chairman

Alan M. Jones, Hon. Secretary

The notes on pages 20 to 26 form part of these financial statements

Cash flow statement

for the year ending 31 December 2007

	notes	2007 £	2006 £
Net cash movement from operating activities	13	23,767	34,061
Capital expenditure	7		
Payments to acquire tangible fixed assets		<u>(1,902)</u>	<u>(320)</u>
Movement in cash	14	<u>21,865</u>	<u>33,741</u>

The notes on pages 16 to 22 form part of these financial statements

Notes (forming part of the financial statements)

1. ACCOUNTING POLICIES

Constitution

The NBCC is an incorporated company limited by guarantee having a licence to omit the word 'Limited'.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Small Entities.

As an undertaking not trading for profit, the General Council have used the reference income and expenditure statement rather than profit and loss account as permitted by Section 262 of the Companies Act 1985 and adapted the headings in the income and expenditure account accordingly.

Fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over the estimated useful economic lives as follows:

Office furniture and fittings	5 years
Computer Equipment	3 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are accounted for in Members' Funds.

Leased assets

Rentals in respect of operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Pension costs

The NBCC operates a retirement and death benefits scheme providing benefits based on final pensionable pay. Contributions to the defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

The difference between the fair value of the assets held in the NBCC's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the NBCC's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the NBCC is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the NBCC are charged to the profit and loss account or the statement of total recognised gains and losses in accordance with FRS 17 'Retirement benefits'.

Membership fees

The annual membership fees are due in advance from the first day of the month of joining. Each new and renewal fee is credited to income in 12 equal monthly instalments, the first one in the month of joining or renewing.

Notes (forming part of the financial statements)

2. CHANGES TO ACCOUNTING POLICIES

FRS 17 'Retirement benefits'

NBCC has adopted FRS 17 'Retirement benefits', which replaces SSAP 24 'Accounting for pensions'. Contributions to the NBCC's defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' expected working lives with the group. FRS 17 requires that the pension scheme surplus or deficit is recognised in full.

The effect of this accounting policy change on the comparatives is that net assets and operating profit have not changed. This is because the defined benefit pension scheme asset would only be recognised to the extent that NBCC is able to recover the surplus either through reduced contributions in the future or refunds from the scheme.

3. ANALYSIS OF INCOME

	2007	2006
	£	£
<u>Membership fees</u>		
United Kingdom	14,980	17,465
The Netherlands	<u>29,337</u>	<u>28,920</u>
	44,317	46,385
<u>Services and activities</u>		
United Kingdom	51,580	62,864
The Netherlands	<u>319,471</u>	<u>291,837</u>
	371,051	354,701
	<u><u>415,368</u></u>	<u><u>401,086</u></u>

4. STAFF NUMBERS AND COSTS

	2007	2006
	£	£
<u>Employee costs</u>		
Wages and salaries	136,734	138,796
Sickness Benefit	1,524	-
Social security costs	15,374	15,810
Other staff costs	<u>11,054</u>	<u>11,777</u>
	<u><u>164,686</u></u>	<u><u>166,383</u></u>

The average number of employees during the year was 6 (2006: 6). No pension contributions have been made in the current year (2006: £nil)

Notes (continued)

5. OTHER COSTS

This item includes the auditors' remuneration of £4,938 (2006: £5,900) and £nil (2006: £nil) for services to the pension fund. Operating lease rentals amounted to £2,290 (2006: £1,847)

6. GENERAL COUNCIL MEMBERS' EMOLUMENTS

In respect of the year ended 31 December 2007 none of the members of the General Council received any remuneration (2006: £nil).

7. TANGIBLE FIXED ASSETS

	Office furniture, fittings and computer equipment £
<i>Cost</i>	
1 January 2007	11,927
Additions	<u>1,902</u>
31 December 2007	13,829
<i>Depreciation</i>	
1 January 2007	(7,788)
Charge for the year	(2,149)
Other movements	<u>207</u>
31 December 2007	(9,730)
<i>Net book value</i>	
31 December 2007	<u>4,099</u>
31 December 2006	<u>4,139</u>

8. DEBTORS, amounts falling due within one year

	2007 £	2006 £
Trade debtors	73,877	81,538
Other debtors	6,012	-
Prepayments and accrued income	34,058	24,894
VAT receivable	<u>2,364</u>	-
	<u>116,311</u>	<u>106,432</u>

Notes (continued)

9. CREDITORS, amounts falling due within one year

	2007	2006
	£	£
Trade creditors	69,212	39,373
Other creditors	13,223	-
Taxation and social security	4,056	14,727
Accruals, deferred income and other amounts payable	129,643	139,434
	<u>216,134</u>	<u>193,534</u>

10. DEFINED BENEFIT PENSION SCHEME ASSET

The pension scheme is a defined benefit scheme and was established under an irrevocable Deed of Trust by NBCC for its employees. The most recent full actuarial valuation of the retirement and death benefits scheme for staff employed in Britain was at 1 January 2005 and showed that the value placed on the scheme's assets was £172,900 and that the actuarial value of those assets represented 149% of the benefits that had accrued to members, after allowing for expected future increases in pensions.

As at the valuation date there were no active members in the scheme.

An actuarial valuation is conducted every three years. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rate of increase in pensions, the number of withdrawals and replacements and the control period.

It was assumed that the investment returns would be 6.5% per annum and that increases to payments in pensions would average 4% per annum. The actuarial valuations required for the FRS 17 disclosures differ from the above calculations.

An updated full actuarial valuation on a FRS 17 basis of the defined benefit scheme was carried out at 31 December 2007 by a qualified independent actuary. The major assumptions used by the actuary were:

	2007	2006
Discount rate	5.8%	5.1%
Inflation assumption	3.4%	3.4%
Rate of increase in pensions	4.0%	4.0%
Mortality		
- before retirement	None	None
- after retirement	PA92 tables (Year of Birth) With medium cohort improvements	PA92 tables (C=2020)

Long term rate of expected return

The assets are held by Phoenix Life. The long-term rate of expected return on assets is the same as the discount rate used to value the liabilities.

Notes (continued)

The fair value of the assets in the scheme and the expected rate of return at 31 December 2007 were:

	2007 £
Total assets	165,000
Present value of liabilities	<u>(153,000)</u>
Surplus	12,000
Net pension asset	<u>12,000</u>
<i>Movements in net pension assets during the year</i>	2007 £
	<u>£</u>
Surplus in the scheme beginning of the year	25,000
Current service costs	-
Contributions	-
Other financial income	1,000
Actuarial loss recognised	<u>(14,000)</u>
Surplus in the scheme at the end of the year	<u>12,000</u>

This defined benefit pension scheme asset has not been recognised in the accounts as it is not considered to be recoverable through a reduction in contributions in future or through refunds from the scheme.

<i>Analysis of amount recognised in statement of total recognised gains and losses</i>	2007 £
	<u>£</u>
Actual return less expected return on pension scheme assets	(17,000)
Experience gains and losses arising on the scheme liabilities	(1,000)
Changes in assumptions underlying the present value of the scheme liabilities	<u>4,000</u>
Actuarial loss recognised in the statement of total recognised gains and losses	<u>(14,000)</u>
<i>Analysis of amount credited to other finance income</i>	2007 £
	<u>£</u>
Expected return on pension scheme assets	9,000
Interest on pension scheme liabilities	<u>(8,000)</u>
Net return	<u>1,000</u>

Notes (continued)

<i>History of experience gains and losses</i>	<u>2007</u>
Difference between the expected and actual return on scheme assets	£(17,000)
Percentage of scheme assets	10%
Experience gains and losses on scheme liabilities	£(1,000)
Percentage of the present value of the scheme liability	1%
Changes in liability valuation assumptions	£4,000
Percentage of the present value of the scheme liability	3%
Total amount recognised in the statement of total recognised gains and losses	£(14,000)
Percentage of the present value of the scheme liability	9%

11. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	<u>2007</u>	<u>2006</u>
	£	£
Opening members' funds	73,283	56,915
Result for the financial year	9,104	21,360
Currency translation differences	8,440	(4,992)
Closing members' funds	<u>90,827</u>	<u>73,283</u>

For reasons described in Note 2, the effect of adopting FRS 17 "Retirement Benefits" for the first time this year has not resulted in a prior year adjustment which would be disclosed here.

12. LEASING COMMITMENTS

The NBCC has commitments for yearly payments under building and other rental agreements as follows:

	Yearly rental payments	
	<u>2007</u>	<u>2006</u>
	£	£
Expiring within		
2-5 years	<u>31,678</u>	<u>29,103</u>

13. RECONCILIATION OF OPERATING RESULT TO NET CASH MOVEMENT FROM OPERATING ACTIVITIES

	<u>2007</u>	<u>2006</u>
	£	£
Operating surplus	9,104	21,360
Depreciation charge and other movements	1,942	3,208
Increase in debtors	(9,879)	(33,665)
Increase in creditors	22,600	43,158
Net cash inflow from operating activities	<u>23,767</u>	<u>34,061</u>

Notes *(continued)*

14. ANALYSIS OF NET FUNDS

At 1 January 2007			At 31 December 2007
opening balance £	cashflow £	exchange movement £	closing balance £
156,246	21,865	8,440	186,551

10-Year Income and Expenditure Statements Summary

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Income										
Membership fees	44,317	46,385	51,959	55,631	63,113	60,153	70,523	78,497	81,982	88,162
Services and activities	371,051	354,701	249,435	240,858	184,169	171,384	183,039	251,954	291,997	236,340
Government contracts					13,226	17,017	18,678	32,853	87,956	121,736
Donations								58,000		
	<u>415,368</u>	<u>401,086</u>	<u>301,394</u>	<u>296,489</u>	<u>260,508</u>	<u>248,554</u>	<u>272,240</u>	<u>421,304</u>	<u>461,935</u>	<u>446,238</u>
Expenditure										
Staff costs	164,686	166,383	140,997	115,137	123,096	97,116	108,979	226,171	245,608	228,999
Office accommodation	39,955	37,972	33,302	28,139	25,513	31,461	21,294	56,730	53,107	50,546
Depreciation	2,149	3,106	3,086	2,225	838	5,136	4,275	5,272	5,722	5,658
Other costs	42,835	38,736	29,678	37,304	36,648	44,481	64,728	60,090	64,034	63,250
Services and activities	156,639	133,529	102,025	94,798	59,246	64,426	66,767	87,988	135,913	94,623
Re-organisation costs								18,745		
	<u>406,264</u>	<u>379,726</u>	<u>309,088</u>	<u>277,603</u>	<u>245,341</u>	<u>242,620</u>	<u>266,043</u>	<u>454,996</u>	<u>504,384</u>	<u>443,076</u>
Surplus/(deficit) of income over expenditure	<u>9,104</u>	<u>21,360</u>	<u>(7,694)</u>	<u>18,886</u>	<u>15,167</u>	<u>5,934</u>	<u>6,197</u>	<u>(33,692)</u>	<u>(42,449)</u>	<u>3,162</u>

This page does not form part of the financial statements