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BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

BESA Annual Report 2018

TABLE OF CONTENTS:

Chair's introduction – Annual Report 2017/18

By Chris Ratcliffe, Chair of the British Educational Suppliers Association

If the financial year 2016/17 was a year of restructuring and preparation under the new leadership of Director General Caroline Wright, then 2017/18 – the first full year under Caroline's stewardship – was when the new BESA team really began to hit their stride.

The results of this can now be seen in a range of areas, not least in terms of government relationships. To date this year, BESA's directors have had 144 meetings with government officials and MPs. This is a 58% increase on the already impressive 91 in the previous year. But it's not just about volume, these meetings are yielding impressive results.

Nowhere can this be seen more than in the strengthening of relations with the Department for Education. In his maiden speech at the Education World Forum this year, Damian Hinds, Secretary of State for Education, emphasised the importance of EdTech in education – a topic on which there had been silence for almost a decade. His first two EdTech-related initiatives announced over the summer were collaborations with BESA: on a CPD roadshow taking place around the country, and an online platform where EdTech companies who are approved BESA members can offer schools free trials of their products.

The importance of this cannot be overstated – the DfE is making BESA membership a condition of being featured on this platform due to the perception of membership as being a kitemark for quality, trusted providers. No wonder, then, that we have seen a surge in applications for membership. Since April this year, a total of 85 companies have applied for BESA membership – with 42 being accepted and welcomed in to date. This puts membership currently at 310 – the highest in over six years, and it's still set to grow significantly further in the coming months.

Between them, Caroline Wright and BESA Director Patrick Hayes now sit on over 20 key government and influencer panels: ranging from the Department for Education's EdTech Steering Group, to the Department for International Trade's China Trade Policy Forum. They continue to build new relationships in an attempt to ensure that the government's approach to education suppliers is joined up across departments.

An example of this is a building of relationships with the Department for International Development (DFID). This summer, after a year of discussions, BESA led its first ever trade mission to the Levant Region – Israel, Lebanon and Jordan - in partnership with DFID, working alongside the DIT. This is significant, as DFID is a major distributor of aid to schools in the region, but never before have they worked with commercial companies to leverage their contacts and influence to showcase the benefits of working with UK education providers.

The key aim of this cross-departmental working is a Sector Deal for education suppliers – making the sector one of the government's key focus areas in its post-Brexit Industrial Strategy. Trade Secretary Liam Fox already speaks about education as being a key growth area internationally – now outstripping the City of London's insurance sector – but a Sector Deal would truly cement its status. At the helm of these discussions is Caroline, working not just with bodies across government, but also with all of the key sector associations, to drive it forward.

At its very heart, BESA is a network for the education suppliers' sector, with its events often being a veritable Who's Who of the sector. In the main, it's a collegial network, with individuals from across the sector offering each other advice and guidance. So when the opportunity arose for BESA to take on the running of EdTech Exchange last year, it was a natural strategic fit for the Association.

Together BESA and EdTech Exchange – the largest network of EdTech founders in Europe, which runs regular events to share ideas and offer support – have become more than the sum of their parts. With a Joint Venture agreed in January, and BESA's Patrick Hayes overseeing operations, BESA and EdTech Exchange now reach over 650 EdTech companies, meaning the Association is now more representative of industry than ever. It is also able to engage future BESA members in innovative ways.

Also, through EdTech Exchange and the newly launched VIP Education Exchange dinners and networking sessions, BESA is also able to connect members to potential investors in an unprecedented way for the Association, which previously focused primarily on sales to schools.

These new activities are making the team very busy – between September 2018 and March 2019 BESA and EdTech Exchange combined have 64 events they are organising (a 256% increase compared to the previous year). But there has been no discernible drop in quality to date – and this is monitored closely by the team. Indeed, from our Net Promoter Scores (NPS), satisfaction is growing in all key areas.

BESA's overall NPS has increased by 7% to 64, up from 60 last year and 41 the year before. (Apple's, by comparison, is 42.) Other areas have seen a surge, such as "campaigning and government work", which has risen by 571% from an NPS of 7 to 47 in a single year. BESA's international work has also seen a major increase: the lowest of all areas back in 2016, the area, now the responsibility of Head of Events William Prietto-Para, has risen from a -15 NPS to a 47 NPS in the past two years. The NPS for UK events has also grown by 55% year-on-year from a respectable 31 to 48 this year.

These developments take place during market conditions that remain incredibly tough for the industry. BESA's latest barometer for Q3 indicates that schools are finally planning to spend more on educational resources, after a prolonged period of contraction for the market. All the same, 20% of primary schools say they will be spending less on ICT this year, and 34% on non-ICT resources. And 28% of secondary schools say they will be spending less on ICT, and 34% on non-ICT.

It is a sad truth that, despite the impressive increases in BESA membership figures, the number one reason for companies leaving membership this year is that they have either gone into administration, or have been forced to consolidate with other players.

While the Chancellor has announced an additional pot of £400 million in the budget to help them buy "the little extras they need", this hardly marks the end of an austere period for schools. They are still tasked with making major back-office savings and are struggling to find the budget to pay for the teacher salary increases announced with little warning over the summer. This, combined with the omnipresent threat of a no-or-bad-deal Brexit means we need to ensure that we keep the pressure on government to ensure that they recognise the need for schools to be equipped with the world-leading resources that our suppliers provide. The need for BESA's ongoing Resource Our Schools campaign has never been greater.

Overseeing all of BESA's activities and offering essential strategic direction is BESA's Executive Council. I would like to say a warm "thank you" to all members of Council – each of whom have been elected by their peers – for dedicating their valuable time to help ensure the organisation goes from strength-to-strength. In particular, I would like to thank outgoing members of Council this year: Lewis Bronze, Jane Harley, Steve Whitley and my Vice Chair Ceri Stone, who served his maximum nine-year period.

I would like to thank all companies who took the time to participate in the Executive Council elections this year. Not only have there been more candidates per position than ever before – and a greater diversity than ever before - but there has been a record for the number of votes cast – a 20% year-on-year increase.

BESA wouldn't be BESA without the time that all of our members give to the organisation, so thank you.

Chris Ratcliffe, Chair of BESA

Director General's introduction – Annual Report 2017/18

By Caroline Wright, Director General of the British Educational Suppliers Association

Despite a very challenging economic climate, BESA has continued to see strong growth over the past year in all aspects of our activities: from government relations, to market research. And for UK events and exhibitions to a wide range of trade missions and events internationally.

Back in March 2016, myself and Director Patrick Hayes had a five-year strategy for BESA approved by Executive Council. The first year was focused on restructuring, implementing management good practice and undertaking member consultations. It is over the past 12-to-18-months where we have now, as the Chair puts it in his report, begun to "hit our stride" and deliver on the enhanced offering we promised to our members.

I'm particularly pleased this year that we are beginning to see the fruits of several years' worth of developing government relations. We at BESA work closely with four government departments – the Department for Education, Department for Business Energy and Industrial Strategy, Department for International Trade and Department for International Development – and make a conscious effort to ensure we have multiple touch-points in each department from the Secretary of State, to dedicated sector officials within the civil service.

For every cocktail reception with a Secretary of State, there are a dozen meetings with civil servants, ensuring they are briefed on BESA members activities and interests. These, after all, are the individuals who draft policy and decide what briefings go in the ministerial box, and which events make it into the diary.

The Secretary of State for Education's declaration of his "vision for education technology" over the summer was a strong example of this. In the very same announcement, he outlined plans to work with BESA to run a series of "LearnED" roadshows across the country to provide CPD and ensure that schools get demonstrations of the best EdTech out there. We will also be launching an online platform, LendED, in partnership with the DfE to allow schools to "try before they buy" and take out free trials of EdTech products before making an investment – to make sure that it is right for them.

As Mr Hinds says, technology can be used in the classroom in "revolutionary ways" – allowing students to explore a rainforest from their classroom, or to programme a robot. There are many examples of ministries of education across the world evangelising about the revolutionary potential of education technology, often that supplied by UK companies. It's very welcome that our own Department for Education is now setting out a vision for EdTech that, if realised, could have a ground-breaking impact upon its implementation worldwide.

While EdTech is of particular interest to government at the moment, we always work to ensure that the interests of the whole of the suppliers' sector are heard. It does seem like government is increasingly listening – the likes of the Resource Our Schools campaign are helping to get the DfE, and importantly the treasury, to recognise that some money does need to be ringfenced for educational resources (although we'll be pushing for much for than the "little extras" promised in this year's budget.)

A close collaborator with BESA since the time he took office, Secretary of State for International Trade, Dr Liam Fox, has also been living up to his promise to make education one of the great post-Brexit success stories. Since the formation of his department back in 2016, BESA has worked with the DIT on seven trade missions spanning the globe: most prominently a trade mission to China in January this year with the Prime Minister, Theresa May, which I was privileged to attend on behalf of education suppliers. This marked the first time ever that the education suppliers' industry was put on a pedestal with the Best of British in such a way.

There is, however, more work to be done: the DIT's recent reduction in finance for the 2018-19 Trade Show Access Grant Programme jars with the unprecedented need to promote British products and services globally as we depart the European Union, for example. We will ensure we are at the forefront of the battle to ensure the government puts money where its mouth is, in terms of assisting businesses post-Brexit.

As well as ensuring the education suppliers' industry is represented in the way that members deserve, we have also been working hard to ensure that as a trade body we are as representative as possible.

As the Chair mentioned, BESA has broken a number of records recently in terms of the expansion of our membership base. As well as growing organically, however, we are forging new strategic partnerships. In January this year BESA entered into a ground-breaking joint-venture with EdTech Exchange, Europe's largest network of EdTech founders. As a result, the number of British EdTech companies we are engaging with on a regular basis has more than doubled. Many of these are companies that would not yet qualify for full BESA membership – but among them, almost certainly, are the EdTech giants of the future. It is a testament to the way in which BESA has transformed over the past two years that EdTech Exchange founder George Burgess chose BESA as the natural home for his organisation.

BESA is also doing much to ensure that it is representative in the right ways. Earlier this year, under the leadership of Cambridge University Press's Jane Mann, we formed a Women in Education Working Group to ensure that women working in the sector had their voices heard. I am particularly pleased that this work may already be having an impact: Last year three out of 28 candidates were female (11%), this year six out of 20 are female, an increase of 19 percentage points to 30%.

We at BESA are a small team punching considerably above our weight as a trade body – and I have to thank every member of the team for making this happen: Patrick Hayes, BESA's Director, who oversees BESA's operations. William Prietto-Parra, our Head of Events, who – with Deputy Head of Events Abigail Ross-Jackson – leads an expanded events team supported by Yasmin Barnett (who also coordinates EdTech Exchange's activities), Lois Mills and Roisin McHugh. Our Head of EdTech Nina Iles plays a vital role in fostering a sense of community across BESA's EdTech companies and Launchpad. And our comms team, headed by Mark Rosser with support (again) from the multi-talented Roisin.

Membership Coordinator Robert Harries plays an important role in running our membership function during a time of rapid expansion. And our latest addition to the team, Financial Controller Ankita Patel, has brought about a step-change in which BESA's finances are managed. Keeping the busy schedules of Patrick and I on track is Maxine Hoffland, the lynchpin – and ever-friendly face - of the BESA office. Providing vital support on our two new DfE initiatives is marketing guru Julia Garvey, who is driving forward the development of our LendED platform, and Rimell Davis, our intern who over the past two months has risen to every task asked of her in a formidable way.

Half-way into our five-year strategy, Patrick and I will shortly be working with our newly formed Executive Council to undertake a review and a refresh – looking at how best to build upon our achievements, and ensure BESA enters into the next decade more influential and representative than ever before. As always, your thoughts will be invaluable in helping us shape this – we look forward to updating you on progress soon.

Caroline Wright, Director General of BESA

Treasurer's Report - Annual Accounts 2017/18

By Stuart Abrahams, Treasurer of the British Educational Suppliers Association

The past 12 months (April 17 to March 18) has been the first fiscal period that has been entirely under the stewardship of Caroline Wright as Director General.

It has been both a period of expansion, but also a time of prudence, where all legacy contracts have been reviewed, detailed budgets have been set and agreed with the board, and robust checks have been put in place to ensure that the Association's money is spent wisely.

This is my first annual report as Treasurer, and I am pleased to be able to report that the performance we see in these annual accounts remain healthy. Despite there being no increase in membership fees in the previous financial year, income from membership subscriptions has risen to by 3.65% to £448,271, which is up £15,767 on the previous year.

Revenue from new member admission fees are also up by 68%, reflecting a significant increase in the volume of companies joining the organisation.

As of the 31st March we had 300 Full, and 53 Launchpad members – today that has grown to 310 & 79 respectively.

Events and service turnover is also up by 1% (£13,654), which is a significant achievement when we consider the downward trend in exhibitions revenue at education events.

As well as managing to increase the core revenue-generating areas, costs were also scrutinised.

With the oversight of BESA's Director and newly appointed Financial Controller, we also significantly consolidated areas such as professional subscriptions, printing and stationary and website costs.

The introduction of detailed budgeting and budget ownership meant that travel expenses were down significantly – by almost 25% (£27,206) year-on-year - despite the BESA team travelling more than at any point in the Association's history to assist members with their export activities.

We also spent £47,176 less money on functions, despite the fact that last year members had the ability to attend more events organised by BESA than ever before.

This prudence in managing BESA's budget meant that by the close of the year, the Association was set to turn a surplus of £16,684, which should be considered healthy for a non-profit organisation such as BESA.

Unfortunately, however, a legacy issue was uncovered that meant this health was not reflected in the bottom line of the Statement of Income and Expenditure this year.

A significant proportion of BESA's revenue is generated from events that it established and then entered into contracts with third parties to organise & manage. In August this year, one of these event organisers informed BESA that the amount they had told us to invoice them for over the past six years had been considerably overstated.

Despite attempting to locate written evidence to the contrary from six years ago, this proved impossible to find.

Over the summer, an agreement was reached with the event organiser that BESA will make good the overpayment of £236,153 by reducing the future income received in relation to the event by 50%. It is estimated that the amount will be cleared within the next 7-8 years.

Such a situation reinforces the importance of ensuring that BESA's contractual arrangements are thoroughly documented and carefully stored, and I have confidence that going forward we have governance structures in place to ensure that no such situations will arise again.

While this is an unfortunate situation, we have been advised to account for the whole of this deficit in a single year. The means that we have to report an operating deficit of £219,469.

However, it must be emphasised that this is a legacy issue, and that business-as-usual activities over the last financial year would have generated a surplus.

Situations like this act as a reminder of the importance of BESA maintaining significant capital in reserve to ensure that it remains sustainable and able to represent the companies of the future as well as it has represented companies in its 85-year history.

This is a time of investment in BESA, and a rapid expansion of its activities and membership base – both in the UK, but also internationally.

Looking ahead, new ventures such as EdTech Exchange, Educate and BESA's LearnED initiative promise to provide important additional income to the Association. This will do much to help future-proof the Association from any decline in historical revenue streams, such as events that may not enjoy the levels of success that they once did.

I would like to thank Gerald Edelman Chartered Accountants for their work in auditing BESA's accounts for the first time, and Ankita Patel, who joined the BESA team in January, managing to rapidly gain a handle on the business's finances during the last quarter of the financial year reported upon here, and to skilfully navigate her first audit with the business with considerable success.

As Treasurer, I put these accounts to the AGM for formal approval.

Stuart Abrahams, Treasurer of BESA

Minutes of the 2017 Annual General Meeting of the British Educational Suppliers Association

Date 2 November 2017

Venue Queen Elizabeth II centre, London

Minutes

1. ***Start*** **–** The meeting commenced at 2.00pm.

2. Minutes – Minutes of the 2016 AGM were approved.

3. Introduction – The Chair, Chris Ratcliffe, introduced the BESA Annual Report and Accounts for 2016/17, and read the Treasurer's report from John Doherty, Treasurer, who had moved jobs to work for a non-member company.

4. Approval of resolutions

• The Chair introduced resolution A 'That the Annual Report and Accounts for 2016/17 are approved'. Resolution A was agreed nem. con.

• The Chair introduced resolution B 'That Gerald Edelman, Chartered Accountants, be appointed auditors for 2017/18'. Resolution B was agreed nem. con.

• The Chair introduced resolution C 'That Association subscriptions for 2018/19 be increased by 3%.' Resolution C was agreed nem. con.

The Chair introduced resolution D 'That the BESA Membership Renewal Rules be incorporated into the Articles of Association.'. Resolution D was agreed nem. con.

5. New Council members – The Director General, Caroline Wright, announced the results of the voting for 10 Executive Council positions: Simon Hill, YPO, Rod Theodorou, Oxford University Press, Steve Whitley, Data Harvest, Michael Forshaw, Innovate My School, John Kershaw, RM Resources, Chris Ratcliffe, Scholastic, Jane Mann, Cambridge University Press, Ceri Stone, Smart Kids UK, Tom Hall, Lego Education International, Chris Mahady, Findel Education were duly elected.

6. Close – The meeting closed at 2.15pm.

British Educational Suppliers Association (BESA) Annual General Meeting 2018

Proposed ordinary resolutions:

Resolution A

"That the Annual Report and Accounts for 2017/18 are approved."

Resolution B

"That Gerald Edelman, Chartered Accountants, be appointed auditors for 2018/19."

Resolution C

"That Association subscriptions for 2019/20 be increased by 2%."

Company Registration No. 01097059 (England and Wales)

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

BRITISH EDUCATIONAL SUPPLIERS

COMPANY INFORMATION

Directors	S J Abrahams L Bronze L E Burton M J Forshaw T J Hall J E Harley P Harrington S C Hill M M Hudson J G C Kershaw M J Koster-Marcon C D Mahady C Major J K Mann J Miller C P Ratcliffe C D Stone R Theodorou S F Whitley S W Winfield
Secretary	C J P Wright
Company number	01097059
Registered office	20 Beaufort Court Admirals Way London E14 9XL
Auditor	Gerald Edelman 73 Cornhill London EC3V 3QQ

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

CONTENTS

BRITISH EDUCATIONAL SUPPLIERS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities
The principal activity of the company continued to be that of activities of business and employers membership organisations.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S J Abrahams	
L E Burton	(Appointed 10 December 2017)
M J Forshaw	(Appointed 10 December 2017)
T J Hall	(Appointed 10 December 2017)
J E Harley	
P Harrington	(Appointed 10 December 2017)
S C Hill	
M M Hudson	
J G C Kershaw	
M J Koster-Marcon	(Appointed 10 December 2017)
C D Mahady	(Appointed 10 December 2017)
C Major	(Appointed 10 December 2017)
J K Mann	(Appointed 10 December 2017)
J Miller	
C P Ratcliffe	
C D Stone	
R Theodorou	(Appointed 10 December 2017)
S F Whitley	
S W Winfield	(Appointed 10 December 2017)
L Bronze	(Resigned 5 March 2018)
M C Brosnan	(Resigned 27 April 2017)
N J Canin	(Resigned 10 December 2017)
A F Carr	(Resigned 10 December 2017)
J W Doherty	(Resigned 10 December 2017)
S J Francis	(Resigned 10 December 2017)
J F Garner	(Resigned 10 December 2017)
P Gray	(Resigned 10 December 2017)
G W C Hinks	(Resigned 10 December 2017)
C Jeffrey	(Resigned 10 December 2017)
C Mills	(Resigned 10 December 2017)
S J Nutt	(Resigned 10 December 2017)
A Thraves	(Resigned 10 December 2017)

Auditor
Gerald Edelman were appointed as auditor to the company and in accordance with section 485 of the
Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern
Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2018.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

C P Ratcliffe
Director
Date: 31/10/18

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

Opinion

We have audited the financial statements of British Educational Suppliers Association (the 'company') for the year ended 31 March 2018 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Hiten Patel

Hiten Patel FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

31 October 2018

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Income	2	1,657,568	1,862,250
Cost of sales		(983,209)	(1,063,957)
Gross surplus		674,359	798,293
Administrative expenses		(894,590)	(850,686)
Operating deficit		(220,231)	(52,393)
Interest receivable and similar income		952	314
Deficit before taxation		(219,279)	(52,079)
Tax on deficit		(190)	(63)
Deficit for the financial year	10	(219,469)	(52,142)
Retained earnings brought forward as previously reported		1,057,789	982,166
Effect of prior period adjustment	14	-	127,765
		1,057,789	1,109,931
Retained earnings carried forward		838,320	1,057,789

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	4		4,995		1,831
Investments	5		50		-
			5,045		1,831
Current assets					
Debtors	7	1,167,985		1,097,463	
Cash at bank and in hand		719,039		763,320	
		1,887,024		1,860,783	
Creditors: amounts falling due within one year	8	(817,596)		(804,825)	
Net current assets			1,069,428		1,055,958
Total assets less current liabilities			1,074,473		1,057,789
Provisions for liabilities	9		(236,153)		-
Net assets			838,320		1,057,789
Reserves					
Income and expenditure account	11		838,320		1,057,789

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 31/10/18 and are signed on its behalf by:

C P Ratcliffe
Director

Company Registration No. 01097059

1 Accounting policies

Company information

British Educational Suppliers Association is a private company limited by guarantee incorporated in England and Wales. The registered office is 20 Beaufort Court, Admirals Way, London, E14 9XL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and expenditure

Event/service turnover includes charges (excluding VAT) invoiced to participating members for space and services at exhibitions, missions, seminars and other non-subscription services and is included within the financial statements for the period in which the event has been concluded.

Event/service turnover also consists of grants provided by the Department for International Trade (DIT). Participating members apply to British Educational Suppliers Association (BESA) for support and then BESA makes these applications to the DIT. The DIT provides BESA with the grants to be issued to participating members in addition to a mark-up, meaning that a small surplus is made on each grant application. Turnover and expenses are included within the financial statements for the period in which the event to which the grants relate has been concluded.

Membership subscriptions are recognised in the year to which they relate. Admission fees are charged at a time a member joins the Association and are recognised in the year of admission.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	Straight line over 10 years
Office equipment	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit. However, corporation tax is payable on investment income or bank interest receivable during the year at the normal UK corporation tax rates.

1 Accounting policies **(Continued)**

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Turnover

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Subscriptions	448,271	432,504
Admission fees	5,050	3,000
Event/service turnover	1,440,400	1,426,746
Refunds	(236,153)	-
	1,657,568	1,862,250

Refunds above relate to over charging during the previous 6 years. See note 9 for further disclosures.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2017 - 10).

4 Tangible fixed assets

	Fixtures and fittings	Office equipment	Total
	£	£	£
Cost			
At 1 April 2017	32,007	77,316	109,323
Additions	1,216	3,733	4,949
At 31 March 2018	33,223	81,049	114,272
Depreciation and impairment			
At 1 April 2017	31,062	76,430	107,492
Depreciation charged in the year	600	1,185	1,785
At 31 March 2018	31,662	77,615	109,277
Carrying amount			
At 31 March 2018	1,561	3,434	4,995
At 31 March 2017	945	886	1,831

5 Fixed asset investments

	Notes	2018 £	2017 £
Investments in joint ventures	6	50	-

6 Joint ventures

On 19 January 2018 the Association formed a joint venture, EdTech Exchange Limited, with Founders Exchange Limited (FEL). British Educational Suppliers Association (BESA) and FEL have created the joint venture to create an unparalleled, international network of EdTech founders with BESA taking on responsibility for the operational running and expansion of EdTech Exchange Limited.

Details of the company's joint ventures at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
EdTech Exchange Limited	England & Wales	EdTech mentoring company	Ordinary	50	

7 Debtors

Amounts falling due within one year:	2018 £	2017 £
Trade debtors	756,171	242,636
Prepayments and accrued income	411,814	854,827
	1,167,985	1,097,463

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	172,704	104,905
Corporation tax	190	63
Other taxation and social security	97,171	36,140
Other creditors	176,487	1,555
Accruals and deferred income	371,044	662,162
	817,596	804,825

9 Provisions for liabilities

	2018 £	2017 £
Refund provision	236,153	-

Event commission income is determined in reference to the historic agreement with the event organiser. The above provision is in relation to the previous years where the event organiser informed BESA of the amount of its share of the income from the show. This commission income is based on the exhibition square meterage. The event organiser informed BESA in August 2018 that the amount they had told BESA to invoice them for over the past six years had been overstated. Since the year end an agreement has been reached with the event organiser that BESA will make good the overpayment by reducing the future income received from the event organiser in relation to the event by 50%. It is estimated that the amount will be cleared within 7-8 years.

10 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £10.

11 Income and expenditure account

	2018	2017
	£	£
At the beginning of the year	1,057,789	1,109,931
Deficit for the year	(219,469)	(52,142)
At the end of the year	838,320	1,057,789

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
	256,208	200,791

The operating leases above are currently within a break notice period, the lease can be terminated by serving a break notice not less than six months.

13 Key management

During the year, key management emoluments amounted to £196,172 (2017: £262,333).

14 Related party transactions

On 19 January 2018 the Association formed a joint venture, EdTech Exchange Limited, with Founders Exchange Limited to create an unparalleled, international network of EdTech founders. The Association has taken on responsibility for the operational running and expansion of EdTech Exchange Limited, providing the support and services of the Association's employees, with no costs transferred.

During the year the Association had other related party transactions, all of which were entered into on an arm's length basis.

15 Prior period adjustment

During the year to 31 March 2017 income relating to activities occurring in the previous financial year was identified totalling £127,765. The period to 31 March 2016 was therefore restated and the brought forward capital and reserves for the period to 31 March 2017 were increased by this amount.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

		2018		2017
	£	£	£	£
Income				
Subscriptions		448,271		432,504
Admission fees		5,050		3,000
Event/service turnover		1,440,400		1,426,746
Refunds		(236,153)		-
		1,657,568		1,862,250
Cost of sales				
Travelling expenses	105,340		132,546	
Postage, courier and delivery charges	85		741	
Professional subscriptions	8,533		17,100	
Political Advisory Services	25,047		25,861	
Printing and stationery	5,725		19,202	
Public relations	5,096		24,200	
Promotions and exhibitions	298,905		368,331	
Website costs	9,937		26,750	
Telecommunications	18,148		15,236	
Research and development costs	96,454		30,768	
Functions	26,515		73,691	
Event/service costs	383,424		329,531	
		(983,209)		(1,063,957)
Gross surplus	40.68%	674,359	42.87%	798,293
Administrative expenses		(894,590)		(850,686)
Operating deficit		(220,231)		(52,393)
Investment revenues				
Bank interest received	952		314	
		952		314
Deficit before taxation	13.23%	(219,279)	2.80%	(52,079)

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
Administrative expenses		
Wages and salaries	543,998	562,372
Social security costs	56,698	64,333
Staff recruitment costs	3,474	4,611
Staff training	4,142	12,170
Staff pension costs defined contribution	35,715	32,905
Other staff costs	559	1,225
Rent re operating leases	39,342	53,117
Service charge payable	12,052	15,250
Rates	22,015	21,175
Cleaning	6,831	6,568
Power, light and heat	4,443	3,835
Equipment repairs	7,323	8,896
Computer running costs	12,670	8,275
Legal and professional fees	20,983	32,450
Consultancy fees	48,710	16,921
Accountancy fees	25,388	1,500
Audit fees	10,700	7,000
Bank charges	1,876	1,897
Bad and doubtful debts	(2,500)	4,968
Insurances (not premises)	10,953	8,668
Entertaining	5,041	-
Sundry expenses	1,091	6,582
Depreciation	1,785	3,069
Loss or (profit) on foreign exchange	21,301	(27,101)
	894,590	850,686














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