

REGISTERED NUMBER: 00778293

BRITISH PROPERTY FEDERATION

(Limited by Guarantee)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2010



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Directors

Rupert Clarke	President ¹
Francis Salway	Immediate Past President ²
Robert J G Richards	Senior Vice President ³
Toby A Courtauld	Junior Vice President ⁴
Trevor Moross	Honorary Treasurer
Elizabeth A Peace	Chief Executive

Ian D Coull ⁵
Christopher M Grigg ⁶
David I Hunter
Robert Kidby ⁷
Ian Marcus
Martin R Moore
Andrew D Strang
J Paul White

Company Secretary

Peter P Cosmetatos

Registered Office

5th Floor
St Albans House
57 – 59 Haymarket
London SW1Y 4QX

Auditors

Littlejohn LLP
Chartered Accountants and
Statutory Auditors
1 Westferry Circus
Canary Wharf
London E14 4HD

Company Registration Number 778293

¹ Until 6 July 2010, thereafter Immediate Past President

² Until 6 July 2010, thereafter no longer a Board member

³ Until 6 July 2010, thereafter President

⁴ Until 6 July 2010, thereafter Senior Vice President

⁵ Until 6 July 2010

⁶ With effect from 25 May 2010

⁷ Until 30 April 2010

Introduction

The Directors have pleasure in presenting their Report together with the Group Financial Statements for the year ended 31 December 2010, in accordance with the Companies Act 2006

Business of the Federation

The purpose of the Federation is to represent the interests of its members to Government and to other key stakeholders and to raise the profile and reputation of the commercial property industry with those in positions of influence. A review of the Federation's activities is provided in the Annual Review 2010/11, which should be read in conjunction with this report

Review of business and future developments

During the year, the Federation made representations to Government, the European Commission and other regulatory bodies on a wide range of issues which had the potential to affect the successful performance and standing of the industry

In Europe these included the development and introduction of the Alternative Investment Fund Managers Directive, the formulation of the European Market Infrastructure Regulation and the consideration of other potential EC legislation that could impact on the property industry in the UK

In the UK, the BPF's lobbying activities included the localism agenda and measures to improve the planning regime, including the introduction of business neighbourhoods, creation of Enterprise Zones and changes to the Community Infrastructure Levy, the promotion of tax increment finance to fund infrastructure and support regeneration, the liberalisation of the REIT regime to encourage new entrants, changes to tax and VAT, the effectiveness of current insolvency regulation and practice, the promotion of a professional private rented sector, particularly with institutional investors, discussions on the practice and implications of the new Carbon Reduction and Green Deal Schemes, and further discussions on internationally agreed metrics for sustainability measurement and reporting within the property sector

In Scotland, the Scottish Property Federation worked with the Scottish Government on a subset of the UK issues, focusing particularly on planning reform, climate change regulations and the development of the Government's infrastructure initiative

For the future, both the BPF and SPF expect to continue to lobby vigorously in the areas outlined above and to continue to raise awareness in the UK and Scottish Governments and the European Commission and Parliament of the impact on the industry of their policies

Results for the year

The results are set out in the income and expenditure account on page 6. The surplus for the year before deducting taxation was £145,460 (2009 – £310,492)

Health and safety

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

Membership of the Board

The Federation wishes to thank the Directors for their contribution to the affairs of the Federation during the year. The Directors serving during the year and up to the date of this report are set out on page 2

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors 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 estimates that are reasonable and prudent, and
- 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.

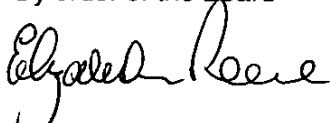
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

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

Auditors

Littlejohn LLP has expressed its willingness to continue in office. A resolution proposing the reappointment of Littlejohn LLP will be proposed at the next Annual General Meeting.

By order of the Board



E A Peace
Chief Executive
5th Floor
St Albans House
57 – 59 Haymarket
London SW1 4QX

7 June 2011

Independent auditor's report to the members of the British Property Federation

We have audited the Financial Statements of the British Property Federation for the year ended 31 December 2010 which comprise the Group Income and Expenditure Account, the Group and Parent Company Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements.

Opinion on Financial Statements

In our opinion the Financial Statements

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2010 and of the Group's result 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.

Opinion on other matter prescribed by the Companies Act 2006

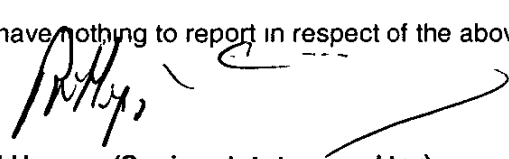
In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

The Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Parent Company 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.

We have nothing to report in respect of the above matters.


Paul Hopper (Senior statutory auditor)
For and on behalf of Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

7 June 2011

BRITISH PROPERTY FEDERATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2010

	Note	Total 2010	Total 2009
Subscription income		2,005,848	2,358,979
Operating and administrative expenses	1	(2,330,836)	(2,581,644)
Other operating income		377,265	377,126
Operating surplus		52,277	154,461
Interest receivable	3	92,401	73,686
Profit on sale of and movement in write down in value of investments		3,710	86,497
Bank interest and charges payable		(2,928)	(4,152)
Surplus on ordinary activities before taxation		145,460	310,492
Taxation	5	-	(33,535)
Surplus on ordinary activities after taxation	6	145,460	276,957
Income and Expenditure account			
Balance at beginning of year		2,256,398	1,979,441
Balance at end of year		£2,401,858	£2,256,398

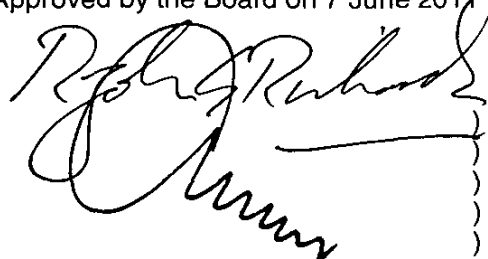

Included within income is £115,522 (2009 - £248,063) relating to discontinued operations. All other income and expenditure relates to continuing operations.

The Group has no gains or losses other than those shown above.

The Accounting Policies and Notes on pages 8 to 14 form part of these Financial Statements.

		Group		Company	
	Note	2010	2009	2010	2009
Fixed Assets					
Tangible fixed assets	7	165,945	10,054	-	-
Investments	8	1,570,026	1,324,800	-	-
Investments in group undertaking		-	-	100	100
Current Assets					
Stock	904	1,052	-	-	-
Debtors	10	207,502	152,333	2,358,309	2,422,240
Investments	11	1,583,737	1,361,944	550,178	-
Cash at bank and in hand		112,961	576,996	105,504	438,787
		<u>1,905,104</u>	<u>2,092,325</u>	<u>3,013,991</u>	<u>2,861,027</u>
Creditors: amounts falling due within one year	12	(1,216,817)	(1,170,781)	(1,040,180)	(997,782)
Net Current Assets		688,287	921,544	1,973,811	1,863,245
Creditors: amounts falling after more than one year	13	(22,400)	-	-	-
Net Assets		<u>£2,401,858</u>	<u>£2,256,398</u>	<u>£1,973,811</u>	<u>£1,863,345</u>
Members' funds	14				
Income and Expenditure account		<u>£2,401,858</u>	<u>£2,256,398</u>	<u>£1,973,811</u>	<u>£1,863,345</u>

Approved by the Board on 7 June 2011

 ROBERT RICHARDS
 TREVOR MOROSS
 Directors

The Accounting Policies and Notes on pages 8 to 14 form part of these Financial Statements

Basis of accounting and consolidation

The financial statements of the Federation have been prepared under the historical cost convention and in accordance with applicable accounting standards. The group accounts consolidate the British Property Federation and its subsidiary undertaking.

Subscription income

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

Other operating income

Other operating income comprises

- sales of publications
- turnover and direct costs of running the Federation's annual conference and other events
- rental income
- Reta membership income

Pension costs

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

Cashflow statement

The Company has taken advantage of the exemption under Financial Reporting Standard (FRS) 1 not to prepare a cashflow statement.

Tangible fixed assets

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

Computer equipment	33 33%
Furniture, fittings and office equipment	33 33%
Leasehold improvements	Length of the lease

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

Fixed asset investment

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

Stocks

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

Taxation

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

Deferred tax

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

1 Operating and administrative expenses

	2010	Group 2009
Cost of sales	36,851	103,913
Administration and overheads		
Staff costs	1,172,333	1,162,702
Temporary staff and secondment	12,785	26,316
Other staff costs	35,672	35,274
Printing and stationery	41,549	42,076
Telephone and postage	30,553	25,620
Insurance	14,037	16,629
Maintenance of equipment and plant	33,752	46,791
Depreciation	55,596	17,526
Auditors remuneration	14,450	13,250
Legal and professional	4,842	7,779
Irrecoverable VAT	77,511	129,962
Bad debt provision	7,014	17,066
Sundry expenses	9,521	11,084
	<hr/> 1,509,615	<hr/> 1,552,075
Premises		
Rent and rates	204,977	168,451
Service charge	47,269	39,135
Insurance	1,650	1,733
Light and heat	3,515	5,294
Repairs and renewals	3,710	3,417
Cleaning	6,178	7,880
Move costs	19,850	-
Provision for dilapidation	22,400	-
	<hr/> 309,549	<hr/> 225,910
Lobbying and member services		
Consultancy fees and special project work	252,844	269,914
Reita	34,141	220,616
Books, periodicals and subscriptions	39,792	68,263
Meetings, conferences and seminars	148,044	140,953
	<hr/> 474,821	<hr/> 699,746
	<hr/> £2,330,836	<hr/> £2,581,644

2 Employment costs

Staff costs consist of

	2010	2009
Wages and salaries	940,544	932,124
Social security costs	108,102	106,763
Pension contributions	123,687	123,815
	<u>£1,172,333</u>	<u>£1,162,702</u>
Average number of employees during the year (calculated on a monthly basis)	No	No
Full time	17	17

The Federation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Federation in independently administered funds.

3 Interest receivable

	2010	2009
Other interest – short term deposits	23,342	27,642
Income from fixed asset investments	69,059	46,044
	<u>£92,401</u>	<u>£73,686</u>

4 Trading income and expenditure

The Federation owns 100% of the issued ordinary share capital of BPF Commercial Limited, a Company incorporated in England and Wales. The principal activity of the Company is to provide accommodation and services to the Federation and manage the Federation's chargeable events, publications sales, cash reserves and working capital. At 31 December 2010 its net assets were £428,407 (2009 - £393,153). Its trading results extracted from its audited Financial Statements for the year to 31 December 2010 were:

	2010	2009
Turnover	671,080	729,310
Cost of sales	(616,611)	(636,689)
Gross Profit	<u>54,469</u>	<u>92,621</u>
Administrative expenses	(107,077)	(106,033)
Other operating income	128	1,461
Loss on ordinary activities before taxation and interest	<u>(52,480)</u>	<u>(11,951)</u>
Investment income receivable	86,592	73,685
Write down in value of assets and sale profits	3,710	86,497
Bank charges	(2,928)	(2,442)
Profit on ordinary activities before tax	<u>34,894</u>	<u>145,789</u>
Taxation	-	(33,535)
Retained profit	<u>£34,894</u>	<u>£112,254</u>

5 Taxation

	2010	2009
Current tax		
UK Corporation tax on profits of the period	-	31,059
Underprovision in prior year	955	-
Deferred taxation	(955)	2,476
	<hr/>	<hr/>
Tax on profit on ordinary activities	£-	£33,535
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Profit before taxation	34,894	145,789
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of Corporation tax at 28% (2009 28%)	9,770	40,820
Disallowed expenses	11,168	-
Non-taxable income	-	(878)
Depreciation in excess of capital allowances	(20,938)	(2,476)
Marginal relief	-	(6,407)
	<hr/>	<hr/>
Current tax charge for the period	£-	£31,059

6 Operating surplus

	2010	2009
This is stated after charging		
Auditors' remuneration - audit	£12,750	£ 12,000
- other services	£1,700	£ 1,250
Depreciation	£55,596	£ 17,526
	<hr/>	<hr/>

7 Tangible fixed assets - Group

Cost	Computer	Furniture fittings and office equipment	Leasehold improvements	Total
At beginning of year	264,504	93,467	141,507	499,478
Additions	6,664	100,019	104,804	211,487
Eliminated on disposal	(122,392)	(93,467)	(141,507)	(357,366)
Cost at end of year	148,776	100,019	104,804	353,599
Depreciation				
At beginning of year	254,925	93,467	141,032	489,424
Provision for year	8,005	25,004	22,587	55,596
Eliminated on disposal	(122,392)	(93,467)	(141,507)	(357,366)
At end of year	140,538	25,004	22,112	187,654
Net Book Value				
At 31 December 2010	£8,238	£75,015	£82,692	£165,945
At 31 December 2009	£9,579	£-	£475	£10,054

8 Fixed Asset Investments

	2010	2009
Fixed rate bonds	1,529,797	955,983
Equity Investments	40,002	35,264
Cash held at stockbrokers	227	333,553
Total investments	£1,570,026	£1,324,800

Movements in fixed asset investments during the year were as follows

As at 1 January 2010	1,324,800
Additions	989,854
Disposals and redemptions	(759,699)
Movement in provision for loss in value of investments	15,071
As at 31 December 2010	£1,570,026

9 Investments	2010	2009
Shares in subsidiary company	£100	£100

The investment represents 100% of the issued share capital of BPF Commercial Limited which handles the Federation's income from trading activities, the working capital of the Federation, its own investments and provides accommodation and services to the Federation

10 Debtors	2010	Group 2009	Company 2010	Company 2009
Trade debtors	8,525	9,928	-	5,693
Accrued interest	2,033	5,913	-	-
Taxation	78,420	36,611	-	-
Deferred taxation	15,474	14,519	-	-
Amounts due from subsidiary company	-	-	697,422	750,941
Loan to subsidiary company	-	-	1,633,005	1,633,005
Prepayments and other debtors	103,050	85,362	27,882	32,601
	<u>£207,502</u>	<u>£152,333</u>	<u>£2,358,309</u>	<u>£2,422,240</u>

The loan to BPF Commercial Limited is non-interest bearing and repayable on demand

11 Current asset investments	2010	Group 2009	Company 2010	Company 2009
Short term deposits	£1,583,737	£1,361,944	£550,178	£-

12 Creditors: amounts falling due within one year	2010	Group 2009	Company 2010	Company 2009
Accruals	28,668	88,332	21,005	64,282
Deferred income	853,603	830,130	838,103	751,268
Taxation and social security costs	48,546	44,001	48,546	44,001
Corporation tax	-	53,565	-	-
Other creditors	286,000	154,617	132,526	138,231
	<u>£1,216,817</u>	<u>£1,170,645</u>	<u>£1,040,180</u>	<u>£997,782</u>

Movement on deferred income

	Group
Brought forward at beginning of year	830,130
Released during the year	(830,130)
Deferred to future periods	853,603
	<u>£853,603</u>
Carried forward at end of year	

13 Creditors: amounts falling due in more than one year

	2010	Group 2009	Company 2010	Company 2009
Provision for dilapidations	£22,400	£-	£-	£-

14 Reconciliation of members' funds

	2010	Group 2009	Company 2010	Company 2009
At 1 January	2,256,398	1,979,441	1,863,345	1,698,642
Surplus/(deficit) for the year	145,460	276,957	110,466	164,703
Closing members' funds	£2,401,858	£2,256,398	£1,973,811	£1,863,345

15 Related party transactions

Transactions between the Company and its subsidiary, which are related parties, have been eliminated on consolidation and are not disclosed in this note

16 Limitation of Liability

The Company is limited by guarantee and has no share capital. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up whilst the member company is a member or within one year of ceasing to be a member.