

REGISTERED NUMBER: 00778293

BRITISH PROPERTY FEDERATION

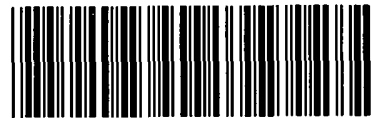
(Limited by Guarantee)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2016

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BRITISH PROPERTY FEDERATION

COMPANY INFORMATION

Directors

Paul A Brundage
Toby A Courtauld
Christopher M Grigg
William Hughes
Anne T Kavanagh
Melanie J Leech
Alan J Leibowitz
David B Marks
Robert M Noel ¹
David J R Sleath
Christopher M Taylor
Rebecca J Worthington

Company Secretary

Ion M P Fletcher ²
Andrew D Panting ³

Business Address and Registered Office

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

Auditors

PKF Littlejohn LLP
Statutory Auditors
1 Westferry Circus
Canary Wharf
London E14 4HD

Company Registration Number 00778293

1 From July 2016 when he joined the Board

2 From August 2016 when he was appointed Secretary

3 Until August 2016 when he resigned as Secretary.

Introduction

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2016.

Business of the British Property Federation (BPF)

The purpose of the BPF is to develop partnerships with the UK and Scottish Governments, and other decision making bodies, so that it can encourage the development of policies and regulations that will enable the industry to grow and thrive.

Review of business and future developments

Over the course of the year, the BPF helped to secure a business rates reform package worth £6bn by 2020 and worked hard to ensure that anti-tax avoidance measures aimed at multinationals work appropriately for real estate investors. The BPF held a number of workshops for local authorities highlighting the benefits of build to rent (BTR) in cities and helped to develop supplementary planning guidance on BTR in London, greatly facilitating future support by London boroughs. With the continuing rise of online retail increasing demand for logistical space, the BPF raised awareness among senior civil servants of the benefits of this sector by arranging site visits. The BPF also continued to engage in the debate around the future of high streets by launching Town Centre Investment Zones research as part of a government forum.

In Scotland, our Scottish Property Federation (SPF) campaigned successfully for the establishment of a Scottish Real Estate Forum, co-chaired between Scottish Ministers and industry. The Forum is designed to provide direct market feedback to Scottish Ministers and a cross-government perspective of key issues facing the industry. In addition, the SPF secured improvements to the Scottish business rates regime, engaged at the highest levels of Scottish Government with meetings with the First Minister and her senior finance/economic Ministers, secured strong direct engagement of SPF members throughout the planning reform process and achieved widespread coverage of our campaign to reform residential Land & Building Transaction Tax rates. In addition, SPF mobilised members to inform and oppose the introduction of a Scottish Vacant, Derelict & Development Land Tax which is under informal consultation by Scottish Ministers.

For the future, the BPF will continue to work closely with the government to emphasise the value and importance of the industry to the UK economy – particularly in the context of the UK's impending departure from the EU. This is not just in providing the infrastructure necessary for the country's businesses to thrive but increasingly in building new homes for people to live in. The main challenge will be to ensure that the overall tax and regulatory framework for real estate investment remains supportive, particularly in light of the government's constrained fiscal position, which is unlikely to improve in the foreseeable future.

Directors' Indemnity

The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

Results for the year

The results are set out in the consolidated statement of comprehensive income on page 8. The surplus for the year after taxation was £323,773 (2015 – £27,648).

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

Provision of Information to Auditors

So far as each of the Directors is aware at the time this report is approved:

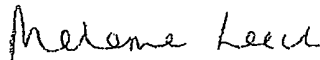
- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor:

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

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

By order of the Board



M J Leech
Chief Executive

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

5 June 2017

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 Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). 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 Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- * select suitable Accounting Policies and then apply them consistently;
- * make judgments and accounting 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 Group and 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 Group and 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

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 2016 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Statement of Changes in Equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 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 matters prescribed by the Companies Act 2006

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

In 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.

BRITISH PROPERTY FEDERATION

REPORT OF THE INDEPENDENT AUDITOR
YEAR ENDED 31 DECEMBER 2016

Matters on which we are required to report by exception

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 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;
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Alastair Duke (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

15 June

2017

1 Westferry Circus
Canary Wharf
London E14 4HD

BRITISH PROPERTY FEDERATION CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2016

	Note	Total 2016	Total 2015
Subscription income		2,451,414	2,227,545
Operating and administrative expenses	5	(3,113,330)	(2,731,816)
Event and other income		717,825	426,448
		<hr/>	<hr/>
Operating (deficit)/surplus		55,909	(77,823)
Interest receivable and similar income	7	103,937	94,191
Profit on sale of and movement in value of investments		186,471	23,691
Bank interest and charges payable		(6,622)	(5,291)
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		339,695	34,768
Taxation	8	(15,922)	(7,120)
		<hr/>	<hr/>
Surplus on ordinary activities after taxation	5	323,773	27,648
Income and Expenditure account			
Balance at beginning of year		2,922,091	2,894,443
		<hr/>	<hr/>
Balance at end of year		£3,245,864	£2,922,091
		<hr/>	<hr/>
Total comprehensive income for the year		£323,773	£27,648
		<hr/>	<hr/>

All income and expenditure relates to continuing operations.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the Company for the year was £7,938 (2015: loss of £84,246).

The notes on pages 12 to 23 form part of these financial statements.

BRITISH PROPERTY FEDERATION
Company number: 00778293

BALANCE SHEETS
AT 31 DECEMBER 2016

		Group		Company	
	Note	2016	2015	2016	2015
Fixed Assets					
Tangible fixed assets	9	18,760	20,015	-	-
Investments	10	3,112,438	2,915,556	-	-
Investment in group undertaking	19	-	-	100	100
Current Assets					
Debtors	11	293,269	318,871	2,729,712	2,703,819
Investments	12	331,360	918,645	331,360	918,645
Cash at bank and in hand		1,111,005	262,628	786,452	213,417
		<u>1,735,634</u>	<u>1,500,144</u>	<u>3,847,524</u>	<u>3,835,881</u>
Creditors:					
Amounts falling due within one year	13	(1,580,968)	(1,473,624)	(1,554,033)	(1,550,328)
Net Current Assets		154,666	26,520	2,293,491	2,285,553
Provisions for liabilities	14	(40,000)	(40,000)	-	-
Net Assets		<u>£3,245,864</u>	<u>£2,922,091</u>	<u>£2,293,591</u>	<u>£2,285,653</u>
Members' funds					
Income and Expenditure account		<u>£3,245,864</u>	<u>£2,922,091</u>	<u>£2,293,591</u>	<u>£2,285,653</u>

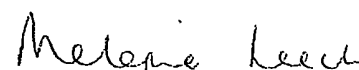
The financial statements were approved and authorised for issue by the Board of Directors on 5 June 2016 and were signed on its behalf by:

Alan Leibowitz

)
)
) Directors
)
)



Melanie J Leech



The Accounting Policies and Notes on pages 12 to 23 form part of these Financial Statements.

BRITISH PROPERTY FEDERATION

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016**

	Notes	Group		Company	
		Members' Funds	Total	Members' Funds	Total
Balance as at 1 January 2015		2,894,443	2,894,443	2,369,899	2,369,899
Profit/(Loss) for the year		27,648	27,648	(84,246)	(84,246)
Balance as at 31 December 2015		2,922,091	2,922,091	2,285,653	2,285,653
Balance at 1 January 2016		2,922,091	2,922,091	2,285,653	2,285,653
Profit/(Loss) for the year		323,773	323,773	7,938	7,938
Balance as at 31 December 2016		£3,245,864	£3,245,864	£2,293,591	£2,293,591

The Accounting Policies and Notes on pages 12 to 23 form part of these Financial Statements.

BRITISH PROPERTY FEDERATION

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
Cash from Operating Activities	15	190,769	(42,826)
Taxation paid		(7,120)	(1,756)
Net cash generated from operating activities		183,649	(44,582)
Cash flow from investing activities			
Purchase of tangible assets		(9,462)	(180)
Purchase of fixed asset investments		(526,736)	(1,651,741)
Proceeds from disposal of fixed asset investment		586,496	1,093,998
Interest received		2,715	6,231
Dividends received		101,222	87,960
Net cash from investing activities		154,235	(463,732)
Cash flow from financing activities			
Interest paid		(6,622)	(5,291)
Net cash from financing activities		(6,622)	(5,291)
Net increase/decrease in cash and cash equivalents		331,262	(513,605)
Cash and cash equivalents at the beginning of the year		1,257,752	1,771,357
Cash and cash equivalents at the end of the year		£1,589,014	£1,257,752
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,111,005	262,628
Short term deposits (included in current asset investments)		331,360	918,645
Cash held at stockbrokers		146,649	76,479
Cash and cash equivalents		£1,589,014	£1,257,752

The Accounting Policies and Notes on pages 12 to 23 form part of these financial statements.

1. General information

British Property Federation ('the Company') and its subsidiary (together "the Group") develop partnerships with the UK and Scottish Governments and other decision making bodies, to encourage the development of policies and regulations that will enable the industry to grow and thrive.

The Company is a private Company limited by guarantee and is incorporated and domiciled in England. The address of its registered office is 5th Floor, St Albans House, 57 – 59 Haymarket, London, SW1Y 4QX.

2. Statement of compliance

The Group and individual financial statements of British Property Federation have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

(b) Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

3. Summary of significant accounting policies (continued)**(d) Basis of consolidation**

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

(e) Tangible Assets

Tangible assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

Depreciation is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	– over the period of the lease
Furniture, fittings and office equipment	– 4 years
Computer equipment	– 3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(ii) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of Group's sales channels have been met, as described below.

(i) 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.

3. Summary of significant accounting policies (continued)*(ii) Other operating income*

Other operating income comprises rental income and revenue in providing the Federation's annual conference and other events. Revenue is recognised in the accounting period in which the events are held. Income received in the current year relating to future years is credited to deferred income.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates a discretionary annual bonus arrangement for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

(h) Taxation

The current tax charge is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

3. Summary of significant accounting policies (continued)**(i) Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(k) Investments - Company**(i) Investment in subsidiary company**

Investment in the subsidiary company is held at cost less accumulated impairment losses.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(m) Provisions and contingencies**(i) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

(o) Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(p) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

5. Operating and administrative expenses

	Group	
	2016	2015
Administration and overheads		
Employment costs (see note 6)	1,604,698	1,543,904
Other employee costs	75,367	60,069
Operating costs	295,833	253,525
Auditors remuneration – audit services	17,100	15,600
Auditors remuneration – tax advisory services	2,500	2,450
Depreciation	10,537	19,551
Bad debt expense	3,922	-
Other losses	19,426	-
Premises costs		
Rent – operating lease charge	162,622	161,804
Service charge	63,388	56,422
Business rates	88,174	83,127
Advocacy and member services		
Consultant, research and information	342,011	226,451
Subscriptions and membership of other bodies	83,154	72,275
Event costs and meetings	321,996	221,279
Website and publications	22,602	15,359
	<hr/>	<hr/>
	£3,113,330	£2,731,816
	<hr/>	<hr/>

BRITISH PROPERTY FEDERATION
**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**
6. Employment costs

Staff costs consist of:

	2016	2015
Wages and salaries	1,281,810	1,230,598
Social security costs	132,198	132,078
Pension contributions	190,690	181,228
	<u>£1,604,698</u>	<u>£1,543,904</u>

	2016	2015
Average number of employees during the year (calculated on a monthly basis)	No.	No.
Full time	<u>23</u>	<u>23</u>

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.

Directors

The Directors' emoluments were as follows:

	2016	2015
Aggregate emoluments	<u>£255,760</u>	<u>£248,311</u>

One director (2015: one) was a member of a defined contribution scheme.

Highest-Paid Director

Total amount of emoluments (excluding pension contributions)	225,055	209,000
Company pension contributions to money purchase schemes	30,705	39,311
	<u>£255,760</u>	<u>£201,905</u>

Key management compensation

Key management includes the Directors and members of senior management. The compensation, including employer's national insurance, paid or payable to key management for employee services is shown below:

	2016	2015
Salaries and other short-term benefits	697,503	659,134
Post-employment benefits	134,698	128,240
	<u>£832,201</u>	<u>£787,374</u>

BRITISH PROPERTY FEDERATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

7. Interest receivable and similar income

	2016	2015
Other interest – short term deposits	2,715	6,231
Income from fixed asset investments and dividends	101,222	87,960
	<u>£103,937</u>	<u>£94,191</u>

8. Taxation

(a) Tax expense included in profit and loss	2016	2015
Current tax:		
UK Corporation tax on profits for the year	15,922	5,364
Adjustment in respect of prior periods	-	1,756
	<u>15,922</u>	<u>7,120</u>
Total current tax		
	<u>£15,922</u>	<u>£7,120</u>
Tax on profit on ordinary activities		
	<u>£15,922</u>	<u>£7,120</u>

(b) Reconciliation of tax charge

The tax assessed for the period is lower (2015: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2016 of 20% (2015: 20%). The differences are explained below:

	2016	2015
Profit multiplied by the standard rate of tax in the UK of 20% (2015: 20%)	67,939	5,530
Effects of:		
Income not subject to tax	(51,595)	1,714
Unrecognised deferred tax	(422)	2,858
Gain on disposal	-	(4,738)
Adjustment in respect of prior periods	-	1,756
	<u>£15,922</u>	<u>£5,364</u>
Tax charge for the year		
	<u>£15,922</u>	<u>£5,364</u>

BRITISH PROPERTY FEDERATION
**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**
9. Tangible fixed assets

Group				
Cost	Computer	Furniture fittings and office equipment	Leasehold improvements	Total
At beginning of year	230,052	100,550	112,045	442,647
Additions	-	8,330	1,132	9,462
Disposals	(161,346)	-	-	(161,346)
Cost at end of year	68,706	108,880	113,177	290,763
Depreciation				
At beginning of year	215,974	100,550	106,288	422,812
Provision for year	8,644	1,666	227	10,537
Released on disposal	(161,346)	-	-	(161,346)
At end of year	63,272	102,216	106,515	272,003
Net Book Value				
At 31 December 2016	£5,434	£6,664	£6,662	£18,760
At 31 December 2015	£14,078	£ -	£5,937	£20,015

Company

The Company had no tangible assets at 31 December 2016 (2015: £nil).

BRITISH PROPERTY FEDERATION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

10. Investments – fixed assets

	2016	2015
Equity Investments	2,152,818	1,980,612
Fixed rate bonds	810,971	858,465
Cash held at stockbrokers	148,649	76,479
	<hr/>	<hr/>
Total investments	£3,112,438	£2,915,556
	<hr/>	<hr/>

Movements in fixed asset investments during the year were as follows

	2016	2015
As at 1 January	2,915,556	2,418,414
Additions	526,736	1,651,741
Disposals and redemptions	(586,496)	(1,093,988)
Movement in cash held at stockbrokers	70,171	(84,302)
Net gains / (losses) on revaluation	186,471	23,691
	<hr/>	<hr/>
Total investments	£3,112,438	£2,915,556
	<hr/>	<hr/>

11. Debtors

	Group		Company	
	2016	2015	2016	2015
Trade debtors	61,411	63,841	26,024	11,317
Loan to subsidiary company	-	-	2,633,005	2,633,005
Prepayments and other debtors	231,858	255,030	70,683	59,497
	<hr/>	<hr/>	<hr/>	<hr/>
	£293,269	£318,871	£2,729,712	£2,476,956
	<hr/>	<hr/>	<hr/>	<hr/>

The loan to BPF Commercial Limited is unsecured, interest free, has no fixed date of repayment and is repayable upon demand.

BRITISH PROPERTY FEDERATION
**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**
12. Current asset investments

	Group		Company	
	2016	2015	2016	2015
Short term deposits	<u>£331,360</u>	<u>£918,645</u>	<u>£331,360</u>	<u>£918,645</u>

13. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
Trade creditors	96,388	264,960	41,725	170,500
Amounts due to subsidiary	-	-	163,362	379,151
Other taxation and social security	75,489	74,398	75,489	74,398
Accruals and other creditors	105,283	58,448	63,578	3,369
Deferred income	1,287,886	1,070,454	1,209,336	922,444
Corporation tax payable	15,922	5,364	543	466
	<u>£1,580,968</u>	<u>£1,473,624</u>	<u>£1,554,033</u>	<u>£1,550,328</u>

14. Provisions for liabilities

	Group		Company	
	2016	2015	2016	2015
Provision for dilapidations	<u>£40,000</u>	<u>£40,000</u>	<u>£-</u>	<u>£-</u>

As part of the Group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised in 2019 when the lease terminates.

BRITISH PROPERTY FEDERATION
**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**
15. Notes to the statement of cash flows

Reconciliation of profit to net cash inflow from operating activities:

	2016	2015
Profit for the financial year	323,773	27,648
Adjustment for:		
Tax on profit on ordinary activities	15,922	7,120
Interest and investment income	(103,937)	(94,191)
Bank charges	6,622	5,291
Profit on sale of and movement in value of investments	(186,471)	(23,691)
	<u>£55,909</u>	<u>£(77,823)</u>

	2016	2015
Operating profit	55,909	(77,823)
Depreciation of tangible assets	10,537	19,551
Working capital movements:		
(Increase)/decrease in debtors	25,602	(153,839)
Increase in creditors	118,491	169,285
	<u>£190,769</u>	<u>£(42,826)</u>

Cash flow from operating activities

Analysis of changes in net debt

	At 1 January 2016	Cash flows	At 31 December 2016
Cash at bank and in hand	262,628	848,377	1,111,005
Short-term deposits	918,645	(587,285)	331,360
Cash held at stockbrokers	76,479	70,170	146,649
Total	<u>1,257,752</u>	<u>331,262</u>	<u>1,589,014</u>

Cash held at stockbrokers represents cash held for future investments and is not available for immediate use by the entity.

16. Capital and other commitments**Group**

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016	2015
Payments due		
Not later than one year and not later than five years	180,481	180,481
Later than one year and not later than five years	319,129	499,610
Later than five years		-
	<u>£499,610</u>	<u>£624,060</u>

Company

The Company had no capital or other commitments at 31 December 2016 (2015: £nil).

17. Related party transactions

The Company's only related party transactions were with a wholly owned subsidiary and so have not been disclosed.

18. Controlling parties**Group and Company**

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.

19. Subsidiaries and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Name	Country of incorporation	Nature of business	Interest
BPF Commercial Limited	UK	Managing events and working capital	100% Ordinary Shares

The above subsidiary is included in the consolidation.