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**HOME BUILDERS FEDERATION LTD**

**(A company limited by guarantee)**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**HOME BUILDERS FEDERATION LTD**  
**(A company limited by guarantee)**

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**COMPANY INFORMATION**

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**DIRECTORS**

S A Baseley  
N Fitzsimmons  
M J Gaskell  
M R Harris  
G Malton  
P Redfern  
S Stone  
J F Tutte

**COMPANY SECRETARY**

M R Powell

**REGISTERED NUMBER**

02764757

**REGISTERED OFFICE**

HBF House  
27 Broadwall  
London  
SE1 9PL

**INDEPENDENT AUDITOR**

Barnes Roffe LLP  
Chartered Accountants  
Leytonstone House  
Leytonstone  
London  
E11 1GA

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**HOME BUILDERS FEDERATION LTD**  
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**CONTENTS**

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	Page
<b>Directors' report</b>	1 - 3
<b>Independent auditor's report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 15

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**HOME BUILDERS FEDERATION LTD**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the audited financial statements for the year ended 31 December 2015.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' 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 judgments 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.

**PRINCIPAL ACTIVITY**

The principal activity of the company is the provision of services to the Home Builders Federation ("the HBF") in connection with its function as a trade association.

**DIRECTORS**

The directors who served during the year were:

S A Baseley  
P J Davies (retired 29 May 2015)  
N Fitzsimmons  
M J Freshney (retired 29 May 2015)  
M J Gaskell  
M R Harris  
G Malton (appointed 12 February 2015)  
P Redfern  
S Stone  
J F Tutte (appointed 12 February 2015)

**COMPANY SECRETARY**

M R Powell

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**HOME BUILDERS FEDERATION LTD**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**GOING CONCERN**

The financial statements have been prepared on the going concern basis. This assumes that the company will be able to meet its liabilities as they fall due. In assessing the appropriateness of the going concern basis the directors have reviewed cash flow forecasts and will continue to review the membership base and the appropriate level of subscriptions to enable the company to continue in operational existence for the foreseeable future recognising the current economic outlook. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

**BUSINESS REVIEW**

2015 proved to be another extremely busy year for HBF as it worked to influence Government policy in the areas that impact on its members and create a better operating environment for the industry.

The 2015 election campaign saw all parties committing to build more homes. Since its victory, the Conservative administration has introduced a number of pro-development policies. HBF worked as the conduit between the industry and Government to ensure that the policies are workable for its members and were introduced such that the industry could build on the significant increases in output seen the previous year and continue to build more homes.

Particular areas of focus included:

- Pushing Government for an extension to the Help to Buy equity loan scheme, that HBF had been instrumental in getting introduced, and which has played such a major part in the increase in output. An extension to the scheme to 2020 was announced in the summer. HBF also worked closely with Government to develop its new Starter Homes scheme. Getting the detail right will be key to the industry's ability to use it to build and sell homes.
- Working with Government and Local Authorities to ensure the NPPF planning system is implemented such that it delivers more land to meet housing demand. HBF put forward proposals to speed up the time it takes to process planning applications many of which were announced in various statements from Government. HBF represented the industry at each Local Plan Inquiry to ensure Local Authority plans accurately reflect housing need and allocate sufficient land to address that need.
- Developing, in conjunction with the industry and CITB, a range of initiatives to recruit and train more people to address the skills shortage.
- Looking to get specific measures introduced to assist smaller builders raise output; and leading a campaign aimed at increasing retirement housing provision.

In addition HBF worked in numerous other areas including with regards to; CIL, broadband, SUDS, customer satisfaction, Building for Life, the Consumer Code and devolution.

Throughout 2015, HBF continued to retain existing members and attract new members and as a result has been able to report a surplus before tax of £81,123 (2014: £99,746).

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

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**HOME BUILDERS FEDERATION LTD**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

The auditor, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 10 February 2016 and signed on its behalf.



**S A Baseley**  
Director

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**HOME BUILDERS FEDERATION LTD**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME BUILDERS FEDERATION LTD**

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We have audited the financial statements of Home Builders Federation Ltd for the year ended 31 December 2015, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 AUDITOR**

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. Our responsibility is to audit and express an opinion on 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

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**HOME BUILDERS FEDERATION LTD**  
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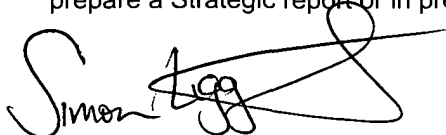
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME BUILDERS FEDERATION LTD**

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**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, 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Simon Liggins (Senior statutory auditor)  
for and on behalf of  
**Barnes Roffe LLP**  
Chartered Accountants  
Leytonstone House  
Leytonstone  
London  
E11 1GA

Date: 29.2.16.



**HOME BUILDERS FEDERATION LTD**  
(A company limited by guarantee)

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1	<b>2,659,796</b>	<b>2,760,699</b>
Administrative expenses		<b>(2,956,326)</b>	<b>(2,831,123)</b>
Other operating income	2	<b>371,721</b>	<b>164,693</b>
<b>OPERATING SURPLUS</b>	4	<b>75,191</b>	<b>94,269</b>
Interest receivable and similar income	3	<b>5,932</b>	<b>5,477</b>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>81,123</b>	<b>99,746</b>
Tax on surplus on ordinary activities	5	<b>(25,199)</b>	<b>(28,281)</b>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>£ 55,924</b>	<b>£ 71,465</b>

The notes on pages 8 to 15 form part of these financial statements.

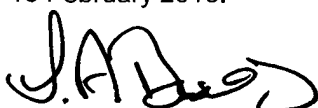
**HOME BUILDERS FEDERATION LTD**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02764757**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,527,363	1,595,771
Investments	7	10	10
		<u>1,527,373</u>	<u>1,595,781</u>
<b>CURRENT ASSETS</b>			
Debtors	8	210,884	154,366
Cash at bank and in hand		1,073,318	1,249,959
		<u>1,284,202</u>	<u>1,404,325</u>
<b>CREDITORS:</b> amounts falling due within one year	9	<u>(1,096,628)</u>	<u>(1,334,757)</u>
<b>NET CURRENT ASSETS</b>		<u>187,574</u>	<u>69,568</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,714,947</u>	<u>1,665,349</u>
<b>CREDITORS:</b> amounts falling due after more than one year	10	(525,000)	(525,000)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	11	(29,430)	(35,756)
<b>NET ASSETS</b>		<u>£ 1,160,517</u>	<u>£ 1,104,593</u>
<b>CAPITAL AND RESERVES</b>			
Profit and loss account		<u>1,160,517</u>	<u>1,104,593</u>
	12	<u>£ 1,160,517</u>	<u>£ 1,104,593</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 February 2016.



**S A Baseley**  
Director

The notes on pages 8 to 15 form part of these financial statements.

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**HOME BUILDERS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- Depreciation rate 2% per annum on cost
Fixtures & fittings	- Depreciation rate 16.67% per annum on cost
Office equipment	- Depreciation rate 33.33% per annum on cost

**1.3 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.4 Turnover**

Turnover represents members' subscriptions which are recognised in the period to which they relate and only on receipt of the subscription monies.

**1.5 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The amounts charged to the profit and loss account in respect of pension costs and other retirement benefits are the contributions payable in the year.

**HOME BUILDERS FEDERATION LTD**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Cash flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

**2. OTHER OPERATING INCOME**

	2015 £	2014 £
Management fees, events and other income	<u>371,721</u>	<u>164,693</u>

**3. INTEREST RECEIVABLE**

	2015 £	2014 £
Bank interest receivable	<u>£ 5,932</u>	<u>£ 5,477</u>

**4. OPERATING SURPLUS**

The operating surplus is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	76,273	68,354
Auditor's remuneration	6,200	6,050
Pension costs	110,271	111,159
Operating leases	<u>6,793</u>	<u>55,601</u>

**HOME BUILDERS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**5. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on surplus for the year (see note 9)	31,525	5,558
<b>Deferred tax</b> (see note 11)		
Origination and reversal of timing differences	(6,326)	22,723
<b>Tax on surplus on ordinary activities</b>	<u>£ 25,199</u>	<u>£ 28,281</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Surplus on ordinary activities before tax	<u>£ 81,123</u>	<u>£ 99,746</u>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	16,225	19,949
<b>Effects of:</b>		
Expenses not deductible for tax purposes	8,974	8,331
Capital allowances for year in excess of depreciation	6,326	(7,212)
Losses carried forward/(utilised)	-	(15,510)
<b>Current tax charge for the year</b> (see note above)	<u>£ 31,525</u>	<u>£ 5,558</u>

**HOME BUILDERS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**6. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2015	1,405,270	245,833	96,185	1,747,288
Additions	-	-	7,865	7,865
Disposals	-	-	(7,600)	(7,600)
At 31 December 2015	1,405,270	245,833	96,450	1,747,553
<b>Depreciation</b>				
At 1 January 2015	33,495	30,198	87,824	151,517
Charge for the year	28,107	40,873	7,293	76,273
On disposals	-	-	(7,600)	(7,600)
At 31 December 2015	61,602	71,071	87,517	220,190
<b>Net book value</b>				
At 31 December 2015	£ 1,343,668	£ 174,762	£ 8,933	£ 1,527,363
At 31 December 2014	£ 1,371,775	£ 215,635	£ 8,361	£ 1,595,771

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**HOME BUILDERS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**7. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2015 and 31 December 2015	£ 10

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
House Builders Representatives Limited	Ordinary	100 %
Housebuilder Media Limited	Ordinary	100 %
House Builder Federation Limited	Limited by guarantee	100 %
HBF Insurance PCC Limited	Core	100 %

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
House Builders Representatives Limited	525,004	-
Housebuilder Media Limited	783,679	191,663
HBF Insurance PCC Limited	696,325	-

**HBF Insurance PCC Limited**

The year end of the subsidiary is 30 June and the above aggregate of share capital and reserves is based in management accounts as at 31 December 2015. The investment made neither a profit or loss. These results have not been consolidated into these individual company financial statements for reasons as stated in Note 1.1.

The core of HBF Insurance PCC Limited was established with the aim, during its life, to make neither a profit nor loss.

**HOME BUILDERS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**8. DEBTORS**

	2015 £	2014 £
Trade debtors	91,360	4,274
Amounts owed by group undertakings	16,799	47,911
Amounts owed by connected association	640	-
Other debtors	102,085	102,181
	<u>£ 210,884</u>	<u>£ 154,366</u>

**9. CREDITORS:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	45,357	131,195
Corporation tax (see note 5)	31,525	5,558
Other taxation and social security	265,034	239,330
Other creditors	754,712	958,674
	<u>£ 1,096,628</u>	<u>£ 1,334,757</u>

**10. CREDITORS:  
Amounts falling due after more than one year**

	2015 £	2014 £
Amounts owed to group undertakings	<u>£ 525,000</u>	<u>£ 525,000</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable other than by instalments	<u>£ 525,000</u>	<u>£ 525,000</u>

This is a long term loan from House Builders Representatives Limited, a subsidiary undertaking, being repayable upon the winding up of Home Builders Federation Limited.



**HOME BUILDERS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**11. DEFERRED TAXATION**

	2015 £	2014 £
At beginning of year	35,756	13,033
Charged for year (see note 5)	(6,326)	22,723
At end of year	<u>£ 29,430</u>	<u>£ 35,756</u>

The deferred tax balance is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>£ 29,430</u>	<u>£ 35,756</u>

**12. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS**

	2015 £	2014 £
Opening members' funds	1,104,593	1,033,128
Surplus for the financial year	55,924	71,465
Closing members' funds	<u>£ 1,160,517</u>	<u>£ 1,104,593</u>

**13. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,644,061	1,514,270
Social security costs	206,281	190,466
Other pension costs	110,271	111,159
	<u>£ 1,960,613</u>	<u>£ 1,815,895</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
	<u>17</u>	<u>16</u>

The company has a defined contribution pension scheme in place for employees. As an alternative the company contributes to personal pension plans for certain employees who have so elected.

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**HOME BUILDERS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**13. STAFF COSTS (continued)**

Contributions to the company scheme and to the personal plans during 2015 amounted to £110,271 (2014: £111,159). There were no amounts which were pre-paid or accrued at the year end.

**14. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Aggregate remuneration	£ 503,471	£ 484,175

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

**15. RELATED PARTY TRANSACTIONS**

During the year £22,500 (2014: £22,500) was receivable from Housebuilder Media Limited in respect of management charges, £24,000 (2014: £20,000) was receivable for use of office space and equipment usage.

Also during the year £11,500 (2014: £11,000) was payable to Housebuilder Media Limited for publications work and event management. Housebuilder Media Limited is a wholly-owned subsidiary of Home Builders Federation Limited.

At 31 December 2015 Housebuilder Media Limited had an outstanding group balance due to the company of £16,799 (2014: £47,911).

Home Builders Federation Limited has directors in common with the trustees of New Homes Marketing Board. At 31 December 2015 New Homes Marketing Board had an outstanding balance due to the company of £640 (2014: £Nil).

Reimbursement of directors' expenses amounted to £4,396 (2014: £5,410) of which £352 (2014: £177) was outstanding at the year end.