

Registered number: 02764757

HOME BUILDERS FEDERATION LTD

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

COMPANY INFORMATION

Directors	P Andrew S A Baseley N Fitzsimmons M J Gaskell S H Midgley G Malton M R Powell 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

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

CONTENTS

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 6
Statement of income and retained earnings	7
Balance sheet	8
Notes to the financial statements	9 - 19

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

Directors

The Directors who served during the year were:

P Andrew (appointed 16 March 2017)
S A Baseley
N Fitzsimmons
M J Gaskell
S H Midgley
G Malton
M R Powell (appointed 16 March 2017)
P Redfern (resigned 18 September 2017)
S Stone
J F Tutte

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Business review

Throughout 2017 housing was at the very top of the political and media agendas.

HBF works to influence Government policy in the areas that impact on our members and create a better operating environment for the industry.

HBF acted as the conduit between the industry and Government to try and ensure that policies are workable for its members and are introduced in a way that allows the industry to build on the significant increases in output seen in recent years.

The year was dominated by the tragic events at Grenfell Tower in June. HBF worked to assist Government get information to and from the industry following the tragedy and to try and source alternative accommodation for survivors. HBF members identified a significant number of new homes from current developments that could be used to house those displaced.

Particular areas of focus also included;

- With output up 74% in the past four years, HBF worked closely with ministers and officials to develop policies that would enable the industry to continue to increase output towards the Government's new target of 300k homes a year, subject to economic and political stability.
- Working with Government to suggest improvements to the planning system. Whilst the overall number of planning permissions increased, changes are needed to increase the rate at which permissions are processed. HBF made a number of suggestions to Government on how policy could be improved, some of which were adopted in the White Paper that was published in Spring 2017.
- HBF continued to ensure Government was aware of the positive impact the Help to Buy scheme was having on housing demand and thus supply. We welcomed the additional £10bn funding announced in the Budget.
- HBF worked with members to ensure Government was aware of the potential impact on the industry of Brexit, and in particular the need for continued access to labour from the EU. To inform this and underline the industry's case, HBF undertook a census to understand the number of foreign workers on UK house building sites and their role in delivering housing supply.
- Developing the Home Building Skills Partnership, that we set up in 2016, such that it can drive forward thinking and initiatives that will attract and train more people and increase industry capacity.
- HBF worked with the industry to ensure processes were being developed to ensure that as output increased a focus on quality and customer service was maintained. This included substantial work on assessing the recommendations of the APPG report into housing quality; and commissioning an independent report into the concept of introducing a new Homes Ombudsman.
- HBF worked with members and lenders to address concerns about some leasehold homes and has made detailed representations into the government consultation on this matter to underline the role of leaseholds in apartment schemes including retirement developments.
- HBF represented the industry at each Local Plan Inquiry to make representations seeking to ensure that Local Authority plans accurately reflect housing need and allocate sufficient land to address that need.
- HBF focused on working to improve the policy environment for SME builders to enable them to play their part in increasing output. We published a report Reversing the decline of small housebuilders highlighting the challenges SMEs face with suggestions for how the climate within which they operate can be improved. The report was sent to a range of Government ministers and officials in a variety of departments.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

- HBF worked with its retirement housing group members to push for more measures to assist specialist providers. To inform this work we commissioned Demos to produce a report with suggestions as to how the policy environment could be improved.

In addition HBF worked in numerous other areas including with regards to; CIL, broadband, Building for Life, bringing more public land forward for development, the Consumer Code, devolution and the Metro Mayors plus a number of significant technical issues.

Throughout 2017, in a continuing positive environment for the industry, HBF continued to retain existing members and attract new members as well as increased income from fees and events. With the ever increasing range of issues HBF is involved in, our head count increased by two people but we retain a strong focus on our cost base and as a result HBF has been able to report a surplus after tax for the year of £139,690 (2016: £159,169).

Qualifying third party indemnity provisions

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

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 the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



S A Baseley
Director

Date: 8th March 2018

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Home Builders Federation Ltd (the 'Company') for the year ended 31 December 2017, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit 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 United Kingdom, including the Financial Reporting Council'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.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME BUILDERS FEDERATION LTD
(CONTINUED)

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.

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.

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 in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME BUILDERS FEDERATION LTD
(CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.

Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



Simon Liggins (Senior statutory auditor)

for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Leytonstone House
Leytonstone
London
E11 1GA
Date: 9.3.18

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover		3,232,965	3,153,236
Administrative expenses		(3,641,962)	(3,448,580)
Other operating income	4	581,883	501,875
Operating surplus		172,886	206,531
Interest receivable and similar income		5,098	6,200
Surplus before tax		177,984	212,731
Tax on profit		(38,294)	(53,562)
Surplus after tax		139,690	159,169
Retained earnings at the beginning of the year		1,319,686	1,160,517
Surplus for the year		139,690	159,169
Retained earnings at the end of the year		1,459,376	1,319,686

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 19 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	7	1,421,198	1,483,609
Investments	8	10	10
		<u>1,421,208</u>	<u>1,483,619</u>
Current assets			
Debtors: amounts falling due within one year	9	94,350	219,513
Cash at bank and in hand	10	3,191,367	1,456,467
		<u>3,285,717</u>	<u>1,675,980</u>
Creditors: amounts falling due within one year	11	(2,704,593)	(1,290,138)
Net current assets		<u>581,124</u>	<u>385,842</u>
Total assets less current liabilities		<u>2,002,332</u>	<u>1,869,461</u>
Creditors: amounts falling due after more than one year	12	(525,000)	(525,000)
Provisions for liabilities			
Deferred tax	14	(17,956)	(24,775)
Net assets		<u>1,459,376</u>	<u>1,319,686</u>
Capital and reserves			
Profit and loss account		1,459,376	1,319,686
		<u>1,459,376</u>	<u>1,319,686</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

8th March 2018

S A Baseley
Director

The notes on pages 9 to 19 form part of these financial statements.

HOME BUILDERS FEDERATION LTD

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Home Builders Federation Limited ("the Company") is a Company limited by guarantee, incorporated in England and Wales. Its registered office is 27 Broadwall, London, SE1 9PL.

The principal activity of the Company is the provision of services to the members of the Home Builders Federation ("the HBF").

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents subscription fees payable by members calculated on a subscription year basis (which coincides with the Company's financial year). Where a member joins part way through a year, the subscription is pro-rated.

Revenue is recognised in the year in which the membership services are provided. Where revenue is received in advance for a subsequent subscription year, a suitable adjustment to creditors is made to show this as deferred income.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance sheet date.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.9 Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

(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 plan

The Company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense when they are due. Amounts not paid or prepaid are shown in other accruals or prepayments in the Balance sheet. The assets of the plan are held separately from the Company in an independently administered fund.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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.

Critical judgments in applying the entity's accounting policies

No critical accounting judgments have had to be made by management in preparing these financial statements.

Critical accounting estimates and assumptions

(i) 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 re-assessed 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. See note 7 for the carrying amount of the property plant and equipment, and note 2.3 for the useful economic lives for each class of assets.

(ii) Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

4. Other operating income

	2017 £	2016 £
Management fees, events and other income	<u>581,883</u>	<u>501,875</u>

5. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>9,000</u>	<u>7,000</u>

6. Employees

The average monthly number of employees, including directors, during the year was 21 (2016 - 19).

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2017	1,405,270	279,822	96,450	1,781,542
Additions	-	7,244	11,943	19,187
At 31 December 2017	1,405,270	287,066	108,393	1,800,729
Depreciation				
At 1 January 2017	89,706	115,860	92,367	297,933
Charge for the year on owned assets	28,106	47,293	6,199	81,598
At 31 December 2017	117,812	163,153	98,566	379,531
Net book value				
At 31 December 2017	1,287,458	123,913	9,827	1,421,198
At 31 December 2016	1,315,564	163,962	4,083	1,483,609

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Fixed asset investments

	Fixed asset investments £
Cost or valuation	
At 1 January 2017	10
At 31 December 2017	<u>10</u>
Net book value	
At 31 December 2017	<u>10</u>
At 31 December 2016	<u>10</u>

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
House Builders Representatives Limited	England	Ordinary	100 %
Housebuilder Media Limited	England	Ordinary	100 %
House Builders Federation Limited	England	Limited by guarantee	100 %
HBF Insurance PCC Limited	Guernsey	Core	100 %
Housebuilder Publications Limited	England	Ordinary	100 %

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
HB Media Limited	England	Ordinary	100 %

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
House Builders Representatives Limited	525,004	-
Housebuilder Media Limited	1,178,353	180,977
HBF Insurance PCC Limited	2	-
Housebuilder Publications Limited	1	-
HB Media Limited	1	-
	<u>1,703,361</u>	<u>180,977</u>

HBF Insurance PCC Limited

The year end of the subsidiary is 30 June and the above aggregate share capital and reserves is based on the management accounts as at 31 December 2017. The investment made neither a profit nor loss. These results have not been consolidated into these individual company financial statements for reasons stated in note 2.1

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

9. Debtors

	2017 £	2016 £
Trade debtors	18,389	101,937
Amounts owed by group undertakings	-	14,341
Other debtors	4,884	7,854
Prepayments and accrued income	71,077	95,381
	<u>94,350</u>	<u>219,513</u>

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>3,191,367</u>	<u>1,456,467</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	78,255	136,516
Amounts owed to group undertakings	877,051	-
Amounts owed to connected association	200,420	-
Corporation tax	45,050	58,217
Other taxation and social security	347,452	306,823
Accruals and deferred income	1,156,365	788,582
	<u>2,704,593</u>	<u>1,290,138</u>

12. Creditors: Amounts falling due after more than five years

	2017 £	2016 £
Amounts owed to group undertakings	<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 the Home Builders Federation Limited.

13. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>3,191,367</u>	<u>1,456,467</u>

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Deferred taxation

	2017 £	2016 £
At beginning of year	(24,775)	(29,430)
Charged to profit or loss	6,819	4,655
At end of year	(17,956)	(24,775)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(19,933)	(24,775)
Other timing differences	1,977	-

15. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the directors are liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

16. Pension commitments

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. Contributions to the company scheme and to personal plans during 2017 amounted to £142,820 (2016 - £113,529). An amount of £9,885 (2016 - £17,362) was accrued at the year end.

17. Related party transactions

During the year the company received loans amounting to £875,000 (2016 - £Nil) from wholly owned subsidiaries and £200,000 (2016 - £Nil) from an entity which has trustees in common with the directors.

Included within creditors at the balance sheet date is an outstanding group balance of £877,051 (2016 - 14,341 payable from) payable to wholly owned subsidiaries and an outstanding balance of £200,420 (2016 - £Nil) payable to an entity which has trustees in common with the directors.