
HOME BUILDERS FEDERATION LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

HOME BUILDERS FEDERATION LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	S A Baseley N Jefferson M R Thackstone N Fitzsimmons G Malton S H Midgley S Stone D F Thomas J F Tutte
Company secretary	M R Thackstone
Registered number	02764757
Registered office	HBF House 27 Broadwall London SE1 9PL
Independent auditors	Barnes Roffe LLP Chartered Accountants Leytonstone House Leytonstone London E11 1GA

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HOME BUILDERS FEDERATION LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the consolidated 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 the Group and of the surplus or deficit of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Business review

The turbulence caused by the coronavirus pandemic continued throughout most of 2021, although the progress of the vaccination programme allowed a gradual return to near normality over the course of the year.

Fortunately, thanks to the hard work of the industry in 2020, the housing market was able to continue trading during the lockdown at the start of the year. Despite the impact of the pandemic, demand for both new and second homes remained strong throughout the year, helped by some homeowners looking to change the way they live and work. This was supported in part by the ongoing Stamp Duty holiday as well as the continuing availability of Help to Buy for first time buyers of new homes. The pandemic did bring some new challenges, particularly regarding material and labour shortages, which were a significant factor across the year.

HBF has continued to adapt its way of working to the evolving situation to best serve its members. We worked remotely and held member meetings and events virtually for the first half of the year, as well as sending frequent briefings on relevant news. It was encouraging to be able to resume in person meetings and events from the autumn, and these were very well attended by members. Going forward, we will continue to communicate with members both virtually and in person, to provide the most effective means of connection with our membership.

Whilst the impacts of the pandemic were necessarily the prime focus, we remained engaged on other key policy areas and strategic objectives, including:

Building safety

HBF has continued to engage positively with the Government to address the issues arising from the Grenfell Tower fire. HBF responded on the consultations for the Residential Property Developer Tax and the Building Safety Levy, and the shaping of the Building Safety Bill.

Early in 2022, the Government announced its intention to go further, demanding that developers rectify issues going back 30 years without recourse to the Building safety Fund, and make a contribution, estimated to be £4 billion, to pay for works on all other buildings between 11 and 18 metres in height. HBF has coordinated a response on behalf of our members and, whilst we accept that leaseholders should not pay for remediation work, we believe the Government's demands on our members to be unfair and that others need step up to contribute to the costs of remediation. We continue to actively engage with government on this crucial issue.

Planning

Homebuilders are still awaiting the Government's formal response to the planning white paper, on which the consultation period ended over a year ago. Problems and delays within the planning process are the most common concerns received by HBF from our members and it is apparent that the issues have got more difficult still over the last year. We will continue to work on members behalf to convey this message to Government and others, including through the media when appropriate. In partnership with Lichfield and the LPDF, we launched three reports in 2021 that take a deeper look at how planning permissions translate into units built and what might be needed to deliver on the Government's ambitions of 300,000 net additional homes per year.

Environmental agenda

The work of the Future Homes Task Force continued throughout 2021, with the Future Homes Delivery Plan published over the summer, which agreed environmental goals for the operational performance of future new homes, for place and nature, for the construction process and business operation with a roadmap set out for each. The objective remains to achieve Government ambitions in reducing the carbon footprint of new homes through a realistic and workable timetable for industry. We have also engaged with consultations on electrical vehicle charging and changes to Building Regulations Parts L and F to try to ensure that they are deliverable.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Nutrient neutrality

HBF has been working with members, local authorities and the Government on finding a viable solution to the issue of nutrient neutrality. This is currently holding up the delivery of tens of thousands of homes and is significantly increasing costs for builders in affected areas. We undertook a comprehensive survey of members to provide the Government with more insight into the scale and urgency of the issue and, following meetings with ministers, they have acknowledged that more work needs to be done on this issue and anticipate work on this will ramp up during 2022.

Mortgages

With the imminent closure of the Help to Buy scheme in 2023, HBF has been working on the development of a privately funded alternative mortgage product over the past two years. This culminated in the recent launch of the Deposit Unlock scheme last autumn. Deposit Unlock is a 95% loan-to-value mortgage scheme developed by and funded by the industry and will provide the members with an option to assist buyers who are unable to access higher deposit products. The national rollout has been extremely successful so far, with many other members looking to join the 17 founding builders and two national lenders currently on board.

HBF has also spent considerable time in recent years working with Market Mortgage on its privately funded mortgage scheme that will provide top-up financing for new build purchasers to access 95% mortgages with participating lenders.

New Homes Ombudsman Service (NHOS)

Enhancing both new homes quality and customer service continued to be a major area of work for HBF over the last year. The HBF played a pivotal role in the creation of the New Homes Quality Board (NHQB) and this work is really starting to come to fruition. The Dispute Service Limited has recently been announced as the preferred partner to create a New Homes Ombudsman Service (NHOS) and the New Homes Quality Code was published at the end of the year. Through 2022, builders will be invited to register with the NHQB and then, once ready, 'activate' themselves and start to work to the new code and within the remit of the NHOS.

Customer satisfaction survey data

In March 2021, we published our annual industry customer satisfaction survey-based star rating results. Once again, this showed year on year improvements across all areas including the key 'recommend' question on which the ratings are based. At an industry level, 91% of all respondents said they would 'recommend their builder to a friend', a fourth successive year of improvement.

During the year, we commissioned Ipsos Mori conduct a review of the survey, to ensure the survey remains fit for purpose with the new requirements of the NHQB and NHOS. We will be discussing the recommendations of the review with members over the coming months.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Skills

The Home Building Skills Partnership (HBSP) continued to grow and progress initiatives aimed at attracting and training more people and increasing both industry capacity and the diversity of our workforce. Initiatives included bricklayer masterclasses and traineeships, supporting the Department for Work and Pensions Kickstart Scheme, the Attract Campaign, funding from the Department for Education's Local Skills Improvement Plan Trailblazer Pilots and the Home Building Ambassador Network.

During the year, we ran the HBF poll for the CITB "Consensus" vote on its Levy proposals for 2022-25, which was supported overall, although HBF members voted against. However, many of the other bodies who voted in favour raised areas of concern which aligned with our own views. We will continue to engage with CITB to make their offering more relevant and supportive for our industry.

Other work

More generally, on behalf of industry we responded to consultations launched by Government departments, APPGs and parliamentary committees.

Ahead of the metro-mayoral elections in May 2021, HBF approached each candidate with a list of recommendations to support house building in their regions. Following the elections, HBF wrote to all successful candidates and have continued to engage with them in the months since.

On the political front, we increased our digital engagement with politicians and made representations on the Budget and Spending Review. We represented the industry in the media on a broad range of high-profile issues and published reports and ran campaigns to highlight the range of skills and roles available in the industry. This work included the second "State of Play" report, which enjoyed great national and trade media coverage. We also represented the industry at Labour and Conservative Party conferences with the British Property Federation and Royal Town Planning Institute, where we hosted a panel focusing on housing and the environment.

Our Diversity and Inclusion group progressed initiatives on issues including flexible working and LGBT networks. We agreed with members to undertake a survey of the industry to better monitor diversity. Mental health continues to be a big challenge facing the home building industry. To help build awareness, HBF and its members trialed a new feature on the Construction Helpline app for the Lighthouse Charity allowing interventions to be recorded and reported on, and we ran a 'managing mental health' webinar for smaller home builders and sub-contractors to give advice and guidance on how to integrate mental health policies and resources within their own businesses.

People

We thank the entire HBF team for their commitment during these challenging times and for supporting new ways of working and engaging with members. After continuing to work from home for the first part of the year, employees were able to return to the office on a hybrid basis from the summer.

Changes in the team were minimal over the last year. However, Planning Director Andrew Whitaker announced his retirement in the autumn after 27 years leading the HBF on planning matters and delivering invaluable advice particularly to many SME homebuilders. We thank Andrew for his contribution and are pleased to announce that his replacement will join in Spring 2022.

Finances

In a financial context, the Group reported a surplus after tax of £248,306 (2020: £127,925). As a consequence, our reserves increased to £4,527,419 (2020: £4,279,113) with a cash balance increase to £5,463,093 (2020: £5,176,765). This includes member subscriptions for 2022 paid prior to the year end of £789,401 (2020: £774,119) as well as £171,617 (2020: £224,241) of funds provided by certain members for specific initiatives.

HOME BUILDERS FEDERATION LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors

The Directors who served during the year were:

S A Baseley
N Jefferson
M R Thackstone
N Fitzsimmons
G Malton
S H Midgley
S Stone
D F Thomas
J F Tutte

Disclosure of information to auditors

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 and the Group's auditors are 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 and the Group's auditors are aware of that information.

Auditors

The auditors, 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 on 7 April 2022 and signed on its behalf.

S A Baseley
Director

HOME BUILDERS FEDERATION LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LIMITED

Opinion

We have audited the financial statements of Home Builders Federation Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

HOME BUILDERS FEDERATION LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LIMITED (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 Auditors' 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 Group and the parent 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Group strategic report.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

HOME BUILDERS FEDERATION LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LIMITED (CONTINUED)

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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- We focused on specific laws and regulations, which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards;
- We assessed the extent of compliance with laws and regulations identified above through making enquires of management and inspecting legal correspondence and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquires of management as to where they considered there was susceptibility to fraud, their knowledge of actual suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify and unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LIMITED (CONTINUED)

- Investigated the rationale behind significant or unusual transactions. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion

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 Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Simon Liggins (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Leytonstone House

Leytonstone

London

E11 1GA

10 June 2022

HOME BUILDERS FEDERATION LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Turnover	5,416,074	4,931,012
Cost of sales	(591,559)	(323,537)
Gross profit	4,824,515	4,607,475
Administrative expenses	(4,869,824)	(5,018,002)
Other operating income	365,033	570,822
Operating profit	319,724	160,295
Interest receivable and similar income	4,124	10,400
Profit before tax	323,848	170,695
Tax on profit	(75,542)	(42,770)
Profit after tax	<u>248,306</u>	<u>127,925</u>
Retained earnings at the beginning of the year	4,279,113	4,151,188
Profit for the year attributable to the owners of the parent	248,306	127,925
Retained earnings at the end of the year	<u>4,527,419</u>	<u>4,279,113</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 15 to 31 form part of these financial statements.

HOME BUILDERS FEDERATION LIMITED

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REGISTERED NUMBER: 02764757

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	78,088	98,014
Tangible assets	6	1,280,825	1,327,891
		<u>1,358,913</u>	<u>1,425,905</u>
Current assets			
Debtors: amounts falling due after more than one year	8	250,000	-
Debtors: amounts falling due within one year	8	1,364,419	880,775
Cash at bank and in hand	9	5,463,093	5,176,765
		<u>7,077,512</u>	<u>6,057,540</u>
Creditors: amounts falling due within one year	10	(3,683,063)	(3,188,389)
Net current assets		<u>3,394,449</u>	<u>2,869,151</u>
Total assets less current liabilities		<u>4,753,362</u>	<u>4,295,056</u>
Creditors: amounts falling due after more than one year	11	(210,000)	-
Provisions for liabilities			
Deferred tax	13	(15,943)	(15,943)
Net assets		<u>4,527,419</u>	<u>4,279,113</u>
Capital and reserves			
Profit and loss account		<u>4,527,419</u>	<u>4,279,113</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 April 2022.

S A Baseley

Director

The notes on pages 15 to 31 form part of these financial statements.

HOME BUILDERS FEDERATION LIMITED

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REGISTERED NUMBER: 02764757

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	78,088	98,014
Tangible assets	6	1,278,000	1,324,846
Investments	7	10	10
		<u>1,356,098</u>	<u>1,422,870</u>
Current assets			
Debtors: amounts falling due after more than one year	8	250,000	-
Debtors: amounts falling due within one year	8	658,062	314,781
Cash at bank and in hand	9	4,116,298	4,002,777
		<u>5,024,360</u>	<u>4,317,558</u>
Creditors: amounts falling due within one year	10	(3,360,705)	(3,091,749)
Net current assets		<u>1,663,655</u>	<u>1,225,809</u>
Total assets less current liabilities		<u>3,019,753</u>	<u>2,648,679</u>
Creditors: amounts falling due after more than one year	11	(210,000)	(525,000)
Provisions for liabilities			
Deferred taxation	13	(13,116)	(13,116)
Net assets		<u>2,796,637</u>	<u>2,110,563</u>
Capital and reserves			
Profit and loss account brought forward		2,110,563	1,933,324
Profit for the year		686,074	177,239
Profit and loss account carried forward		<u>2,796,637</u>	<u>2,110,563</u>

HOME BUILDERS FEDERATION LIMITED

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REGISTERED NUMBER: 02764757

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 April 2022.

S A Baseley

Director

The notes on pages 15 to 31 form part of these financial statements.

HOME BUILDERS FEDERATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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").

The principal activity of the Company's subsidiary, Housebuilder Media Limited, continued to be that of a publisher of consumer and business journals and periodicals. Housebuilder Media also arranges conferences and events for itself and for the Home Builders Federation.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2016.

Non-consolidation of dormant subsidiaries

The following dormant subsidiary companies of Home Builders Federation Limited and Housebuilder Media Limited have not been included in the consolidated accounts as the companies were deemed immaterial to the group:

House Builders Federation Limited

Housebuilder Publications Limited

HB Media Limited

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the impact of COVID-19 on the ability of the Company to continue as a Going Concern. In making their assessment the directors have prepared and critically reviewed the Company's cash flow forecast for the next 12 months and ensured that this forecast is modelled on a suitably cautious basis bearing in mind the unpredictable nature of the pandemic and its possible impact on the Company and the wider economy. As well as considering cash flow, the directors have also taken into account the immediate and future impact on Profit and Loss and Balance Sheet of COVID-19.

Based on these assessments the directors have concluded that the Company has adequate resources to continue in existence for the foreseeable future as a Going Concern and accordingly these financial statements have been prepared on that basis.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Revenue recognition

Home Builders Federation Limited

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.

Housebuilder Media Limited

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 Company and value added taxes.

The Company recognises revenue when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company 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 each of the Company's sales channels have been met, as described below:

(i) The Company publishes a magazine entitled Housebuilder 10 times each year. The magazine is made available free of charge to members of the Home Builders Federation and the National House Building Council and both these organisations pay subscriptions for this service. Individuals can also purchase subscriptions to the magazine.

(ii) In addition to subscription income, the Company also sells advertising space in the magazine. Revenue from both subscriptions and advertising is recognised in the year in which the magazines are published. Any revenue received in advance of future subscriptions and advertising is deferred until the service is provided.

(iii) The Company also organises conferences and other events throughout the year and revenue is raised by the sale of tickets and via third party sponsorship. Revenue from conferences and events is recognised in the year in which the event takes place.

(iv) Finally, the Company derives revenue from the sale of advertising on its website.

Revenue is recognised in the year in which the advertisement is placed. An appropriate adjustment is made for any revenue for advertising space that straddles the Company's financial year end.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

HOME BUILDERS FEDERATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.9 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 Group 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 Group. 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 profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 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.

2.12 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 LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 profit or loss in the year that the Group 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.16 Financial instruments

The Group only enters into basic financial instrument 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Consolidated 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.

2.17 Related party transactions

The group and company 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 transaction on the group financial statements

HOME BUILDERS FEDERATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 and amortisation charge for tangible and intangible 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 notes 5 and 6 for the carrying amount of the property plant and equipment and intangible assets. See notes 2.8 and 2.9 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. Employees

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

	Group 2021 No.	<i>Group</i> <i>2020</i> <i>No.</i>	Company 2021 No.	<i>Company</i> <i>2020</i> <i>No.</i>
Employees	<u>40</u>	<u>40</u>	<u>33</u>	<u>33</u>

HOME BUILDERS FEDERATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Intangible assets

Group

	Software £	Housing Market Intelligence £	Total £
Cost			
At 1 January 2021	119,605	100,000	219,605
At 31 December 2021	119,605	100,000	219,605
Amortisation			
At 1 January 2021	21,591	100,000	121,591
Charge for the year on owned assets	19,926	-	19,926
At 31 December 2021	41,517	100,000	141,517
Net book value			
At 31 December 2021	78,088	-	78,088
At 31 December 2020	98,014	-	98,014

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Intangible assets (continued)

Company

	Software £
Cost	
At 1 January 2021	119,605
At 31 December 2021	119,605
Amortisation	
At 1 January 2021	21,591
Charge for the year	19,926
At 31 December 2021	41,517
Net book value	
At 31 December 2021	78,088
<i>At 31 December 2020</i>	<i>98,014</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2021	1,405,270	407,007	161,058	1,973,335
Additions	-	-	21,610	21,610
Disposals	-	-	(2,997)	(2,997)
At 31 December 2021	1,405,270	407,007	179,671	1,991,948
Depreciation				
At 1 January 2021	202,128	299,066	144,250	645,444
Charge for the year on owned assets	28,105	26,758	12,393	67,256
Disposals	-	-	(1,577)	(1,577)
At 31 December 2021	230,233	325,824	155,066	711,123
Net book value				
At 31 December 2021	<u>1,175,037</u>	<u>81,183</u>	<u>24,605</u>	<u>1,280,825</u>
At 31 December 2020	<u>1,203,142</u>	<u>107,941</u>	<u>16,808</u>	<u>1,327,891</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Tangible fixed assets (continued)

Company

	Freehold property	Fixtures and fittings	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	1,405,270	407,007	125,686	1,937,963
Additions	-	-	19,959	19,959
Disposals	-	-	(2,997)	(2,997)
At 31 December 2021	1,405,270	407,007	142,648	1,954,925
Depreciation				
At 1 January 2021	202,128	299,066	111,923	613,117
Charge for the year on owned assets	28,105	26,758	10,522	65,385
Disposals	-	-	(1,577)	(1,577)
At 31 December 2021	230,233	325,824	120,868	676,925
Net book value				
At 31 December 2021	1,175,037	81,183	21,780	1,278,000
At 31 December 2020	1,203,142	107,941	13,763	1,324,846

HOME BUILDERS FEDERATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	10
	<hr/>
At 31 December 2021	10
	<hr/> <hr/>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
House Builders Representatives Limited	England	Ordinary	100 %
Housebuilder Media Limited	England	Ordinary	100 %
House Builders Federation Limited	England	Ordinary	100 %
HBF Insurance PCC Limited	Guernsey	Core	100 %
Housebuilder Publications Limited	England	Ordinary	100 %

Indirect subsidiary undertaking

The following was an indirect subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
HB Media Limited	England	Ordinary	100 %

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8. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Due after more than one year				
Other debtors	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade debtors	658,646	229,731	449,469	109,591
Other debtors	474,346	410,577	7,653	362
Prepayments and accrued income	231,427	240,467	200,940	204,828
	<u>1,364,419</u>	<u>880,775</u>	<u>658,062</u>	<u>314,781</u>

9. Cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Cash at bank and in hand	<u>5,463,093</u>	<u>5,176,765</u>	<u>4,116,298</u>	<u>4,002,777</u>

Cash and cash equivalents at 31 December 2021 includes £171,617 (2020: £224,241) paid by members to fund specific projects and is therefore restricted in its use.

10. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade creditors	556,827	113,260	334,202	98,613
Amounts owed to group undertakings	-	-	898,100	930,407
Corporation tax	75,596	53,642	54,779	53,642
Other taxation and social security	546,320	443,415	539,105	434,868
Other creditors	987,662	924,770	207,998	159,722
Accruals and deferred income	1,516,658	1,653,302	1,326,521	1,414,497
	<u>3,683,063</u>	<u>3,188,389</u>	<u>3,360,705</u>	<u>3,091,749</u>

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11. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts owed to group undertakings	-	-	-	525,000
Other creditors	<u>210,000</u>	<u>-</u>	<u>210,000</u>	<u>-</u>

12. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	<u>5,463,093</u>	<u>5,176,765</u>	<u>4,116,298</u>	<u>4,002,777</u>

HOME BUILDERS FEDERATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(15,943)	(15,943)
At end of year	<u><u>(15,943)</u></u>	<u><u>(15,943)</u></u>

Company

	2021 £	2020 £
At beginning of year	(13,116)	(13,116)
At end of year	<u><u>(13,116)</u></u>	<u><u>(13,116)</u></u>

	Group 2021 £	<i>Group</i> <i>2020</i> £	Company 2021 £	<i>Company</i> <i>2020</i> £
Accelerated capital allowances	(15,943)	(15,943)	(13,116)	(13,116)
	<u><u>(15,943)</u></u>	<u><u>(15,943)</u></u>	<u><u>(13,116)</u></u>	<u><u>(13,116)</u></u>

14. Company status

The company is a private company limited by guarantee and consequently does not have share capital.

Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

15. Pension commitments

The Group and the company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Group and the company in an independently administered fund. The pension cost charge represents contributions payable by the Group and the company to the fund and amounted to £280,511 for the Group of which £238,354 related solely to the company (2020, Group - £267,136, Company - £225,066). Contributions totalling £50,294 for the Group and the company (2020 - £38,334) were payable to the fund at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Company 2021 £	<i>Company 2020 £</i>
Not later than 1 year	-	4,073
	<u>-</u>	<u>4,073</u>

17. Related party transactions

The Group has taken advantage of the exemption, under FRS 102 paragraph 1.12 and paragraph 33.1A, from disclosing other related party transactions as they are with other Companies that are wholly owned within the Group.

Included within creditors at the balance sheet date is an outstanding balance of £202,771 (2020 - £159,622) payable to an entity which has trustees in common with the directors.

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