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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Period ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates?  Yes  No *(Tick as appropriate)*

Managing Director:

Contact name for queries regarding the completion of this return:

Telephone Number:

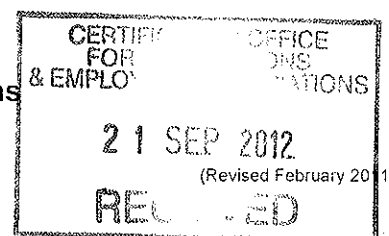
e-mail:

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**  
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:  
Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:  
Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG



## RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
<b>325</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>333</b>

## OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

## CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Managing Director	Christopher Pateman		31 December 2011
Honorary Treasurer	Bryan Eccles		10 August 2011
Honorary Treasurer		Stephen Vickers	10 August 2011
Elected Director	Dennis Smith		8 June 2011
Elected Director	Andrew Williamson		8 June 2011
Elected Director		Stewart Pierce	8 June 2011
Elected Director		Stephen Thompstone	8 June 2011

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
764,587	From Members	Subscriptions, levies, etc		573,283
17,522		Sales of services to members		7,933
	Investment income	Interest and dividends (gross)		0
381		Bank interest (gross)		308
	Other income	Rents received		0
20,514		Insurance commission		7,515
		Consultancy fees		0
		Publications/Seminars		0
10,299		Miscellaneous receipts (Sundry income)		5,999
554,129		Other (BMF Training income)		141,022
		Other (BMF Apprenticeship income)		293,831
		<b>TOTAL INCOME</b>		<b>1,029,891</b>
	<b>EXPENDITURE</b>			
	Administrative expenses			
871,391		Remuneration and expenses of staff	809,079	
99,995		Occupancy costs	101,839	
85,095		Printing, Stationery, Post	38,903	
		Telephones	20,363	
21,100		Legal and Professional fees	105,499	
236,047		Miscellaneous (Marketing, publications, recruitment campaign, course fees)	82,451	
	Other charges	Bank charges		
1,194		Depreciation	13,197	
		Sums written off		
		Affiliation fees		
		Donations	11,561	
23,302		Conference and meeting fees	10,261	
		Expenses	0	
		Miscellaneous (specify)	0	
			(22,618)	
15,479	Taxation			
		<b>TOTAL EXPENDITURE</b>		<b>1,170,535</b>
		Surplus/Deficit for year		<b>(140,644)</b>
		Amount of fund at beginning of year		<b>750,427</b>
		Amount of fund at end of year		<b>609,783</b>

# BALANCE SHEET AS AT 16 January 2012

(see notes 19 and 20)

Previous Year		£	£
422,754	<b>Fixed Assets</b> (as at page 11)	408,713	408,713
	<b>Investments</b> (as per analysis on page 13)	6	
	Quoted (Market value £            )		
	Unquoted		
	<b>Total Investments</b>		6
	<b>Other Assets</b>		
131,405	Sundry debtors	155,557	
352,572	Cash at bank and in hand	518,144	
262	Stocks of goods	0	
	Others (specify)	0	
	<b>Total of other assets</b>		673,701
906,999	<b>TOTAL ASSETS</b>		<b>1,082,420</b>
40,000	Repairs and maintenance fund		0
710,427	Accumulated fund		<b>609,783</b>
	Revaluation Reserve		0
	<b>Liabilities</b>		
	Loans		0
	Bank overdraft		0
	Tax payable		28,456
84,186	Sundry creditors		94,662
72,386	Accrued expenses		186,727
	Provisions		0
	Other liabilities		162,792
906,999	<b>TOTAL LIABILITIES</b>		<b>472,637</b>
906,999	<b>TOTAL ASSETS</b>		<b>1,082,420</b>

## FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period	522,011	17,802	22,701	562,514
Additions during period				
Less: Disposals during period		(637)	(20,624)	(20,901)
Less: DEPRECIATION:	(8,701)	(1,468)	(3,029)	(13,198)
Total to end of period	(115,892)	(15,571)	(1,437)	(132,900)
<b>BOOK AMOUNT</b> at end of period	406,119	1,594	1,000	408,713
Freehold	406,119			
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>	406,119	1,594	1,000	408,713

# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
<b>QUOTED</b>	British Government & British Government Guaranteed Securities N/A	
	British Municipal and County Securities N/A	
	Other quoted securities (to be specified) N/A	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
<b>UNQUOTED</b>	British Government Securities N/A	
	British Municipal and County Securities N/A	
	Mortgages N/A	
	Other unquoted securities (to be specified) Builders Merchants Training Limited Builders Merchants Association Limited Builders Merchants Confederation Limited	
	TOTAL QUOTED (as Balance Sheet)	6
	*Market Value of Unquoted Investments	6

\* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

# SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	581,216		581,216
From Investments	308		308
Other Income (including increases by revaluation of assets)	448,367		448,367
<b>Total Income</b>	1,029,891		1,029,891
<b>EXPENDITURE</b> (including decreases by revaluation of assets)	1,170,535		1,170,535
<b>Total Expenditure</b>	1,170,535		1,170,535
<b>Funds at beginning of year</b> (including reserves)	750,427		750,427
<b>Funds at end of year</b> (including reserves)	609,783		609,783
<b>ASSETS</b>			
Fixed Assets			408,713
Investment Assets			6
Other Assets			673,701
		<b>Total Assets</b>	1,082,420
<b>LIABILITIES</b>		<b>Total Liabilities</b>	472,637
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			609,783

# NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

## Builders Merchants Federation

### Notes to the financial statements

For the period ended 16 January 2012

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#### 1. Accounting policies

##### a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

##### b) Income and expenditure

Income and expenditure are accounted for on an accruals basis.

##### c) Tangible fixed assets and depreciation

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

Freehold building	2%	per annum
Fixtures and fittings	10%	per annum
Computer	33%	per annum

##### d) Investments

Investments are held at the lower of cost and market value.

##### e) Stocks and work in progress

Stock represents the value of printed modules prepared for postal and other courses organised by the Training, Development and Careers Department, and is stated at the lower of cost and net realisable value.

##### f) Leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

##### g) Pensions

Contributions due to the defined contributions pension schemes in respect of the accounting period are charged against profits for that period.



## 2. (Deficit)/surplus before taxation

The (deficit)/surplus before taxation is stated after crediting:

	Period ended 16 January 2012 £	Year ended 31 March 2011 £
Contributions and subscriptions	573,283	764,587
Other income from members	21,739	48,692
	<u>595,022</u>	<u>813,279</u>
and after charging:		
Audit fee	8,000	7,800
Operating lease charges	-	39,386
Staff costs and expenses (excluding pension contributions)	769,776	839,810
Contributions paid to defined contribution pension schemes	39,303	31,581
	<u>826,382</u>	<u>958,577</u>

## 3. Taxation

	Period ended 16 January 2012 £	Year ended 31 March 2011 £
<b>(a) Current year taxation</b>		
UK corporation tax	(22,618)	7,197
	<u>(22,618)</u>	<u>7,197</u>
<b>Total UK taxation</b>	<u>(22,618)</u>	<u>7,197</u>

### (b) Factors affecting tax charge for the year

The tax assessed for the period is (less)/higher than would be expected by multiplying surplus before taxation by the standard rate of corporation tax in the UK of 21%. The differences explained below:

	Period ended 16 January 2012 £	Year ended 31 March 2011 £
(Deficit)/surplus before taxation	(163,262)	13,869
	<u>(163,262)</u>	<u>13,869</u>
Surplus/(deficit) before taxation multiplied by the standard rate of corporation tax of 21% (2010: 21%)	-	2,912
<b>Effects of</b>		
Depreciation in excess of capital allowances	-	3,147
Expenses not deductible for tax purposes	-	1,138
Tax reclaimed from prior periods	(22,618)	-
	<u>(22,618)</u>	<u>-</u>
<b>Current tax (credit)/charge for the period</b>	<u>(22,618)</u>	<u>7,197</u>

#### 4. Tangible fixed assets

	Freehold Land and Buildings £	Fixtures and Fittings £	Computer £	Totals £
<b>Cost</b>				
At the start of the period	522,011	17,802	22,701	<b>562,514</b>
Disposals in the period	-	(637)	(20,264)	<b>(20,901)</b>
At the end of the period	<u>522,011</u>	<u>17,165</u>	<u>2,437</u>	<u><b>541,613</b></u>
<b>Depreciation</b>				
At the start of the period	107,191	14,739	17,830	<b>139,760</b>
Charge for the period	8,701	1,468	3,029	<b>13,198</b>
Disposals in the period	-	(636)	(19,422)	<b>(20,058)</b>
At the end of the period	<u>115,892</u>	<u>15,571</u>	<u>1,437</u>	<u><b>132,900</b></u>
<b>Net book value</b>				
At the end of the period	<u><b>406,119</b></u>	<u><b>1,594</b></u>	<u><b>1,000</b></u>	<u><b>408,713</b></u>
At the start of the period	<u>414,820</u>	<u>3,063</u>	<u>4,871</u>	<u>422,754</u>

#### 5. Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 31 March 2010 and 16 January 2012	<u><u>6</u></u>

The Federation has the following investments at the year end:

<u>Name of undertaking</u>	<u>Holding</u>	<u>Activities</u>
Builders Merchants Training Limited	100%	Dormant
Builders Merchants Association Limited	100%	Dormant
Builders Merchants Confederation Limited	100%	Dormant

#### 6. Debtors

	Period ended 16 January 2012 £	Year ended 31 March 2011 £
Trade debtors	73,141	100,382
Other debtors, and prepayments	<u>82,416</u>	<u>31,023</u>
	<u><b>155,557</b></u>	<u><b>131,405</b></u>

**7. Creditors : amounts due within 1 year**

	Period ended 16 January 2012 £	Year ended 31 March 2011 £
Trade creditors	84,407	44,630
Corporation tax liability	-	7,197
Other Tax & NIC liability	28,456	26,447
Other creditors	10,255	5,912
Accruals	186,727	49,617
Deferred income	<u>162,792</u>	<u>22,769</u>
	<u>472,637</u>	<u>156,572</u>

**8. Operating lease commitments**

At 16 January 2012 the Federation was committed to making the following payments in respect of operating leases:

	Period ended 16 January 2012 £	Year ended 31 March 2011 £
Other assets:		
Leases and expiring within one year	-	27,904
Leases and expiring in 2 to 5 years	<u>14,864</u>	<u>16,892</u>
	<u>14,864</u>	<u>44,796</u>

**9. Reserves**

	Accumulated fund	Repairs and Maintenance fund	Total
At 1 April 2011	710,427	40,000	750,427
Surplus for the period	(140,644)	-	(140,644)
Transfers	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>
At 16 January 2012	<u>609,783</u>	<u>-</u>	<u>609,783</u>

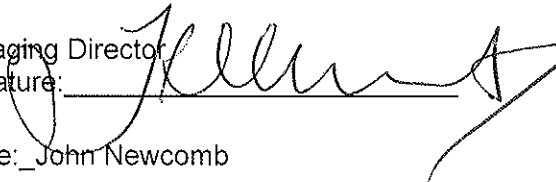

# ACCOUNTING POLICIES

(see notes 37 and 38)

## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Managing Director Signature: <u></u> Name: <u>John Newcomb</u> Date: <u>31/8/12</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>Terence Parker</u> Date: <u>31/8/2012</u>
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## CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	<input checked="" type="checkbox"/>	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	<input checked="" type="checkbox"/>	NO	

# AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)  
  
YES
2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
  - (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?(See section 36(3) of the 1992 Act, set out in note 43)  
  
YES
3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
  - (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.(See section 36(4) of the 1992 Act set out in note 43)  
  
YES
4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 45)

# AUDITOR'S REPORT (continued)

## Independent auditors' report

To the members of

### Builders Merchants Federation

We have audited the financial statements of Builders Merchants Federation for the period ended 16 January 2012 which comprise the income and expenditure account, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members as a body, in accordance with Section 36 of the Trade Union and Labour Relations (Consolidated) Act 1992. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Board and auditors

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

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Board's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 16 January 2012 and of its results for the period 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 Trade Union and Labour Relations (Consolidated) Act 1992.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidated) Act 1992 requires us to report to you if, in our opinion:

- the Association has not kept proper accounting records in accordance with Section 28 of the Act, and;
- whether the Association has not maintained a satisfactory system of control over its transactions in accordance with that section, and
- whether the accounts to which the report relate do not agree with the accounting records

**SAYER VINCENT**  
8 Angel Gate  
City Road  
LONDON  
EC1V 2SJ

14 June 2012

Signature(s) of auditor or auditors:	Judith Miller	
Name(s):	SAMER VINCENT	
Profession(s) or Calling(s):	Chartered Accountants and Registered Auditors	
Address(es):	8 Angel Gate City Road London EC1V 2SJ	
Date:	29/8/12	
Contact name and telephone number:	Judith Miller 020 7841 6360	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

**EVERY EMPLOYERS' ASSOCIATION IS REQUIRED BY LAW TO COMPLETE THIS RETURN.  
THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.**

**THERE IS NO LEGAL REQUIREMENT FOR THIS RETURN TO BE "APPROVED" BY THE  
GOVERNING BODY OF THE ASSOCIATION BEFORE SUBMISSION TO THE  
CERTIFICATION OFFICE**

## GUIDANCE ON COMPLETION

### GENERAL

1. Unless the Employers' Association has been authorised to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, **and at any event before 1 June**.
2. The accounts must, in accordance with the Act, give a true and fair view of the matters to which they relate.
3. The accounts and balance sheet in the annual return of an association working through branches (i.e. not a federation of autonomous bodies) should include the transactions, assets and liabilities of all the branches.
4. Any negative values should be clearly indicated by placing the entry in brackets.
5. Where the space in any account of analysis is insufficient a separate sheet of paper should be attached to the appropriate page to provide the additional space.
6. The summary sheet on page 11 **must** be completed.
7. A copy of the rules in force at the end of the year to which this return relates must be submitted with this form even if the rules have not been altered since the previous rule book was submitted. This is a statutory requirement and the Certification Officer has no authority to waive it.