

**DO NOT STAPLE
PRINT ON ONE SIDE ONLY**

FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

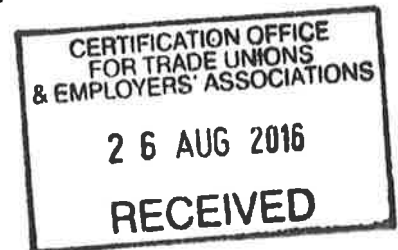
Name of Employers' Association:	<input type="text" value="BUILDERS MERCHANTS FEDERATION LIMITED"/>
Year ended:	<input type="text" value="31 MARCH 2016"/>
List No:	<input type="text" value="234E"/>
Head or Main Office:	<input type="text" value="1180 Elliot Court
Coventry Business Park
Herald Avenue
Coventry
CV5 6UB"/>
Website address (if available)	<input type="text" value="http://www.bmf.org.uk"/>
Has the address changed during the year to which the return relates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Tick as appropriate)
Managing Director:	<input type="text" value="JOHN NEWCOMB"/>
Contact name for queries regarding the completion of this return:	<input type="text" value="RICHARD ELLITHORNE"/>
Telephone Number:	<input type="text" value="02476 854980"/>
e-mail:	<input type="text" value="richard.ellithorne@bmf.org.uk"/>

**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
22nd 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**





BUILDERS MERCHANTS FEDERATION LIMITED

OFFICERS IN POST AS AT 31 MARCH 2016

P.Hindle	BMF Chairman
N.Mortimer	Elected Director
C Ledigo	Elected Director
N.Lawrence	Elected Director
S. Pierce	Elected Director
S. Thompstone	Elected Director
J. Newcomb	Managing Director
M.Smith	Hon. Treasurer
R. Ellithorne	Secretary

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
505	6		4	515

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
Honorary Treasurer	Stephen Vickers	Mark Smith	17.12.15
Elected Director	Paul Hetherington	Charles Ledigo	31.3.16

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc	660,730	
	Investment income Interest and dividends (gross) Bank interest (gross) Other (specify)	90,713	
	Other income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)	1,207,559	
		1,959,002	
	TOTAL INCOME		
	EXPENDITURE		
	Administrative expenses Remuneration and expenses of staff Occupancy costs Printing, Stationery, Post Telephones Legal and Professional fees Miscellaneous (specify)		
	Other charges Bank charges Depreciation Sums written off Affiliation fees Donations Conference and meeting fees Expenses Miscellaneous (specify)		
	Taxation		
	TOTAL EXPENDITURE		1,934,170
	Surplus/Deficit for year		24,832
	Amount of fund at beginning of year		3,380,820
	Amount of fund at end of year		3,405,652

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND
(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	660,730		660,730
From Investments	90,713		90,713
Other Income (including increases by revaluation of assets)	1,204,817		1,207,559
Total Income	1,956,260		1,959,002
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	1,932,170		1,934,170
Funds at beginning of year (including reserves)	3,380,820		3,380,820
Funds at end of year (including reserves)	3,405,652		3,405,652
ASSETS			
Fixed Assets			1,854,850
Investment Assets			1,119,163
Other Assets			1,709,634
		Total Assets	4,683,647
LIABILITIES		Total Liabilities	1,277,995
NET ASSETS (Total Assets less Total Liabilities)			3,405,652

NOTES TO THE ACCOUNTS

(see note 36)

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

A large, empty rectangular box with a black border, intended for the taxpayer to enter their notes to the accounts. The box is currently blank.


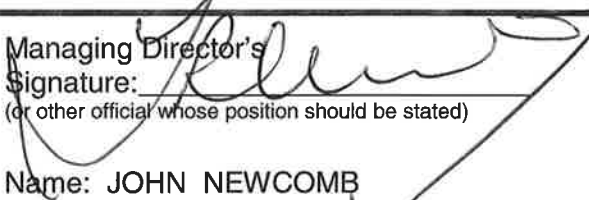
ACCOUNTING POLICIES

(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.

Secretary's Signature: <u></u> Name: RICHARD ELLITHORNE Date: <u>25/8/16.</u>	Managing Director's Signature: <u></u> (or other official whose position should be stated) Name: JOHN NEWCOMB Date: <u>25/8/16.</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

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

If "No" please explain below.

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/ NO

If "No" please explain below.

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/ NO

If "No" please explain below.

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)

SEE SEPARATE REPORT AND FINANCIAL STATEMENTS

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):	Paul Johnson	
Profession(s) or Calling(s):	Senior Statutory Auditor	
Address(es):	Mazars LLP 6 Dominus Way Meridan East Leicester LE19 1RP	
Date:	22 August 2016	
Contact name and telephone number:	Bob Johnson - 07554110019	

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

Registered Society No. 31516R

BUILDERS MERCHANTS FEDERATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

BUILDERS MERCHANTS FEDERATION LIMITED

ENTITY INFORMATION

The organisation is a Co-operative and Community Benefit Society, incorporated on 17 January 2012.

BOARD

Peter Hindle MBE	Chairman
John Newcomb	Managing Director
Mark Smith	Honorary Treasurer
Kevin Fenlon	
Nikki Mortimer	
Stewart Pierce	
Stephen Thompstone	
Charles Ledigo	
Neil Lawrence	Advisor to the board
Tony France	Advisor to the board

FEDERATION SECRETARY

Richard Ellithorne

**INDUSTRIAL AND
PROVIDENT SOCIETY
NUMBER**

31516R

**REGISTERED OFFICE AND
OPERATIONAL ADDRESS**

1180 Elliott Court
Coventry Business Park
Herald Avenue
Coventry
CV5 6UB

INDEPENDENT AUDITOR

Mazars LLP
Chartered Accountants & Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

BANKERS

NatWest Bank plc
10 Market Place
Boston
Lincolnshire
PE21 6EJ

BUILDERS MERCHANTS FEDERATION LIMITED

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Income and expenditure account	7
Balance sheet	8
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BUILDERS MERCHANTS FEDERATION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

INTRODUCTION

The directors present their strategic report for Builders Merchants Federation Limited for the year ended 31 March 2016.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The Federation continued its principal activities of representing the interests of all merchants and suppliers to the builders merchants industry throughout the current year.

KEY PERFORMANCE INDICATORS

Management use a range of performance measures to monitor and manage the business.

The key financial performance indicators are those which communicate the financial strength of the Federation as a whole, which are Turnover, Operating deficit/surplus, and Net worth.

The key non-financial performance indicator is the number of members the Federation represents, which has seen a 45% increase over the last two years.

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

Turnover for the year increased to £1.9m (2015 - £1.0m). A significant portion of this growth (over £500k) related to the twice annual overseas conference held in 2015 but there were also encouraging increases in subscription revenues and revenues from training and development services provided to members. Actual membership numbers increased from 479 in 2015 to 520 in 2016, in line with the objectives of the business.

The business has reported a small surplus in the year whilst extending the scope of and improving resources available to members. Notable are the specialist forums in the areas of Marketing, HR, Finance and Transport as well as sector specific forums such as Plumbing and Heating, and Timber, all of which are well attended by members.

Investment income fell in the year with the movement in equity markets but investments are held as part of a long term strategy by the company and the board remain confident in that strategy.

The company continues to maintain a robust balance sheet with assets invested in property, equity markets and liquid cash.

FINANCIAL POSITION AT THE REPORTING DATE

The Balance sheet shows that the net asset value at the year-end has remained healthy with £3.41 million of Retained Funds. These net assets are represented by £1.57 million in Net Current Assets, and £1.85 million in Fixed Assets. The directors believe this to be a satisfactory position from which to progress the future of the Federation.

BUILDERS MERCHANTS FEDERATION LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continually monitor the key risks facing the Federation together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Federation are as follows:

- Economic uncertainty within the construction industry and pressure on margins, limiting the ability of members to invest in the training services supplied by the Federation;
- Potential mergers and acquisitions in the industry, leading to further consolidation and therefore a reduction in the potential membership base; and
- Movements in equity markets impacting upon the valuation of investments held.

APPROVAL

This report was approved by the board on 6 July 2016 and signed on its behalf by:



John Newcomb
Managing Director

BUILDERS MERCHANTS FEDERATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

The board present their report and the financial statements for the year ended 31 March 2016.

RESPONSIBILITIES OF THE BOARD

The board are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

The law governing Co-operative and Community Benefit Societies requires the board to prepare financial statements for each financial year. Under that law the board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the law the board 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 entity and of the surplus or deficit of the entity for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- follow applicable United Kingdom Accounting Standards and the Co-operative and Community Benefit Societies Act 2014, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the entity and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The surplus for the year, after taxation, amounted to £24,832 (2015 – £11,273).

BOARD

The board members who served during the year were:

Peter Hindle MBE	Chairman
John Newcomb	Managing Director
Mark Smith	Honorary Treasurer (Appointed 17 th December 2015)
Stewart Pierce	
Stephen Thompstone	
Kevin Fenlon	
Nikki Mortimer	
Neil Lawrence*	
Charles Ledigo	(Appointed 31st March 2016)
Stephen Vickers	(Resigned 17th December 2015)
Paul Hetherington	(Resigned 31st March 2016)

*Advisor to the board

BUILDERS MERCHANTS FEDERATION LIMITED

**REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2016**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are board members at the time when this Report of the Board is approved has confirmed that:

- so far as that the board is aware, there is no relevant audit information of which the entity's auditors are unaware, and
- that each board member has taken all the steps that ought to have been taken as a board member in order to be aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

AUDITORS

Mazars LLP were re-appointed as auditors during the year and have expressed their willingness to continue in that capacity.

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

A handwritten signature in black ink, appearing to read 'John Newcomb', is written over the typed name and title.

**John Newcomb
Managing Director**

Date: 6 July 2016

BUILDERS MERCHANTS FEDERATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF BUILDERS MERCHANTS FEDERATION LIMITED

We have audited the financial statements of Builders Merchants Federation Limited for the year ended 31 March 2016 which comprise the Income and expenditure account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF THE BOARD AND THE AUDITORS

As explained more fully in the Statement of the Board's responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the entity's members as a body in accordance with part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the entity'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 entity and the entity's members as a body for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the entity's affairs as at 31 March 2016 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014.

In our opinion the information given in the Strategic Report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF
BUILDERS MERCHANTS FEDERATION LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Paul Johnson (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date:

BUILDERS MERCHANTS FEDERATION LIMITED

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
TURNOVER	2	1,865,547	986,836
Operating costs		<u>(1,932,170)</u>	<u>(1,159,365)</u>
OPERATING DEFICIT	3	(66,623)	(172,529)
Net investment income	4	90,713	182,475
Interest receivable		<u>2,742</u>	<u>1,327</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		26,832	11,273
Tax on surplus on ordinary activities	5	<u>(2,000)</u>	<u>-</u>
SURPLUS FOR THE FINANCIAL YEAR	11	<u>24,832</u>	<u>11,273</u>
Accumulated fund at the start of the year		<u>3,380,820</u>	<u>3,369,547</u>
Accumulated fund at the end of the year		<u>3,405,652</u>	<u>3,380,820</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the Income and expenditure account.

The notes on pages 9 to 13 form part of these financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED
REGISTERED NUMBER: 31516R

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	6		992,809		1,016,612
Investment properties	7		<u>862,041</u>		<u>862,041</u>
			1,854,850		1,878,653
CURRENT ASSETS					
Debtors	8	1,305,572		581,517	
Current asset investments		1,119,163		1,143,612	
Cash at bank and in hand		<u>404,062</u>		<u>430,061</u>	
		2,828,797		2,155,190	
CREDITORS: amounts falling due within one year	9		<u>(1,262,995)</u>		<u>(624,023)</u>
NET CURRENT ASSETS			<u>1,565,802</u>		<u>1,531,167</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	10		<u>(15,000)</u>		<u>(29,000)</u>
NET ASSETS			<u>3,405,652</u>		<u>3,380,820</u>
REPRESENTED BY					
Accumulated funds	11		<u>3,405,652</u>		<u>3,380,820</u>
TOTAL FUNDS			<u>3,405,652</u>		<u>3,380,820</u>

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



Mike Smith
Honorary Treasurer



John Newcomb
Managing Director



Richard Ellithorne
Secretary

Date: 6 July 2016

The notes on pages 9 to 13 form part of these financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Co-operative and Community Benefit Societies Act 2014.

1.2 Income and expenditure

Income and expenditure are accounted for on an accruals basis.

1.3 Tangible fixed assets and depreciation

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

Freehold land & buildings	-	2% per annum
Fixtures & fittings	-	10%-20% per annum
Computer equipment	-	33% per annum

1.4 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. The surplus or deficit arising on revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss accounts for the year.

1.5 Leases

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

1.6 Pensions

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

1.7 Deferred tax

Deferred taxation assets and liabilities are provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is calculated on a undiscounted basis at the tax rates that are expected to apply in the periods which the timing differences are expected to reverse, base on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.8 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BUILDERS MERCHANTS FEDERATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2016	2015
	£	£
Contributions and subscriptions	660,730	555,916
Other income from members	261,245	186,188
BMF Conference Income	529,956	-
BMF training income	413,616	244,732
	<u>1,865,547</u>	<u>986,836</u>

All turnover arose within the United Kingdom.

3. OPERATING DEFICIT

The operating deficit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the entity	66,387	57,129
Auditor's remuneration	5,350	5,350
Auditor's remuneration - non-audit	8,592	18,525
Operating lease charges	7,448	7,448
Staff costs and expenses	576,248	512,425
Contributions paid to defined contribution pension schemes	34,800	38,538

4. NET INVESTMENT INCOME

	2016	2015
	£	£
Investment (impairment)/income	(24,449)	112,306
Rental income	115,162	70,169
	<u>90,713</u>	<u>182,475</u>

BUILDERS MERCHANTS FEDERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

5. TAXATION

	2016 £	2015 £
Analysis of tax charge in the year		
UK corporation tax charge on surplus for the year	17,000	1,000
Adjustments in respect of prior periods	(1,000)	(30,000)
Deferred tax (note 10)		
Origination and reversal of timing differences	(14,000)	29,000
	<u>2,000</u>	<u>-</u>
Tax on surplus on ordinary activities	<u>2,000</u>	<u>-</u>

6. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 April 2015	775,508	337,450	38,144	1,151,102
Additions	<u>-</u>	<u>6,145</u>	<u>36,439</u>	<u>42,584</u>
At 31 March 2016	<u>775,508</u>	<u>343,595</u>	<u>74,583</u>	<u>1,193,686</u>
Depreciation				
At 1 April 2015	30,997	93,698	9,795	134,490
Charge for the year	<u>15,510</u>	<u>35,912</u>	<u>14,965</u>	<u>66,387</u>
At 31 March 2016	<u>46,507</u>	<u>129,610</u>	<u>24,760</u>	<u>200,877</u>
Net book value				
At 31 March 2016	<u>729,001</u>	<u>213,985</u>	<u>49,823</u>	<u>992,809</u>
At 31 March 2015	<u>744,511</u>	<u>243,752</u>	<u>28,349</u>	<u>1,016,612</u>

BUILDERS MERCHANTS FEDERATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. INVESTMENT PROPERTIES

	Investment properties £
Cost	
At 1 April 2015	<u>862,041</u>
At 31 March 2016	<u>862,041</u>
Net book value	
At 31 March 2016	<u>862,041</u>
At 31 March 2015	<u>862,041</u>

During the prior year the Federation offered properties previously classified as freehold land and buildings for lease. The board believe it is appropriate to transfer these assets to be treated as investment properties.

Investment properties have not been revalued in the year, as their carrying value is deemed to be not materially different to their fair value.

8. DEBTORS

	2016 £	2015 £
Trade debtors	1,061,137	148,348
Corporation tax	-	29,000
Other debtors and prepayments	244,435	404,169
	<u>1,305,572</u>	<u>581,517</u>

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

	2016 £	2015 £
Trade creditors	130,245	278,763
Other taxation and social security	190,723	12,469
Corporation tax	14,170	-
Other creditors and deferred income	927,857	332,791
	<u>1,262,995</u>	<u>624,023</u>

BUILDERS MERCHANTS FEDERATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. DEFERRED TAX

	2016 £	2015 £
At the beginning of the year	29,000	-
Charge/(credit) for the year	(14,000)	29,000
	<hr/>	<hr/>
At the end of the year	<u>15,000</u>	<u>29,000</u>
The provision for deferred tax is made up as follows:		
	2016 £	2015 £
Accelerated capital allowances	18,000	32,000
Losses carried forward	(3,000)	(3,000)
	<hr/>	<hr/>
	<u>15,000</u>	<u>29,000</u>

11. RESERVES

	Accumulated fund £
At 1 April 2015	3,380,820
Surplus for the financial year	24,832
	<hr/>
At 31 March 2016	<u>3,405,652</u>

12. OPERATING LEASE COMMITMENTS

At 31 March 2016 the entity had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Expiry date:		
Within 1 year	3,270	-
Between 2 and 5 years	<u>5,863</u>	<u>7,448</u>

13. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £34,800 (2015 - £38,538). Contributions totalling £5,512 (2015 - £Nil) were payable to the fund at the balance sheet date and were included within creditors due within one year.

BUILDERS MERCHANTS FEDERATION LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
MEMBER SERVICES		
Income		
Full members subscriptions	424,106	351,583
Supplier members subscriptions	205,915	180,539
Service members subscriptions	20,262	13,375
Distributor members subscriptions	10,447	10,419
Revenue from sale of services to members	768,150	170,030
Commissions receivable	23,050	16,158
	<hr/>	<hr/>
	<u>1,451,930</u>	<u>742,104</u>

	2016 £	2015 £
BMF TRAINING		
Income		
Regional training courses	85,196	39,738
BMF Modules/ MOLs	20,595	402
in company courses	103,072	81,429
BMF Diploma	123,898	100,831
BMF Campus	3,087	1,272
Master Merchant	22,860	7,117
Post-graduate income	33,000	
Other	5,885	3,297
Didac commissions	16,024	10,646
	<hr/>	<hr/>
	<u>413,617</u>	<u>244,732</u>

BUILDERS MERCHANTS FEDERATION LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Expenses		
Staff costs and expenses	520,969	449,684
Pension contributions	34,800	38,538
Travel and hotels	55,279	62,741
Premises - rates and charges	108,496	130,267
Stationery and office expenses	13,117	12,323
Computer maintenance	22,690	15,437
Postage and telephone	12,818	10,477
Subscriptions and donations	29,857	20,531
Legal and professional	34,586	28,768
Auditor's remuneration	5,350	5,350
Public relations	38,970	25,554
Marketing and publications	40,875	39,707
Depreciation	66,387	57,129
Board and members' day	18,607	5,906
Member workshops and seminar costs	141,367	120,812
Regional activities	2,210	1,909
Regional training courses	19,273	19,163
BMF Conference	539,899	-
BMF Modules/MOLs	17,106	3,163
Post-Graduate Expense	21,972	-
In company courses	74,435	56,570
BMF Diploma	42,230	25,215
Master Merchant	20,396	6,754
Administrative expenses	35,331	17,117
Recruitment expenses	15,150	6,250
	<hr/>	<hr/>
	<u>1,932,170</u>	<u>1,159,365</u>