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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association: BUILDERS MERCHANTS FEDERATION LIMITED

Year ended: 31 MARCH 2017

List No: 234E

Head or Main Office: 1180 Elliot Court
Coventry Business Park
Herald Avenue
Coventry
CV5 6UB

Website address (if available) <http://www.bmf.org.uk>

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

Chief Executive: JOHN NEWCOMB

Contact name for queries regarding the completion of this return: RICHARD ELLITHORNE

Telephone Number: 02476 854980

e-mail: 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
Lower Ground Floor Fleetbank House 2-6 Salisbury Square London EC4 8JX

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
563	12		5	580

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
Elected Director	Nikki Mortimer		2.1.17

RECEIVED



BUILDERS MERCHANTS FEDERATION LIMITED

OFFICERS IN POST AS AT 31 MARCH 2017

P.Hindle	BMF Chairman
C Ledigo	Elected Director
S. Pierce	Elected Director
S. Thompstone	Elected Director
J. Newcomb	Chief Executive
M.Smith	Hon. Treasurer
N.Lawrence	Advisor -Merchants Members
T.France	Advisor Supplier Members
R. Ellithorne	Secretary

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc	773,434	
	Investment income Interest and dividends (gross) Bank interest (gross) Other (specify)	284,784	
	Other income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify) Investment property revaluation gain	932,017	
		72,959	
		2,063,194	
	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		1,807,388
	Surplus/Deficit for year		255,806
	Unrealised surplus on revaluation of freehold property		486,511
	Amount of fund at beginning of year		3,405,652
	Amount of fund at end of year		4,147,969

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)		
		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 7		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)	

BALANCE SHEET AS AT [**]**
(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at page 11)		
	Investments (as per analysis on page 13)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Sundry debtors		
	Cash at bank and in hand		
	Stocks of goods		
	Others (specify)		
	Total of other		
	assets		
		TOTAL ASSETS	
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Revaluation Reserve		
	Liabilities		
	Loans		
	Bank overdraft		
	Tax payable		
	Sundry creditors		
	Accrued expenses		
	Provisions		
	Other liabilities		
		TOTAL LIABILITIES	
		TOTAL ASSETS	

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
BOOK AMOUNT at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
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	773,434		773,434
From Investments	284,784		284,784
Other Income (including increases by revaluation of assets)	1,491,487		1,491,487
Total Income	2,549,705		2,549,705
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	1,807,388		1,807,388
Funds at beginning of year (including reserves)	3,405,652		3,405,652
Funds at end of year (including reserves)	4,147,969		4,147,969
ASSETS			
Fixed Assets			2,415,516
Investment Assets			1,290,859
Other Assets			2,110,200
		Total Assets	5,816,575
LIABILITIES			
		Total Liabilities	1,668,606
NET ASSETS (Total Assets less Total Liabilities)			4,147,969

NOTES TO THE ACCOUNTS

(see note 36)

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

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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><i>R. Ellithorne</i></u> Name: RICHARD ELLITHORNE Date: <u>24/8/17</u>	Managing Director's Signature: <u><i>J. Newcomb</i></u> <small>(or other official whose position should be stated)</small> Name: JOHN NEWCOMB Date: <u>24/8/17</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

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

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:	25 August 2017	
Contact name and telephone number:	Bob Johnson 07544 110019	

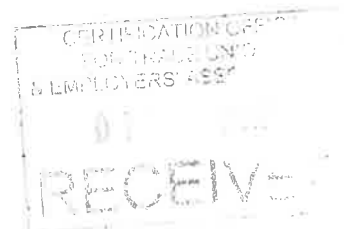
N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

Builders Merchants Federation Limited

Registered number: 31516R

Report and financial statements

For the year ended 31 March 2017



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 - Chief Executive
Mark Smith - Honorary Treasurer
Kevin Fenlon (retired by rotation 30 June 2017)
Nikki Mortimer (resigned 2 January 2017)
Stewart Pierce (resigned 9 May 2017)
Stephen Thompstone (retired by rotation 30 June 2017)
Charles Ledigo
Neil Lawrence - Advisor to the board
Tony France - Advisor to the board
Ian Haldane (appointed 1 July 2017)
Shanker Patel (appointed 1 July 2017)
Andrew Harrison (appointed 1 July 2017)

Federation secretary Richard Ellithorne

Co-operative and community benefit 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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BUILDERS MERCHANTS FEDERATION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Introduction

The board present their strategic report for Builders Merchants Federation Limited for the year ended 31 March 2017.

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 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 surplus, and net worth.

The key non-financial performance indicator is the number of members the Federation represents, which has seen a 12.5% increase over the last 12 months.

Development and financial performance during the year

Turnover for the year decreased to £1.7m (2016 - £1.9m). A significant portion of this related to the twice annual overseas conference. Actual membership numbers increased from 520 at 2016 to 585 at 2017, in line with the objectives of the business.

The business has reported a 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, Health and Safety and Transport as well as sector specific forums such as Plumbing and Heating, Decorative, Roofing and Timber, all of which are well attended by members.

Investment income increased in the year with the movement in equity markets' investments which are held as part of a long term strategy by the company.

The entity 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 £4.15 million (2016 - £3.41 million) of capital and reserves. These net assets are represented by £1.73 million (2016 - £1.57 million) of net current assets, and £2.42 million (2016 - £1.85 million) of 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 (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Principal risks and uncertainties facing the business

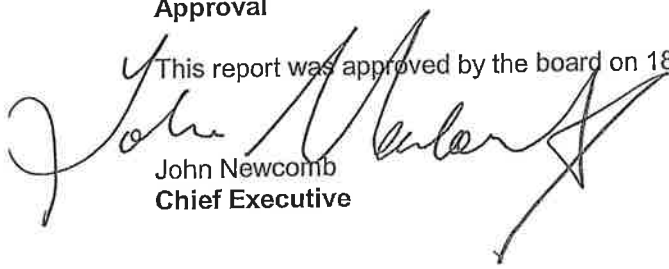
Management continually monitor the key risks facing the Federation together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

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

- 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 18 July 2017 and signed on its behalf.



John Newcomb
Chief Executive

BUILDERS MERCHANTS FEDERATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The board present their report and the financial statements for the year ended 31 March 2017.

Responsibilities of the board

The board are responsible for preparing the strategic report, 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 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 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 board are required to:

- select suitable accounting policies for the entity's financial statements 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 company 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 £255,806 (2016 - £24,832).

Board

The board members who served during the year were:

Peter Hindle MBE - Chairman
John Newcomb - Chief Executive
Mark Smith - Honorary Treasurer
Kevin Fenlon (retired by rotation 30 June 2017)
Nikki Mortimer (resigned 2 January 2017)
Stewart Pierce (resigned 9 May 2017)
Stephen Thompstone (retried by rotation 30 June 2017)
Charles Ledigo
Neil Lawrence - Advisor to the board
Tony France - Advisor to the board
Ian Haldane (appointed 1 July 2017)
Shanker Patel (appointed 1 July 2017)
Andrew Harrison (appointed 1 July 2017)

BUILDERS MERCHANTS FEDERATION LIMITED

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

Disclosure of information to auditor

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 the board is aware, there is no relevant audit information of which the entity's auditor is unaware, and
- the board 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 auditor is aware of that information.

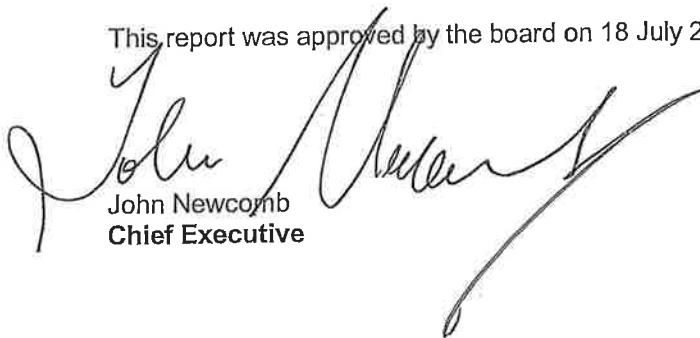
Auditor

Mazars LLP were reappointed as the auditor during the year and have expressed their willingness to continue in that capacity.

Small entity note

In preparing this report, the directors have taken advantage of the small companies exemptions.

This report was approved by the board on 18 July 2017 and signed on its behalf.



John Newcomb
Chief Executive

BUILDERS MERCHANTS FEDERATION LIMITED

INDEPENDENT AUDITOR'S 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 2017 which comprise the income statement, statement of comprehensive income, the balance sheet and the 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Respective responsibilities of Directors and auditor

As explained more fully in the responsibilities of the board statement set out on page 3, the board members 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 2017 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.

BUILDERS MERCHANTS FEDERATION LIMITED

INDEPENDENT AUDITOR'S 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:

- the entity has not kept proper books of accounts; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements were not in agreement with the books of accounts; or
- we have not received all the information and explanations we require for our audit; or
- the board members were not entitled to take advantage of the small companies' exemption in preparing the report of the board.



Mazars LLP

Chartered Accountants and Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

20 July 2017

BUILDERS MERCHANTS FEDERATION LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	3	1,702,361	1,865,547
Operating costs		(1,816,619)	(1,942,313)
	5	(114,258)	(76,766)
Investment property revaluation gain		72,959	-
Other operating income	4	284,784	100,856
Operating surplus	5	243,485	24,090
Interest receivable and similar income	7	3,090	2,742
Surplus before tax		246,575	26,832
Tax on surplus	8	9,231	(2,000)
Surplus for the financial year		255,806	24,832

The notes on pages 10 to 19 form part of these financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Surplus for the financial year	255,806	24,832
Other comprehensive income		
Unrealised surplus on revaluation of freehold property	486,511	-
Other comprehensive income for the year	486,511	-
Total comprehensive income for the year	<u>742,317</u>	<u>24,832</u>

The notes on pages 10 to 19 form part of these financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED
REGISTERED NUMBER: 31516R

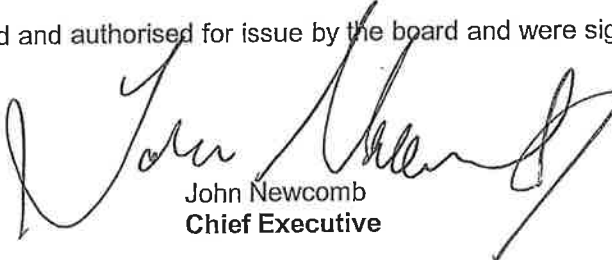
BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	9		90,493		35,435
Tangible assets	10		1,390,023		957,374
Investment properties	11		935,000		862,041
			<u>2,415,516</u>		<u>1,854,850</u>
Current assets					
Debtors	12	1,694,715		1,305,572	
Current asset investments	13	1,290,859		1,119,163	
Cash at bank and in hand		415,485		404,062	
		<u>3,401,059</u>		<u>2,828,797</u>	
Creditors: amounts falling due within one year	14	(1,668,606)		(1,262,995)	
Net current assets			1,732,453		1,565,802
Provisions for liabilities					
Deferred tax	15	-		(15,000)	
			<u>-</u>	<u>(15,000)</u>	
Net assets			<u>4,147,969</u>		<u>3,405,652</u>
Capital and reserves					
Revaluation reserve	16		486,511		-
Accumulated funds	16		3,661,458		3,405,652
			<u>4,147,969</u>		<u>3,405,652</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 July 2017.


Mark Smith
Honorary Treasurer


John Newcomb
Chief Executive

The notes on pages 10 to 19 form part of these financial statements.

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

1. General information

Builders Merchants Federation Limited is an organisation which is a member of the Co-operative and Community Benefit Society incorporated on 17 January 2012. The registered office is 1180 Elliott Court, Coventry Business Park, Herald Avenue, Coventry, CV5 6UB.

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the entity and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts and value added tax.

2.3 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. Their expected useful life is on the following basis:

Software - 33% per annum

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than freehold and investment properties (see note 2.5 and 2.6) 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.

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

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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	- 2%
Fixtures & fittings	- 10% - 20%
Computer equipment	- 33%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

2.5 Revaluation of tangible fixed assets

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the income statement.

2.6 Investment properties

Investment properties are carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the income statement.

2.7 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.

2.8 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.

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

2. Accounting policies (continued)

2.9 Financial instruments

The entity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

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 income and expenditure account.

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 entity would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 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.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the income statement at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the income statement in the same period as the related expenditure.

2.12 Operating leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the lease term.

2.13 Pensions

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

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the entity in independently administered funds.

2.14 Interest income

Interest income is recognised in the income statement using the effective interest method.

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

2. Accounting policies (continued)**2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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 entity operates and generates income.

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

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

3. Turnover

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

	2017 £	2016 £
Contributions and subscriptions	773,434	660,730
Other income from members	310,024	261,245
BMF conference income	-	529,956
BMF training income	618,903	413,616
	<u>1,702,361</u>	<u>1,865,547</u>

4. Other operating income

	2017 £	2016 £
Dividend income	49,370	46,416
Profit on sale of investments	9,005	8,232
Investment revaluation / (impairment)	124,114	(68,954)
Rental income	102,295	115,162
	<u>284,784</u>	<u>100,856</u>

BUILDERS MERCHANTS FEDERATION LIMITED

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

5. Operating surplus

The operating surplus is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	62,377	66,387
Auditor's remuneration	6,400	5,350
Auditor's remuneration - non-audit	5,200	8,592
Operating lease charges	4,448	7,448
Staff costs and expenses	661,509	576,248
Contributions paid to defined contribution pension schemes	42,197	34,800

6. Employees

The average monthly number of employees, including directors, during the year was 17 (2016 - 14).

7. Interest receivable

	2017 £	2016 £
Bank interest receivable	3,090	2,742

BUILDERS MERCHANTS FEDERATION LIMITED

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

8. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on surplus for the year	9,052	17,000
Adjustment in respect of prior periods	(3,010)	(1,000)
Total current tax	<u>6,042</u>	<u>16,000</u>
Deferred tax		
Origination and reversal of timing differences	(14,440)	(11,101)
Changes to tax rates	(833)	(2,899)
Total deferred tax	<u>(15,273)</u>	<u>(14,000)</u>
Taxation on surplus on ordinary activities	<u>(9,231)</u>	<u>2,000</u>

9. Intangible assets

	Website and computer software £
Cost	
At 1 April 2016	35,435
Additions	55,058
At 31 March 2017	<u>90,493</u>
Net book value	
At 31 March 2017	<u>90,493</u>
At 31 March 2016	<u>35,435</u>

BUILDERS MERCHANTS FEDERATION LIMITED

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

10. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2016	775,508	343,595	39,148	1,158,251
Additions	-	6,278	2,237	8,515
Revaluation	424,492	-	-	424,492
At 31 March 2017	<u>1,200,000</u>	<u>349,873</u>	<u>41,385</u>	<u>1,591,258</u>
Depreciation				
At 1 April 2016	46,507	129,610	24,760	200,877
Charge for the year	15,512	36,572	10,293	62,377
On revalued assets	(62,019)	-	-	(62,019)
At 31 March 2017	<u>-</u>	<u>166,182</u>	<u>35,053</u>	<u>201,235</u>
Net book value				
At 31 March 2017	<u>1,200,000</u>	<u>183,691</u>	<u>6,332</u>	<u>1,390,023</u>
At 31 March 2016	<u>729,001</u>	<u>213,985</u>	<u>14,388</u>	<u>957,374</u>

Freehold land and buildings were valued by D & P Holt, Chartered Surveyors in 2017, and are stated on the basis of open market value. The historical cost of the freehold land and building amounts to £775,508 (2016: £775,508). The historical depreciation charge amounted to £62,019 (2016: £46,507).

BUILDERS MERCHANTS FEDERATION LIMITED

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

11. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	862,041
Surplus on revaluation	72,959
At 31 March 2017	<u>935,000</u>

The investment property was valued by D & P Holt, Chartered Surveyors in 2017, and is stated on the basis of open market value. The historical cost of investment property amounts to £862,041 (2016: £862,041).

12. Debtors

	2017 £	2016 £
Trade debtors	1,022,817	1,061,137
Other debtors and prepayments	671,625	244,435
Deferred taxation	273	-
	<u>1,694,715</u>	<u>1,305,572</u>

13. Current asset investments

	2017 £	2016 £
Listed investments	1,290,859	1,119,163
	<u>1,290,859</u>	<u>1,119,163</u>

BUILDERS MERCHANTS FEDERATION LIMITED

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

14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	172,443	130,245
Corporation tax	9,052	14,170
Other taxation and social security	174,985	190,723
Other creditors and deferred income	1,312,126	927,857
	<u>1,668,606</u>	<u>1,262,995</u>

15. Deferred taxation

	2017 £	2016 £
At beginning of year	(15,000)	(29,000)
Credited to income statement	15,273	14,000
At end of year	<u>273</u>	<u>(15,000)</u>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(16,203)	(18,000)
Tax losses carried forward	19,647	3,000
Arising from revaluation of properties	(3,171)	-
	<u>273</u>	<u>(15,000)</u>

16. Reserves**Revaluation reserve**

Revaluation reserve balance relates to the revaluation of freehold property during the year.

Accumulated funds

The movement in accumulated funds during the year relate to the surplus being recognised through the income statement amounting £255,806, for the year ended 31 March 2017.

BUILDERS MERCHANTS FEDERATION LIMITED

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

17. Pension commitments

The entity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the entity in an independently administered fund. The pension cost charge represents contributions payable by the entity to the fund and amounted to £42,197 (2016 - £34,800). Contributions totalling £NIL (2016 - £5,512) were payable to the fund at the balance sheet date and were included within creditors due within one year.

18. Commitments under operating leases.

At 31 March 2017 the entity had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Within 1 year	3,310	3,270
Between 2 and 5 years	3,190	5,863
Later than 5 years	598	-
	<u>7,098</u>	<u>9,133</u>

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss. However the client has chosen to re-classify intangible fixed assets amounting to £35,435 which were previously held within tangible fixed assets.

BUILDERS MERCHANTS FEDERATION LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Turnover	1,702,361	1,865,547
Other operating income	284,784	100,856
Revaluation of investment property	72,959	-
Less: overheads		
Operating costs	(1,816,619)	(1,942,313)
Operating profit	243,485	24,090
Interest receivable	3,090	2,742
Tax on profit on ordinary activities	9,231	(2,000)
Profit for the year	255,806	24,832

BUILDERS MERCHANTS FEDERATION LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Turnover		
Full member subscriptions	451,478	424,104
Supplier member subscriptions	280,685	205,915
Service member subscriptions	32,338	20,262
Distributor member subscriptions	8,933	10,449
Revenue from sale of services to members	282,538	768,151
In company courses	115,631	103,072
Didac commissions	20,969	16,024
BMF Diploma	172,864	123,898
Regional training courses	125,507	85,197
Master Merchant	27,100	22,860
BMF Campus	1,604	3,087
Post graduate income	42,266	33,000
BMF Modules / MOLs	32,916	20,595
Commissions receivable	27,486	23,050
Other	80,046	5,883
	<u>1,702,361</u>	<u>1,865,547</u>
	2017 £	2016 £
Other operating income		
Dividend income	49,370	46,416
Rental income	102,295	115,162
Investment revaluation / (impairment)	124,114	(68,954)
Profit on sale of investments	9,005	8,232
	<u>284,784</u>	<u>100,856</u>

BUILDERS MERCHANTS FEDERATION LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Operating costs		
Staff salaries	609,860	475,956
Staff national insurance	51,648	45,013
Pension contributions	42,197	34,800
Travel and hotels	71,923	55,279
Premises - rates and charges	126,514	108,496
Stationery and office expenses	11,780	13,117
Computer maintenance	18,243	22,690
Postage and telephone	15,668	12,818
Subscriptions and donations	25,574	29,857
Legal and professional	43,727	34,586
Auditors' remuneration	6,400	5,350
Public relations	57,818	38,970
Marketing and publications	78,831	40,875
Depreciation	62,377	66,387
Board and members' day	7,582	18,607
Member workshop and seminar costs	209,215	143,577
BMF conference	44,393	559,172
BMF Modules / MOLs	87,079	17,106
Post Graduate expense	32,000	21,972
In company courses	90,006	74,435
BMF Diploma	39,726	42,230
Master Merchant	24,193	20,396
Bad debts	2,025	-
Sundry expenses	55,295	45,474
Recruitment expenses	2,545	15,150
	<u>1,816,619</u>	<u>1,942,313</u>
	2017 £	2016 £
Interest receivable		
Bank interest receivable	3,090	2,742
	<u>3,090</u>	<u>2,742</u>
