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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

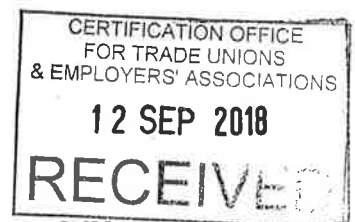
Name of Employers' Association:	Glass and Glazing Federation
Year ended:	31 st December 2017
List No:	242 E
Head or Main Office:	40 Rushworth Street London SE1 0RB
Website address (if available)	www.ggf.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	Asha Pyndiah
Contact name for queries regarding the completion of this return:	Yojitha Jesudasan
Telephone Number:	0207939 9101
e-mail:	yjesudasan@ggf.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: 0330 109 3602

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 EC4Y 8JX

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



Glass and Glazing Federation
(A company limited by guarantee)

Company Information

Directors	J Agnew T Smith S A Forbes G Jones (appointed 1 April 2017) A Gray D Thornton (appointed 6 March 2018) M Butterick (appointed 6 March 2018) M J Austin (appointed 7 June 2018)
Company secretary	A Pyndiah
Registered number	04063012
Registered office	40 Rushworth Street London England SE1 0RB
Independent auditor	Kreston Reeves LLP Statutory Auditor & Chartered Accountants Third Floor 24 Chiswell Street London EC1Y 4YX

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
416	4		8	428

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
Director	B G Baker		21 August 2017
Director	A D Burgess		12 July 2017
Director		G Jones	1 April 2017
Secretary	J McCallion		21 August 2017
Secretary		A Morgan	21 August 2017

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc		1,113,812
	Investment income Interest and dividends (gross)		
	Bank interest (gross)		1,070
	Other (specify) Dividends		1,008,624
	Other income Rents received		484,313
	Insurance commission		
	Consultancy fees		120,666
	Publications/Seminars		
	Miscellaneous receipts (specify)		
	Trustmark		21,442
	Discounts		(17,419)
	Insurance claim		44,598
	Other		33,864
	TOTAL INCOME		2,810,970
	EXPENDITURE		
	Administrative expenses		
	Remuneration and expenses of staff		1,252,924
	Occupancy costs		340,673
	Printing, Stationery, Post		22,247
	Telephones		18,352
	Legal and Professional fees		67,448
	Miscellaneous (specify)		
	Purchases		42,278
	Entertainment		6,069
	Travel		170,516
	Computer costs		55,578
	Advertising		166,965
	Trade subscriptions		123,359
	Auditors remuneration		28,825
	Equipment hire		26,352
	Sundry		5,678
	Website maintenance		116,538
	Management charges		80,336
	Subsistence		21,083
	Publications		24,276
	Refreshments		5,938
	Restructuring		702,954
	Actuarial loss		25,000
	Other charges Bank charges		6,124
	Depreciation		205,800
	Sums written off		13,755
	Affiliation fees		

	Donations		3
	Conference and meeting fees		
	Expenses		
	Miscellaneous (specify)		
Taxation			(134,521)
	TOTAL EXPENDITURE		3,394,550
	Surplus/Deficit for year		(583,580)
	Amount of fund at beginning of year		9,761,338
	Amount of fund at end of year		9,177,758

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)		

FIXED ASSETS ACCOUNT

(see note 21)

SEE ATTACHED ACCOUNTS	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)

	SEE ATTACHED ACCOUNTS	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 4	NO
If YES name the relevant companies:			
COMPANY NAME FENSA Limited Borough IT Limited GGF Limited British Fenestration Rating Council Limited GGF Training Ltd Rushworth Inspection Services and Audit Limited GGF Helix Group Ltd GGF Property Limited	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 03058561 04930462 05258106 05649431 05332181 05332186 10294854 09900670		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO 4
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 N/A	NO N/A
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	1,113,812		1,113,812
From Investments	1,009,694		1,009,694
Other Income (including increases by revaluation of assets)	687,464		687,464
Total Income	2,810,970		2,810,970
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	3,394,550		3,394,550
Funds at beginning of year (including reserves)	10,111,335		10,111,335
Funds at end of year (including reserves)	9,527,755		9,527,755
ASSETS			
Fixed Assets			7,546,219
Investment Assets			351,007
Other Assets			3,874,438
		Total Assets	11,771,664
LIABILITIES			
		Total Liabilities	2,243,909
NET ASSETS (Total Assets less Total Liabilities)			9,527,755

NOTES TO THE ACCOUNTS

(see note 36)

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

SEE ATTACHED ACCOUNTS

ACCOUNTING POLICIES

(see notes 37 and 38)

SEE ATTACHED ACCOUNTS

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>Asha Bhatnagar</i></u> Name: <u>Asha Bhatnagar</u> Date: <u>06.09.2018</u>	Chairman's Signature: <u><i>John Agnew</i></u> (or other official whose position should be stated) Name: <u>John Agnew</u> Date: <u>06.09.2018</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	4	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	4	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	4	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	4	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	4	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	4	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.

THE CHECKLIST BELOW IS FOR GUIDANCE. A REPORT IS STILL REQUIRED EITHER SET OUT OVERLEAF OR BY WAY OF AN ATTACHED AUDITOR'S REPORT THAT COVERS THE ABOVE 1992 ACT REQUIREMENTS.

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)

See attached accounts for Auditors' Report for confirmation of preparation of accounts in accordance with United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006.

In addition:

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2017 and of its deficit for the year then ended;
- have been prepared in accordance with the requirements of the section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

Signature(s) of auditor or auditors:		
Name(s):	KRESTON REEVES LLP	
Profession(s) or Calling(s):	STATUTORY AUDITOR AND CHARTERED ACCOUNTANTS	
Address(es):	THIRD FLOOR CHISWELL STREET LONDON EC1Y4YX	
Date:	31 August 2018	
Contact name and telephone number:	ALLAN PINNER 0330 124 1399	

Registered number: 04063012

Glass and Glazing Federation
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 December 2017

**Glass and Glazing Federation
(A company limited by guarantee)**

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Glass and Glazing Federation
(A company limited by guarantee)

Group strategic report
For the year ended 31 December 2017

Business review

Whilst the UK economy remained relatively stable its only real areas of growth were largely due to positive exchange rates and thus benefited the export economy. This in turn advantaged the manufacturing sector. This was not the case for the glass and glazing sector as its manufacturing element primarily serves the domestic UK market and this market has declined over the last year.

As a result the GGF needed to reflect the pressure felt by its membership and keep subscription fees at the 2016 levels. Despite this subscription income increased on 2016 levels and the 2016 levels were 9% above 2015 figures. Against a backdrop of a static economy and decreasing domestic order books this shows a healthy retention and recruitment level and indicates a healthy membership for GGF.

Principal risks and uncertainties

It became apparent in 2017 that the formation of the Helix Group in order to better manage the commercial entities of GGF was failing in its purpose. The result was that the GGF membership base was becoming more removed from the commercial offerings and yet both membership and the commercial products represented a greater and more diverse offering to the whole of the glass industry. As a result a new Group CEO was appointed in order to restructure the whole of GGF in order to leverage best value for the GGF and its members and customers.

Following in-depth analysis of the commercial operations, it was found that the organisation lacked genuine management and corporate strategy expertise. As a result, key changes in senior personnel were made to enhance the organisation and deliver more effective operations. The cost of these changes has been separately filed under restructure costs.

This structural and cultural change has allowed the business to focus on two key risk areas. The need for GGF to cement and grow its membership is now under real focus with an MD with substantial glazing sector experience concentrating on increasing member value and services. This is already realising positive growth benefits.

The commercial companies have a substantial reliance on business emanating from one source, FENSA. 2017 has been spent looking at this reliance and plans have been put in place to both increase FENSA business and identify both new routes to sympathetic markets and new products. This will allow GGF to diversify its revenue. It will also decrease its reliance on one business source. This will require investment in 2018 but this is in place.

Financial key performance indicators

The Federation will continue to develop its membership base within the confines of the strict entry criteria to ensure it represents the best in the Industry. Continued development of the subsidiary companies will ensure that the Federation remains a leading trade organisation fully able to meet the requirements of its Membership by delivering high levels of service and multiple exclusive benefits.

The GGF Board remains committed to growing the Group and to act as custodians of the GGF on behalf of its membership. In 2017 this commitment is clearly evident as the GGF aims to improve benefits, increase support and stability for its members. In addition, the Federation will continue to build its strong brand position and grow its audience by providing a greater portfolio of support for both GGF members, the wider glass and glazing industry, the construction sector and to homeowners. This will ensure all connected to and engaging with the GGF are well informed on technical issues, legislative changes and consumer issues. With this formidable library of information and wealth of expertise, the Federation will also ensure the industry continues to be well represented in the political arena by the GGF as the voice of the industry.

Glass and Glazing Federation
(A company limited by guarantee)

Group strategic report (continued)
For the year ended 31 December 2017

However a new focus in 2017 has been to identify a greater range of business support services as well as putting robust plans together to provide training and development services to members. This will be implemented in 2018. Again a clear investment plan will support this initiative.

The GGF exists for its members and as such will always maintain an ongoing working relationship with its members through the GGF group and committee structure. This inclusive approach ensures that all members regardless of size, position, sector and status receive the continuous support and excellent value for their subscriptions.

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


J Agnew
Director

Date: 5/9/18

Glass and Glazing Federation
(A company limited by guarantee)

Directors' report
For the year ended 31 December 2017

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

Results and dividends

The profit for the year, after taxation, amounted to £303,975 (2016 - £5,447,508).

The directors do not recommend a dividend.

Directors

The directors who served during the year were:

J Agnew
B G Baker (resigned 21 August 2017)
A D Burgess (resigned 12 July 2017)
T Smith
S J Payne (resigned 1 March 2018)
S A Forbes
G Jones (appointed 1 April 2017)
A Gray

Future developments

The federation will continue to develop its membership base within the confines of the strict entry criteria to ensure it represents the best in the industry. Continued development of the subsidiary companies will ensure that the federation remains a leading trade organisation fully able to meet the requirements of its membership by delivering high levels of service and multiple exclusive benefits.

Financial instruments

The main risks arising from financial instruments are liquidity risk, price risk and customer credit exposure. See note 23 for further information regarding the group's approach to these risks.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Post balance sheet events

As discussed in the group strategic report, the group has undergone significant structural and cultural change during the year. Following the year end and having overseen this change, the Group CEO has resigned. The group is currently being headed with an interim appointment.

Glass and Glazing Federation
(A company limited by guarantee)

Directors' report (continued)
For the year ended 31 December 2017

Auditor

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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


J Agnew
Director

Date: 5/9/18

Glass and Glazing Federation
(A company limited by guarantee)

Directors' responsibilities statement
For the year ended 31 December 2017

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

Glass and Glazing Federation
(A company limited by guarantee)

Independent auditor's report to the members of Glass and Glazing Federation

Opinion

We have audited the financial statements of Glass and Glazing Federation (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017, which comprise the group statement of comprehensive income, the group and company balance sheets, the group statement of cash flows, the group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Glass and Glazing Federation
(A company limited by guarantee)**

Independent auditor's report to the members of Glass and Glazing Federation (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Glass and Glazing Federation
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Independent auditor's report to the members of Glass and Glazing Federation (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Glass and Glazing Federation
(A company limited by guarantee)

Independent auditor's report to the members of Glass and Glazing Federation (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Pinner FCCA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

London

6 September 2018

Glass and Glazing Federation
(A company limited by guarantee)
Registered number: 04063012

Consolidated balance sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	15	4,022	5,363
Tangible assets	16	7,656,174	7,774,983
Investments	17	2,418,396	2,207,553
		<u>10,078,592</u>	<u>9,987,899</u>
Current assets			
Debtors: amounts falling due within one year	18	3,832,507	3,468,960
Cash at bank and in hand	19	7,612,226	7,750,078
		<u>11,444,733</u>	<u>11,219,038</u>
Creditors: amounts falling due within one year	20	(5,073,948)	(5,213,111)
		<u>6,370,785</u>	<u>6,005,927</u>
Net current assets		<u>6,370,785</u>	<u>6,005,927</u>
Total assets less current liabilities		<u>16,449,377</u>	<u>15,993,826</u>
Provisions for liabilities			
Deferred taxation	22	(227,288)	(50,712)
		<u>(227,288)</u>	<u>(50,712)</u>
Net assets excluding pension asset		<u>16,222,089</u>	<u>15,943,114</u>
Pension asset	26	-	-
Net assets		<u>16,222,089</u>	<u>15,943,114</u>
Capital and reserves			
Other reserves	24	349,998	349,998
Profit and loss account	24	15,872,091	15,593,116
Equity attributable to owners of the parent company		<u>16,222,089</u>	<u>15,943,114</u>

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


J Agnew
Director

Date: 5/9/18.

The notes on pages 16 to 39 form part of these financial statements.

Glass and Glazing Federation
(A company limited by guarantee)

Consolidated statement of comprehensive income
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	8,816,184	9,464,342
Cost of sales		<u>(2,852,776)</u>	<u>(3,202,574)</u>
Gross profit		5,963,408	6,261,768
Administrative expenses		(4,977,115)	(6,007,244)
Exceptional restructuring costs	13	(702,954)	-
Profit on sale of tangible fixed assets	13	-	5,355,010
Other operating income	5	55,909	25
Fair value movements		<u>192,832</u>	<u>145,867</u>
Operating profit	6	532,080	5,755,426
Income from fixed assets investments		18,011	-
Interest receivable and similar income	10	4,203	15,982
Net pension (loss) / income		-	1,000
Profit before taxation		554,294	5,772,408
Tax on profit	12	(250,319)	(324,900)
Profit for the financial year		<u>303,975</u>	<u>5,447,508</u>
Actuarial gains on defined benefit pension scheme	26	43,000	83,000
Pension surplus not recognised	26	(68,000)	(109,000)
Other comprehensive income for the year		(25,000)	(26,000)
Total comprehensive income for the year		<u>278,975</u>	<u>5,421,508</u>
Profit for the year attributable to:			
Owners of the parent company		<u>303,975</u>	<u>5,447,508</u>
		<u>303,975</u>	<u>5,447,508</u>


The notes on pages 16 to 39 form part of these financial statements.

Glass and Glazing Federation
(A company limited by guarantee)
Registered number: 04063012

Company balance sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	16	7,546,219	7,689,070
Investments	17	351,007	351,007
		<u>7,897,226</u>	<u>8,040,077</u>
Current assets			
Debtors: amounts falling due within one year	18	2,827,371	1,694,524
Cash at bank and in hand	19	1,047,067	2,228,529
		<u>3,874,438</u>	<u>3,923,053</u>
Creditors: amounts falling due within one year	20	(2,045,856)	(1,851,793)
Net current assets		<u>1,828,582</u>	<u>2,071,260</u>
Total assets less current liabilities		<u>9,725,808</u>	<u>10,111,337</u>
Provisions for liabilities			
Deferred taxation	22	(198,053)	-
		<u>(198,053)</u>	<u>-</u>
Net assets excluding pension asset		<u>9,527,755</u>	<u>10,111,337</u>
Pension asset	26	-	-
Net assets		<u>9,527,755</u>	<u>10,111,337</u>
Capital and reserves			
Other reserves	24	349,998	349,998
Profit and loss account	24	9,177,757	9,761,339
		<u>9,527,755</u>	<u>10,111,337</u>

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


J Agnew
Director

Date: 5/9/18

The notes on pages 16 to 39 form part of these financial statements.

Glass and Glazing Federation
(A company limited by guarantee)

Consolidated statement of changes in equity
For the year ended 31 December 2017

	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016	349,998	10,171,608	10,521,606
Profit for the year	-	5,447,508	5,447,508
Actuarial losses on pension scheme	-	(26,000)	(26,000)
At 1 January 2017	<u>349,998</u>	<u>15,593,116</u>	<u>15,943,114</u>
Profit for the year	-	303,975	303,975
Actuarial losses on pension scheme	-	(25,000)	(25,000)
At 31 December 2017	<u><u>349,998</u></u>	<u><u>15,872,091</u></u>	<u><u>16,222,089</u></u>

The notes on pages 16 to 39 form part of these financial statements.

Glass and Glazing Federation
(A company limited by guarantee)

Company statement of changes in equity
For the year ended 31 December 2017

	Property revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016	2,035,865	349,998	5,369,364	7,755,227
Profit for the year	-	-	2,382,110	2,382,110
Actuarial losses on pension scheme	-	-	(26,000)	(26,000)
Transfer to/from profit and loss account	-	-	2,035,865	2,035,865
Transfer to/from profit and loss account	(2,035,865)	-	-	(2,035,865)
At 1 January 2017	-	349,998	9,761,339	10,111,337
Loss for the year	-	-	(558,582)	(558,582)
Actuarial losses on pension scheme	-	-	(25,000)	(25,000)
At 31 December 2017	-	349,998	9,177,757	9,527,755

The notes on pages 16 to 39 form part of these financial statements.

Glass and Glazing Federation
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	303,975	5,447,508
Adjustments for:		
Amortisation of intangible assets	1,341	-
Depreciation of tangible assets	249,629	191,318
Loss/(profit) on disposal of tangible assets	85	(5,352,880)
Interest received and investment income	(215,046)	(161,849)
Taxation charge	250,319	324,900
(Increase)/decrease in debtors	(363,547)	431,460
Increase/(decrease) in creditors	158,623	(236,368)
(Decrease) in net pension assets/liabilities	(25,000)	(26,000)
Corporation tax paid	(371,528)	(152,255)
Net cash generated from operating activities	(11,149)	465,834
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(5,363)
Purchase of tangible fixed assets	(130,927)	(7,827,000)
Sale of tangible fixed assets	21	8,844,254
Purchase of listed investments	(18,011)	-
Interest received	4,203	15,982
Dividends received	18,011	-
Net cash from investing activities	(126,703)	1,027,873
Net (decrease)/increase in cash and cash equivalents	(137,852)	1,493,707
Cash and cash equivalents at beginning of year	7,750,078	6,256,371
Cash and cash equivalents at the end of year	7,612,226	7,750,078
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,612,226	7,750,078
	7,612,226	7,750,078

The notes on pages 16 to 39 form part of these financial statements.

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

1. General information

Glass and Glazing Federation is a private company limited by guarantee and is incorporated in England with the registration number 04063012. The address of the registered office is 40 Rushworth Street, London, England, SE1 0RB.

The principal activity of the group is that of operating as an employers' trade federation for the glass and glazing industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 (as amended by the 2017 Triennial Review), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 (as amended by the 2017 Triennial Review) is given in note 30.

The financial statements have been presented in pounds sterling and are rounded to the nearest pound.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

2. Accounting policies (continued)

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover within the group companies:

- revenue from subscriptions to the employers' trade federation for the glass and glazing industry
- revenue from the Fenestration Self-Assessment Scheme service
- revenue due from the rating of Energy Efficient Windows
- revenue from the provision of training services, recognised on completion of these services
- revenue from insurance premiums on the installation of windows and conservatories, recognised upon either acceptance of an offer of insurance by the customer or recording of an installation by a registered installer
- revenue from software development, systems implementation and operations services

2.4 Operating leases: the group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

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

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income 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 group in independently administered funds.

Defined benefit pension plan

The company operates a defined benefits pension scheme and the pension charge is based on an actuarial valuation dated 31 December 2017.

For defined benefit plans the amount charged to the statement of comprehensive income in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in other comprehensive income.

The defined benefit plan is funded, with the assets held separately from the group in a separate trustee administered fund. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension plan assets are measured at fair value. The pension plan liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension plan liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

2. Accounting policies (continued)

2.7 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Exceptional items

Exceptional items are transactions that do not fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2.9 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.

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

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

Amortisation is provided on the following basis:

Licences	-	25 % straight line
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Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

2. Accounting policies (continued)

2.10 Tangible fixed assets

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

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

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

Prior to the adoption of FRS 102 (as amended by the 2017 Triennial Review) the company recognised its freehold land and buildings, to the extent that they were used by fellow group members, as investment property held at fair value. These freehold land and buildings were held at deemed cost upon transition to the revised standard.

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:

Long Term Leasehold Property	-	2%
Office Equipment	-	25%
Computer equipment	-	25%

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 consolidated statement of comprehensive income.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 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.

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

2. Accounting policies (continued)

2.13 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.14 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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.16 Provisions for liabilities

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

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

2. Accounting policies (continued)

2.17 Financial instruments

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

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

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group 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.

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Tangible fixed assets

The group has recognised tangible fixed assets with a carrying value of £7,656,173 (2016 - £7,774,983) at the reporting date (see note 16). These assets are stated at their cost less provision for depreciation and impairment. The group's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the company determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the group undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less the incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the group's forecasts for the foreseeable future which do not include any restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as expected future cash flows and the growth rate used for extrapolation purposes.

Taxation

Provision has been made in the financial statements for deferred tax amounting to £227,288 (2016 - £50,712) at the reporting date (see note 22). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

Pensions and other post-employment benefits

As detailed in note 26 the company operates a defined benefit pension scheme for the benefit of certain employees. The cost of operating the scheme is determined using actuarial valuations undertaken by the scheme actuary. Their valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the scheme, such estimates are subject to significant uncertainty.

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

4. Turnover

	2017 £	2016 £
Employers' trade federation for the glass and glazing industry	2,062,975	2,118,074
Insurance premiums on the installation of windows and conservatories	1,702,968	1,944,141
Fenestration Self-Assessment Scheme	3,295,760	3,367,304
Software development, systems implementation and operations services	977,920	1,087,686
Thermal efficiency of windows, doors and other products	535,243	614,636
Provision of training	241,318	332,501
	<u>8,816,184</u>	<u>9,464,342</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	8,816,184	9,446,841
Rest of the world	-	17,501
	<u>8,816,184</u>	<u>9,464,342</u>

5. Other operating income

	2017 £	2016 £
Insurance claims receivable	44,598	-
Sundry income	11,311	25
	<u>55,909</u>	<u>25</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	249,629	189,756
Amortisation of intangible assets, including goodwill	1,341	-
Fees payable to the group's auditor for the audit of the company's annual financial statements	63,520	78,825
Defined contribution pension cost	187,564	379,988
Defined benefit pension cost	25,000	25,000
	<u>527,054</u>	<u>673,569</u>

Glass and Glazing Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2017

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	3,622,455	4,239,102	1,001,386	1,449,272
Social security costs	297,907	277,321	104,685	146,516
Cost of defined contribution scheme	187,564	379,988	60,701	272,398
	<u>4,107,926</u>	<u>4,896,411</u>	<u>1,166,772</u>	<u>1,868,186</u>

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

	Group 2017 No.	Group 2016 No.	Company 2017 No.	Company 2016 No.
Management and administration	<u>94</u>	<u>107</u>	<u>25</u>	<u>33</u>

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	-	211,373
Company contributions to defined contribution pension schemes	-	101,923
	<u>-</u>	<u>313,296</u>

During the year retirement benefits were accruing to no directors (2016 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £NIL (2016 - £211,373).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2016 - £101,923).

9. Income from investments

	2017 £	2016 £
Income from current asset investments	<u>18,011</u>	<u>-</u>

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10. Interest receivable

	2017 £	2016 £
Other interest receivable	<u>4,203</u>	<u>15,982</u>

11. Other finance costs

	2017 £	2016 £
Interest income on pension scheme assets	54,000	72,000
Net interest on net defined benefit liability	<u>(54,000)</u>	<u>(71,000)</u>
	<u>-</u>	<u>1,000</u>

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12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	73,743	372,853
Adjustments in respect of previous periods	-	(47,953)
Total current tax	<u>73,743</u>	<u>324,900</u>
Deferred tax		
Origination and reversal of timing differences	176,576	-
Total deferred tax	<u>176,576</u>	<u>-</u>
Taxation on profit on ordinary activities	<u><u>250,319</u></u>	<u><u>324,900</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>554,294</u>	<u>5,772,407</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	106,702	1,154,481
Effects of:		
Expenses not deductible for tax purposes	1,696	44,039
Depreciation for year in excess of capital allowances	170,793	(33,790)
Utilisation of tax losses	-	(199)
Adjustments to tax charge in respect of prior periods	-	(47,953)
Non-taxable income	(37,120)	(1,099,339)
Capital gains	27,821	307,661
Other differences leading to an increase (decrease) in the tax charge	(19,573)	-
Total tax charge for the year	<u><u>250,319</u></u>	<u><u>324,900</u></u>

Factors that may affect future tax charges

The UK corporation tax rate will reduce from 19% to 17% effective from 1 April 2020.

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13. Exceptional items

	2017 £	2016 £
Profit on sale of tangible fixed assets	-	5,355,010
Restructuring costs	<u>(702,954)</u>	-
	<u>(702,954)</u>	<u>5,355,010</u>

During the prior year the Glass and Glazing Federation sold a freehold property for gross proceeds of £9,000,000 resulting in a gain on disposal of £5,355,010.

In the current year the group has incurred one-off costs in the sum of £702,954, which relate to the restructuring of the group.

14. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £558,582 (2016 - profit £2,382,110).

15. Intangible assets

Group and Company

	Licenses £
Cost	
At 1 January 2017	<u>5,363</u>
At 31 December 2017	<u>5,363</u>
Amortisation	
Charge for the year	<u>1,341</u>
At 31 December 2017	<u>1,341</u>
Net book value	
At 31 December 2017	<u>4,022</u>
At 31 December 2016	<u>5,363</u>

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16. Tangible fixed assets

Group

	Long Term Leasehold Property £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation				
At 1 January 2017	7,664,943	209,807	320,532	8,195,282
Additions	23,754	23,712	83,461	130,927
Disposals	-	-	(1,015)	(1,015)
At 31 December 2017	<u>7,688,697</u>	<u>233,519</u>	<u>402,978</u>	<u>8,325,194</u>
Depreciation				
At 1 January 2017	115,201	145,628	159,471	420,300
Charge for the year on owned assets	153,595	19,264	76,770	249,629
Disposals	-	-	(909)	(909)
At 31 December 2017	<u>268,796</u>	<u>164,892</u>	<u>235,332</u>	<u>669,020</u>
Net book value				
At 31 December 2017	<u>7,419,901</u>	<u>68,627</u>	<u>167,646</u>	<u>7,656,174</u>
At 31 December 2016	<u>7,549,742</u>	<u>64,179</u>	<u>161,062</u>	<u>7,774,983</u>

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16. Tangible fixed assets (continued)

Company

	Long Term Leasehold Property £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation				
At 1 January 2017	7,664,945	137,507	186,548	7,989,000
Additions	23,754	20,864	19,586	64,204
At 31 December 2017	<u>7,688,699</u>	<u>158,371</u>	<u>206,134</u>	<u>8,053,204</u>
Depreciation				
At 1 January 2017	115,202	101,538	83,191	299,931
Charge for the year on owned assets	153,595	10,189	43,270	207,054
At 31 December 2017	<u>268,797</u>	<u>111,727</u>	<u>126,461</u>	<u>506,985</u>
Net book value				
At 31 December 2017	<u>7,419,902</u>	<u>46,644</u>	<u>79,673</u>	<u>7,546,219</u>
At 31 December 2016	<u>7,549,743</u>	<u>35,970</u>	<u>103,357</u>	<u>7,689,070</u>

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17. Fixed asset investments

Group

	Listed Investments £
Valuation	
At 1 January 2017	2,207,553
Additions	18,011
Revaluations	192,832
At 31 December 2017	<u>2,418,396</u>
Net book value	
At 31 December 2017	<u>2,418,396</u>
At 31 December 2016	<u>2,207,553</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
FENSA Limited	Ordinary	100 %	Government authorised Competent Persons Scheme for the replacement of windows, doors and roof lights
Borough IT Limited	Ordinary	100 %	Provision of IT services and software
GGFi Limited	Ordinary	100 %	Insurance broker within the fenestration industry
British Fenestration Rating Council Limited	Ordinary	100 %	Rating of energy efficient windows
GGF Training Ltd	Ordinary	100 %	Provision of training courses
Rushworth Inspection Services and Audit Limited	Ordinary	100 %	Undertakes inspections and audits of replacement windows, doors and roof lights
GGF Helix Group Ltd	Ordinary	100 %	Intermediate holding company
GGF Property Limited	Ordinary	100 %	Freehold property holding company

All subsidiary undertakings are incorporated in England.

The rules of FENSA Limited state that any profits can only be used for the benefit of the scheme that it operates and as such these profits cannot be distributed.

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17. Fixed asset investments (continued)

Company

	Investments in Subsidiary Companies £
Cost	
At 1 January 2017	351,007
Additions	350,005
Disposals	(350,005)
At 31 December 2017	<u>351,007</u>
Net book value	
At 31 December 2017	<u>351,007</u>
At 31 December 2016	<u>351,007</u>

18. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	3,636,746	3,152,557	1,289,388	1,200,005
Amounts owed by group undertakings	-	-	1,407,777	388,609
Other debtors	79,659	158,374	62,609	45,120
Prepayments and accrued income	116,102	158,027	67,597	60,792
	<u>3,832,507</u>	<u>3,468,958</u>	<u>2,827,371</u>	<u>1,694,526</u>

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19. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	7,612,226	7,750,078	1,047,067	2,228,529

20. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	418,452	431,294	33,793	110,090
Amounts owed to group undertakings	-	-	277,461	74,165
Corporation tax	73,782	371,566	-	85,811
Other taxation and social security	712,317	492,118	174,566	36,999
Other creditors	17,746	39,564	8,656	33,884
Accruals and deferred income	3,851,651	3,878,569	1,551,380	1,510,844
	<u>5,073,948</u>	<u>5,213,111</u>	<u>2,045,856</u>	<u>1,851,793</u>

21. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,418,396	2,207,553	-	-
Financial assets that are debt instruments measured at amortised cost	3,636,744	3,310,932	1,376,616	1,633,734
	<u>6,055,140</u>	<u>5,518,485</u>	<u>1,376,616</u>	<u>1,633,734</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(1,837,143)	(1,261,232)	(757,768)	(505,619)

Financial assets measured at fair value through profit or loss comprise listed investments.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings and related parties.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and amounts owed to group undertakings.

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22. Deferred taxation

Group

	2017	2016
	£	£
At beginning of year	(50,712)	(50,712)
Charged to profit or loss	(198,053)	-
Utilised in year	21,477	-
At end of year	(227,288)	(50,712)

Company

	2017	2016
	£	£
At beginning of year	-	(446,168)
Charged to profit or loss	(198,053)	446,168
At end of year	(198,053)	-

The provision for deferred taxation is made up as follows:

	Group	Group	Company	Company
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	(199,467)	(51,921)	(198,053)	-
Capital gains	(27,821)	-	-	-
Short term timing differences	-	1,209	-	-
	(227,288)	(50,712)	(198,053)	-

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23. Financial risk management

The group has exposure to three main areas of risk – liquidity risk, customer credit exposure risk and price risk. The company has established a risk and financial management framework whose primary objective is to mitigate the group's exposure to risk in order to protect the company from events that may hinder its performance.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The group's objective in managing liquidity risk is to ensure that this does not arise. Having assessed future cash flow requirements the group expects to be able to meet its financial obligations through the cash flows that are generated from its operating activities. The group is in a position to meet its commitments and obligations as they fall due.

Customer credit exposure

The group offers credit terms to its customers which allow for payment of the debt after delivery of the goods or services. The group is at risk to the extent that a customer may be unable to pay the debt within those terms. This risk is mitigated by the strong on-going customer relationships and by only granting credit to customers who are able to demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the group's trade debtors are shown in note 18.

Price risk

Price risk arises on financial instruments due to fluctuations in commodity prices or equity prices. Listed investments with a fair value of £2,418,396 (2016 - £2,207,553) at the year end are exposed to price risk, which is mitigated by the active management of the group's investment portfolio with the assistance of external financial advisers.

24. Reserves

Other reserves

This is a capital reserve.

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions.

25. Contingent liabilities

The company forms a VAT group with Borough IT Limited, FENSA Limited, G.G.F. Fund Limited, GGF Limited, British Fenestration Rating Council Limited, GGF Training Ltd, GGF Helix Group Ltd and Rushworth Inspection Services and Auditing Limited and as such is jointly and severally liable for any liabilities as they fall due. No provision has been made because the directors consider that all parties have the financial resources to meet the liability as it falls due and it is therefore unlikely that this company will incur any additional liability. The total VAT not recognised in the accounts is £411,001 (2016 - £288,871).

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26. Pension commitments

Defined contribution scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £187,564 (2016 - £379,988). Contributions totalling £4,367 (2016 - £30,460) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit scheme

The group also operates a defined benefit pension scheme.

The assets of the plan are held separately from those of the company in an independently administered fund. The assets of the plan were valued by an independent qualified actuary on 31 December 2017.

On an ongoing basis the actuarial valuation of the pension plan reported that the value of the plan assets at 31 December 2017 were £2,369,000. The value of the scheme liabilities were £2,171,000, a funding level of 109%.

The plan closed to new members on 31 March 2004, all employees are now offered membership to a defined contribution group personal plan.

The expected return on defined benefit pension plan assets is based on the discount rate used to value the liabilities, i.e. the returns available on a high quality corporate bond. No allowance is made for any out-performance expected from the plan's actual asset holding.

The total of the asset values is based on the bid value of the funds invested with Legal & General along with the plan's bank account balance at the review date.

Composition of plan assets:

	2017 £	2016 £
Equities	1,825,000	1,690,240
Bonds	542,000	533,760
Cash	2,000	-
Total plan assets	2,369,000	2,224,000

The amounts recognised in profit or loss are as follows:

	2017 £	2016 £
Interest on obligation	(54,000)	(71,000)
Interest income on plan assets	54,000	72,000
Total	-	1,000

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26. Pension commitments (continued)

Reconciliation of fair value of plan liabilities were as follow:

	2017 £	2016 £
Opening defined benefit obligation	2,098,000	1,885,000
Interest cost	54,000	71,000
Actuarial gains and (losses)	60,000	195,000
Benefits paid	(41,000)	(53,000)
Closing defined benefit obligation	2,171,000	2,098,000

Reconciliation of fair value of plan assets were as follows:

	2017 £	2016 £
Opening fair value of scheme assets	2,224,000	1,902,000
Interest income on plan assets	54,000	72,000
Actuarial gains and (losses)	103,000	278,000
Contributions by employer	25,000	25,000
Benefits paid	(41,000)	(53,000)
	2,365,000	2,224,000

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of comprehensive income was £336,000 (2016 - £379,000).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2017 %	2016 %
Discount rate	2.40	2.60
Expected return on scheme assets	2.60	2.60
Rate of increase in deferred pensions	2.70	2.70
Rate of increase in pension payments	2.60	2.60
Inflation - RPI	3.50	3.50
Inflation - CPI	3.50	2.70

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26. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2017 £	2016 £
Defined benefit obligation	(2,171,000)	(2,098,000)
Scheme assets	2,369,000	2,224,000
Surplus	198,000	126,000
Experience adjustments on scheme liabilities	-	(138,000)
Experience adjustments on scheme assets	-	138,000
	-	-

27. Commitments under operating leases

At 31 December 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	59,586	77,625	8,134	26,173
Later than 1 year and not later than 5 years	26,554	73,480	5,953	2,181
	86,140	151,105	14,087	28,354

28. Related party transactions

The group is exempt from disclosing related party transactions between companies that are wholly owned within the group.

During the year, group companies made recharges of £95,885 (2016 - £49,802) and management charges of £23,225 (2016 - £34,113) to G.G.F. Fund Limited ('the Fund'), a related party by virtue of many of the current contributing members of the Fund also having membership of the Federation. As at 31 December 2017, there was no balance due from the Fund (2016 - £2,349).

29. Controlling party

The company is controlled by its directors.

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30. First time adoption of FRS 102 (as amended by the 2017 Triennial Review)

The group and company transitioned to FRS 102 (as amended by the 2017 Triennial Review) as at 1 January 2016. The impact of the transition is as follows:

Reconciliation of equity at 1 January 2016

	Note	Group £	Company £
Equity at 1 January 2016 prior to transition		10,521,606	7,755,227
Equity shareholders funds at 1 January 2016 under FRS 102 (as amended by the 2017 Triennial Review)		<u>10,521,606</u>	<u>7,755,227</u>

Reconciliation of equity at 31 December 2016

	Note	Group £	Company £
Equity at 31 December 2016 prior to transition		15,943,111	10,837,620
Reclassification of investment property	1	-	(726,283)
Equity shareholders funds at 31 December 2016 under FRS 102 (as amended by the 2017 Triennial Review)		<u>15,943,111</u>	<u>10,111,337</u>

Reconciliation of profit and loss account for the year ended 31 December 2016

		Group £	Company £
Profit for the year prior to transition		5,447,505	3,108,393
Reclassification of investment property	1	-	(726,283)
Profit for the year ended 31 December 2016 under FRS 102 (as amended by the 2017 Triennial Review)		<u>5,447,505</u>	<u>2,382,110</u>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 The company holds leasehold land and buildings that are in part, rented to other group entities. The element of the building that was rented to other group entities was previously classified as investment property and held at fair value. Following the 2017 revision to FRS 102, property that is used within the group is now permitted to be measured by reference to cost rather than its fair value. Accordingly, adjustments have been made in respect of historic fair value movements, depreciation and deferred tax charges.

In addition, the standard permits that the company can use a historic valuation upon transition as deemed cost. This option has been adopted by the company.

There has been no impact on the consolidated group accounts.