

DO NOT STAPLE
PRINT ON ONE SIDE ONLY

FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Builders Merchants Federation Limited

Year ended:

31/03/2019

List No:

234E

Head or Main Office:

1180 Elliot Court,
Coventry Business Park,
Herald Avenue,
Coventry,
CV5 6UB

Website address (if available)

www.bmf.org.uk

Has the address changed during
the
year to which the return relates?

Yes

No

(Tick as appropriate)

General Secretary:

Richard Ellithorne

Contact name for queries
regarding
the completion of this return:

Richard Ellithorne

Telephone Number:

02476 854984

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
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

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





BUILDERS MERCHANTS FEDERATION LIMITED

OFFICERS IN POST AS AT 31 MARCH 2019

P.Hindle	BMF Chairman
C Ledigo	Elected Director
A. Harrison	Elected Director
I. Haldane	Elected Director
J. Newcomb	Chief Executive
M.Smith	Hon. Treasurer
S.Patel	Elected Director
T.Rowbottom	Elected Director
N.Lawrence	Advisor -Merchants Members
T.France	Advisor Supplier Members
R. Ellithorne	Secretary

RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
644	11	24	4	683

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-suppliers	Charles Ledigo	Charles Ledigo re-elected	20 th March 2019
Hon Treasurer	Mark Smith	Mark Smith-re-elected	12 th December 2018

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc	1,264,912	
	Investment income Interest and dividends (gross)	7,079	
	Bank interest (gross)	1,995	
	Other (specify)		
	Other income Rents received	110,768	
	Insurance commission	0	
	Consultancy fees	0	
	Publications/Seminars	0	
	Miscellaneous receipts (BMF Training)	621,398	
	Investment property revaluation gain	167,500	
	TOTAL INCOME		2,173,652
	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		2,040,209
	Surplus/Deficit for year		133,443
	Unrealised surplus on revaluation of freehold property (including deferred tax)		169,060

	Amount of fund at beginning of year	4,269,109
	Amount of fund at end of year	4,571,612

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		£	£
2,525,122	Fixed Assets (as at page 11)		2,839,132
1,319,380	Investments (as per analysis on page 13)		1,314,050
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
1,406,188	Sundry debtors	1,327,496	
359,749	Cash at bank and in hand	372,364	
0	Stocks of goods	0	
0	Others (specify)	0	
	Total of other assets		1,699,860
5,610,439	TOTAL ASSETS		5,853,042
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Revaluation Reserve		
	Liabilities		
0	Loans		0
0	Bank overdraft		0
93,120	Tax payable		144,918
1,248,210	Sundry creditors		1,136,512
0	Accrued expenses		0
0	Provisions		0
0	Other liabilities		0
1,341,330	TOTAL LIABILITIES		1,281,430
4,269,109	TOTAL ASSETS		4,571,612

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 <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>
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	1,264,912	0	1,264,912
From Investments	9,074	0	9,074
Other Income (including increases by revaluation of assets)	899,666	0	899,666
Total Income	2,713,652	0	2,713,652
EXPENDITURE (including decreases by revaluation of assets)	2,040,209 1,871,149	0	2,040,209 1,871,149
Total Expenditure			
Funds at beginning of year (including reserves)	4,269,109	0	4,269,109
Funds at end of year (including reserves)	4,571,612	0	4,571,612
ASSETS			
Fixed Assets			2,839,132
Investment Assets			1,314,050
Other Assets			1,699,860
		Total Assets	5,853,042
LIABILITIES			
		Total Liabilities	1,281,430
NET ASSETS (Total Assets less Total Liabilities)			4,571,612

NOTES TO THE ACCOUNTS

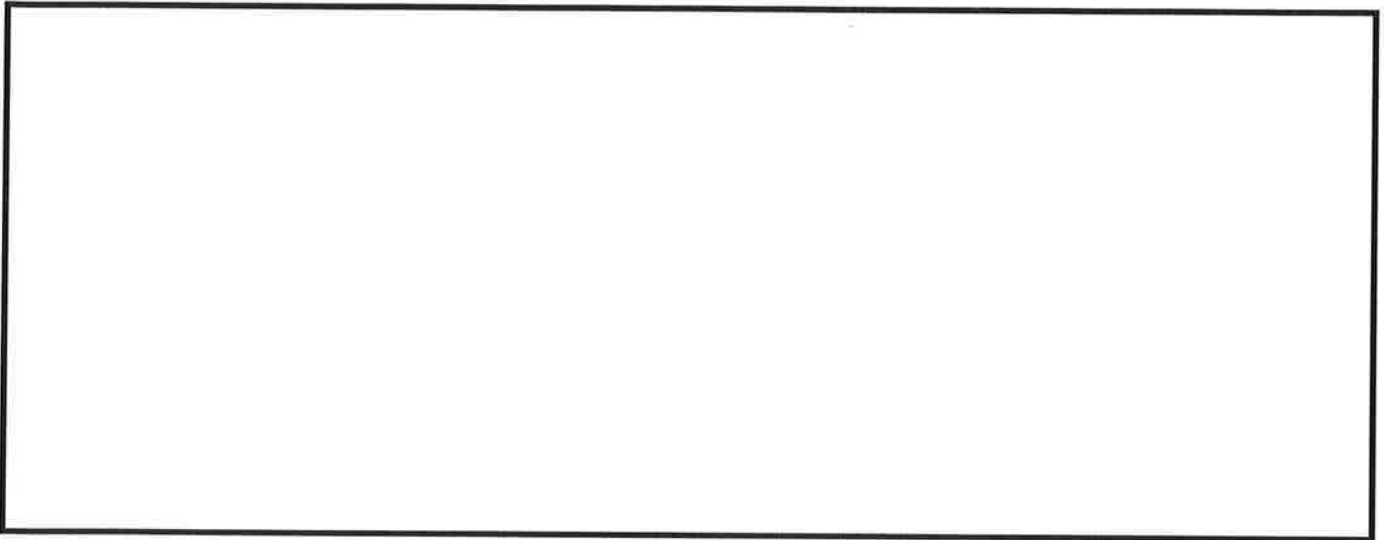
(see note 36)

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

A large, empty rectangular box with a black border, intended for the user to enter their notes to the accounts. The box occupies most of the page below the instructions.

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>[Signature]</i></u> Name: <u>RICHARD ELLITHORPE</u> Date: <u>4-9-19</u>	Chairman's Signature: <u><i>[Signature]</i></u> (or other official whose position should be stated) Name: <u>JOHN NEWCOMB</u> Date: <u>4/9/19</u>
---	---

CHECK LIST

(see note 41)

(please tick as appropriate)

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

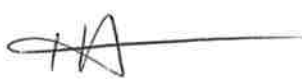
If "No" please explain below.

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)

In our opinion the financial statements:

- *give a true and fair view of the matters which they relate to.*
- *have been prepared in accordance with the requirements of sections 28, 32 and 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.*

Signature(s) of auditor or auditors:		
Name(s):	P. D. Johnson	
Profession(s) or Calling(s):	Statutory Auditor, FCA -	
Address(es):	6 Dominus Way, Meridian Business Park, Leicester LE19 1RP	
Date:	26/9/19	
Contact name for enquiries and telephone number:	Bob Johnson 07554 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.

Checklist for auditor's report

(see notes 40 to 44)

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 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)

Please explain in your report overleaf or attached.

2. 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)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:
In our opinion the financial statements:
 - give a true and fair view of the matters to which they relate to.
 - have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Builders Merchants Federation Limited

Registered number: 31516R

Annual report and financial statements

For the year ended 31 March 2019

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

COMPANY 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 Charles Ledigo Neil Lawrence - Advisor to the board (resigned 3 July 2019) Tony France - Advisor to the board (resigned 3 July 2019) Ian Haldane Shanker Patel Andrew Harrison Tim Rowbottom
Federation secretary	Richard Ellithorne
Co-operative and community benefit society number	31516R
Registered office	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

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Strategic report	1 - 2
The board's report	3 - 4
Independent auditor's report	5 - 7
Income statement	8
Statement of comprehensive income	9
Balance sheet	10
Notes to the financial statements	11 - 21

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The board present their strategic report for Builders Merchants Federation Limited for the year ended 31 March 2019.

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 7% increase over the last 12 months.

Development and financial performance during the year

Turnover for the year decreased to £1.9m (2018 £2.4m). A significant portion of this related to the bi annual overseas conference taking place in the previous financial year. Revenue in 2018 relating to the bi-annual overseas conference was £0.7m (2019 - £nil). Actual membership numbers increased from 640 at 31 March 2018 to 684 at 31 March 2019, 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, Civils and Lintels, Roofing and Timber, all of which are well attended by members.

Dividend income in the year, from listed investments, was in line with expectations, however the market value of the listed investments reduced by £56k, in the year, compared to a decrease in value of £32k in the prior year. As the board are adopting a long term investment strategy, some fluctuation in value is inevitable. The board remain very satisfied with the overall performance of the listed investments and will continue with the existing strategy.

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 £4.57 million (2018 - £4.27 million) of capital and reserves. These net assets are represented by £1.88 million (2018 - £1.84 million) of net current assets, and £2.84 million (2018 - £2.53 million) of fixed assets. The board believe this to be a satisfactory position from which to progress the future of the Federation.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Brexit

The Board have and continue to assess the uncertainties created by Brexit and its potential impact on the industry.

The main risk that the Federation faces is the impact Brexit may have on its members, its suppliers and their own customers. In order to mitigate this risk, the Federation held a Brexit forum in January with its members to discuss the potential implications that Britain leaving the European Union has for the building materials' supply chain. The Federation also attends quarterly briefing meetings in London with the CBI and the notes and any potential outcomes from this meeting are circulated to all Members immediately following the briefing sessions.

At present there appears to have been minimal impact however, the Board are monitoring the impact accordingly. They remain vigilant and responsive to any other indirect risks which may impact the Federation and its members and are alert to taking swift and decisive action internally if an when required.

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 formally review and document 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 the equity markets impacting upon investments held.

(This report was approved by the board on

and signed on its behalf.


John Newcomb
Chief Executive

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

BOARDS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The board present their report and the financial statements for the year ended 31 March 2019.

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 Co-operative and Community Benefit Societies Act 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'. 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 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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 company 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 £133,443 (2018 - £73,346).

Board

The board members who served during the year were:

Peter Hindle MBE - Chairman
John Newcomb - Chief Executive
Mark Smith - Honorary Treasurer
Charles Ledigo
Neil Lawrence - Advisor to the board (resigned 3 July 2019)
Tony France - Advisor to the board (resigned 3 July 2019)
Ian Haldane
Shanker Patel
Andrew Harrison
Tim Rowbottom

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

BOARDS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

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 company'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 company's auditor is aware of that information.

Auditor

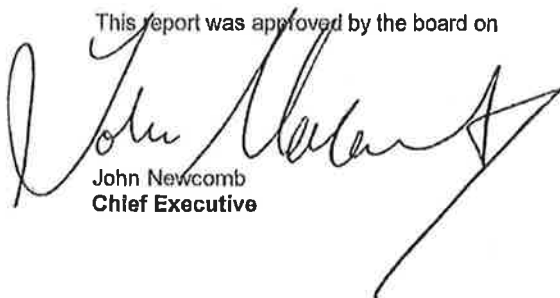
The auditor, Mazars LLP, will be proposed for reappointment.

Small entity note

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

This report was approved by the board on

and signed on its behalf.



John Newcomb
Chief Executive

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUILDERS MERCHANTS FEDERATION LIMITED

Opinion

We have audited the financial statements of Builders Merchants Federation Limited (the 'company') for the year ended 31 March 2019 which comprise the income statement, the statement of comprehensive income, the balance sheet and notes to the financial statements, 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 FRS 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 company's affairs as at 31 March 2019 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Board's view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to Brexit.

BUILDERS MERCHANTS FEDERATION LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUILDERS MERCHANTS FEDERATION LIMITED

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 boards' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The board 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 are not in agreement with the books of accounts; or
- we have not received all the information and explanations we require for our audit.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUILDERS MERCHANTS FEDERATION LIMITED

Responsibilities of the board

As explained more fully in the boards' responsibilities statement set out on page 3, the board 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 board 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 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014. 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.



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

Date:

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	3	1,886,310	2,414,712
Operating costs		(2,005,931)	(2,512,850)
	5	(119,621)	(98,138)
Investment property revaluation gain		167,500	39,500
Other operating income	4	117,847	143,451
Operating surplus	5	165,726	84,813
Interest receivable and similar income	7	1,995	1,709
Surplus before tax		167,721	86,522
Tax	8	(34,278)	(13,176)
Surplus for the financial year		133,443	73,346

The notes on pages 11 to 21 form part of these financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Surplus for the financial year	133,443	73,346
Other comprehensive income		
Unrealised surplus on revaluation of tangible fixed assets	200,510	118,632
Deferred tax on revaluation of freehold property	(31,450)	(70,838)
Other comprehensive income for the year	169,060	47,794
Total comprehensive income for the year	302,503	121,140

The notes on pages 11 to 21 form part of these financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 31516R

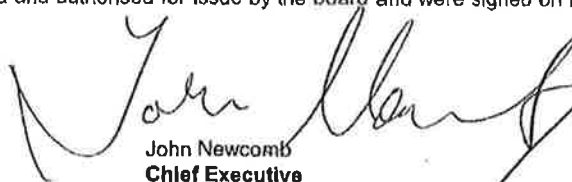
BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2018 £	2018 £
Fixed assets			
Intangible assets	9	66,916	85,746
Tangible assets	10	1,630,216	1,464,876
Investment properties	11	1,142,000	974,500
		<u>2,839,132</u>	<u>2,525,122</u>
Current assets			
Debtors	12	1,327,496	1,406,188
Current asset investments	13	1,314,050	1,319,380
Cash at bank and in hand		372,364	359,749
		<u>3,013,910</u>	<u>3,085,317</u>
Creditors: amounts falling due within one year	14	(1,136,512)	(1,248,210)
Net current assets		<u>1,877,398</u>	<u>1,837,107</u>
Provisions for liabilities			
Deferred tax	15	(144,918)	(93,120)
		<u>(144,918)</u>	<u>(93,120)</u>
Net assets		<u>4,571,612</u>	<u>4,269,109</u>
Capital and reserves			
Revaluation reserve	16	703,365	534,305
Accumulated funds	16	3,868,247	3,734,804
		<u>4,571,612</u>	<u>4,269,109</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


Mark Smith
Honorary Treasurer


John Newcomb
Chief Executive

The notes on pages 11 to 21 form part of these financial statements.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Builders Merchants Federation Limited is a member of the Co-operative and Community Benefit Society incorporated on 17 January 2012 as a limited company by guarantee. 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 entity'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.

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. Amortisation is provided on the following basis:

Software - 20-33% per annum

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than freehold and investment properties (see notes 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.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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 other comprehensive income.

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 transaction 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.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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 transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Operating leases

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

2.12 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.

2.13 Interest income

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

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.14 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 surplus; 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:

	2019	2018
	£	£
Contributions and subscriptions	902,038	843,708
Other income from members	362,874	362,486
BMF conference income	-	678,639
BMF training income	621,398	529,879
	<u>1,886,310</u>	<u>2,414,712</u>

4. Other operating income

	2019	2018
	£	£
Dividend income	53,399	53,394
Surplus on sale of investments	9,349	12,914
Investment revaluation	(55,669)	(31,598)
Rental income	110,768	108,741
	<u>117,847</u>	<u>143,451</u>

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. Operating surplus

The operating surplus is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	52,741	62,147
Auditor's remuneration	6,790	6,592
Auditor's remuneration - non-audit	5,510	5,356
Operating lease charges	4,148	3,310
Staff costs and expenses	732,232	653,447
Contributions paid to defined contribution pension schemes	111,865	105,165
Amortisation of intangible assets	22,070	20,700
	<u>1,005,356</u>	<u>1,124,767</u>

6. Employees

The average monthly number of employees during the year was 18 (2018 - 17).

7. Interest receivable

	2019	2018
	£	£
Bank interest receivable	1,995	1,709
	<u>1,995</u>	<u>1,709</u>

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on surplus for the year	13,801	14,003
Adjustments in respect of previous periods	129	-
Adjustment in respect of prior periods	-	(23,382)
Total current tax	<u>13,930</u>	<u>(9,379)</u>
Deferred tax		
Origination and reversal of timing differences	<u>20,348</u>	<u>22,555</u>
Total deferred tax	<u>20,348</u>	<u>22,555</u>
Taxation on surplus on ordinary activities	<u>34,278</u>	<u>13,176</u>

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Intangible assets

	Website and computer software £
Cost	
At 1 April 2018	106,446
Additions	3,240
At 31 March 2019	<u>109,686</u>
Amortisation	
At 1 April 2018	20,700
Charge for the year	22,070
At 31 March 2019	<u>42,770</u>
Net book value	
At 31 March 2019	<u>66,916</u>
At 31 March 2018	<u>85,746</u>

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2018	1,300,000	363,520	48,106	1,709,626
Additions	-	925	17,611	18,536
Disposals	-	(4,114)	(3,240)	(7,354)
Revaluations	185,000	-	-	185,000
At 31 March 2019	<u>1,485,000</u>	<u>360,331</u>	<u>60,477</u>	<u>1,905,808</u>
Depreciation				
At 1 April 2018	-	203,623	41,127	244,750
Charge for the year on owned assets	15,510	33,254	3,977	52,741
Disposals	-	(3,149)	(3,240)	(6,389)
On revalued assets	(15,510)	-	-	(15,510)
At 31 March 2019	<u>-</u>	<u>233,728</u>	<u>41,864</u>	<u>275,592</u>
Net book value				
At 31 March 2019	<u>1,485,000</u>	<u>126,603</u>	<u>18,613</u>	<u>1,630,216</u>
At 31 March 2018	<u>1,300,000</u>	<u>159,897</u>	<u>4,979</u>	<u>1,464,876</u>

Freehold land and buildings were valued by D & P Holt, Chartered Surveyors in 2019, and are stated on the basis of open market value. The historical cost of the freehold land and building amounts to £775,508 (2018: £775,508). The historical depreciation charge amounted to £77,529 (2018: £62,019).

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018	974,500
Surplus on revaluation	167,500
At 31 March 2019	<u><u>1,142,000</u></u>

The investment property was valued by D & P Holt, Chartered Surveyors in 2019, and is stated on the basis of open market value. The historical cost of investment property amounts to £862,041 (2018: £862,041).

12. Debtors

	2019 £	2018 £
Trade debtors	518,404	1,120,957
Corporation tax recoverable	-	9,379
Prepayments and accrued income	809,092	275,852
	<u><u>1,327,496</u></u>	<u><u>1,406,188</u></u>

13. Current asset investments

	2019 £	2018 £
Listed investments	1,314,050	1,319,380
	<u><u>1,314,050</u></u>	<u><u>1,319,380</u></u>

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	252,808	127,047
Corporation tax	13,801	-
Other taxation and social security	117,038	157,768
Other creditors and deferred income	752,865	963,395
	<u>1,136,512</u>	<u>1,248,210</u>

15. Deferred taxation

	2019 £	2018 £
At beginning of year	(93,120)	273
Charged to income statement	(20,348)	(22,555)
Charged to other comprehensive income	(31,450)	(70,838)
At end of year	<u>(144,918)</u>	<u>(93,120)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(28,899)	(37,026)
Tax losses carried forward	19,647	19,647
Arising from revaluation of properties	(135,666)	(75,741)
	<u>(144,918)</u>	<u>(93,120)</u>

16. Reserves

Revaluation reserve

Revaluation reserve balance relates to the accumulated revaluation surpluses of freehold property held as tangible fixed assets.

Accumulated funds

The accumulated funds relates to the accumulated net surpluses recognised through the income statement.

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	4,148	4,148
Between 2 and 5 years	4,148	8,295
	<u>8,296</u>	<u>12,443</u>

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Turnover	1,886,310	2,414,712
Other operating income	117,847	143,451
Revaluation of investment property	167,500	39,500
Less: overheads		
Operating costs	(2,005,931)	(2,512,850)
Operating surplus	165,726	84,813
Interest receivable	1,995	1,709
Tax on surplus on ordinary activities	(34,278)	(13,176)
Surplus for the year	133,443	73,346

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Turnover		
Full member subscriptions	509,403	469,639
Supplier member subscriptions	343,546	329,170
Service member subscriptions	48,526	37,282
Distributor member subscriptions	563	7,617
Revenue from sale of services to members	315,168	315,373
Commissions receivable	47,706	47,113
2018 Conference Sponsorship Income	-	678,639
Regional training courses	116,914	116,024
BMF Modules / MOLs/ Training Income	1,800	64,840
In company courses	196,570	100,205
BMF Diploma	110,650	126,050
BMF Campus	1,951	1,643
Master Merchant	18,930	28,880
Other	78,010	40,243
Post graduate income and didac commissions	24,750	51,994
Anniversary income	71,823	-
	<u>1,886,310</u>	<u>2,414,712</u>
	2019 £	2018 £
Other operating income		
Dividend income	53,399	53,394
Rental income	110,768	108,741
Investment revaluation	(55,669)	(31,598)
Surplus on sale of investments	9,349	12,914
	<u>117,847</u>	<u>143,451</u>

BUILDERS MERCHANTS FEDERATION LIMITED
(A company limited by guarantee)

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Administration expenses		
Staff salaries	673,085	618,662
Staff national insurance	59,147	54,355
Pension contributions	111,865	105,165
Hotels, travel and subsistence	69,500	69,053
Premises - rates and charges	137,594	125,645
Stationery and office expenses	10,151	12,164
Computer maintenance	21,803	28,787
Postage and telephone	16,224	14,260
Subscriptions and donations	50,595	30,116
Legal and professional	24,059	17,642
Consultancy costs	26,163	53,985
Auditors' remuneration	6,790	6,592
Public relations	45,404	51,145
Marketing and publications	75,265	44,443
Depreciation and amortisation	74,839	82,831
Board and member's day	5,178	1,925
Member workshop and seminar costs	285,160	208,386
BMF Conference	-	652,620
BMF Modules / MOLs	7,562	52,883
Post graduate expense	8,000	36,000
In company resources	126,283	77,272
BMF Diploma	42,246	36,709
Master merchant	22,351	27,169
Bad debts	-	4,236
Sundry expenses	47,750	50,315
Regional training courses	47,417	45,983
Recruitment expenses	11,500	4,507
	<u>2,005,931</u>	<u>2,512,850</u>
	2019	2018
	£	£
Interest receivable		
Bank interest receivable	1,995	1,709
	<u>1,995</u>	<u>1,709</u>