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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 December 2019
List No:	
Head or Main Office:	40 RUSHWORTH STREET
	LONDON
Postcode	SE1 0RB
Website address (if available)	www.ggf.org.uk
Has the address changed during the year to which the return relates?	Yes [ ] No [X] ('X' in appropriate box)
General Secretary:	ASHA PYNDIAH
Contact name for queries regarding the completion of this return:	ASHA PYNDIAH
Telephone Number:	0207 939 9101
E-mail:	apyndiah@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 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

Contents

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
444	18	11	2	475

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Director	M.Butterick		5th December 2019
Director	J.Agnew		31st December 2019
Director		Gabrielle Paulette Mary-Ann Mendham	29th April 2019

Officers in post

(see note 10)

Please complete list of all officers in post at the end of the year to which this form relates.

Name of Officer	Position held
Mark Austin	Director
Anthony Smith	Director
Gabrielle Paulette Mary-Ann Mendham	Director
David Thornton	Director
Gareth Jones	Director
Alex Gray	Director
Asha Pyndiah	Company Secretary

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
	From Members	Subscriptions, levies, etc	1,125,777	1,125,777
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	2,063	2,063
		Other (specify)		
		Dividends	1,202,203	1,202,203
		Increases in investment value	255,983	255,983
		Total Investment Income	1,460,249	1,460,249
	Other Income	Rents received	37,206	37,206
		Insurance commission		
		Consultancy fees	113,991	113,991
		Publications/Seminars		
		Miscellaneous receipts (specify)		
		Trustmark and other	60,855	60,855
		Discounts	-45,920	-45,920
		Intercompany	1,011,054	1,011,054
		Duplicate certificate	719,499	719,499
		Total of other income		1,896,685
		Total income		4,482,711
		Interfund Transfers IN		
	Expenditure			
	Administrative expenses	Remuneration and expenses of staff	2,293,816	2,293,816
		Occupancy costs	254,918	254,918
		Printing, Stationery, Post	17,239	17,239
		Telephones	24,218	24,218
		Legal and Professional fees	214,880	214,880
		Miscellaneous (specify)		
		Purchases	32,557	32,557
		Entertainment	41,439	41,439
		Travel	168,667	168,667
		Computer costs	146,139	146,139
		Other	721,609	721,609
		Total of Admin expenses		3,915,482
	Other Charges	Bank charges	5,833	5,833
		Depreciation	233,449	233,449
		Sums written off	312,317	312,317
		Affiliation fees		
		Donations		
		Conference and meeting fees	281	281
		Expenses		
		Miscellaneous (specify)		
		Total of other charges		551,880
		Taxation	-141,108	-141,108
		Total expenditure		4,326,254
		Interfund Transfers OUT		
		Surplus/Deficit for year		156,457
		Amount of fund at beginning of year		9,455,841
		Amount of fund at end of year		9,612,298

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2			Fund Account
Name of account:	Other reserve	£	£
Income			
	From members		
	Investment income		
	Other Income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	349,998
		Amount of fund at the end of year (as Balance Sheet)	349,998

Account 3			Fund Account
Name of account:	Revaluation reserve	£	£
Income			
	From members		
	Investment income		
	Other income (specify)		
	Revaluation of property	312,522	
		312,522	312,522
		Total Income	312,522
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	312,522
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	312,522

Accounts other than 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	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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 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		
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
	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		
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
	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 [31 December 2019]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	6,276,974	6,276,974
	Investments (as per analysis on page 9)		
	Quoted (Market value £ 3,581,292) as at Page 9		3,581,292
	Unquoted (Market value £) as at Page 9		351,007
	Total Investments	3,932,299	3,932,299
	Other Assets		
	Sundry debtors	1,630,041	1,630,041
	Cash at bank and in hand	213,588	213,588
	Stocks of goods		
	Others (specify)		
	Investment Property	1,411,200	
	Total of other assets	3,254,829	3,254,829
	Total Assets		13,464,102
9,455,841	Revenue Account/ General Fund	9,612,298	
349,998	Other reserve	349,998	
	Revaluation reserve	312,522	
	Revaluation Reserve		
	Liabilities		
	Sundry liabilities	3,117,416	
	Deferred taxation	71,868	
	Total Liabilities		3,189,284
	Total Assets		13,464,102

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	7,731,458	70,622	279,251	8,081,331
Additions during period	16,494	1,052	27,888	45,434
Less: Disposals	-1,153,566		-6,941	-1,160,507
Less: Depreciation	-491,175	-46,896	-151,213	-689,284
Total to end of period	6,103,211	24,778	148,985	6,276,974
Book Amount at end of period	6,103,211	24,778	148,985	6,276,974
Freehold				
Leasehold (50 or more years unexpired)	6,103,211			6,103,211
Leasehold (less than 50 years unexpired				
Total of Fixed Assets	6,103,211	24,778	148,985	6,276,974

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)	
	Managed investment portfolio	3,581,292
	Quoted investments comprise managed investment portfolios which have been valued at fair value as at 31	
	Total Quoted (as Balance Sheet)	3,581,292
	Market Value of Quoted Investments	3,581,292
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Investments in subsidiaries	351,007
	Investments in subsidiary undertakings are held at historic cost, and have not been valued as at 31 December 2019	
	Total Unquoted (as Balance Sheet)	351,007
	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 note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?	Yes	X	No	

If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
Fensa Limited	03058561
Borough IT Limited	04930462
GGFi Limited	05258106
British Fenestration Rating Council Limited	05649431
GGF Training Ltd	05332181
Rushworth Inspection Services and Auditing Limited	05332186
GGF Property Limited	09900670
GGF Helix Group Ltd	10294854

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name	Yes	X	No	

If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?	Yes		No	

If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	1,125,777	1,125,777
From Investments	1,460,249	1,460,249
Other Income (including increases by revaluation of assets)	2,209,207	2,209,207
Total Income	4,795,233	4,795,233
Expenditure (including decreases by revaluation of assets)	4,326,254	4,326,254
Total Expenditure	4,326,254	4,326,254
Funds at beginning of year (including reserves)	9,805,841	9,805,841
Funds at end of year (including reserves)	10,274,818	10,274,818
ASSETS		
	Fixed Assets	6,276,974
	Investment Assets	3,932,299
	Other Assets	3,254,829
	Total Assets	13,464,102
Liabilities	**Total Liabilities**	3,189,284
Net Assets (Total Assets less Total Liabilities)		10,274,818

Notes to the accounts

(see note 34)

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

See attached accounts

Accounting policies

(see notes 35 & 36)

See attached accounts

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.
Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:	Asha Pyndiah	Name:	Mark Austin
Date:	09.09.2020	Date:	09.09.2020

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

Checklist for auditor's report

(see notes 41 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.

Auditor's report (continued)

See attached accounts for Auditors' Report for confirmation of prepartion 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 2019 and of its surplus or deficit for the year then ended;
- 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.

Signature(s) of auditor or auditors:	Kreston Reeves LLP	
Name(s):	Kreston Reeves LLP	
Profession(s) or Calling(s):	Statutory Auditor and Chartered Accountants	
Address(es)	Third Flood Chiswell Street London EC1Y 4YX	
Date:	09.09.2020	
Contact name for enquiries and telephone number:	Allan Pinner 0330 124 1399	

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

Registered number: 04063012

Glass and Glazing Federation

(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 December 2019

Glass and Glazing Federation
(A company limited by guarantee)

Company Information

Directors	R J Sellman T Smith G Jones A Gray M J Austin G P M Mendham P T Kellett
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

Glass and Glazing Federation
(A company limited by guarantee)

Contents

Group strategic report
For the year ended 31 December 2019

Business review

2019 proved to be another very difficult year for the glass and glazing industry with Brexit and all it entails, a deadlocked Parliament for most of the year, then a General Election in December 2019, which combined created an uncertain trading environment for most of 2019. Thankfully with the resounding General Election result and Brexit finally then occurring on 31st January 2020, we at least now have a strong and stable Government for hopefully the next 5 years. Little did we know that the Covid-19 outbreak in China in December 2019 was going to have such Worldwide and profound social, economic and political impact which is going to potentially last for many years to come.

In the period 1st January 2019 to 31st December 2019, there were reports of shortages in the supply chain and concerns over the increasing issue of skilled labour shortages in the industry. In addition, adverse wet weather at the end of 2019, caused a challenge to the installation market as the conditions overhead and on the ground proved difficult for many companies in the sector. That said, the views of our Members is that the home improvement market is strong but the construction glazing sector may be seeing a shortening of order books but this remains anecdotal.

Throughout the shifting trading landscape, the Glass and Glazing Federation continues to engage with government, leading experts and like-minded construction trade bodies to help companies adapt to the constantly changing business environment, particularly with the seismic challenges now facing the industry due to the Covid-19 pandemic.

Principal risks and uncertainties

Though many parts of the GGF and its subsidiaries have proved a great success story over the last 20 years, the organisation conducted strategic reviews and realised that internal changes were required to maintain its position as the leading and main trade organisation in the sector. On 30th July 2019 the GGF Board felt it had no choice but to make significant savings and made the Group CEO's position redundant and also made another senior manager redundant, in an effort to cut costs, given the Group revenue targets for 2019 were clearly not going to be met, so sadly tough decisions were needed to try and balance the books.

Throughout 2019, plans continued to be put in place to both identify new and enhance existing products from the GGF subsidiaries in established and new markets.

2019 saw the delivery of a national consumer marketing campaign to bring the FENSA subsidiary to the direct attention of homeowners with the aim of pulling through additional FENSA membership for the benefit of not just the GGF but also the industry and homeowners. A clear investment plan supported this campaign and further initiatives are underway for sales growth and brand development in the other subsidiaries.

However, by the conclusion of the campaign towards the end of 2019 the budgeted return on investment proved to be too optimistic, and only small signs of growth shown. What the campaign did deliver on was the re-establishment of the FENSA brand to all its Registered Installers and reminded homeowners of the value of a FENSA Certificate and using a certified FENSA Registered Installer.

In 2019, the GGF tried again to roll out a flexible training programme as part of its long term strategy to 'train the industry'. This entailed delivering training courses for installers and surveyors in response to the Member training needs survey which identified these as high priority. The strategy developed was to deliver courses for people who had some experience in these areas and to focus on quality outputs. Sadly, the take up for these courses was not as hoped and the training programme struggled to break even, so the GGF have decided to totally re-think its training strategy from 2020 onwards.

With regard to the GGF employees, the Federation maintained its drive to strengthen staff engagement through the introduction of several initiatives to provide ways for employees to air their views and share their concerns and suggestions for a better working environment. Learning, development and training remains a significant point of focus. As such the GGF has increased investment to help employees realise their full potential in their roles to help the organisation achieve its short and long term strategic goals.

Group strategic report (continued)
For the year ended 31 December 2019

At the time of writing, the GGF Group is in the unenviable position of having had to furlough the majority of its workforce as the Government lockdown has led to the temporary total closure since 20th March 2020 of its London offices. The Federation and 5 Commercial businesses each have a skeleton staff working from home to ensure that each business keeps functioning, accessible and available to both clients, suppliers, FENSA Installers and GGF Members alike, providing the best possible service throughout the length of the temporary closure, the length of which at present is unknown.

Clearly the impact of this temporary closure will affect each business in some way, however each acted swiftly prior to and further after the Government announced the formal lockdown on 23rd March 2020 to mitigate and minimize and losses and costs. The GGF Group is fortunate to have built up over many years plenty of reserves, which can be called upon if necessary, should the lockdown be prolonged and the GGF Board needs to act further to support one or more of the 6 organisations.

As at its core, the GGF Group is a members organisation, and as such will be doing all it can throughout 2020 and the following years to help all of its members recover from the economic shock that the Coronavirus has had here in the UK. To do this it will first ensure all of its interests are in good order, so it then has a firm foundation on which to assist GGF Members and FENSA Registered Installers etc. alike.

Financial key performance indicators

The Federation continued to try to develop its membership base within the confines of the robust entry criteria to ensure it represents the best in the Industry. The net membership of the GGF remained roughly the same however by the end of 2019, although there were encouraging numbers of new members who did join in 2019. This was off-set by a few organisations who left us for a variety of reasons.

The GGF Board remains committed to growing the Group and to act as custodians of the GGF on behalf of its membership. In 2019 this commitment is clearly evident as the GGF aims to improve its offering and increase support for its Members. It should be noted however that in 2020 the GGF's main aim during the Covid-19 crisis is on membership retention and in supporting its members during it and to recover from it.

Amidst the economic uncertainty so far in 2020, the Federation will continue to build its strong brand position and grow its audience through its digital platforms including its new trade website and its award-winning consumer advice website MyGlazing.com. Aligned to growing its online audience the Federation also continue to raise its profile through the trade, consumer, political and mainstream media. In doing so the GGF continues to increase awareness of the glass and glazing industry, to those in local and national government, the wider trade and to homeowners. This will ensure all connected to and engaging with the GGF are well informed on the many positives of the industry as well as all the technical issues, legislative changes and consumer concerns. 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.

Within the GGF's broad strategy the continued development of the subsidiary companies, and the retention of existing members and strengthening its offering to new members, it will ensure that the Federation remains the leading trade organisation fully able to meet the requirements of its membership by delivering high levels of service and multiple exclusive benefits.

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

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

M J Austin
Director

Date: 27/08/2020

Directors' report
For the year ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Results and dividends

The profit for the year, after taxation, amounted to £901,310 (2018 - £772,700).

The directors do not recommend a dividend.

Directors

The directors who served during the year were:

J Agnew (resigned 31 December 2019)
T Smith
G Jones
A Gray
D Thornton
M Butterick (resigned 5 December 2019)
M J Austin
G P M Mendham (appointed 29 April 2019)

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 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 risk

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 16.

Price risk

Price risk arises on financial instruments due to fluctuations in commodity prices or equity prices. Listed investments with a fair value of £6,398,591 (2018 - £3,857,853) 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.

Directors' report (continued)
For the year ended 31 December 2019

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

Substantive information about the COVID-19 disease only came to light in early 2020, with the World Health Organisation declaring a pandemic on 11 March 2020.

Due to the impact the pandemic has had on capital markets following the reporting date, the valuation of the group's listed investment portfolios had fallen by £257,507 as at 30 June 2020.

The directors have carefully considered the impact of the pandemic and its effect on the economic climate and have concluded that as at the approval date of these financial statements, there will be a financial impact on the company’s profit as well as the group, mainly due to a reduction in revenue, despite the company taking every step to reduce operational costs to mitigate that negative impact.

The group continues to maintain a strong net asset position and the directors continue to closely monitor the group's operational activities.

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.

M.J. Austin

M J Austin
Director

Date: 27/08/2020

Directors' responsibilities statement
For the year ended 31 December 2019

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.

Independent auditor's report to the shareholders 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 2019, 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 2019 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.

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.

Independent auditor's report to the shareholders 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.

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

Use of our report

This report is made solely to the company's shareholders 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 shareholders 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 shareholders for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Allan Pinner FCCA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

London

28 August 2020

Glass and Glazing Federation
(A company limited by guarantee)

Consolidated statement of comprehensive income
For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	**8,491,941**	8,254,648
Cost of sales		**(1,995,731)**	(1,967,335)
Gross profit		**6,496,210**	6,287,313
Administrative expenses		**(6,087,844)**	(5,374,234)
Other operating income	5	**68,109**	14,446
Fair value movements		**472,817**	(160,574)
Operating profit	6	**949,292**	766,951
Income from fixed assets investments		**96,091**	-
Interest receivable and similar income	10	**18,917**	11,470
Profit before taxation		**1,064,300**	778,421
Tax on profit	11	**(162,990)**	(5,721)
Profit for the financial year		**901,310**	772,700
Actuarial (losses)/gains on defined benefit pension scheme	24	**20,000**	(56,000)
Pension (deficit)/surplus not recognised	24	**(27,000)**	65,000
Unrealised surplus on revaluation of tangible fixed assets	13	**343,555**	-
Deferred taxation charge	19	**(31,033)**	-
Other comprehensive income for the year		**305,522**	9,000
Total comprehensive income for the year		**1,206,832**	781,700
Profit for the year attributable to:			
Non-controlling interests		**-**	-
Owners of the parent company		**901,310**	772,700
		901,310	772,700

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

The notes on pages 16 to 40 form part of these financial statements.

Glass and Glazing Federation

(A company limited by guarantee)
Registered number: 04063012

Consolidated balance sheet
As at 31 December 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	12		**1,340**		2,681
Tangible assets	13		**6,785,381**		7,880,532
Investments	14		**5,971,586**		3,857,853
Investment property	15		**1,411,200**		-
			14,169,507		11,741,066
Current assets					
Debtors: amounts falling due within one year	16	**3,199,427**		3,342,650	
Cash at bank and in hand	17	**5,554,746**		7,342,484	
		8,754,173		10,685,134	
Creditors: amounts falling due within one year	18	**(4,515,982)**		(5,331,762)	
Net current assets			**4,238,191**		5,353,372
Total assets less current liabilities			**18,407,698**		17,094,438
Provisions for liabilities					
Deferred taxation	19		**(197,077)**		(90,649)
Net assets excluding pension asset			**18,210,621**		17,003,789
Pension asset	24		**-**		-
Net assets			**18,210,621**		17,003,789
Capital and reserves					
Revaluation reserve	21		**312,522**		-
Other reserves	21		**349,998**		349,998
Profit and loss account	21		**17,548,101**		16,653,791
Equity attributable to owners of the parent company			**18,210,621**		17,003,789

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

M.J. Austin

M J Austin
Director

Date: 27/08/2020

The notes on pages 16 to 40 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 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	13		**6,276,974**		7,539,576
Investments	14		**3,932,299**		1,945,785
Investment property	15		**1,411,200**		-
			11,620,473		9,485,361
Current assets					
Debtors: amounts falling due within one year	16	**1,630,041**		2,545,072	
Cash at bank and in hand	17	**213,588**		159,673	
		1,843,629		2,704,745	
Creditors: amounts falling due within one year	18	**(3,117,416)**		(2,384,265)	
Net current (liabilities)/assets			**(1,273,787)**		320,480
Total assets less current liabilities			**10,346,686**		9,805,841
Provisions for liabilities					
Deferred taxation	19		**(71,868)**		-
Net assets excluding pension asset			**10,274,818**		9,805,841
Pension asset	24		**-**		-
Net assets			**10,274,818**		9,805,841
Capital and reserves					
Revaluation reserve	21		**312,522**		-
Other reserves	21		**349,998**		349,998
Profit and loss account	21		**9,612,298**		9,455,843
			10,274,818		9,805,841

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

M J Austin
Director

Date: 27/08/2020

The notes on pages 16 to 40 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 2019

	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	-	349,998	15,872,091	16,222,089
Profit for the year	-	-	772,700	772,700
Actuarial gains on pension scheme	-	-	9,000	9,000
At 1 January 2019	-	349,998	16,653,791	17,003,789
Profit for the year	-	-	901,310	901,310
Actuarial losses on pension scheme	-	-	(7,000)	(7,000)
Surplus on revaluation of leasehold property	343,555	-	-	343,555
Deferred tax on revaluation of leasehold property	(31,033)	-	-	(31,033)
At 31 December 2019	312,522	349,998	17,548,101	18,210,621

The notes on pages 16 to 40 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 2019

	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	-	349,998	9,177,757	9,527,755
Profit for the year	-	-	269,086	269,086
Actuarial gains on pension scheme	-	-	9,000	9,000
At 1 January 2019	-	349,998	9,455,843	9,805,841
Profit for the year	-	-	163,455	163,455
Actuarial losses on pension scheme	-	-	(7,000)	(7,000)
Surplus on revaluation of leasehold property	343,555	-	-	343,555
Deferred tax on revaluation of leasehold property	(31,033)	-	-	(31,033)
At 31 December 2019	312,522	349,998	9,612,298	10,274,818

The notes on pages 16 to 40 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 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	**901,310**	772,700
Adjustments for:		
Amortisation of intangible assets	**1,341**	1,341
Depreciation of tangible assets	**360,669**	268,859
Interest received, investment income and fair value changes	**(587,825)**	149,104
Taxation charge	**162,990**	5,721
Decrease in debtors	**143,260**	489,857
(Decrease)/increase in creditors	**(760,428)**	166,968
(Decrease)/increase in net pension assets/liabilities	**(7,000)**	9,000
Corporation tax paid	**(142,985)**	(51,514)
Net cash generated from operating activities	**71,332**	1,812,036
Cash flows from investing activities		
Purchase of tangible fixed assets	**(340,105)**	(493,217)
Sale of tangible fixed assets	**6,941**	-
Purchase of listed investments	**(2,000,000)**	(1,600,031)
Sale of listed investments	**359,084**	-
Interest received	**18,917**	11,470
Income from investments	**96,091**	-
Net cash from investing activities	**(1,859,072)**	(2,081,778)
Net decrease in cash and cash equivalents	**(1,787,740)**	(269,742)
Cash and cash equivalents at beginning of year	**7,342,484**	7,612,226
Cash and cash equivalents at the end of year	**5,554,744**	7,342,484
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**5,554,744**	7,342,484

The notes on pages 16 to 40 form part of these financial statements.

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, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in pound 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.

2.3 Going concern

Whilst the impact of the Covid-19 virus has been assessed by the directors, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the group’s trade, its customers and suppliers. However, taking into consideration the UK Government’s response and the group’s planning, the directors have a reasonable expectation that the group will continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Accounting policies (continued)

2.4 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 comprise:

- 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 the 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; and
- revenue from software development, systems implementation and operations services.

2.5 Dividends received

Dividends receivable are recognised when they become legally payable by the subsidiary undertaking. Interim equity dividends are recognised when received. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.6 Operating leases: the group as lessor

Rentals income from operating leases is credited to the consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.7 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.

2. Accounting policies (continued)

2.8 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 group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial (losses)/gains on defined benefit pension scheme'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.9 Interest income

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

2. Accounting policies (continued)

2.10 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.

2.11 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

2. Accounting policies (continued)

2.12 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.

Long term leasehold property occupied by other group entities and accounted for under the cost model is stated at historical cost less accumulated depreciation 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.

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.

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.

2.13 Investment property

Investment property is carried at fair value determined annually 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 consolidated statement of comprehensive income.

2.14 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. Accounting policies (continued)

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 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.

2.17 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. Accounting policies (continued)

2.18 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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 £6,785,381 (2018 - £7,880,532) at the reporting date (see note 13). 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.

Investment properties

The company holds investment property with fair value of £1,411,200 (2018 - £NIL) at the year end (see note 15). In order to determine the fair value of investment property the directors have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Taxation

Provision has been made in the financial statements for deferred tax amounting to £197,077 (2018 - £90,649) at the reporting date (see note 19). 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 24 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.

4. Turnover

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

	2019 £	2018 £
Employers' trade federation for the glass and glazing industry	**2,003,495**	1,879,910
Insurance premiums on the installation of windows and conservatories	**1,559,294**	1,687,969
Fenestration Self-Assessment Scheme	**3,295,093**	3,238,044
Software development, systems implementation and operations services	**614,674**	723,745
Thermal efficiency of windows, doors and other products	**606,867**	557,245
Provision of training	**412,518**	167,735
	8,491,941	8,254,648

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £	2018 £
Net rents receivable	**35,733**	-
Service charge receivable	**1,473**	-
Sundry income	**30,903**	14,446
	68,109	14,446

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Operating lease rentals	**26,554**	54,539

7. Auditor's remuneration

	2019 £	2018 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	**59,950**	64,770

Notes to the financial statements
For the year ended 31 December 2019

8. Employees

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

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Wages and salaries	**3,437,894**	3,430,610	**1,856,830**	1,985,096
Social security costs	**402,406**	409,719	**215,044**	221,261
Cost of defined benefit scheme	**-**	51,706	**-**	51,706
Cost of defined contribution scheme	**246,576**	212,880	**128,460**	120,843
	4,086,876	4,104,915	**2,200,334**	2,378,906

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

	Group 2019 No.	Group 2018 No.	**Company 2019 No.**	Company 2018 No.
Management and administration	**89**	89	37	42

No remuneration was paid to the directors of the company during the year (2018 - £NIL).

9. Income from fixed asset investments

	2019 £	2018 £
Income from fixed asset investments	**96,091**	-

10. Interest receivable

	2019 £	2018 £
Other interest receivable	**18,917**	11,470

11. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	**130,882**	164,627
Adjustments in respect of previous periods	**(43,287)**	(22,267)
Total current tax	**87,595**	142,360
Deferred tax		
Origination and reversal of timing differences	**75,395**	(136,639)
Total deferred tax	**75,395**	(136,639)
Taxation on profit on ordinary activities	**162,990**	5,721

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	**1,064,299**	778,421
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**202,217**	147,900
Effects of:		
Expenses not deductible for tax purposes	**29,600**	5,547
Capital allowances for year less than/(in excess of) depreciation	**801**	(174,488)
Adjustments to tax charge in respect of prior periods	**(43,287)**	(22,267)
Fair value movements	**(54,614)**	30,509
Capital gains	**46,824**	28,534
Other differences leading to a decrease in the tax charge	**(18,551)**	(10,014)
Total tax charge for the year	**162,990**	5,721

Factors that may affect future tax charges

As part of Finance Bill 2017, which was substantively enacted on 6 September 2017, the corporation tax main rate was to be reduced to 17% from 1 April 2020. The Chancellor has subsequently announced on 11 March 2020 that the main rate will remain at 19% for at least the next three years. This change was substantively enacted on 17 March 2020.

Deferred taxes have been measured using rates enacted at the reporting date and reflected in these financial statements.

12. Intangible assets

Group and Company

	Licenses £
Cost	
At 1 January 2019	**5,363**
At 31 December 2019	**5,363**
Amortisation	
At 1 January 2019	**2,682**
Charge for the year on owned assets	**1,341**
At 31 December 2019	**4,023**
Net book value	
At 31 December 2019	**1,340**
At 31 December 2018	2,681

13. Tangible fixed assets

Group

	Long Term Leasehold Property £	Office Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2019	**7,731,456**	**109,885**	**759,661**	**8,601,002**
Additions	**16,494**	**4,208**	**319,403**	**340,105**
Disposals	**-**	**(3,354)**	**(6,941)**	**(10,295)**
Transfer to investment property	**(1,411,200)**	**-**	**-**	**(1,411,200)**
Revaluations	**257,634**	**-**	**-**	**257,634**
At 31 December 2019	**6,594,384**	**110,739**	**1,072,123**	**7,777,246**
Depreciation				
At 1 January 2019	**422,391**	**54,133**	**243,946**	**720,470**
Charge for the year on owned assets	**154,704**	**25,306**	**180,660**	**360,670**
Disposals	**-**	**(3,354)**	**-**	**(3,354)**
On revalued assets	**(85,921)**	**-**	**-**	**(85,921)**
At 31 December 2019	**491,174**	**76,085**	**424,606**	**991,865**
Net book value				
At 31 December 2019	**6,103,210**	**34,654**	**647,517**	**6,785,381**
At 31 December 2018	7,309,065	55,752	515,715	7,880,532

13. Tangible fixed assets (continued)

Company

	Long Term Leasehold Property £	Office Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2019	**7,731,458**	**70,622**	**279,251**	**8,081,331**
Additions	**16,494**	**1,052**	**27,888**	**45,434**
Disposals	**-**	**-**	**(6,941)**	**(6,941)**
Transfer to investment propery	**(1,411,200)**	**-**	**-**	**(1,411,200)**
Revaluations	**257,634**	**-**	**-**	**257,634**
At 31 December 2019	**6,594,386**	**71,674**	**300,198**	**6,966,258**
Depreciation				
At 1 January 2019	**422,392**	**29,297**	**90,066**	**541,755**
Charge for the year on owned assets	**154,704**	**17,599**	**61,147**	**233,450**
On revalued assets	**(85,921)**	**-**	**-**	**(85,921)**
At 31 December 2019	**491,175**	**46,896**	**151,213**	**689,284**
Net book value				
At 31 December 2019	**6,103,211**	**24,778**	**148,985**	**6,276,974**
At 31 December 2018	7,309,066	41,325	189,185	7,539,576

During the year, part of the company's long term leasehold property was leased outside of the GGF group under the terms of a short term underlease agreement. This part of the property has therefore been reclassified to investment property.

The company has chosen to account for long term leashold property occupied by other group entities using the cost model. The carrying amount of such property at the reporting date is £2,726,309 (2018 - £3,867,079).

14. Fixed asset investments

Group

	Listed Investments £
Cost or valuation	
At 1 January 2019	**3,857,853**
Additions	**2,000,000**
Disposals	**(359,084)**
Revaluations	**472,817**
At 31 December 2019	**5,971,586**
Net book value	
At 31 December 2019	**5,971,586**
At 31 December 2018	3,857,853

14. Fixed asset investments (continued)

Company

	Investments in Subsidiary Companies £	Listed Investments £	Total £
Cost or valuation			
At 1 January 2019	**351,007**	**1,594,778**	**1,945,785**
Additions	**350,005**	**2,000,000**	**2,350,005**
Disposals	**-**	**(226,807)**	**(226,807)**
Revaluations	**-**	**214,321**	**214,321**
At 31 December 2019	**701,012**	**3,582,292**	**4,283,304**
Impairment			
At 1 January 2019	**-**	**-**	**-**
Charge for the period	**351,005**	**-**	**351,005**
At 31 December 2019	**351,005**	**-**	**351,005**
Net book value			
At 31 December 2019	**350,007**	**3,582,292**	**3,932,299**
At 31 December 2018	351,007	1,594,778	1,945,785

Following a group reorganisation during the year the following subsidiaries became direct subsidiary undertakings of the company: Borough IT Limited, British Fenestration Rating Council Limited, FENSA Limited, GGF Training Ltd, GGFi Limited, Rushworth Inspection Services and Auditing Limited.

These companies were previously wholly owned by GGF Helix Group Ltd, a subsidiary undertaking of the company.

The company's investment in GGF Helix Group Ltd has been fully impaired during the year, following the transfer of its subsidiaries and the realisation of its historic reserves. It is the directors intention to apply for the company to be dissolved by 31 December 2020.

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	**Class of shares**	**Holding**
GGF Helix Group Ltd	Ordinary	100%
GGF Property Limited	Ordinary	100%
Borough IT Limited	Ordinary	100%
British Fenestration Rating Council Limited	Ordinary	100%
FENSA Limited	Ordinary	100%
GGF Training Ltd	Ordinary	100%
GGFi Limited	Ordinary	100%
Rushworth Inspection Services and Auditing Limited	Ordinary	100%

The registered office of each subsidiary undertaking is 40 Rushworth Street, London, England, SE1 0RB.

15. Investment property

Group and Company

	Long term Leasehold investment property £
Valuation	
At 1 January 2019	**-**
Transfers between classes	**1,411,200**
At 31 December 2019	**1,411,200**

The group's long term leasehold investment property has been valued at the year end by the directors at fair value.

If the Investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	**1,153,567**	-
Accumulated depreciation and impairments	**(85,921)**	-
	1,067,646	-

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At the balance sheet date the group and company had contracted with tenants for the following future minimum lease payments:

	2019	2018
	£	£
Not later than 1 year	**94,080**	-
Later than 1 year and not later than 5 years	**344,960**	-
	439,040	-

16. Debtors

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Trade debtors	**2,864,681**	3,100,499	**1,123,890**	1,294,844
Amounts owed by group undertakings	**-**	-	**352,461**	1,168,337
Other debtors	**21,038**	23,349	**6,165**	5,326
Prepayments and accrued income	**313,708**	218,802	**147,525**	76,565
	3,199,427	3,342,650	**1,630,041**	2,545,072

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Cash at bank and in hand	**5,554,744**	7,342,484	**213,590**	159,673
	5,554,744	7,342,484	**213,590**	159,673

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Trade creditors	**590,472**	733,742	**95,136**	64,632
Amounts owed to group undertakings	**-**	-	**1,536,946**	680,706
Corporation tax	**109,276**	164,627	**-**	-
Other taxation and social security	**535,856**	637,266	**144,536**	210,405
Other creditors	**57,667**	32,105	**2,769**	14,743
Accruals and deferred income	**3,222,711**	3,764,022	**1,338,029**	1,413,779
	4,515,982	5,331,762	**3,117,416**	2,384,265

19. Deferred taxation

Group

	2019 £
At beginning of year	**(90,649)**
Charged to profit or loss	**(75,395)**
Charged to other comprehensive income	**(31,033)**
At end of year	**(197,077)**

Company

	2019 £
At beginning of year	**-**
Charged to profit or loss	**(40,835)**
Charged to other comprehensive income	**(31,033)**
At end of year	**(71,868)**

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Accelerated capital allowances	**(102,289)**	(62,115)	**(7,365)**	-
Capital gains	**(94,788)**	(28,534)	**(64,503)**	-
	(197,077)	(90,649)	**(71,868)**	-

20. Financial instruments

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	**5,971,586**	3,857,853	**3,582,292**	1,594,778

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

21. Reserves

Revaluation reserve

This reserve records the revaluation surplus recognised upon transfer of property between tangible fixed assets and investment property, less the related provision for deferred tax.

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.

22. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

23. Contingent liabilities

The company forms a VAT group with Borough IT Limited, FENSA Limited, G.G.F. Fund Limited, GGFi Limited, British Fenestration Rating Council Limited, GGF Training 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 £381,387 (2018 - £366,637).

24. 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 £246,576 (2018 - £212,880). Contributions totalling £2,769 (2018 - £3,476) 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 2019.

On an ongoing basis the actuarial valuation of the pension plan reported that the value of the plan assets at 31 December 2019 were £2,447,000 (2018 - £2,299,000). The value of the scheme liabilities were £2,278,000 (2018 - £2,161,000), a funding level of 107% (2018 - 106%).

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:

	2019	2018
	£	£
Equities	**2,431,000**	2,296,000
Cash	**16,000**	3,000
Total plan assets	**2,447,000**	2,299,000

The amounts recognised in profit or loss are as follows:

	2019	2018
	£	£
Interest on obligation	**(57,000)**	(52,000)
Interest income on plan assets	**57,000**	52,000
Past service cost - GMP equalisation	**-**	(51,706)
Total	**-**	(51,706)

24. Pension commitments (continued)

Reconciliation of fair value of plan liabilities were as follow:

	2019 £	2018 £
Opening defined benefit obligation	**2,161,000**	2,171,000
Interest cost	**57,000**	52,000
Actuarial (gains) and losses	**165,000**	(71,000)
Past service costs - GMP equalisation	**-**	51,000
Benefits paid	**(105,000)**	(42,000)
Closing defined benefit obligation	**2,278,000**	2,161,000

Reconciliation of fair value of plan assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	**2,299,000**	2,369,000
Interest income on plan assets	**57,000**	52,000
Actuarial gains and (losses)	**185,000**	(127,000)
Interest on effect of asset ceiling	**4,000**	5,000
Contributions by employer	**7,000**	43,000
Benefits paid	**(105,000)**	(42,000)
Administration costs	**-**	(1,000)
	2,447,000	2,299,000

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

	2019 %	2018 %
Discount rate	**2.00**	2.70
Rate of increase in pension payments	**2.50**	2.70
Inflation - RPI	**3.40**	3.60
Inflation - CPI	**2.60**	2.80

Post-retirement mortality has been calculated using S2NA tables with CMI 2015 projections using a long-term improvement rate of 1.50% (2018 - 1.50%).

75% (2018 - 75%) of members are assumed to take the maximum tax free cash possible.

24. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2019	2018
	£	£
Defined benefit obligation	**(2,278,000)**	(2,161,000)
Scheme assets	**2,447,000**	2,299,000
Surplus	**169,000**	138,000

25. Commitments under operating leases

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

	Group 2019	Group 2018	**Company 2019**	Company 2018
	£	£	**£**	£
Not later than 1 year	**-**	26,554	**-**	5,953

26. Related party transactions

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

During the year, the group made recharges of £45,620 (2018 - £54,190) and management charges of £38,580 (2018 - £16,023) 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 2019, there was a balance of £4,638 (2018 - creditor £7,986) due from the Fund.

27. Post balance sheet events

Substantive information about the COVID-19 disease only came to light in early 2020, with the World Health Organisation declaring a pandemic on 11 March 2020.

Due to the impact the pandemic has had on capital markets following the reporting date, the valuation of the group's listed investment portfolios had fallen by £257,507 as at 30 June 2020.

The directors have carefully considered the impact of the pandemic and its effect on the economic climate and have concluded that as at the approval date of these financial statements, the group's operating profit for the year ended 31 December 2020 is now expected to be £606,000 less than previously forecast. Inspections for at least three months during April, May and June 2020 have been impacted, and depending on how the market and businesses pick up in the coming months, revenue will be reduced. Furthermore, due to the decrease in installations, this will impact the IBG volume for the coming months. Membership numbers are also expected to decrease. Due to the decline in revenue, the directors have looked at all of the group's overheads and have taken every possible step to reduce operational costs to mitigate any losses.

The group continues to maintain a strong net asset position and the directors continue to closely monitor the group's operational activities.

28. Controlling party

The company is controlled by its directors.