

BRITISH ALLIED TRADES FEDERATION
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

BRITISH ALLIED TRADES FEDERATION
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS	M Sweeney (President) C E Owen (Deputy President) G Wroe (Vice President) R Wills S Chandhok (resigned 21 June 2017) P Thandi M Hughes S Parkes M Burgess K Tucker (resigned 1 May 2017) A Hinds R S Burman CBE C Henn H Skouby (appointed 1 January 2018)
COMPANY SECRETARY	R Singleton
REGISTERED NUMBER	00069391
REGISTERED OFFICE	Federation House Vyse Street Hockley Birmingham B18 6LT
INDEPENDENT AUDITOR	Crowe Clark Whitehill LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
BANKERS	Barclays Bank Birmingham B3 2BH Natwest London EC4M 8BU
SOLICITORS	George Green LLP Cradley Heath Warley West Midlands B64 5HW

BRITISH ALLIED TRADES FEDERATION
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INVESTMENT MANAGERS

Rathbones Investment Managers Limited
1 Curzon Street
London
W1 5FB

Cazenove Capital Management Limited
12 Mooregate
London
EC2V 6DA

INSURANCE BROKERS

T H March Insurance
10a Vyse Street
Birmingham
B18 6LT

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BRITISH ALLIED TRADES FEDERATION
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 judgments 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;
- 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.

MEMBERS OF THE BOARD OF DIRECTORS

The Directors and Officers are shown on the contents page. The President and Deputy President have served since the Annual General Meeting held in June 2017. All of the Directors have served throughout the year except for Mr S Chandhok and Mr K Tucker who resigned on 21 June 2017 and 1 May 2017 respectively.

BRITISH ALLIED TRADES FEDERATION
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

ACTIVITIES AND BUSINESS REVIEW

The activities of the Federation consist of the provision of services to members, these principally being the development of Members' trade at home and overseas. In addition, the Federation develops overseas trade for non-members within its industry sectors.

It obtains discounts on stand space fees at several trade fairs in the United Kingdom and provides meeting and conference facilities at Federation House. The Federation also provides central services to its five constituent Trade Associations such as accounting, IT and office accommodation.

During the year the board are pleased to report that the merger of the BJA and NAJ has been completed and accounts have been merged with minimal disruption to staff and the day to day running of the merged operations, both in Birmingham and the new London office. It has been necessary to appoint a new NAJ chief executive, Simon Forrester, to replace Michael Rawlinson who stepped down from the NAJ in June.

Membership, both retention and recruitment of new members, continues to be challenging with many headwinds to contend with in our associations' varied business environments. I am confident that our chief executives and their teams supported by the staff at Federation House will continue to shape their associations to meet the challenges that lie ahead and work hard to ensure the continuing success of the combined B.A.T.F.

DIRECTORS

The directors who served during the year were:

M Sweeney (President)
C E Owen (Deputy President)
G Wroe (Vice President)
R Wills
S Chandhok (resigned 21 June 2017)
P Thandi
M Hughes
S Parkes
M Burgess
K Tucker (resigned 1 May 2017)
A Hinds
R S Burman CBE
C Henn

REVIEW OF INVESTMENT PERFORMANCE

Our investment portfolio is managed by two leading firms of investment managers. Our own investment sub-committee, appointed by the Board, meets regularly with the managers to review adherence to the agreed investment policy and to monitor performance against suitable benchmarks. Income from the portfolio remains an important contribution to the Federation's operational revenue and the investment managers are tasked with ensuring that the budgeted level of income is achieved.

Note 14 to the accounts indicate the current composition of the portfolio and reflects any changes to the asset allocation that have been made during the year.

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

THANKS

The year ended 31st December 2017 has been a busy year and the Board records its gratitude for the support and hard work which has been given by the Chairmen and Committees of the Federated Associations and by the staff at all levels.

MEMBERSHIP

Set out below is a record of the Federation's membership (excluding Associate Members) over the last five years as at 31st December in the years stated:

	GA	NAJ	SEA	JDA	BTAA	TOTAL
2013	614	735	198	60	84	1,691
2014	579	754	197	61	97	1,688
2015	516	724	198	56	108	1,602
2016	475	1,443	195	46	100	2,259
2017	479	1,294	198	45	56	2,072

The Federation's membership including Associate Members at 31st December 2017 was:

GA	NAJ	SEA	JDA	BTAA	TOTAL
619	1,861	233	46	62	2,821

CHARITABLE DONATIONS

The Federation made charitable donations of £10,750 (2016: £2,500) during the year.

REVIEW OF TRADING RESULTS AND TAXATION

The Federation has a pre tax loss of £80,543 (excluding fair value movements) and a post tax loss of £33,406.

	BATF Properties	NAG	Trade Associations	Central Services	TOTAL
	£	£	£	£	£
Trading profit	125,710	-	(202,194)	(80,543)	(157,027)
Tax refund	-	-	44,083	-	44,083
Transfer out dividend	-	(1,763,500)	1,763,500	-	-
Fair value movements on investments	-	-	-	863,579	863,579
Tax payable	(9,017)	-	-	47,137	38,120
Profit after Taxation	<u>116,693</u>	<u>(1,763,500)</u>	<u>1,605,389</u>	<u>830,173</u>	<u>788,755</u>

BRITISH ALLIED TRADES FEDERATION
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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

There have been no significant events affecting the Group since the year end.

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.

R Singleton
Secretary

BRITISH ALLIED TRADES FEDERATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH ALLIED TRADES FEDERATION

OPINION

We have audited the financial statements of British Allied Trades Federation (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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.

BRITISH ALLIED TRADES FEDERATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH ALLIED TRADES FEDERATION
(CONTINUED)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

BRITISH ALLIED TRADES FEDERATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH ALLIED TRADES FEDERATION
(CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement on page 1, 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.

AUDITORS' 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 OUR REPORT

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

Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date:

BRITISH ALLIED TRADES FEDERATION
(A company limited by guarantee)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	<i>As restated</i> 2016 £
Turnover	3	2,691,077	1,890,896
Cost of sales		(938,137)	(598,865)
Gross profit		1,752,940	1,292,031
Administrative expenses		(2,343,203)	(1,714,113)
Sundry income		142,448	82,195
Exceptional other operating income	2.20	-	1,763,500
Operating (loss)/profit		(447,815)	1,423,613
Income from other fixed asset investments		368,939	342,412
Fair value movements on investments		863,579	1,377,434
Interest payable and similar expenses	9	(34,068)	(14,579)
Profit before tax		750,635	3,128,880
Tax on profit	10	38,120	(230,560)
Profit for the financial year		788,755	2,898,320
Profit for the year attributable to:			
Owners of the parent (British Allied Trades Federation)		788,755	2,898,320
		788,755	2,898,320

The notes on pages 15 to 33 form part of these financial statements.

BRITISH ALLIED TRADES FEDERATION
(A company limited by guarantee)
REGISTERED NUMBER: 00069391

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	<i>As restated</i> 2016 £
Fixed assets			
Intangible assets	12	24,163	32,765
Tangible assets	13	3,028,979	1,398,599
Investments	14	12,689,507	11,646,982
Investment property	15	1,500,000	3,082,741
		<u>17,242,649</u>	<u>16,161,087</u>
Current assets			
Debtors: falling due after more than one year	16	10,500	10,500
Debtors: falling due within one year	16	509,626	502,432
Bank and cash balances		331,895	898,107
		<u>852,021</u>	<u>1,411,039</u>
Creditors: falling due within one year	18	(2,212,809)	(2,444,652)
Net current liabilities		<u>(1,360,788)</u>	<u>(1,033,613)</u>
Total assets less current liabilities		<u>15,881,861</u>	<u>15,127,474</u>
Provisions for liabilities			
Deferred taxation	19	(270,632)	(305,000)
		<u>(270,632)</u>	<u>(305,000)</u>
Net assets		<u>15,611,229</u>	<u>14,822,474</u>

BRITISH ALLIED TRADES FEDERATION
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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Revaluation reserve	20	847,300	850,600
Other reserves	20	3,187,107	3,345,218
Profit and loss account	20	11,576,822	10,626,656
		<u>15,611,229</u>	<u>14,822,474</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

M Sweeney (President)
Director

C E Owen (Deputy President)
Director

G Wroe (Vice President)
Director

The notes on pages 15 to 33 form part of these financial statements.

BRITISH ALLIED TRADES FEDERATION
(A company limited by guarantee)
REGISTERED NUMBER: 00069391

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	<i>As restated</i> 2016 £
Fixed assets			
Intangible assets	12	24,163	32,765
Tangible assets	13	1,348,948	1,398,599
Investments	14	15,772,248	14,729,723
		<u>17,145,359</u>	<u>16,161,087</u>
Current assets			
Debtors: amounts falling due after more than one year	16	10,500	10,500
Debtors: amounts falling due within one year	16	509,551	533,479
Cash at bank and in hand	17	314,395	430,879
		<u>834,446</u>	<u>974,858</u>
Creditors: amounts falling due within one year	18	(2,219,654)	(3,765,626)
Net current liabilities		(1,385,208)	(2,790,768)
Total assets less current liabilities		15,760,151	13,370,319
Provisions for liabilities			
Deferred taxation	19	(261,615)	(305,000)
		<u>(261,615)</u>	<u>(305,000)</u>
Net assets		15,498,536	13,065,319

BRITISH ALLIED TRADES FEDERATION
(A company limited by guarantee)
REGISTERED NUMBER: 00069391

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	<i>As restated</i> 31 December 2016 £
Capital and reserves			
Revaluation reserve	20	847,300	850,600
Other reserves	20	3,187,107	3,345,218
Profit and loss account brought forward		8,869,501	9,416,328
Profit for the year		2,433,217	1,141,165
Transfers		161,411	(1,687,992)
Profit and loss account carried forward		11,464,129	8,869,501
		15,498,536	13,065,319

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The profit dealt with in the parent company's profit and loss for the year was £2,433,217 (2016: £1,141,165).

M Sweeney (President)
Director

C E Owen (Deputy President)
Director

G Wroe (Vice President)
Director

The notes on pages 15 to 33 form part of these financial statements.

BRITISH ALLIED TRADES FEDERATION
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016	853,900	1,653,926	9,416,328	11,924,154
Profit for the year	-	-	2,898,320	2,898,320
Transfer between reserves	(3,300)	1,691,292	(1,687,992)	-
At 1 January 2017	850,600	3,345,218	10,626,656	14,822,474
Profit for the year	-	-	788,755	788,755
Transfer between reserves	(3,300)	(158,111)	161,411	-
At 31 December 2017	<u>847,300</u>	<u>3,187,107</u>	<u>11,576,822</u>	<u>15,611,229</u>

The notes on pages 15 - 33 form part of these financial statements.

BRITISH ALLIED TRADES FEDERATION
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COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016	853,900	1,653,926	9,416,328	11,924,154
Profit for the year	-	-	1,141,165	1,141,165
Transfer between reserves	(3,300)	1,691,292	(1,687,992)	-
At 1 January 2017	850,600	3,345,218	8,869,501	13,065,319
Profit for the year	-	-	2,433,217	2,433,217
Transfer between reserves	(3,300)	(158,111)	161,411	-
At 31 December 2017	847,300	3,187,107	11,464,129	15,498,536

The notes on pages 15 - 33 form part of these financial statements.

BRITISH ALLIED TRADES FEDERATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

British Allied Trades Federation is a company limited by guarantee and the registered number is 69361. It is incorporated in England and Wales. The address of the registered office is Vyse Street, Jewellery Quarter, Birmingham, B18 6LT.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account 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 Group 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 Profit and Loss account from the date on which control is obtained.

2.3 REVENUE

Membership income represents the total amount receivable for membership subscriptions and services provided to members during the year.

Trade fair and other invoiced income is recognised in line with the date on which the trade fair occurs or the service performed.

Dividend income is recognised on a receivable basis.

Income is recognised when the amount of revenue can be measured reliably and it is probable that the company will receive the consideration due under the transaction.

2.4 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. Intangible assets are amortised over their estimated useful lives, which shall not exceed 10 years.

BRITISH ALLIED TRADES FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model, other than investment properties, 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.

Freehold Land is not depreciated. Depreciation on other assets 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% Straight line
Fixtures and fittings	-	10% Straight line
Computer equipment	-	25% Straight line

2.6 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by management and external valuer's as necessary 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. Changes in fair value are recognised in the Profit and Loss account.

2.7 OPERATING LEASES

Rentals paid under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

2.8 DEBTORS

Short term debtors and other receivables are measured at transaction price, less any impairment.

2.9 CASH AT BANK AND IN HAND

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash held as part of the investment portfolio is shown within fixed asset investments.

2.10 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from third parties and investments in non-puttable ordinary shares and property.

2.11 CREDITORS

Short term creditors and other liabilities and loans are measured at the transaction price.

BRITISH ALLIED TRADES FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.12 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 the Profit and Loss account.

2.13 GOVERNMENT GRANTS

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

Grants of a revenue nature are recognised in the Profit and Loss account in the same period as the related expenditure.

2.14 FOREIGN CURRENCY TRANSLATION

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

2.15 OPERATING LEASES: THE GROUP AS LESSOR

Rentals income from operating leases is credited to the Consolidated profit and loss account on a straight line basis over the term of the relevant lease.

Rentals income from operating leases is credited to the Profit and loss over the term of the relevant lease. Rent free periods given as an incentive to sign an operating lease are spread over the term of the lease on a straight line basis.

2.16 PENSIONS

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. The contributions are recognised as an expense in the Profit and Loss account 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.

2.17 OTHER OPERATING INCOME

Other operating income excluding exceptional items represents rents and fees and are recognised on a receivable basis.

BRITISH ALLIED TRADES FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.18 BORROWING COSTS

All borrowing costs are recognised in the Profit and Loss account in the year in which they are incurred.

2.19 CURRENT AND DEFERRED TAXATION

The current 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.20 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall outside the ordinary activities of the group and are presented separately due to their size or significance. Exceptional income in 2016 includes the gain on net assets transferred into the group on the acquisition of The National Association of Goldsmiths of Great Britain and Northern Ireland.

3. TURNOVER

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

	2017	2016
	£	£
International services	480,515	384,430
Trade associations and members' services	2,210,562	1,506,466
	2,691,077	1,890,896

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4. OTHER OPERATING INCOME

	2017 £	2016 £
Rents receivable	142,448	82,195
Exceptional item (note 2.20)	-	1,763,500
	<u>142,448</u>	<u>1,845,695</u>

5. ADMINISTRATIVE EXPENSES

Administration expenses include:

	2017 £	2016 £
Presidents' fee	7,000	11,742
Donations	10,750	2,500
Operating lease rentals	5,067	5,067
Depreciation of tangible fixed assets	87,236	51,891
Amortisation of intangible assets	8,602	8,602
Defined contribution pension cost	70,422	40,700
	<u>70,422</u>	<u>40,700</u>

6. EMPLOYEES

The average monthly number of employees, including directors, during the year was 34 (2016 - 36).

7. TRANSACTIONS WITH DIRECTORS

In 2016 the Federation engaged a company owned by a Director to advise on the use of the CRM system for which they charged £7,988, £nil was paid in 2017, £nil (2016: £nil) remained outstanding at the year end. Also in 2016 the Directors stayed in a hotel for their strategy day which is owned by one of the Directors, the cost was £2,157, £nil was paid in 2017, £nil (2016: £nil) remained outstanding at the year end.

The role of President, was undertaken by one director during the year. Honorarium payments made during the year totalled £7,000 (2016: £11,742 to two Presidents).

KEY MANAGEMENT PERSONNEL

The remunerations procedure, discharged by the Board, reviews the Chief Operating Officer's remuneration and the remuneration of the Chief Executive Officers for each trade association taking into account factors such as performance and salaries paid in comparable organisations. Remuneration amounting to £336,859 (2016: £261,051) was paid to the above key management personnel during the year.

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8. INCOME FROM FIXED ASSET INVESTMENTS

	2017 £	2016 £
Dividends on listed investments	368,939	342,412
	368,939	342,412
	368,939	342,412

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Loan interest payable	34,068	14,579
	34,068	14,579
	34,068	14,579

10. TAXATION

	2017 £	2016 £
CORPORATION TAX		
Refund of tax suffered at source	(3,752)	(9,440)
	(3,752)	(9,440)
	(3,752)	(9,440)
DEFERRED TAX		
Origination and reversal of timing differences	(34,368)	240,000
	(34,368)	240,000
	(34,368)	240,000
TAXATION ON (LOSS)/PROFIT	(38,120)	230,560
	(38,120)	230,560

11. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £2,433,217 (2016 - £1,141,165).

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12. INTANGIBLE ASSETS

Group and Company

	Computer software £
COST	
At 1 January 2017	65,728
At 31 December 2017	<u>65,728</u>
AMORTISATION	
At 1 January 2017	32,963
Charge for the year	8,602
At 31 December 2017	<u>41,565</u>
NET BOOK VALUE	
At 31 December 2017	<u>24,163</u>
At 31 December 2016	<u>32,765</u>

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NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2017	1,375,000	682,893	270,469	2,328,362
Additions	-	24,875	-	24,875
Reclassification of investment properties	1,692,741	-	-	1,692,741
At 31 December 2017	<u>3,067,741</u>	<u>707,768</u>	<u>270,469</u>	<u>4,045,978</u>
DEPRECIATION				
At 1 January 2017	54,000	635,845	239,918	929,763
Charge for the year on owned assets	51,854	17,961	17,421	87,236
At 31 December 2017	<u>105,854</u>	<u>653,806</u>	<u>257,339</u>	<u>1,016,999</u>
NET BOOK VALUE				
At 31 December 2017	<u>2,961,887</u>	<u>53,962</u>	<u>13,130</u>	<u>3,028,979</u>
At 31 December 2016	<u>1,321,000</u>	<u>47,048</u>	<u>30,551</u>	<u>1,398,599</u>

The freehold property brought forward was revalued to £1,375,000 by Chamberlains Chartered Surveyors, RICS registered chartered surveyor, at the date of transition to FRS102, and taken to be deemed cost. Freehold land amounting to £475,000 has not been depreciated (Group and Company).

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Cost or valuation at 31 December 2017 is as follows:

	Land and buildings £
AT COST	2,750,351
AT VALUATION:	
31 December 2017	317,390
	<u>3,067,741</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
GROUP		
Cost	2,750,351	<i>1,057,610</i>
Accumulated depreciation	(438,654)	<i>(423,954)</i>
NET BOOK VALUE	<u>2,311,697</u>	<u>633,656</u>

HERITAGE ASSETS

The Federation owns a silver collection of badges, maces and regalia, the cost of which is written off in the year of acquisition. The Directors policy on acquisition, is to commission pieces to commemorate specific events and to support the industry. They have no plans to dispose of any items. The collection is recorded by written description and photograph, and is insured at estimated replacement value of £849,643. There is no public access to the collection.

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FOR THE YEAR ENDED 31 DECEMBER 2017

13. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2017	1,375,000	682,893	270,469	2,328,362
At 31 December 2017	<u>1,375,000</u>	<u>682,893</u>	<u>270,469</u>	<u>2,328,362</u>
DEPRECIATION				
At 1 January 2017	54,000	635,845	239,918	929,763
Charge for the year on owned assets	18,000	14,230	17,421	49,651
At 31 December 2017	<u>72,000</u>	<u>650,075</u>	<u>257,339</u>	<u>979,414</u>
NET BOOK VALUE				
At 31 December 2017	<u>1,303,000</u>	<u>32,818</u>	<u>13,130</u>	<u>1,348,948</u>
At 31 December 2016	<u>1,321,000</u>	<u>47,048</u>	<u>30,551</u>	<u>1,398,599</u>

HERITAGE ASSETS

The Federation owns a silver collection of badges, maces and regalia, the cost of which is written off in the year of acquisition. The Directors policy on acquisition, is to commission pieces to commemorate specific events and to support the industry. They have no plans to dispose of any items. The collection is recorded by written description and photograph, and is insured at estimated replacement value of £849,643. There is no public access to the collection.

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NOTES TO THE FINANCIAL STATEMENTS
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14. FIXED ASSET INVESTMENTS

Group

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2017	11,212,229	434,753	11,646,982
Additions	746,621	606,101	1,352,722
Disposals	(1,063,776)	-	(1,063,776)
Revaluations	753,579	-	753,579
At 31 December 2017	<u>11,648,653</u>	<u>1,040,854</u>	<u>12,689,507</u>
NET BOOK VALUE			
At 31 December 2017	<u>11,648,653</u>	<u>1,040,854</u>	<u>12,689,507</u>
At 31 December 2016	<u>11,212,229</u>	<u>434,753</u>	<u>11,646,982</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company, all of which have the same registered office as the parent Company:

Name	Class of shares	Holding	Principal activity
The National Association of Goldsmiths of Great Britain and Ireland	Guarantee	100 %	Dormant
BATF Properties Limited	Ordinary	100 %	Property investment
Jewellery Advisory Centre Limited	Ordinary	75 %	Dormant

LISTED INVESTMENTS

The fair value of the listed investments at 31 December 2017 was £11,648,653 (2016 - £11,212,229).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

14. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION				
At 1 January 2017	3,082,741	11,212,229	434,753	14,729,723
Additions	-	746,621	606,101	1,352,722
Disposals	-	(1,063,776)	-	(1,063,776)
Revaluations	-	753,579	-	753,579
At 31 December 2017	<u>3,082,741</u>	<u>11,648,653</u>	<u>1,040,854</u>	<u>15,772,248</u>
NET BOOK VALUE				
At 31 December 2017	<u>3,082,741</u>	<u>11,648,653</u>	<u>1,040,854</u>	<u>15,772,248</u>
At 31 December 2016	<u>3,082,741</u>	<u>11,212,229</u>	<u>434,753</u>	<u>14,729,723</u>

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	2017 £	2016 £
Listed investments at market value:		
Ordinary shares	8,354,670	7,937,764
Preference shares	196,828	193,071
Unit Trusts	391,591	424,138
Bonds	1,766,135	1,562,071
Alternative Investments	939,430	1,095,185
	<u>11,648,654</u>	<u>11,212,229</u>
Unlisted investments:		
Deposit with Investment Managers	1,040,854	434,753
	<u>12,689,507</u>	<u>11,646,982</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT PROPERTY

Group

	Freehold investment property £
VALUATION	
At 1 January 2017	3,082,741
Reclassifications	(1,692,741)
Surplus on revaluation	110,000
AT 31 DECEMBER 2017	<u>1,500,000</u>

The investment property was purchased on 23 November 2016 for a total cost, including legal and other associated acquisition costs for £3,082,741. The property has been revalued in the 2017 year by Mr M Sweeney (Director) who has experience of the surrounding London property market. The property is deemed to be of mixed use and as such a reclassification has been made to transfer the element of this property that is used by BATF to tangible fixed assets.

The investment proportion of the property has been revalued to its estimated open market value as at 31 December 2017 based on an estimated value of £1,000 per square foot. This is deemed to be representative of the increase in the market values of similar local property sales.

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16. DEBTORS

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
DUE AFTER MORE THAN ONE YEAR				
Other debtors	10,500	<i>10,500</i>	10,500	<i>10,500</i>
	10,500	<i>10,500</i>	10,500	<i>10,500</i>

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
DUE WITHIN ONE YEAR				
Trade debtors	225,929	<i>202,301</i>	225,929	<i>202,301</i>
Other debtors	1,968	<i>18,313</i>	1,968	<i>18,313</i>
Prepayments and accrued income	268,587	<i>281,818</i>	268,512	<i>281,743</i>
Corporation tax repayable	13,142	<i>-</i>	13,142	<i>31,122</i>
	509,626	<i>502,432</i>	509,551	<i>533,479</i>

17. CASH AND CASH EQUIVALENTS

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Cash at bank and in hand	331,895	<i>898,107</i>	314,395	<i>430,879</i>
	331,895	<i>898,107</i>	314,395	<i>430,879</i>

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18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Other loans	1,500,000	<i>1,500,000</i>	1,500,000	<i>1,500,000</i>
Trade creditors	165,784	<i>120,376</i>	165,784	<i>120,376</i>
Amounts owed to group undertakings	-	-	23,895	<i>1,523,104</i>
Pensions	8,430	<i>7,601</i>	8,430	<i>7,601</i>
Other taxation and social security	37,746	<i>40,086</i>	37,746	<i>40,086</i>
Corporation tax	-	<i>202,130</i>	-	-
Other creditors	103,609	<i>85,429</i>	103,609	<i>85,429</i>
Accruals and deferred income	397,240	<i>489,030</i>	380,190	<i>489,030</i>
	<u>2,212,809</u>	<i><u>2,444,652</u></i>	<u>2,219,654</u>	<i><u>3,765,626</u></i>

Secured loans

The £1,500,000 loan is secured on the fixed asset investments held by the Company.

It is interest bearing at a rate of 2% above base rate and is repayable on demand. The facility will be reviewed annually and is ultimately due for repayment in 2021.

19. DEFERRED TAXATION

Group

	2017 £	<i>2016 £</i>
At beginning of year	305,000	<i>65,000</i>
Credited to profit or loss	(34,368)	<i>240,000</i>
AT END OF YEAR	<u>270,632</u>	<i><u>305,000</u></i>

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19. DEFERRED TAXATION (CONTINUED)

Company

	2017 £	2016 £
At beginning of year	305,000	65,000
Credited to profit or loss	(43,385)	240,000
AT END OF YEAR	261,615	305,000

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Short term timing differences	1,861	-	885	-
Investment property held at valuation	8,041	-	-	-
Investments held at valuation	260,730	305,000	260,730	305,000
	270,632	305,000	261,615	305,000

20. RESERVES

Revaluation reserve

This reserve records the surplus arising on the valuation of Freehold property.

Other reserves

This reserve includes all current and prior period retained profit and losses for the trade associations.

Profit and loss account

This reserve includes all current and prior period retained profit and losses.

21. 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 £10 towards the assets of the company in the event of liquidation.

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22. PRIOR YEAR ADJUSTMENT

In the previous year, the transfer of net assets from The National Association of Goldsmiths of Great Britain and Ireland amounted to £1,719,417. Shortly after, a tax refund amounting to £44,083 was received which had the effect of increasing the net assets of the company to £1,763,500. The corresponding increase has been recognised through opening reserves and the 2016 comparative figures.

23. PENSION COMMITMENTS

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 company has no further payments obligations.

The contributions are recognised as an expense in the 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 company in independently administered funds.

During the year the pension cost charges to the profit and loss accounts amounted to £70,422 (2016: £40,700) and contributions amounting to £8,430 (2016: £7,601) were payable to the scheme at the balance sheet date.

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24. RESERVES DESIGNATED TO TRADE ASSOCIATIONS

	NAJ £	BTAA £	GA £	JDA £	SEA £	Total £
Income						
Subscriptions	630,400	32,983	256,396	13,319	110,404	1,043,502
Share of investment income	3,477	15	2,132	70	5,262	10,956
Other income generated	707,010	6,018	62,476	54	362,930	1,138,488
	<u>1,340,887</u>	<u>39,016</u>	<u>321,004</u>	<u>13,443</u>	<u>478,596</u>	<u>2,192,946</u>
Expenditure						
Staff costs	(599,569)	(35,708)	(198,253)	-	(145,067)	(978,597)
Other direct expenses	(819,745)	(11,160)	(89,053)	(9,814)	(276,380)	(1,206,152)
Service cost allocation	(90,000)	(6,594)	(58,500)	(2,240)	(53,057)	(210,391)
	<u>(1,509,314)</u>	<u>(53,462)</u>	<u>(345,806)</u>	<u>(12,054)</u>	<u>(474,504)</u>	<u>(2,395,140)</u>
Net (loss) / profit	<u>(168,427)</u>	<u>(14,446)</u>	<u>(24,802)</u>	<u>1,389</u>	<u>4,092</u>	<u>(202,194)</u>
Tax refund	44,083	-	-	-	-	44,083
Balance at 1 January 2017	2,049,537	1,612	367,040	9,562	917,467	3,345,218
31 December 2017	<u><u>1,925,193</u></u>	<u><u>(12,834)</u></u>	<u><u>342,238</u></u>	<u><u>10,951</u></u>	<u><u>921,559</u></u>	<u><u>3,187,107</u></u>

25. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption under FRS 102 section 33 not to disclose related party transactions and balances between wholly owned members of the same group.

See also note 7 for details of transactions with directors.

26. OPERATING LEASES - AS LESSOR

During 2016, the company granted a 3 year operating lease on a building owned by the group. The rental income that will be earned on the lease is £70,000 per annum for 3 years.