

**BRITISH ALLIED TRADES FEDERATION**  
(A company limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**BRITISH ALLIED TRADES FEDERATION**  
**(A company limited by guarantee)**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	G Wroe (President) A Hinds (Vice President) M Sweeney (Deputy President) C E Owen R Wills (resigned 31 December 2018) P Thandi M Hughes S Parkes M Burgess (resigned 31 December 2018) R S Burman CBE C Henn H Skouby
<b>COMPANY SECRETARY</b>	R Singleton
<b>REGISTERED NUMBER</b>	00069391
<b>REGISTERED OFFICE</b>	Federation House Vyse Street Hockley Birmingham B18 6LT
<b>INDEPENDENT AUDITOR</b>	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
<b>BANKERS</b>	Barclays Bank Birmingham B3 2BH  Natwest London EC4M 8BU

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**SOLICITORS**

George Green LLP  
Cradley Heath  
Warley  
West Midlands  
B64 5HW

**INVESTMENT MANAGERS**

Rathbones  
8 Finsbury Circus  
London  
EC2M 7AZ

Cazenove  
Schroder&Co. Limited  
1 London Wall Place  
London  
EC2Y 5AU

**INSURANCE BROKERS**

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

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**BRITISH ALLIED TRADES FEDERATION**  
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**BRITISH ALLIED TRADES FEDERATION**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

**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 2018. All of the Directors have served throughout the year, except where noted.

**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.

**DIRECTORS**

The directors who served during the year were:

M Sweeney (Deputy President)  
C E Owen  
G Wroe (President)  
R Wills (resigned 31 December 2018)  
P Thandi

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**BRITISH ALLIED TRADES FEDERATION**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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M Hughes  
S Parkes  
M Burgess (resigned 31 December 2018)  
A Hinds (Vice President)  
R S Burman CBE  
C Henn  
H Skouby

**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 12 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.

**THANKS**

The year ended 31st December 2018 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:

	<b>GA</b>	<b>NAJ</b>	<b>SEA</b>	<b>JDA</b>	<b>BTAA</b>	<b>TOTAL</b>
<b>2014</b>	579	754	197	61	97	1,688
<b>2015</b>	516	724	198	56	108	1,602
<b>2016</b>	475	1,443	195	46	100	2,259
<b>2017</b>	479	1,294	198	45	56	2,072
<b>2018</b>	482	1,301	204	43	57	2,087

The Federation's membership including Associate Members at 31 December 2018 was:

	<b>GA</b>	<b>NAJ</b>	<b>SEA</b>	<b>JDA</b>	<b>BTAA</b>	<b>TOTAL</b>
	676	1,948	238	48	63	2,973

**CHARITABLE DONATIONS**

The Federation made charitable donations of £9,200 (2017: £10,750) during the year.

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**BRITISH ALLIED TRADES FEDERATION**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**REVIEW OF TRADING RESULTS AND TAXATION**

The Federation has a pre tax loss of £239,074 (excluding fair value movements) and a post tax profit of £12,817. The trading results of the Federation can be summarised as follows:

	<b>BATF Properties</b>	<b>Trade Associations</b>	<b>Central Services</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trading profit/(loss)	33,657	(236,118)	(36,613)	(239,074)
Tax refund	-	-	-	-
Fair value movements on investments	-	-	(1,030,531)	(1,030,531)
Tax (charge)/credit	(7)	-	251,898	251,891
<b>Profit/(loss) after taxation</b>	<b>33,650</b>	<b>(236,118)</b>	<b>(815,246)</b>	<b>(1,017,714)</b>

**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.

**AUDITOR**

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

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**BRITISH ALLIED TRADES FEDERATION**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**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



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

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**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 2018, 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 2018 and of the Group's loss 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.

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

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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.

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

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**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.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG  
Date:

**BRITISH ALLIED TRADES FEDERATION**  
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**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	2,679,949	2,691,077
Cost of sales		(899,741)	(938,137)
<b>Gross profit</b>		<b>1,780,208</b>	<b>1,752,940</b>
Administrative expenses		(2,534,216)	(2,343,203)
Sundry income		179,183	142,448
<b>Operating loss</b>		<b>(574,825)</b>	<b>(447,815)</b>
Income from other fixed asset investments	12	375,038	368,939
Fair value movements on investments	12	(1,030,531)	863,579
Interest payable and similar expenses	8	(39,287)	(34,068)
<b>(Loss)/profit before tax</b>		<b>(1,269,605)</b>	<b>750,635</b>
Tax on (loss)/profit	9	251,891	38,120
<b>(Loss)/profit for the financial year</b>		<b>(1,017,714)</b>	<b>788,755</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent (British Allied Trades Federation)		(1,017,714)	788,755
		<b>(1,017,714)</b>	<b>788,755</b>

The notes on pages 15 to 32 form part of these financial statements.

**BRITISH ALLIED TRADES FEDERATION**  
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**CONSOLIDATED BALANCE SHEET**  
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	10	39,007	24,163
Tangible assets	11	2,963,435	3,028,979
Investments	12	11,441,031	12,689,507
Investment property	13	1,500,000	1,500,000
		15,943,473	17,242,649
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	-	10,500
Debtors: amounts falling due within one year	14	562,763	509,626
Cash at bank and in hand	15	293,111	331,895
		855,874	852,021
Creditors: amounts falling due within one year	16	(2,186,264)	(2,212,809)
<b>Net current liabilities</b>		(1,330,390)	(1,360,788)
<b>Total assets less current liabilities</b>		14,613,083	15,881,861
<b>Provisions for liabilities</b>			
Deferred taxation	17	(19,568)	(270,632)
		(19,568)	(270,632)
<b>Net assets</b>		14,593,515	15,611,229

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

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

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	Note	2018 £	2017 £
<b>Capital and reserves</b>			
Revaluation reserve	18	<b>844,000</b>	847,300
Other reserves	18	<b>2,950,989</b>	3,187,107
Profit and loss account	18	<b>10,798,526</b>	11,576,822
<b>Equity attributable to owners of the parent Company</b>		<b>14,593,515</b>	15,611,229
		<b>14,593,515</b>	15,611,229

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

**G Wroe (President)**  
Director

**A Hinds (Vice President)**  
Director

**M Sweeney (Deputy President)**  
Director

The notes on pages 15 to 32 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 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	10	39,007	24,163
Tangible assets	11	1,319,747	1,348,948
Investments	12	14,523,772	15,772,248
		<u>15,882,526</u>	<u>17,145,359</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	-	10,500
Debtors: amounts falling due within one year	14	561,163	509,551
Cash at bank and in hand	15	275,611	314,395
		<u>836,774</u>	<u>834,446</u>
Creditors: amounts falling due within one year	16	(2,260,629)	(2,219,654)
<b>Net current liabilities</b>		<u>(1,423,855)</u>	<u>(1,385,208)</u>
<b>Total assets less current liabilities</b>		<u>14,458,671</u>	<u>15,760,151</u>
<b>Provisions for liabilities</b>			
Deferred taxation	17	(10,544)	(261,615)
		<u>(10,544)</u>	<u>(261,615)</u>
<b>Net assets</b>		<u>14,448,127</u>	<u>15,498,536</u>

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

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**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

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	Note	31 December 2018 £	31 December 2017 £
<b>Capital and reserves</b>			
Revaluation reserve	18	<b>844,000</b>	847,300
Other reserves	18	<b>2,950,989</b>	3,187,107
Profit and loss account brought forward		<b>11,464,129</b>	8,869,501
Loss/(profit) for the year		<b>(1,050,409)</b>	2,433,217
Transfers between reserves		<b>239,418</b>	161,411
		<hr/>	<hr/>
Profit and loss account carried forward		<b>10,653,138</b>	11,464,129
		<hr/>	<hr/>
		<b>14,448,127</b>	15,498,536
		<hr/> <hr/>	<hr/> <hr/>

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

**G Wroe (President)**  
Director

**A Hinds (Vice President)**  
Director

**M Sweeney (Deputy President)**  
Director

The notes on pages 15 to 32 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 2018**

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2017</b>	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	-
<b>At 1 January 2018</b>	847,300	3,187,107	11,576,822	15,611,229
Loss for the year	-	-	(1,017,714)	(1,017,714)
Transfer between reserves	(3,300)	(236,118)	239,418	-
<b>At 31 December 2018</b>	<u>844,000</u>	<u>2,950,989</u>	<u>10,798,526</u>	<u>14,593,515</u>

The notes on pages 15 to 32 form part of these financial statements.

**BRITISH ALLIED TRADES FEDERATION**  
(A company limited by guarantee)

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2017</b>	<b>850,600</b>	<b>3,345,218</b>	<b>8,869,501</b>	<b>13,065,319</b>
Profit for the year	-	-	2,433,217	2,433,217
Transfer between reserves	(3,300)	(158,111)	161,411	-
<b>At 1 January 2018</b>	<b>847,300</b>	<b>3,187,107</b>	<b>11,464,129</b>	<b>15,498,536</b>
Loss for the year	-	-	(1,050,409)	(1,050,409)
Transfer between reserves	(3,300)	(236,118)	239,418	-
<b>At 31 December 2018</b>	<b>844,000</b>	<b>2,950,989</b>	<b>10,653,138</b>	<b>14,448,127</b>

The notes on pages 15 to 32 form part of these financial statements.

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**BRITISH ALLIED TRADES FEDERATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.12 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed 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**

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 LESSEE**

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 represents rents and fees and are recognised on a receivable basis.

**2.18 BORROWING COSTS**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. ACCOUNTING POLICIES (CONTINUED)**

**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 not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

**3. TURNOVER**

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

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<b>£</b>
International services	<b>507,468</b>	<i>480,515</i>
Trade associations and members' services	<b>2,172,481</b>	<i>2,210,562</i>
	<b><u>2,679,949</u></b>	<i><u>2,691,077</u></i>

**4. ADMINISTRATIVE EXPENSES**

Administration expenses include:

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<b>£</b>
Presidents' fee	<b>7,240</b>	<i>11,742</i>
Donations	<b>9,200</b>	<i>10,750</i>
Operating lease rentals	<b>8,614</b>	<i>5,067</i>
Depreciation of tangible fixed assets	<b>73,689</b>	<i>87,236</i>
Amortisation of intangible assets	<b>8,964</b>	<i>8,602</i>
Defined contribution pension cost	<b>70,611</b>	<i>70,422</i>

**5. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 29 (2017 - 34).

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**6. TRANSACTIONS WITH DIRECTORS**

The role of President, was undertaken by one director during the year. Honorarium payments made during the year totalled £7,240 (2017: £11,742).

**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 £366,043 (2017: £336,859) was paid to the above key management personnel during the year.

**7. INCOME FROM FIXED ASSET INVESTMENTS**

	2018 £	2017 £
Dividends receivable on listed investments	375,038	368,939
	<u>375,038</u>	<u>368,939</u>

**8. INTEREST PAYABLE**

	2018 £	2017 £
Other loan interest payable	39,287	34,068
	<u>39,287</u>	<u>34,068</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. TAXATION**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>CORPORATION TAX</b>		
Refund of tax suffered at source	(827)	(3,752)
<b>TOTAL CURRENT TAX</b>	<u>(827)</u>	<u>(3,752)</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	(251,064)	(34,368)
<b>TOTAL DEFERRED TAX</b>	<u>(251,064)</u>	<u>(34,368)</u>
<b>TAXATION ON LOSS</b>	<u>(251,891)</u>	<u>(38,120)</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. INTANGIBLE ASSETS**

**Group and Company**

	<b>Computer software £</b>
<b>COST</b>	
At 1 January 2018	<b>65,728</b>
Additions	<b>23,808</b>
At 31 December 2018	<b>89,536</b>
<b>AMORTISATION</b>	
At 1 January 2018	<b>41,565</b>
Charge for the year	<b>8,964</b>
At 31 December 2018	<b>50,529</b>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<b>39,007</b>
<i>At 31 December 2017</i>	<b>24,163</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2018	3,067,741	707,768	270,469	4,045,978
Additions	-	8,145	-	8,145
At 31 December 2018	<u>3,067,741</u>	<u>715,913</u>	<u>270,469</u>	<u>4,054,123</u>
<b>DEPRECIATION</b>				
At 1 January 2018	105,854	653,806	257,339	1,016,999
Charge for the year on owned assets	51,855	20,090	1,744	73,689
At 31 December 2018	<u>157,709</u>	<u>673,896</u>	<u>259,083</u>	<u>1,090,688</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>2,910,032</u>	<u>42,017</u>	<u>11,386</u>	<u>2,963,435</u>
<i>At 31 December 2017</i>	<u>2,961,887</u>	<u>53,962</u>	<u>13,130</u>	<u>3,028,979</u>

Cost or valuation at 31 December 2018 for freehold property is as follows:

	<b>Land and buildings £</b>
<b>AT COST</b>	<b>2,750,351</b>
<b>AT VALUATION:</b>	
31 December 2018	<u>317,390</u>
	<u><b>3,067,741</b></u>

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**11. TANGIBLE FIXED ASSETS (CONTINUED)**

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

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<b>£</b>
<b>GROUP</b>		
Cost	<b>2,750,351</b>	<i>2,750,351</i>
Accumulated depreciation	<b>(453,354)</b>	<i>(438,654)</i>
<b>NET BOOK VALUE</b>	<b><u>2,296,997</u></b>	<i><u>2,311,697</u></i>

**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 £940,000. There is no public access to the collection.

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**11. TANGIBLE FIXED ASSETS (CONTINUED)**

**Company**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2018	1,375,000	682,893	270,469	2,328,362
Additions	-	8,145	-	8,145
At 31 December 2018	<u>1,375,000</u>	<u>691,038</u>	<u>270,469</u>	<u>2,336,507</u>
<b>DEPRECIATION</b>				
At 1 January 2018	72,000	650,075	257,339	979,414
Charge for the year on owned assets	18,000	17,602	1,744	37,346
At 31 December 2018	<u>90,000</u>	<u>667,677</u>	<u>259,083</u>	<u>1,016,760</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u><u>1,285,000</u></u>	<u><u>23,361</u></u>	<u><u>11,386</u></u>	<u><u>1,319,747</u></u>
At 31 December 2017	<u><u>1,303,000</u></u>	<u><u>32,818</u></u>	<u><u>13,130</u></u>	<u><u>1,348,948</u></u>

**FREEHOLD PROPERTY**

The freehold property was revalued to £1,375,000 by Chamberlains Chartered Surveyors, a 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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**12. FIXED ASSET INVESTMENTS**

**Group**

	Listed investments £	Unlisted investments £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2018	11,648,653	1,040,854	12,689,507
Additions	1,034,833	-	1,034,833
Disposals	(643,475)	(609,303)	(1,252,778)
Revaluations	(1,030,531)	-	(1,030,531)
At 31 December 2018	<u>11,009,480</u>	<u>431,551</u>	<u>11,441,031</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>11,009,480</u>	<u>431,551</u>	<u>11,441,031</u>
At 31 December 2017	<u>11,648,653</u>	<u>1,040,854</u>	<u>12,689,507</u>

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
The National Association of Goldsmiths of Great Britain and Ireland	England and Wales	Guarantee	100 %	Dormant
BATF Properties Limited	England and Wales	Ordinary	100 %	Investment
Jewellery Advisory Centre Limited	England and Wales	Ordinary	75 %	Dormant

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**12. FIXED ASSET INVESTMENTS (CONTINUED)**

**Company**

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2018	3,082,741	11,648,653	1,040,854	15,772,248
Additions	-	1,034,833	-	1,034,833
Disposals	-	(643,475)	(609,303)	(1,252,778)
Revaluations	-	(1,030,531)	-	(1,030,531)
At 31 December 2018	<u>3,082,741</u>	<u>11,009,480</u>	<u>431,551</u>	<u>14,523,772</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>3,082,741</u>	<u>11,009,480</u>	<u>431,551</u>	<u>14,523,772</u>
At 31 December 2017	<u>3,082,741</u>	<u>11,648,653</u>	<u>1,040,854</u>	<u>15,772,248</u>

	2018 £	2017 £
<b>Listed investments at market value:</b>		
Ordinary shares	7,790,236	8,354,670
Preference shares	187,813	196,828
Unit Trusts	345,716	391,591
Bonds	1,675,254	1,766,135
Alternative Investments	1,010,461	939,430
	<u>11,009,480</u>	<u>11,648,654</u>
<b>Unlisted investments:</b>		
Deposit with Investment Managers	431,551	1,040,854
	<u>431,551</u>	<u>1,040,854</u>
	<u>11,441,031</u>	<u>12,689,507</u>

The fair value of the listed investments at 31 December 2018 was £11,009,480 (2017 - £11,648,654).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. INVESTMENT PROPERTY**

**Group**

	<b>Freehold investment property £</b>
<b>VALUATION</b>	
At 1 January 2018	<b>1,500,000</b>
<b>AT 31 DECEMBER 2018</b>	<b><u>1,500,000</u></b>

The investment property was purchased on 23 November 2016 for a total cost, including legal and other associated acquisition costs, for £3,082,741, of which, approximately 45% is held for investment purposes. The property has been revalued in 2018 by Mr M Sweeney (Director) who has experience of the surrounding London property market.

The proportion held for investment purposes has been accounted for as an investment property and has been revalued to its estimated open market value as at 31 December 2018 based on an estimated value of £1,000 per square foot. This is deemed to be representative of the increase in market value of similar local property sales.

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**14. DEBTORS**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>DUE AFTER MORE THAN ONE YEAR</b>				
Other debtors	-	10,500	-	10,500
	<u>-</u>	<u>10,500</u>	<u>-</u>	<u>10,500</u>
	<u><u>-</u></u>	<u><u>10,500</u></u>	<u><u>-</u></u>	<u><u>10,500</u></u>
	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	<b>259,613</b>	225,929	<b>259,613</b>	225,929
Other debtors	<b>80,604</b>	1,968	<b>80,604</b>	1,968
Prepayments and accrued income	<b>221,719</b>	268,587	<b>220,119</b>	268,512
Tax recoverable	<b>827</b>	13,142	<b>827</b>	13,142
	<u><b>562,763</b></u>	<u>509,626</u>	<u><b>561,163</b></u>	<u>509,551</u>
	<u><u><b>562,763</b></u></u>	<u><u>509,626</u></u>	<u><u><b>561,163</b></u></u>	<u><u>509,551</u></u>

**15. CASH AND CASH EQUIVALENTS**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Cash at bank and in hand	<b>293,111</b>	331,895	<b>275,611</b>	314,395
	<u><b>293,111</b></u>	<u>331,895</u>	<u><b>275,611</b></u>	<u>314,395</u>
	<u><u><b>293,111</b></u></u>	<u><u>331,895</u></u>	<u><u><b>275,611</b></u></u>	<u><u>314,395</u></u>



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**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Other loans	<b>1,500,000</b>	<i>1,500,000</i>	<b>1,500,000</b>	<i>1,500,000</i>
Trade creditors	<b>126,442</b>	<i>165,784</i>	<b>126,442</b>	<i>165,784</i>
Amounts owed to group undertakings	-	-	<b>91,415</b>	<i>23,895</i>
Pensions	<b>9,449</b>	<i>8,430</i>	<b>9,449</b>	<i>8,430</i>
Other taxation and social security	<b>36,441</b>	<i>37,746</i>	<b>36,441</b>	<i>37,746</i>
Other creditors	<b>63,470</b>	<i>103,609</i>	<b>63,470</b>	<i>103,609</i>
Accruals and deferred income	<b>450,462</b>	<i>397,240</i>	<b>433,412</b>	<i>380,190</i>
	<b><u>2,186,264</u></b>	<i><u>2,212,809</u></i>	<b><u>2,260,629</u></b>	<i><u>2,219,654</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.

**17. DEFERRED TAXATION**

**Group**

	<b>2018 £</b>
At beginning of year	<b>270,632</b>
Credited to profit or loss	<b>(251,064)</b>
<b>AT END OF YEAR</b>	<b><u>19,568</u></b>

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**17. DEFERRED TAXATION (CONTINUED)**

**Company**

	<b>2018</b>
	<b>£</b>
At beginning of year	<b>261,615</b>
Credited to profit or loss	<b>(251,071)</b>
<b>AT END OF YEAR</b>	<b>10,544</b>

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2018</b>	<i>2017</i>	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Short term timing differences	<b>4,466</b>	<i>1,861</i>	<b>3,036</b>	<i>885</i>
Investment property held at valuation	<b>7,594</b>	<i>8,041</i>	<b>-</b>	<i>-</i>
Losses carried forward to offset against future capital gains	<b>(98,567)</b>	<i>-</i>	<b>(98,567)</b>	<i>-</i>
Investments held at valuation	<b>106,075</b>	<i>260,730</i>	<b>106,075</b>	<i>260,730</i>
	<b>19,568</b>	<i>270,632</i>	<b>10,544</b>	<i>261,615</i>

**18. 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.

**19. 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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**20. 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 £70,611 (2017: £70,422) and contributions amounting to £9,449 (2017: £8,430) were payable to the scheme at the balance sheet date.

**21. RESERVES DESIGNATED TO TRADE ASSOCIATIONS**

	NAJ £	BTAA £	GA/JDA £	SEA £	Total £
<b>Income</b>					
Subscriptions	681,244	25,053	277,089	117,832	1,101,218
Share of investment income	1,900	-	2,179	5,247	9,326
Other income generated	620,430	5,092	45,237	336,418	1,007,177
	<u>1,303,574</u>	<u>30,145</u>	<u>324,505</u>	<u>459,497</u>	<u>2,117,721</u>
<b>Expenditure</b>					
Staff costs	(547,608)	(32,812)	(191,072)	(147,037)	(918,529)
Other direct expenses	(898,730)	(5,503)	(68,146)	(252,540)	(1,224,919)
Service cost allocation	(90,000)	(6,594)	(60,740)	(53,057)	(210,391)
	<u>(1,536,338)</u>	<u>(44,909)</u>	<u>(319,958)</u>	<u>(452,634)</u>	<u>(2,353,839)</u>
<b>Net (loss) / profit</b>	<u>(232,764)</u>	<u>(14,764)</u>	<u>4,547</u>	<u>6,863</u>	<u>(236,118)</u>
Tax refund	-	-	-	-	-
Balance at 1 January 2017	1,925,193	(12,834)	353,189	921,559	3,187,107
<b>31 December 2018</b>	<u><u>1,692,429</u></u>	<u><u>(27,598)</u></u>	<u><u>357,736</u></u>	<u><u>928,422</u></u>	<u><u>2,950,989</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b> <b>2018</b> £	<i>Group</i> <i>2017</i> £	<b>Company</b> <b>2018</b> £	<i>Company</i> <i>2017</i> £
Not later than 1 year	<b>8,412</b>	8,412	<b>8,412</b>	8,412
Later than 1 year and not later than 5 years	<b>16,824</b>	25,236	<b>16,824</b>	25,236
	<u><b>25,236</b></u>	<u>33,648</u>	<u><b>25,236</b></u>	<u>33,648</u>

**23. 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 6 for details of transactions with directors.

**24. OPERATING LEASES - AS A 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.