

**BRITISH ALLIED TRADES FEDERATION**

(A company limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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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>	<b>M</b> Sweeney (President) C E Owen (Deputy President) G Wroe (Vice President) R Wills S Chandhok P Thandi D Doyle <b>M</b> Hughes S Parkes <b>M</b> Burgess K Tucker A Hinds R S Burman CSE C Henn (appointed 22 June 2016)
<b>COMPANY SECRETARY</b>	R Singleton
<b>REGISTERED NUMBER</b>	00069391
<b>REGISTERED OFFICE</b>	Vyse Street Jewellery Quarter Birmingham 818 6LT
<b>INDEPENDENT AUDITOR</b>	Crowe Clark Whitehill LLP Black Country House Rounds Green Road Oldbury West Midlands 869 2DG
<b>BANKERS</b>	Barclays Bank Birmingham 83 28H  Natwest London EC4M 8BU
<b>SOLICITORS</b>	George Green LLP Cradley Heath Warley West Midlands 864 5HW

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**BRITISH ALLIED TRADES FEDERATION**  
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**INVESTMENT MANAGERS**

Rathbones Investment Managers Limited  
1 Curzon Street  
London  
W1 5FB

Cazenave Capital Management Limited  
12 Mooregate  
London  
EC2V6DA

**INSURANCE BROKERS**

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

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**BRITISH ALLIED TRADES FEDERATION**  
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**CONTENTS**

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	Page
Directors' report	1 - 4
Independent auditor's report	5-6
Consolidated statement of comprehensive income	7
Consolidated balance sheet	8-9
Company balance sheet	10 - 11
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Notes to the financial statements	13 - 31

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

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

**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 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 page 2. The President and Deputy President have served since the Annual General Meeting held in June 2016. All of the Directors have served throughout the year except for Mr D Doyle who resigned on 22 June 2016 and Mr C Henn who was appointed on 22 June 2016.

**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 November the integration of the National Association of Goldsmiths was completed when the asset transfer was agreed and implemented. This coincided with the completion of the purchase of 45 Britton Street, a four storey and basement, purpose built office located in the Farringdon area of London. The building, purchased through the acquisition of a single asset company, was jointly funded by the BATF and the N.A.G., utilising the proceeds of the sale of the N.A.G.'s former London headquarters located near Old Street. Britton Street will be the London office for the NAJ, as well as initially providing a passive income for the BATF. In the future there is the option for the NAJ to occupy more of the building or for other BATF divisions to have a London base.

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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  
P Thandi  
D Doyle  
**M** Hughes  
S Parkes  
**M** Burgess  
K Tucker  
A Hinds  
R S Burman CBE  
C Henn (appointed 22 June 2016)

**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 16 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 2016 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.

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

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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>JOA</b>	<b>BTAA</b>	<b>TOTAL</b>
<b>2011</b>	<b>678</b>	<b>686</b>	<b>197</b>	<b>67</b>	<b>104</b>	<b>1,732</b>
<b>2012</b>	<b>671</b>	<b>712</b>	<b>199</b>	<b>68</b>	<b>99</b>	<b>1,749</b>
<b>2013</b>	<b>614</b>	<b>735</b>	<b>198</b>	<b>60</b>	<b>84</b>	<b>1,691</b>
<b>2014</b>	<b>579</b>	<b>754</b>	<b>197</b>	<b>61</b>	<b>97</b>	<b>1,688</b>
<b>2015</b>	<b>516</b>	<b>724</b>	<b>198</b>	<b>56</b>	<b>108</b>	<b>1,602</b>
<b>2016</b>	<b>475</b>	<b>1443</b>	<b>195</b>	<b>46</b>	<b>100</b>	<b>2,259</b>

The Federation's membership including Associate Members at 31<sup>st</sup> December 2016 was:

<b>GA</b>	<b>NAJ</b>	<b>SEA</b>	<b>JOA</b>	<b>BTAA</b>	<b>TOTAL</b>
<b>622</b>	<b>1,590</b>	<b>234</b>	<b>47</b>	<b>109</b>	<b>3,086</b>

**CHARITABLE DONATIONS**

The Federation made charitable donations of £2,500 (2015: £2,500) during the year.

**REVIEW OF TRADING RESULTS AND TAXATION**

The Federation has a pre tax loss of £16,129 (excluding fair value movements and the write back of negative goodwill) and a post tax profit of £2,850,112.

	<b>BATF Properties</b>	<b>Trade Associations</b>	<b>Central Services</b>	<b>TOTAL</b>
		£	£	£
Trading profit	(4,000)	(28,115)	15,986	(16,129)
Transfer of National Association of Goldsmiths		1,719,407		1,719,417
Fair value movements on investments			1,377,434	1,377,434
Tax payable			(230,610)	(230,610)
Profit after Taxation	<u>4,000</u>	<u>1,691,292</u>	<u>1,162,820</u>	<u>2,850,112</u>

**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

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**POST BALANCE SHEET EVENTS**

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

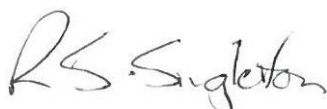
**AUDITOR**

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 31st March 2017 and signed on its behalf.



**R Singleton**  
Secretary



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

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

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We have audited the financial statements of British Allied Trades Federation for the year ended 31 December 2016, set out on pages 7 to 31. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's profit or 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.

**OPINION ON OTHER MATTER 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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BRITISH ALLIED TRADES FEDERATION  
(A company limited by guarantee)

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

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Group strategic report or in preparing the Directors' report.

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for and on behalf of  
**Crowe Clark Whitehill LLP**

Statutory Auditor

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

Date: \ 0 / 5 / 17

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	1,890,896	1,768,888
Cost of sales		(628,842)	(502,891)
<b>Gross profit</b>		<b>1,262,054</b>	1,265,997
Administrative expenses		(1,688,211)	(1,553,952)
Exceptional administrative expenses			(90,000)
Other income		82,195	60,636
Exceptional other income		1,719,417	
<b>Operating profit/(loss)</b>		<b>1,375,455</b>	(317,319)
Income from fixed assets investments		342,412	326,750
Fair value movements on fixed asset investments		1,377,434	(122,708)
Interest receivable and similar income			538
Interest payable and expenses	10	(14,579)	
<b>Profit/(loss) before taxation</b>		<b>3,080,722</b>	(112,739)
Tax on profit/(loss)	11	(230,610)	35,412
<b>Profit/(loss) for the year</b>		<b>2,850,112</b>	(77,327)
<b>Total comprehensive income for the year</b>		<b>2,850,112</b>	(77,327)
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the parent Company		2,850,112	(77,327)
		<b>2,850,112</b>	(77,327)

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

The notes on pages 13 to 31 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 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	14	32,765	8,649
Tangible assets	15	1,398,599	1,398,007
Investments	16	11,646,982	10,305,494
Investment property	17	3,082,741	
		<b>16,161,087</b>	<b>11,712,150</b>
<b>Current assets</b>			
Debtors: falling due after more than one year	18	10,500	
Debtors: falling due within one year	18	505,972	442,215
Bank and cash balances		898,107	387,173
		<b>1,414,579</b>	<b>829,388</b>
Creditors: falling due within one year	19	(2,496,400)	(552,384)
<b>Net current (liabilities)/assets</b>		<b>(1,081,821)</b>	<b>277,004</b>
<b>Total assets less current liabilities</b>		<b>15,079,266</b>	<b>11,989,154</b>
<b>Provisions for liabilities</b>			
Deferred taxation	20	(305,000)	(65,000)
		<b>(305,000)</b>	<b>(65,000)</b>
<b>Net assets</b>		<b>14,774,266</b>	<b>11,924,154</b>
<b>Capital and reserves</b>			
Revaluation reserve	21	850,600	853,900
Other reserves	21	3,345,218	1,653,926
Profit and loss account	21	10,578,448	9,416,328
		<b>14,774,266</b>	<b>11,924,154</b>

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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 2016**

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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

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**GWroe (Vice President)**  
Director

The notes on pages 13 to 31 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 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	14	32,765	8,649
Tangible assets	15	1,398,599	1,398,007
Investments	16	14,729,723	10,305,494
		<b>16,161,087</b>	<b>11,712,150</b>
<b>Current assets</b>			
Debtors: falling due after more than one year	18	10,500	
Debtors: falling due within one year	18	531,094	442,215
Bank and cash balances		623,107	387,173
		<b>1,164,701</b>	<b>829,388</b>
Creditors: falling due within one year	19	(3,961,929)	(552,384)
<b>Net current (liabilities)/assets</b>		<b>(2,797,228)</b>	<b>277,004</b>
<b>Total assets less current liabilities</b>		<b>13,363,859</b>	<b>11,989,154</b>
<b>Provisions for liabilities</b>			
Deferred taxation	20	(305,000)	(65,000)
		<b>(305,000)</b>	<b>(65,000)</b>
<b>Net assets</b>		<b>13,058,859</b>	<b>11,924,154</b>
<b>Capital and reserves</b>			
Revaluation reserve	21	850,600	853,900
Other reserves	21	3,345,218	1,653,926
Profit and loss account	21	8,863,041	9,416,328
		<b>13,058,859</b>	<b>11,924,154</b>

The Company's 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 FRS102 section 1A - small entities. The financial statements were approved and authorised for issue by the board and were signed

on its behalf on 20th 11 2016

**M Sweeney (President)**  
 Director

**C E Owen (Deputy President)**  
 Director

**G Wroe (Vice President)**  
 Director

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2015</b>	<b>857,200</b>	<b>1,666,591</b>	<b>9,477,690</b>	<b>12,001,481</b>
Loss for the year			(77,327)	(77,327)
Transfer between reserves	(3,300)	(12,665)	15,965	
<b>At 1 January 2016</b>	<b>853,900</b>	<b>1,653,926</b>	<b>9,416,328</b>	<b>11,924,154</b>
Profit for the year			2,850,112	2,850,112
Transfer between reserves	(3,300)	1,691,292	(1,687,992)	
<b>At 31 December 2016</b>	<b>850,600</b>	<b>3,345,218</b>	<b>10,578,448</b>	<b>14,774,266</b>

The notes on pages 13 - 31 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 2016

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2015	857,200	1,666,591	9,477,690	12,001,481
Loss for the year			(77,327)	(77,327)
Transfer between reserves	(3,300)	(12,665)	15,965	
At 1 January 2016	853,900	1,653,926	9,416,328	11,924,154
Profit for the year			1,134,705	1,134,705
Transfer between reserves	(3,300)	1,691,292	(1,687,992)	
At 31 December 2016	850,600	3,345,218	8,863,041	13,058,859

The notes on pages 13 - 31 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 2016**

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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 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 Consolidated statement of comprehensive income 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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**BRITISH ALLIED TRADES FEDERATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 OPERATING LEASES**

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

**2.7 DEBTORS**

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

**2.8 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.

**2.9 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.

**2.10 CREDITORS**

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

**2.11 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income.

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**BRITISH ALLIED TRADES FEDERATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.12 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 statement of comprehensive income 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 statement of comprehensive income in the same period as the related expenditure.

**2.13 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.

**2.14 OPERATING LEASES: THE GROUP AS LESSOR**

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

Rentals income from operating leases is credited to the statement of comprehensive income on a straight line basis 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.

**2.15 PENSIONS**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. 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 Group in independently administered funds.

**2.16 OTHER OPERATING INCOME**

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

**2.17 BORROWING COSTS**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.18 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.

**2.19 EXCEPTIONAL ITEMS**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**3. TURNOVER**

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

	2016 £	2015 £
International services	<b>384,430</b>	489,670
Trade associations and members' services	<b>1,506,466</b>	1,279,218
	<b><u>1,890,896</u></b>	<b><u>1,768,888</u></b>

**4. OTHER OPERATING INCOME**

	2016 £	2015 £
Rents receivable	<b>82,195</b>	60,636
Exceptional item (note 12)	<b>1,719,417</b>	
	<b><u>1,801,612</u></b>	<b><u>60,636</u></b>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**5. ADMINISTRATIVE EXPENSES**

Administration expenses include:

	2016 £	2015 £
Presidents' fee	11,742	10,574
Donations	2,500	2,500
Operating lease rentals	5,067	4,891
Depreciation of tangible fixed assets	51,891	45,296
Amortisation of intangible assets	8,602	3,382
Defined contribution pension cost	40,700	41,068
	<hr/>	<hr/>

**6. AUDITOR'S REMUNERATION**

	2016 £	2015 £
Fees payable to the Group's auditor and its subsidiaries	16,500	13,210
	<hr/>	<hr/>

**7. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 36 (2015 - 28).

**8. TRANSACTIONS WITH DIRECTORS**

During the year the Federation engaged a company owned by a Director to advise on the use of the CRM system for which they charged £7,988 (2015: £nil), £nil (2015: £nil) remained outstanding at the year end. Also, during the year the Directors stayed in a hotel for their strategy day which is owned by one of the Directors, the cost was £2,157 (2015: £nil), £nil (2015: £nil) remained outstanding at the year end.

During last year the Federation made sales to a company where a Director is the CEO totaling £nil (2015: £3,765).

The role of President, was undertaken by two directors during the year. Honorarium payments made to these Presidents during the year totalled £11,742 (2015: £10,574 to one President).

**KEY MANAGEMENT PERSONNEL**

The remuneration 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 £228,653 (2015: £241,960) was paid to the above key management personnel during the year.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

**9. INCOME FROM FIXED ASSET INVESTMENTS**

	2016 £	2015 £
Dividends on listed investments	342,412	326,750
	<b>342,412</b>	<b>326,750</b>

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016 £	2015 £
Loan interest payable	14,579	
	<b>14,579</b>	

**11. TAXATION**

	2016 £	2015 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	(9,390)	(11,379)
Adjustments in respect of previous periods		(19,033)
<b>TOTAL CURRENT TAX</b>	<b>(9,390)</b>	<b>(30,412)</b>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	240,000	(5,000)
<b>TOTAL DEFERRED TAX</b>	<b>240,000</b>	<b>(5,000)</b>
<b>TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	<b>230,610</b>	<b>(35,412)</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**12. EXCEPTIONAL ITEMS**

	<b>2016</b>	<i>2015</i>
	£	£
Dilapidations settlement		90,000
Write back of negative goodwill	<b>(1,719,417)</b>	
	<b>(1,719,417)</b>	90,000

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**13. 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 £1,134,765(2015 - loss £77,327).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**14. INTANGIBLE ASSETS**

**Group**

	<b>Computer software</b> £	<b>Goodwill</b> £	<b>Total</b> £
<b>COST</b>			
At 1 January 2016	<b>13,528</b>		<b>13,528</b>
Additions		<b>(1,719,407)</b>	<b>(1,719,407)</b>
On acquisition of subsidiaries	<b>52,200</b>		<b>52,200</b>
At 31 December 2016	<b>65,728</b>	<b>(1,719,407)</b>	<b>(1,653,679)</b>
<b>AMORTISATION</b>			
At 1 January 2016	<b>4,879</b>		<b>4,879</b>
Charge for the year	<b>8,602</b>		<b>8,602</b>
On acquisition of subsidiaries	<b>19,482</b>		<b>19,482</b>
Written back in year		<b>(1,719,407)</b>	<b>(1,719,407)</b>
At 31 December 2016	<b>32,963</b>	<b>(1,719,407)</b>	<b>(1,686,444)</b>
<b>NET BOOK VALUE</b>			
At 31 December 2016	<b>32,765</b>		<b>32,765</b>
At 31 December 2015	<b>8,649</b>		<b>8,649</b>



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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**14. INTANGIBLE ASSETS (CONTINUED)**

**Company**

	<b>Computer software £</b>
<b>COST</b>	
At 1 January 2016	13,528
Transfer from group companies	52,200
	<hr/>
At 31 December 2016	65,728
	<hr/>
<b>AMORTISATION</b>	
At 1 January 2016	4,879
Charge for the year	8,602
Transfer from group companies	19,482
	<hr/>
At 31 December 2016	32,963
	<hr/>
<b>NET BOOK VALUE</b>	
	<hr/>
At 31 December 2016	32,765
	<hr/>
<i>At 31 December 2015</i>	8,649
	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**15. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2016	1,375,000	615,724	122,935	2,113,659
Additions		18,500	7,750	26,250
Acquisition of subsidiaries		48,669	139,784	188,453
At 31 December 2016	1,375,000	682,893	270,469	2,328,362
<b>DEPRECIATION</b>				
At 1 January 2016	36,000	574,758	104,894	715,652
Charge for the period on owned assets	18,000	12,773	21,118	51,891
On acquisition of subsidiaries		48,314	113,906	162,220
At 31 December 2016	54,000	635,845	239,918	929,763
<b>NET BOOK VALUE</b>				
At 31 December 2016	1,321,000	47,048	30,551	1,398,599
At 31 December 2015	1,339,000	40,966	18,041	1,398,007

The freehold property was revalued to £1,375,000 by Chamberlains Chartered Surveyors, RIGS registered chartered surveyor, at the date of transition. Freehold land amounting to £475,000 has not been depreciated.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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Cost or valuation at 31 December 2016 is as follows:

	<b>Land and buildings £</b>
<b>AT COST</b>	<b>1,057,610</b>
<b>AT VALUATION:</b>	
31 December 2016	<b><u>317,390</u></b>
	<b><u>1,375,000</u></b>

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

	<b>2016 £</b>	<i>2015 £</i>
<b>GROUP</b>		
Cost	<b>1,057,610</b>	<i>1,057,610</i>
Accumulated depreciation	<b>(423,954)</b>	<i>(409,254)</i>
<b>NET BOOK VALUE</b>	<b>633,656</b>	<i><u>648,356</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 £849,643. There is no public access to the collection.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**Company**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2016	1,375,000	615,724	122,935	2,113,659
Additions		18,500	7,750	26,250
Transfer from group companies		48,669	139,784	188,453
At 31 December 2016	1,375,000	682,893	270,469	2,328,362
<b>DEPRECIATION</b>				
At 1 January 2016	36,000	574,758	104,894	715,652
Charge for the period on owned assets	18,000	12,773	21,118	51,891
Transfer from group companies		48,314	113,906	162,220
At 31 December 2016	54,000	635,845	239,918	929,763
<b>NET BOOK VALUE</b>				
At 31 December 2016	1,321,000	47,048	30,551	1,398,599
At 31 December 2015	1,339,000	40,966	18,041	1,398,007

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**16. FIXED ASSET INVESTMENTS**

**Group**

	Listed investments £	Unlisted investments £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2016	9,992,955	312,539	10,305,494
Additions	1,550,873	122,214	1,673,087
Disposals	(1,709,034)		(1,709,034)
Revaluations	1,377,435		1,377,435
At 31 December 2016	<u>11,212,229</u>	<u>434,753</u>	<u>11,646,982</u>

**NET BOOK VALUE**

At 31 December 2016	<u>11,212,229</u>	<u>434,753</u>	<u>11,646,982</u>
At 31 December 2015	9,992,955	312,539	10,305,494

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Group and Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
National Association of Goldsmiths	England & Wales	Guarantee	100%	Dormant
BATF Properties Limited	England & Wales	Guarantee	100%	Property investment

**LISTED INVESTMENTS**

The fair value of the listed investments at 31 December 2016 was £11,212,229 (2015 - £9,992,955).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**Company**

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2016		9,992,955	312,539	10,305,494
Additions	3,082,741	1,550,873	122,214	4,755,828
Disposals		(1,709,034)		(1,709,034)
Revaluations		1,377,435		1,377,435
At 31 December 2016	3,082,741	11,212,229	434,753	14,729,723

**NET BOOK VALUE**

At 31 December 2016	3,082,741	11,212,229	434,753	14,729,723
At 31 December 2015		9,992,955	312,539	10,305,494

	2016 £	2015 £
<b>Listed investments at market value:</b>		
Ordinary shares	7,937,764	7,021,484
Preference shares	193,071	179,181
Unit Trusts	424,138	308,300
Bonds	1,562,071	1,546,875
Alternative Investments	1,095,185	937,115
	<b>11,212,229</b>	<b>9,992,955</b>
<b>Unlisted investments:</b>		
Deposit with Investment Managers	434,753	312,539
	<b>11,646,982</b>	<b>10,305,494</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**17. INVESTMENT PROPERTY**

**Group**

**Freehold  
investment  
property  
£**

**VALUATION**

Additions at cost

**3,082,741**

**AT 31 DECEMBER 2016**

**3,082,741**

During the year, the group purchased 100% of the share capital of BATF Properties Limited from a third party. The property residing within this company is deemed to have an open market value approximate to the amount paid for the shares in BATF Properties Limited.

**18. DEBTORS**

	<b>Group 2016 £</b>	<i>Group 2015 £</i>	<b>Company 2016 £</b>	<i>Company 2015 £</i>
<b>DUE AFTER MORE THAN ONE YEAR</b>				
Other debtors	<b>10,500</b>		<b>10,500</b>	
	<b>10,500</b>		<b>10,500</b>	
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	<b>202,301</b>	<i>306,310</i>	<b>202,301</b>	<i>306,310</i>
Other debtors	<b>15,928</b>	<i>10,604</i>	<b>15,928</b>	<i>10,604</i>
Prepayments and accrued income	<b>287,743</b>	<i>103,570</i>	<b>281,743</b>	<i>103,570</i>
Corporation tax repayable		<i>21,731</i>	<b>31,122</b>	<i>21,731</i>
	<b>505,972</b>	<i>442,215</i>	<b>531,094</b>	<i>442,215</i>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	<b>Group 2016</b>	<i>Group 2015</i>	<b>Company 2016</b>	<i>Company 2015</i>
	£	£	£	£
Other loans	<b>1,500,000</b>		<b>1,500,000</b>	
Trade creditors	<b>120,376</b>	93,316	<b>120,376</b>	93,316
Amounts owed to group undertakings			<b>1,719,407</b>	
Pensions	<b>7,601</b>	4,898	<b>7,601</b>	4,898
Taxation and social security	<b>40,086</b>	52,636	<b>40,086</b>	52,636
Corporation tax	<b>243,878</b>			
Other creditors	<b>85,429</b>	62,011	<b>85,429</b>	62,011
Accruals and deferred income	<b>499,030</b>	339,523	<b>489,030</b>	339,523
	<b>2,496,400</b>	552,384	<b>3,961,929</b>	552,384

**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.

**20. DEFERRED TAXATION**

**Group**

	<b>2016</b>	<i>2015</i>
	£	£
At beginning of year	<b>(65,000)</b>	(70,000)
Charged to profit or loss	<b>(240,000)</b>	5,000
<b>AT END OF YEAR</b>	<b>(305,000)</b>	(65,000)



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**20. DEFERRED TAXATION (CONTINUED)**

**Company**

	<b>2016</b> £	<i>2015</i> £
At beginning of year	<b>(65,000)</b>	(70,000)
Charged to profit or loss	<b>(240,000)</b>	5,000
<b>AT END OF YEAR</b>	<b>(305,000)</b>	(65,000)

	<b>Group</b> <b>2016</b> £	<i>Group</i> <i>2015</i> £	<b>Company</b> <b>2016</b> £	<i>Company</i> <i>2015</i> £
Investments held at valuation	<b>(305,000)</b>	(65,000)	<b>(305,000)</b>	(65,000)
	<b>(305,000)</b>	(65,000)	<b>(305,000)</b>	(65,000)

**21. RESERVES**

**Revaluation reserve**

This reserve records the surplus or deficit 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.

**22. COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**23. BUSINESS COMBINATIONS**

On 23 November 2016, the Federation merged with the National Association of Goldsmiths. The merger has been accounted for as a business combination using the purchase method. Total assets acquired of £2,174,527 comprised of cash totaling £2,048,797 and other current assets of £125,730. The liabilities acquired were all current liabilities totaling £455,110. The fair value of the consideration paid was £nil therefore negative goodwill of £1,719,417 has been recognised, and immediately credited to other comprehensive income.

On the same date the Federation also acquired a separate Limited Company, BATF Properties Limited. The net assets acquired totaled £3,083,000, this comprised purely of freehold property. Consideration of £3,083,000 was paid therefore no goodwill has arisen.

These financial statements include the operations of both organisations from 23 November 2016.

**24. 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 £40,700 (2015: £41,068) and contributions amounting to £7,601 (2015: £4,898) were payable to the scheme at the balance sheet date.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**25. RESERVES DESIGNATED TO TRADE ASSOCIATIONS**

	NAJ £	BTAA £	GA £	JDA £	SEA £	Total £
Income						
Subscriptions	331,188	39,736	275,154	15,446	104,644	766,168
Share of investment income	1,556	7	1,997	48	5,227	8,835
Other income generated	102,978	21,117	49,048	1,915	485,739	660,797
	435,722	60,860	326,199	17,409	595,610	1,435,800
<b>Expenditure</b>						
Staff costs	(176,582)	(37,328)	(175,319)		(141,373)	(530,602)
Other direct expenses	(178,273)	(12,469)	(138,851)	(16,415)	(397,698)	(743,706)
Service cost allocation	(70,000)	(6,594)	(58,500)	(2,240)	(52,273)	(189,607)
	(424,855)	(56,391)	(372,670)	(18,655)	(591,344)	(1,463,915)
<b>Net (loss)/profit</b>	10,867	4,469	(46,471)	(1,246)	4,266	(28,115)
NAG transfer	1,719,407					1,719,407
Balance at 1 January 2016	319,263	(2,857)	413,511	10,808	913,201	1,653,926
<b>31 December 2016</b>	<b>2,049,537</b>	<b>1,612</b>	<b>367,040</b>	<b>9,562</b>	<b>917,467</b>	<b>3,345,218</b>

**26. 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 8 for details of transactions with directors.

**27. OPERATING LEASES - AS LESSOR**

During the year, 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.

