REGISTERED NUMBER: 00778293

BRITISH PROPERTY FEDERATION

(Limited by Guarantee)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Directors

Mark C Allan
Toby A Courtauld (resigned on 5 July 2022)
Helen C Gordon
Guy J Grainger
Jessica Grace Hardman
Isabelle B Hease
William Hughes (resigned on 5 July 2022)
Melanie J Leech
Alan J Leibowitz
Madeleine A McDougall
Jonathan S Murphy
David Partridge

Company Secretary	Ion M P Fletcher
Business Address and Registered Office	5th Floor St Albans House 57 – 59 Haymarket London SW1Y 4QX
Auditors	PKF Littlejohn LLP Statutory Auditors 15 Westferry Circus Canary Wharf London E14 4HD
Company Registration Number	00778293

Introduction

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2022.

Business of the British Property Federation (BPF)

The purpose of the BPF is to develop partnerships with the UK and Scottish Governments, and other decision making bodies, so that it can encourage the development of policies and regulations that will enable the industry to grow and thrive.

Review of business and future developments

Following two years of disruption caused by the Covid-19 pandemic, 2022 saw the BPF and SPF reinstate a full programme of in-person events, including annual conferences and dinners in both England and Scotland as well as a general return to in-person engagement with members through our committees and working groups.

Sustainability remained a particular priority for the organisation and was the central theme at our Annual Conference, at which we also launched the BPF Net Zero Pledge, which calls on all BPF members to sign up to meaningful net zero targets, share their experiences and expertise with others and support those in the industry who may be earlier on in their decarbonisation journeys.

The BPF Annual Conference also featured significant input from BPF Futures, our network for those with fewer than ten years' industry experience. BPF Futures has gone from strength to strength with a successful mentoring programme and an ambitious programme of site visits, policy forums and networking events. BPF Futures has also expanded its presence in Scotland and plans to further expand its reach in the English regions and among relevant government departments and agencies.

The second half of the year was marked by considerable uncertainty and change in UK politics, which had a significant impact on the Government's policy agenda. Expected measures such as a review of the Landlord and Tenant Act 1954 and changes to residential rental reform were delayed as a result, though still expected to take place during the life of this Parliament.

The BPF nevertheless had a very busy year on policy issues and was successful in persuading the Government to re-confirm its commitment to three yearly revaluations and the abolition of downwards transitional phasing; a measure that will particularly benefit retail property owners and their occupiers from April 2023. Our appearances at the LUHC Select Committee on renters' reform and levelling up resulted in the Committee adopting much of our evidence, while the publication of reports on logistics and build to rent have provided extensive opportunities for engagement with key policymakers.

We have expanded our work on affordable housing with a report explaining the sector's funding gap and a toolkit for affordable housing providers considering partnership work. Our work on building safety took in nine events, eight of which focused on preparing for the new building safety regime, and a supplier presentation day. The implications of the Building Safety Act, and funding of remediation, dominated a lot of other work.

In Scotland SPF focused on the sudden introduction of rent controls to the PRS sector and mounted a high profile and high tempo campaign to highlight the negative impact on investor sentiment towards Scottish BtR projects in particular. We have likewise engaged strongly with the planning reforms now apace in Scotland and with members and Government to address the new non-domestic rating system, which included the devolution of empty property rate relief to Scottish local government.

The BPF's top priorities in 2023 will be to continue to drive the BPF Net Zero Pledge and engaging with political stakeholders ahead of a General Election widely expected to be held in the Autumn of 2024. The central message of this engagement will be that through the buildings and places it owns, the property sector is a key partner in delivering Government's social and economic objectives.

Directors' Indemnity

The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

Results for the year

The results are set out in the consolidated statement of comprehensive income on page 9. The loss for the year after taxation was £189,986 (2021 – profit of £206,918).

Health and safety

The Board is committed to achieving the highest standards of care in its attention to health, safety and fire prevention. The Board requires safe working practices to ensure that employees, tenants and the general public are not harmed by the BPF's activities. Regular checks are made of office equipment, staff welfare and working practices to ensure that correct standards are maintained, and health and safety specialists undertake an annual inspection of fire prevention equipment.

Membership of the Board

The BPF wishes to thank the Directors for their contribution to its affairs during the year. The Directors serving during the year and up to the date of this report are set out on page 2.

Provision of Information to Auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and

- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor:

PKF Littlejohn LLP has expressed its willingness to continue in office. A resolution proposing the reappointment of PKF Littlejohn LLP will be proposed at the next Annual General Meeting.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

By order of the Board

Melanie Leech

M J Leech
Chief Executive

5th Floor
St Albans House
57 – 59 Haymarket
London SW1Y 4QX

13 June 2023

The Directors are responsible for preparing the annual report and the 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 Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). 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 Group and Company 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 and then apply them consistently;
* make judgments and accounting estimates that are reasonable and prudent; and
* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 Group and Company 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH PROPERTY FEDERATION

Opinion

We have audited the financial statements of British Property Federation (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Balance Sheets, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report of the directors, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the report of the directors. Our opinion on the group and parent company 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006 and relevant tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to enquiries of management and review of minutes.
- We also identified the risks of material misstatement of the financial statements due to fraud. We did not consider there to be any risk, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

19 June 2023

	Note	Total 2022 £	Total 2021 £
Subscription income		2,882,040	2,740,854
Operating and administrative expenses	5	(3,068,475)	(2,759,737)
Event and other income		236,991	32,110
Operating surplus		50,556	13,227
Interest receivable and similar income	7	28,440	14,534
(Loss)/gain on sale of and movement in value of investments	10	(267,081)	180,528
Bank interest and charges payable		(1,901)	(1,371)
(Loss)/surplus on ordinary activities before taxation		(189,986)	206,918
Taxation	8	-	-
(Loss)/surplus on ordinary activities after taxation		(189,986)	206,918
Income and Expenditure account			
Balance at beginning of year		3,472,020	3,265,102
Balance at end of year		3,282,034	3,472,020
Total comprehensive income for the year		(189,986)	206,918

All income and expenditure relates to continuing operations.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the Company for the year was £295,052 (2021: profit of £209,780), as shown further in the Statement of Changes in Equity on page 11

The notes on pages 13 to 24 form part of these financial statements.

BRITISH PROPERTY FEDERATION
Company number: 00778293

BALANCE SHEETS
AT 31 DECEMBER 2022

		Group		**Company**	
	Note	**2022**	**2021**	**2022**	**2021**
Fixed Assets					
Tangible fixed assets	9	367,189	458,179	-	-
Investments	10	3,146,369	3,438,508	-	-
Investment in group undertaking	19	-	-	100	100
Current Assets					
Debtors	11	130,909	119,124	3,175,025	3,067,890
Investments	12	1,286,778	1,299,870	1,286,778	1,299,870
Cash at bank and In hand		400,057	311,425	329,996	252,672
		1,817,744	1,730,419	4,791,799	4,620,432
Creditors: Amounts falling due within one year	13	(2,049,268)	(2,115,086)	(1,909,615)	(2,033,300)
Net Current (Liabilities)/ Assets		(231,524)	(384,667)	2,882,184	2,587,132
Provisions for liabilities	14	-	(40,000)	-	-
Net Assets		£3,282,034	£3,472,020	£2,882,284	£2,587,232
Members' funds					
Income and Expenditure account		£3,282,034	£3,472,020	£2,882,284	£2,587,232

The financial statements were approved and authorised for issue by the Board of Directors on 13 June 2023 and were signed on its behalf by:

Alan Leibowitz)

Melanie Leech) Directors

Melanie J Leech)

The Accounting Policies and Notes on pages 13 to 24 form part of these Financial Statements.

	Notes	Group		Company	
		Members' Funds	**Total**	**Members' Funds**	**Total**
Balance at 1 January 2021		3,265,102	3,265,102	2,377,452	2,377,452
Profit for the year		206,918	206,918	209,780	209,780
Balance as at 31 December 2021		£3,472,020	£3,472,020	£2,587,232	£2,587,232
Balance at 1 January 2022		3,472,020	3,472,020	2,587,232	2,587,232
(Loss)/Profit for the year		(189,986)	(189,986)	295,052	295,052
Balance as at 31 December 2022		£3,282,034	£3,282,034	£2,882,284	£2,882,284

The Accounting Policies and Notes on pages 13 to 24 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
Cash from Operating Activities	15	33,407	344,431
Taxation paid		-	-
Net cash generated from operating activities		£33,407	£344,431
Cash flow from investing activities			
Purchase of tangible assets		(9,464)	(125,935)
Purchase of fixed asset investments		(600,000)	(479,140)
Proceeds from disposal of fixed asset investment		638,277	459,247
Interest received		2,068	127
Dividends received		26,372	14,407
Net cash from investing activities		£57,253	£(131,294)
Cash flow from financing activities			
Bank charges		(1,901)	(1,371)
Net cash from financing activities		£(1,901)	£(1,371)
Net increase in cash and cash equivalents		88,759	211,766
Cash and cash equivalents at the beginning of the year		1,826,810	1,615,044
Cash and cash equivalents at the end of the year		£1,915,569	£1,826,810
Cash and cash equivalents consists of:			
Cash at bank and in hand		400,057	311,425
Short term deposits (included in current asset investments)		1,286,778	1,299,870
Cash held at stockbrokers		228,734	215,515
Cash and cash equivalents		£1,915,569	£1,826,810

The Accounting Policies and Notes on pages 13 to 24 form part of these financial statements.

1. General information

British Property Federation ('the Company') and its subsidiary (together ''the Group'') develop partnerships with the UK and Scottish Governments and other decision making bodies, to encourage the development of policies and regulations that will enable the industry to grow and thrive.

The Company is a private Company limited by guarantee and is incorporated and domiciled in England. The address of its registered office is 5th Floor, St Albans House, 57 – 59 Haymarket, London, SW1Y 4QX.

2. Statement of compliance

The Group and individual financial statements of British Property Federation have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'' (''FRS 102'') and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

(b) Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

3. Summary of significant accounting policies (continued)

(d) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December 2022.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

(e) Tangible Assets

Tangible assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

Depreciation is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	– over the period of the lease
Furniture, fittings and office equipment	– 4 years
Computer equipment	– 3 years
CRM system	- 7 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(ii) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of Group's sales channels have been met, as described below.

(i) Subscription income

Income comprises subscriptions from members which are treated as income in the year to which they relate. Income received in the year relating to future years is credited to deferred income.

3. **Summary of significant accounting policies (continued)**

(ii) Other operating income

Other operating income comprises rental income and revenue in providing the Federation's annual conference and other events. Revenue is recognised in the accounting period in which the events are held. Income received in the current year relating to future years is credited to deferred income.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(h) Taxation

The current tax charge is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

3. Summary of significant accounting policies (continued)

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(k) Investments - Company

(i) Investment in subsidiary company

Investment in the subsidiary company is held at cost less accumulated impairment losses.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(m) Provisions and contingencies

(i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

(o) Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(p) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Cost recharges

Costs are recharged from, and charged to, BPF Commercial Limited based on an estimation by management of the use of resources, predominantly driven by time incurred on the activities of each entity.

5. Operating and administrative expenses

	Group	
	2022	**2021**
Administration and overheads		
Employment costs (see note 6)	1,899,853	1,791,837
Other employee costs	87,336	101,447
Operating costs	214,891	318,847
Auditors remuneration – audit services	19,980	19,020
Auditors remuneration – tax advisory services	3,475	3,342
Depreciation	100,454	101,830
Premises costs		
Rent – operating lease charge	112,609	113,159
Service charge	46,946	76,267
Business rates	85,685	98,432
Advocacy and member services		
Consultant, research and information	121,654	48,726
Subscriptions and membership of other bodies	36,008	42,429
Event costs and meetings	221,673	14,497
Website and publications	117,911	29,904
	£3,068,475	£2,759,737

6. Employment costs

Staff costs consist of:

	2022	2021
Wages and salaries	1,516,440	1,413,359
Social security costs	179,461	177,100
Pension contributions	203,952	201,378
	£1,899,853	£1,791,837

	2022	2021
Average number of employees during the year (calculated on a monthly basis)	No.	No.
Full time	22	23

The Federation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Federation in independently administered funds.

Directors

The Directors' emoluments were as follows:

	2022	2021
Aggregate emoluments	£319,769	£286,085

One director (2021: one) was a member of a defined contribution schemes.

Highest Paid Director

	2022	2021
Total amount of emoluments (excluding pension contributions)	309,769	252,548
Company pension contributions to money purchase schemes	10,000	33,537
	£319,769	£286,085

Key management compensation

Key management includes the Directors and members of senior management. The compensation, including employer's national insurance, paid or payable to key management for employee services is shown below:

	2022	2021
Salaries and other short-term benefits	827,714	671,573
Post-employment benefits	71,100	62,143
Total key management compensation	£898,814	£735,696

7. Interest receivable and similar income

	2022	2021
Other interest – short term deposits	2,068	127
Income from fixed asset investments and dividends	26,372	14,407
	£28,440	£14,534

8. Taxation

(a) Tax expense included in profit and loss

	2022	2021
Current tax:		
UK Corporation tax on profits for the year	-	-
Total current tax	-	-
Tax on profit on ordinary activities	£ -	£-

(b) Reconciliation of tax charge

The tax assessed for the period is lower (2021: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

	2022	2021
(Loss)/profit multiplied by the standard effective rate of tax in the UK of 19% (2021: 19%)	(36,096)	39,314
Effects of:		
Fixed asset differences	(503)	-
Income not subject to tax	(60,709)	(76,390)
Unrecognised deferred tax	46,563	37,076
Expenses not deductible	50,745	-
Tax charge for the year	£-	£-

9. **Tangible fixed assets**

Group

Cost	**CRM**	**Computer**	**Furniture fittings and office equipment**	**Leasehold improvements**	**Total**
At beginning of year	580,053	153,949	116,802	113,177	963,981,
Additions	-	4,857	3,957	650	9,464
Disposals	-	(86,791)	(2,000)	-	(88,791)
Cost at end of year	580,053	72,015	118,759	113,827	884,654
Depreciation					
At beginning of year	135,850	139,973	116,802	113,177	505,802
Provision for year	88,839	10,272	1,180	163	100,454
Disposals	-	(86,791)	(2,000)	-	(88,791)
At end of year	224,689	63,454	115,982	113,340	517,465
Net Book Value					
At 31 December 2022	£355,364	£8,561	£2,777	£487	£367,189
At 31 December 2021	£444,203	£13,976	£-	£-	£458,179

Company

The Company had no tangible assets at 31 December 2022 (2021: £nil).

10. **Investments – fixed assets**

	2022	**2021**
Multi asset funds	3,082,741	3,388,629
Liquidity fund	50,409	49,879
Cash held at stockbrokers	13,219	-
Total investments	£3,146,369	£3,438,508

Movements in fixed asset investments during the year were as follows

	2022	**2021**
As at 1 January	3,438,508	3,034,664
Additions	600,000	479,140
Disposals and redemptions	(638,277)	(459,247)
Movement in cash held at stockbrokers	13,219	203,423
Net (loss)/gain on revaluation	(267,081)	180,528
As at 31 December	£3,146,369	£3,438,508

11. **Debtors**

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
Trade debtors	39,165	2,988	21,550	1,819
Loan to subsidiary company	-	-	2,633,006	2,633,006
Prepayments and other debtors	91,744	116,136	61,390	50,092
Amounts due from subsidiary	-	-	459,079	382,973
	£130,909	£119,124	£3,175,025	£3,067,890

The loan to BPF Commercial Limited is unsecured, interest free, has no fixed date of repayment and is repayable upon demand.

12. **Current asset investments**

	Group		Company	
	2022	**2021**	**2022**	**2021**
Short term deposits	£1,286,778	£1,299,870	£1,286,778	£1,299,870

13. **Creditors:** amounts falling due within one year

	Group		Company	
	2022	**2021**	**2022**	**2021**
Trade creditors	144,754	147,079	96,738	111,725
Other taxation and social security	66,997	72,613	66,997	72,613
Accruals and other creditors	239,528	215,323	147,891	168,890
Deferred income	1,597,989	1,680,071	1,597,989	1,680,072
	£2,049,268	£2,115,086	£1,909,615	£2,033,300

14. **Provisions for liabilities**

	Group		Company	
	2022	**2021**	**2021**	**2020**
Provision for dilapidations	£-	£40,000	£-	£-

Following a renegotiation of the lease terms, the requirement to provide for dilapidations was removed.

15. **Notes to the statement of cash flows**

Reconciliation of surplus to net cash inflow from operating activities:

	2022	2021
(Loss)/surplus for the financial year	(189,986)	206,918
Adjustment for:		
Tax on profit on ordinary activities	-	-
Interest and investment income	(28,440)	(14,534)
Bank charges	1,901	1,371
Loss/(gain) on sale of and movement in value of investments	267,081	(180,528)
	£50,556	£13,227

	2022	2021
Operating surplus	50,556	13,227
Depreciation of tangible assets	100,454	101,830
Working capital movements:		
(Increase)/decrease in debtors	(11,785)	94,078
(Decrease)/increase in creditors	(65,818)	135,296
(Decrease) in provisions	(40,000)	-
Cash flow from operating activities	£33,407	£344,431

Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
Cash at bank and in hand	311,425	88,632	400,057
Short-term deposits	1,299,870	(13,092)	1,286,778
Cash held at stockbrokers	215,515	13,219	228,734
Total	£1,826,810	£88,759	£1,915,568

Cash held at stockbrokers represents cash held for future investments, but is available at relatively short notice if needed by the Group.

16. **Capital and other commitments**

Group

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022	2021
Payments due		
Not later than one year and not later than five years	-	50,000
Later than one year and not later than five years	-	-
	£-	£50,000

The Group and Company had capital commitments of £nil as at 31 December 2022 (2021: £nil).

17. **Related party transactions**

The Company's only related party transactions were with a wholly owned subsidiary and so have not been disclosed. The Company has provided a letter of support to the Directors of BPF Commercial Limited confirming ongoing support for that company to enable it to meet its liabilities for a period of at least 12 months from the date of approval of the financial statements.

Melanie Leech is a Trustee of LandAid Charitable Trust. In the year ended 31 December 2022, £nil of office rental and service charge income was received from the Trust (2021: £22,201).

18. **Controlling parties**

Group and Company

The Company is limited by guarantee and has no share capital. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up whilst the member is a member or within one year of ceasing to be a member.

19. **Subsidiaries and related undertakings**

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Name	Country of incorporation	Nature of business	Interest
BPF Commercial Limited	UK	Managing events and working capital	100% Ordinary Shares

The above subsidiary is included in the consolidation.

20. **Post balance sheet event**

On 17 April 2023 the BPF announced an intention to take control of the UK PropTech Association (UKPA), a company limited by guarantee registered in England and Wales. The UKPA focusses on the promotion of technology and innovation in the property sector. As at the date of approval of these financial statements discussions are ongoing. Should the transaction complete, the UKPA would become a subsidiary of the BPF.