
HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

COMPANY INFORMATION

Directors	S A Baseley N Jefferson M R Thackstone N Fitzsimmons G Malton S H Midgley S Stone D F Thomas J F Tutte
Company secretary	M R Thackstone
Registered number	02764757
Registered office	HBF House 27 Broadwall London SE1 9PL
Independent auditors	Barnes Roffe LLP Chartered Accountants Leytonstone House Leytonstone London E11 1GA

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

CONTENTS

	Page
Directors' report	1 - 5
Independent auditors' report	6 - 10
Consolidated statement of income and retained earnings	11
Consolidated balance sheet	12
Notes to the financial statements	14 - 30

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

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 surplus or deficit 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Business review

The coronavirus pandemic ensured that 2020 was a remarkable year for every business and sector across the economy, and home building was no exception.

Whilst the Prime Minister specifically stated that construction work could continue when the initial lockdown was announced in March, the practical difficulties of doing so safely, combined with disruption in the supply chain and the closure of the housing market, led to much of the industry having to effectively stop work.

HBF also adapted to a new way of working. We closed our London office in mid March and all staff were successfully set up to work remotely. We changed the way we communicated with members by establishing daily coronavirus news briefings, setting up a coronavirus resource page on our website and holding frequent well attended meetings with members to ensure they were fully briefed on a fast moving situation.

We worked to support members through this challenging period initially focusing on assisting them to navigate and access the support measures put in place by Government. We also worked with Government to launch a Charter for Safe Working Practice that allowed sites to re-open along with associated activities including sales and removals in mid May.

When construction on sites restarted, it did so in a very different and cautious way as companies looked to ensure the safety of its staff, suppliers, customers and the public. This approach was very successful and, as a result, when further lockdowns were introduced in November and again in January 2021, construction work on all housing sites and related activities were allowed to continue.

A major positive of the year was the strength of the market once it reopened. The demand for new homes reached a level that few could have predicted, driven by consumers reassessing their housing needs during the periods of lockdown and other restrictions. Supported by the Help to Buy scheme and stamp duty holiday, the deadlines for which we worked tirelessly and ultimately successfully with Government to extend, demand has remained strong into 2021.

Whilst the impacts of the pandemic were necessarily the prime focus, we remained focused on other key policy areas and strategic objectives, including:

Environmental agenda. Work to develop an environmental strategy and delivery plan for the industry was a priority area of activity during 2020. We held two housing and environment summits involving senior members and a wide range of external stakeholders, including Government and regulators, manufacturers, the energy and water sectors and NGOs. In the Autumn, we launched the Future Homes Task Force with representation from senior HBF members and all key stakeholders, including Government and regulators. The Task Force will be responsible for developing a roadmap for the delivery of home building's contribution to meeting national environmental targets. We continued to engage in all relevant consultations including on Part L; the Future Homes Standards; Biodiversity Net Gain; Electric car charging points.

Help to Buy and the mortgage market. 2020 was always expected to be a busy and important year for the operation of the Help to Buy scheme with the ending of the 2013-21 scheme, and the final detail and implementation of the 2021-23 scheme to be determined. We successfully lobbied Homes England and Government to extend the deadlines of the existing scheme to account for coronavirus related construction delays so that buyers could still complete their purchases; and negotiated with them to try and ensure that the new scheme's rules will be practical and workable.

Alongside this, we engaged with members on measures to develop a more sustainable long term mortgage market. We supported the introduction of new mortgage products into the market and worked with a group of the larger member companies to sponsor work to develop an industry-led mortgage guarantee product.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

New Homes Ombudsman Service (NHOS). We continued to support the initiative to put in place a NHOS. As a result of a number of years effort by HBF and stakeholders, the interim New Homes Quality Board (NHQB) a new independent body with responsibility for introducing a new industry code of practice and appointing a NHOS was launched in May, headed by Natalie Elphicke MP. HBF provided policy, secretarial and back-office support to the interim body as it moved towards incorporation as a legal entity. This was achieved in January 2021. The intention is that the NHQB will oversee the introduction of the new arrangements in the coming year and HBF is working with the NHQB to ensure members are aware of all the new requirements. HBF received additional funding from members of the Major Home Builders Group to support the launch of NHQB and NHOS.

Tall building safety related issues. The repercussions from the tragic events at Grenfell Tower continued to be felt through 2020 with a number of announcements on fire safety and consultations that we responded to. In addition, HBF remained close to the Royal Institute of Chartered Surveyors and others on developments with regards to the EWS1 form.

Planning. We lobbied to influence the emergency planning legislation following the outbreak of Covid-19 that focussed very much on keeping the system going and agreed measures such as extended site opening hours. More generally, we collaborated with members to respond to two major consultations regarding the planning system. The first concerned changes to the current planning system while the long-awaited planning White Paper – Planning for the Future, set out a bold vision of change. We continued to represent members at every local plan inquiry, though inevitably many were delayed, meaning 2021 will be especially busy. Design remained a priority with the establishment of a new body to assist local authorities.

Supply base. We continued to press for policies to assist in widening the supply base. Though our retirement housing group we argued for policy changes to allow more specialist homes to be delivered; whilst through our Small Developers Group, we looked to agree and push for policy changes that reflected the needs of smaller homebuilders. We held a roundtable with our SME members and MHCLG and published a report with Close Brothers Property Finance highlighting the challenges and opportunities facing smaller developers.

Skills. In 2020, the funding relationship between the Construction Industry Training Board (CITB) and Home Building Skills Partnership (HBSP) ended and HBSP became part of HBF. On its new footing, the HBSP continued to grow and progress initiatives aimed at attracting and training more people and increasing industry capacity. Initiatives included the launch of a new site visitor card to replace the Construction Skills Certification Scheme version that was withdrawn; a programme of brickwork masterclasses; working with stakeholders on a skills tracker; supporting the Government's Kickstart initiative within the house building industry; and the launch of the Future Talent Network to support the professional development of new starters to our industry. We also supported CITB on moves to defer levy payments during the pandemic.

Customer satisfaction survey data. In March, we published our annual industry customer satisfaction survey-based star rating results. For a third year in a row, the industry scores showed an improvement with 89% of new home buyers stating they would 'recommend their builder to a friend', an increase of 2% on last year and 5% in the past three. Whilst we monitored the situation closely, there appears to have been no discernible impact on satisfaction levels as a result of the pandemic.

Other work. More generally, on behalf of industry we responded to numerous technical consultations put out by Government including on safety and accessibility standards. We took part in an Affordable Housing Commission and worked with members on the Competition and Markets Authority review of leasehold reform. We also highlighted the implications of Brexit for home builders.

Our regional work continued to ramp us as we engaged with the metro mayors on housing issues; whilst we engaged with members to address the issue of nutrient neutrality that spread as a major environmental and planning issue from the Solent to other areas.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

On the political front, we increased our digital engagement with politicians and made representations on the Budget and Spending Review. We represented the industry in the media on a broad range of high-profile issues and published reports and ran campaigns to highlight the range of skills and roles available in the industry. This work included a Westminster MP drop in event which allowed MPs and Peers the opportunity to meet some of the industry's talented workforce. We also launched a 'Building Communities' campaign to highlight the wider economic and social benefits provided to local areas through development; whilst our New Homes Week campaign promoted the benefits of new build homes.

Our Diversity and Inclusion group progressed initiatives on issues including flexible working and LGBT networks. We continued to promote our mental health awareness campaign that has now seen hundreds of staff across the industry trained in mental health awareness and over £200,000 raised for the Lighthouse Charity.

People. In such a challenging year, the HBF team responded positively to both the changing needs of the industry and having to work from home, often in not ideal circumstances. We thank all of our employees for their work and supporting new ways of engaging and communicating with members through this difficult year as well as moving forward important industry issues. During the year, Peter Andrew, Deputy Chairman, retired and we thank him for his contribution to the work of the HBF. In January 2020, Neil Jefferson joined as Managing Director. He brings with him a wealth of industry knowledge to further our work in promoting the interest of the home building industry.

Finances. In a financial context, the Group reported a surplus after tax of £127,925 (2019: £493,346). The reduction in the Group surplus was essentially due to the impact of Covid19, Housebuilder Media with reductions in advertising spend and surpluses from events resulting in a deficit after tax of £49,315 (2019: Surplus of £262,119).

As a consequence of the Group surplus, our reserves increased to £4,279,113 (2019: £4,151,188) with a cash balance increase to £5,176,765 (2019: £4,531,372). This includes member subscriptions for 2021 paid prior to the year end of £774,119 (2019: £328,869) as well as £224,241 (2019: £Nil) of funds provided by certain members for specific initiatives.

Directors

The Directors who served during the year were:

S A Baseley
N Jefferson (appointed 1 March 2020)
M R Thackstone
N Fitzsimmons
G Malton
S H Midgley
S Stone
D F Thomas
J F Tutte
P Andrew (resigned 30 June 2020)

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.


Auditors

The auditors, Barnes Roffe 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 *29th APRIL 2021* and signed on its behalf.



S A Baseley
Director

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LTD

Opinion

We have audited the financial statements of Home Builders Federation Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 the 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.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LTD
(CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LTD
(CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LTD
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Group 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- We focused on specific laws and regulations, which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards;
- We assessed the extent of compliance with laws and regulations identified above through making enquires of management and inspecting legal correspondence and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquires of management as to where they considered there was susceptibility to fraud, their knowledge of actual suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify and unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME BUILDERS FEDERATION LTD
(CONTINUED)

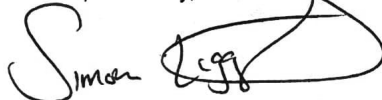
- Investigated the rationale behind significant or unusual transactions. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion

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 Auditors' 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 Auditors' 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.



Simon Liggins (Senior statutory auditor)

for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Leytonstone House
Leytonstone
London
E11 1GA

Date: 18.5.2021

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Turnover	4,931,012	5,489,748
Cost of sales	(323,537)	(707,388)
Gross profit	4,607,475	4,782,360
Administrative expenses	(5,018,002)	(5,028,806)
Other operating income	570,822	837,360
Operating profit	160,295	590,914
Interest receivable and similar income	10,400	27,107
Profit before tax	170,695	618,021
Tax on profit	(42,770)	(124,675)
Profit after tax	127,925	493,346
Retained earnings at the beginning of the year	4,151,188	3,657,842
Profit for the year attributable to the owners of the parent	127,925	493,346
Retained earnings at the end of the year	4,279,113	4,151,188

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 14 to 30 form part of these financial statements.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)
REGISTERED NUMBER: 02764757

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	98,014	95,367
Tangible assets	6	1,327,891	1,394,473
		1,425,905	1,489,840
Current assets			
Stocks	9	-	4,739
Debtors: amounts falling due within one year	10	880,775	692,722
Cash at bank and in hand	11	5,176,765	4,531,372
		6,057,540	5,228,833
Creditors: amounts falling due within one year	12	(3,188,389)	(2,551,542)
Net current assets		2,869,151	2,677,291
Total assets less current liabilities		4,295,056	4,167,131
Provisions for liabilities			
Deferred tax	15	(15,943)	(15,943)
Net assets		4,279,113	4,151,188
Capital and reserves			
Profit and loss account		4,279,113	4,151,188

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

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



S A Baseley 29/04/2021
 Director

The notes on pages 14 to 30 form part of these financial statements.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)
REGISTERED NUMBER: 02764757

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	98,014	95,367
Tangible assets	6	1,324,846	1,388,901
Investments	7	10	10
		<u>1,422,870</u>	<u>1,484,278</u>
Current assets			
Debtors: amounts falling due within one year	10	314,781	124,276
Cash at bank and in hand	11	4,002,777	3,213,445
		<u>4,317,558</u>	<u>3,337,721</u>
Creditors: amounts falling due within one year	12	(3,091,749)	(2,350,559)
Net current assets		<u>1,225,809</u>	<u>987,162</u>
Total assets less current liabilities		<u>2,648,679</u>	<u>2,471,440</u>
Creditors: amounts falling due after more than one year	13	(525,000)	(525,000)
Provisions for liabilities			
Deferred taxation	15	(13,116)	(13,116)
Net assets		<u>2,110,563</u>	<u>1,933,324</u>
Capital and reserves			
Profit and loss account brought forward		1,933,324	1,702,098
Profit for the year		177,239	231,226
Profit and loss account carried forward		<u>2,110,563</u>	<u>1,933,324</u>

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

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



S A Baseley
 Director 29/04/2021

The notes on pages 14 to 30 form part of these financial statements.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Home Builders Federation Limited ("the Company") is a Company limited by guarantee, incorporated in England and Wales. Its registered office is 27 Broadwall, London, SE1 9PL.

The principal activity of the Company is the provision of services to the members of the Home Builders Federation ("the HBF").

The principal activity of the Company's subsidiary, Housebuilder Media Limited, continued to be that of a publisher of consumer and business journals and periodicals.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2016.

Non-consolidation of dormant subsidiaries

The following dormant subsidiary companies of Home Builders Federation Limited and Housebuilder Media Limited have not been included in the consolidated accounts as the companies were deemed immaterial to the group:

House Builders Federation Limited
Housebuilder Publications Limited
HB Media Limited

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the impact of COVID-19 on the ability of the Company to continue as a Going Concern. In making their assessment the directors have prepared and critically reviewed the Company's cash flow forecast for the next 12 months and ensured that this forecast is modelled on a suitably cautious basis bearing in mind the unpredictable nature of the pandemic and its possible impact on the Company and the wider economy. As well as considering cash flow, the directors have also taken into account the immediate and future impact on Profit and Loss and Balance Sheet of COVID-19.

Based on these assessments the directors have concluded that the Company has adequate resources to continue in existence for the foreseeable future as a Going Concern and accordingly these financial statements have been prepared on that basis

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Revenue recognition

Home Builders Federation Limited

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents subscription fees payable by members calculated on a subscription year basis (which coincides with the Company's financial year). Where a member joins part way through a year, the subscription is pro-rated.

Revenue is recognised in the year in which the membership services are provided. Where revenue is received in advance for a subsequent subscription year, a suitable adjustment to creditors is made to show this as deferred income.

Housebuilder Media Limited

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 Company and value added taxes.

The Company recognises revenue when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company 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 each of the Company's sales channels have been met, as described below:

(i) The Company publishes a magazine entitled Housebuilder 10 times each year. The magazine is made available free of charge to members of the Home Builders Federation and the National House Building Council and both these organisations pay subscriptions for this service. Individuals can also purchase subscriptions to the magazine.

(ii) In addition to subscription income, the Company also sells advertising space in the magazine. Revenue from both subscriptions and advertising is recognised in the year in which the magazines are published. Any revenue received in advance of future subscriptions and advertising is deferred until the service is provided.

(iii) The Company also organises conferences and other events throughout the year and revenue is raised by the sale of tickets and via third party sponsorship. Revenue from conferences and events is recognised in the year in which the event takes place.

(iv) Finally, the Company derives revenue from the sale of advertising on its website.

Revenue is recognised in the year in which the advertisement is placed. An appropriate adjustment is made for any revenue for advertising space that straddles the Company's financial year end.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.8 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. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Depreciation rate 2% per annum on cost
Fixtures and fittings	- Depreciation rate 16.67% per annum on cost
Office equipment	- Depreciation rate 33.33% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Stocks

Stocks of printing paper are valued at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

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

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

(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 plan

The Company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense when they are due. Amounts not paid or prepaid are shown in other accruals or prepayments in the Balance sheet. The assets of the plan are held separately from the Company in an independently administered fund.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance sheet date.

2.18 Related party transactions

The group and company 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 transaction on the group financial statements

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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.

Critical judgments in applying the entity's accounting policies

No critical accounting judgments have had to be made by management in preparing these financial statements.

Critical accounting estimates and assumptions

(i) Useful economic lives of tangible assets

The annual depreciation and amortisation charge for tangible and intangible 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. See notes 5 and 6 for the carrying amount of the property plant and equipment and intangible assets. See notes 2.8 and 2.9 for the useful economic lives for each class of assets

(ii) Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

4. Employees

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

	Group 2020 No.	<i>Group</i> <i>2019</i> <i>No.</i>	Company 2020 No.	<i>Company</i> <i>2019</i> <i>No.</i>
Employees	40	<i>40</i>	33	<i>33</i>

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Intangible assets

Group

	Software £	Housing Market Intelligence £	Total £
Cost			
At 1 January 2020	98,650	100,000	198,650
Additions	20,955	-	20,955
At 31 December 2020	<u>119,605</u>	<u>100,000</u>	<u>219,605</u>
Amortisation			
At 1 January 2020	3,283	100,000	103,283
Charge for the year on owned assets	18,308	-	18,308
At 31 December 2020	<u>21,591</u>	<u>100,000</u>	<u>121,591</u>
Net book value			
At 31 December 2020	<u>98,014</u>	<u>-</u>	<u>98,014</u>
<i>At 31 December 2019</i>	<u>95,367</u>	<u>-</u>	<u>95,367</u>

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Intangible assets (continued)

Company

	Software £
Cost	
At 1 January 2020	98,650
Additions	20,955
At 31 December 2020	119,605
Amortisation	
At 1 January 2020	3,283
Charge for the year	18,308
At 31 December 2020	21,591
Net book value	
At 31 December 2020	98,014
<i>At 31 December 2019</i>	95,367

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2020	1,405,270	403,500	149,689	1,958,459
Additions	-	3,507	11,369	14,876
At 31 December 2020	<u>1,405,270</u>	<u>407,007</u>	<u>161,058</u>	<u>1,973,335</u>
Depreciation				
At 1 January 2020	174,003	261,127	128,856	563,986
Charge for the year on owned assets	28,125	37,939	15,394	81,458
At 31 December 2020	<u>202,128</u>	<u>299,066</u>	<u>144,250</u>	<u>645,444</u>
Net book value				
At 31 December 2020	<u>1,203,142</u>	<u>107,941</u>	<u>16,808</u>	<u>1,327,891</u>
At 31 December 2019	<u>1,231,267</u>	<u>142,373</u>	<u>20,833</u>	<u>1,394,473</u>

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	1,405,270	403,500	116,645	1,925,415
Additions	-	3,507	9,041	12,548
At 31 December 2020	<u>1,405,270</u>	<u>407,007</u>	<u>125,686</u>	<u>1,937,963</u>
Depreciation				
At 1 January 2020	174,003	261,127	101,384	536,514
Charge for the year on owned assets	28,125	37,939	10,539	76,603
At 31 December 2020	<u>202,128</u>	<u>299,066</u>	<u>111,923</u>	<u>613,117</u>
Net book value				
At 31 December 2020	<u><u>1,203,142</u></u>	<u><u>107,941</u></u>	<u><u>13,763</u></u>	<u><u>1,324,846</u></u>
At 31 December 2019	<u><u>1,231,267</u></u>	<u><u>142,373</u></u>	<u><u>15,261</u></u>	<u><u>1,388,901</u></u>

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Fixed asset investments

Company

	Listed investments £
Cost or valuation	
At 1 January 2020	10
At 31 December 2020	10

8. Subsidiary undertakings

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
House Builders Representatives Limited	England	Dormant	Ordinary	100%
Housebuilder Media Limited	England	Publication of "Housebuilder" journal and provision of conferences and events for the members of the Home Builders Federation	Ordinary	100%
House Builders Federation Limited	England	Dormant	Ordinary	100%
HBF Insurance PCC Limited	Guernsey	Provision of mortgage insurance tenders. This ceased on 8 September 2015, and the company is now in run off.	Core	100%
Housebuilder Publications Limited	England	Dormant	Ordinary	100%

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Subsidiary undertakings (continued)

Indirect subsidiary undertaking

The following was an indirect subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
HB Media Limited	England	Dormant	Ordinary	100%

9. Stocks

	Group 2020 £	<i>Group 2019 £</i>
Finished goods and goods for resale	-	4,739

10. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	229,731	229,178	109,591	-
Other debtors	410,577	332,113	362	11,447
Prepayments and accrued income	240,467	131,431	204,828	112,829
	880,775	<i>692,722</i>	314,781	<i>124,276</i>

11. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Cash at bank and in hand	5,176,765	4,531,372	4,002,777	3,213,445

Cash and cash equivalents at 31 December 2020 includes £224,241 (2019: £nil) paid by members to fund specific projects and is therefore restricted in its use.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	113,260	123,077	98,613	95,774
Amounts owed to group undertakings	-	-	930,407	888,283
Corporation tax	53,642	124,624	53,642	60,026
Other taxation and social security	443,415	335,491	434,868	327,998
Other creditors	924,770	898,208	159,722	133,455
Accruals and deferred income	1,653,302	1,070,142	1,414,497	845,023
	<u>3,188,389</u>	<u>2,551,542</u>	<u>3,091,749</u>	<u>2,350,559</u>

13. Creditors: Amounts falling due after more than one year

	Company 2020 £	<i>Company 2019 £</i>
Amounts owed to group undertakings	525,000	525,000
	<u>525,000</u>	<u>525,000</u>

This is a long term loan from House Builders Representatives Limited, a subsidiary undertaking, being repayable upon winding up of the Home Builders Federation Limited.

14. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	5,176,765	4,531,372	4,002,777	3,213,445
	<u>5,176,765</u>	<u>4,531,372</u>	<u>4,002,777</u>	<u>3,213,445</u>

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(15,943)	(15,943)
At end of year	(15,943)	(15,943)

Company

	2020 £	2019 £
At beginning of year	(13,116)	(13,116)
At end of year	(13,116)	(13,116)

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(15,943)	(15,943)	(13,116)	(13,116)
	(15,943)	(15,943)	(13,116)	(13,116)

16. Company status

The company is a private company limited by guarantee and consequently does not have share capital.

Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

17. Pension commitments

The Group and the company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Group and the company in an independently administered fund. The pension cost charge represents contributions payable by the Group and the company to the fund and amounted to £267,136 for the Group of which £225,066 related solely to the company (2019, Group - £260,799, Company - £219,922). Contributions totalling £38,334 for the Group and the company (2019, Group £47,521, Company - £42,880) were payable to the fund at the balance sheet date.

HOME BUILDERS FEDERATION LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Not later than 1 year	-	4,073	-	4,073
	<hr/>	<hr/>	<hr/>	<hr/>
	-	4,073	-	4,073
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19. Related party transactions

The Group has taken advantage of the exemption, under FRS 102 paragraph 1.12 and paragraph 33.1A, from disclosing other related party transactions as they are with other Companies that are wholly owned within the Group.

Included within creditors at the balance sheet date is an outstanding balance of £159,622 (2019 - £201,411) payable to an entity which has trustees in common with the directors.