



NATIONAL FEDERATION OF PROPERTY PROFESSIONALS

# ANNUAL REPORT & ACCOUNTS

## 2013/14

# CONTENTS

Page

03	Notice of Annual General Meeting 2014
05	Chairman's Introduction
06	Minutes from Annual General Meeting 2013
14	Auditors' Report
15	Financial Statements
16	Accounts

# SEVENTH ANNUAL GENERAL MEETING

13 JUNE 2014



Notice is hereby given that the Seventh Annual General Meeting of the Federation will be held at

**CHARING CROSS HOTEL, LONDON**  
**FRIDAY 13 JUNE 2014 AT 11.30 AM**

BY ORDER OF THE BOARD:

Mark Hayward, Company Secretary, May 2014

## AGENDA

1. Apologies
2. To approve the Minutes of the Sixth Annual General Meeting of the National Federation of Property Professionals held at The Charing Cross Hotel, London on Friday 14 June 2013 at 3.15 p.m.
3. To receive and, if approved, adopt the accounts for the year ended 31 December 2013 (questions on the accounts should be submitted to the Director of Finance at Arbon House ([robclutton@nfopp.co.uk](mailto:robclutton@nfopp.co.uk)) in writing at least seven days prior to the meeting in order that he may respond with the full information available)
4. Annual Report by the Executive Chair of the Board, Michael Finn
5. Report on the election of the Presidential Teams and NFoPP Board members for the ensuing year
6. Declaration by a representative of the Electoral Reform Services
7. Report by the President of ARLA, Valerie Bannister  
Report by the President of the NAEA, Simon Gerrard
8. Appointment of auditors for the ensuing year
9. Any other business (Items to be raised under this heading must be notified to the Executive Office at Arbon House ([susanneedham@nfopp.co.uk](mailto:susanneedham@nfopp.co.uk)) at least seven days prior to the meeting.)

Please note that the AIPP (Association of International Property Professionals) AGM will take place at 2.30 p.m. on Friday 13 June 2014 at The Charing Cross Hotel

# NATIONAL FEDERATION OF PROPERTY PROFESSIONALS

## STRATEGIC FRAMEWORK

### ASPIRATION AND DIRECTION

- To maintain our position as the leading membership organisation for residential sales and lettings in the UK
- For the consumer to actively seek out all our brands and to be the first stop for their property service requirements
- To be the 'go to' membership organisation for property professionals
- To be recognised and trusted
- To be the authoritative commentator on housing policy and market trends
- Influence Government policy
- Improve brand awareness and clarity of brand message
- Grow membership
- Uphold the highest professional standards
- Support and encourage appropriate, mutually beneficial links with individuals and organisations
- Maintain ability to react to market demand and trends

### MEMBER INTERACTION

- Continue to review and improve all available methods of communication to provide a consistent, clear and transparent message to our members, customers and stakeholders
- To ensure consistently high standards of service throughout every department of Arbon House
- To endeavour to seek out and understand the aspirations of our members
- To strive to assist our members in achieving their business goals and objectives

### BUSINESS MANAGEMENT

- Strategy of the organisation will be determined by the Board
- Operational functionality of Arbon House, as decided by the Board, is under the control of the MDs ARLA and NAEA, who are responsible and accountable to the Board for the implementation and adoption of the strategic framework
- To create and implement a business management system to cover all functions at Arbon House

### BUSINESS DEVELOPMENT

- To promote the business of residential and commercial estate agency, lettings and auctioneering as a Profession
- To ensure that there is an effective business development plan in place for each brand, which is kept under regular review
- To constantly seek out new opportunities to increase the membership across all brands

### FINANCIAL MANAGEMENT

- The organisation will undertake and implement prudent financial planning for each financial year, investing any surplus as deemed appropriate, for the benefit of members
- The organisation will continue to develop and maintain sound financial and administrative systems to:
  - satisfy legislative regulations
  - produce audited accounts
  - produce budgets and accurate management information
  - present and report to the Board on a timely basis

### SKILLS AND KNOWLEDGE

- To encourage the appointment of the highest calibre of people possible at both Board and staff level
- To ensure that adequate resource is available to provide delivery of the aims and objectives of the organisation's strategic framework
- To nurture and facilitate the continuing development of staff to help them to achieve their personal goals within the organisation

# CHAIRMAN'S INTRODUCTION



**Michael Finn MBE**  
Executive Chairman

“  
Six months later, I find the challenges more exciting than envisaged and the outlook for the coming year extremely stimulating.”

I was delighted to be invited to be the first Executive Chairman of the Federation's Board in October last year. I was particularly challenged by the prospect of chairing a Board representing the leading professions of land and property. Now, six months later, I find the challenges more exciting than envisaged and the outlook for the coming year extremely stimulating.

The Federation is a members' organisation, existing to meet the needs of members by providing services and training and setting standards. The flip side, of course, is the exercise of discipline and redress procedures to protect the public interest.

This Annual Report is essentially retrospective and the Presidents' reports that follow deal with achievements over the past year. I would like, however, to look forward and lift the lid on the Federation's Strategic Framework for 2014. It is ambitious and has a number of strands which can be summarised as:

- maintaining our position as the leading provider of residential property advice and being the authoritative commentator on housing policy and market trends;
- upholding the highest professional standards and assisting members in achieving their business goals;
- improving brand awareness and growing the membership and members' services;
- maintaining sound financial and administrative systems and investments for the benefit of members.

I am delighted to confirm that this strategy has the full support of the individual divisions and the Federation's Board and I commend it to the membership.

Finally, I would like to pay my respects to the outgoing Presidents, Susan Fitz-Gibbon and Jan Hýtch, who have done an excellent job in representing their members and influencing forward policy. The role of President requires considerable time and personal commitment. Both have been fortunate to have the support of their companies and families and this is to be commended. I wish the outgoing Presidents a happy retirement and hope we will continue to benefit from their wise counsel in the future.

I would also like to welcome the incoming Presidents Valerie Bannister and Simon Gerrard and to offer many thanks to those NFoPP Board members who are standing down this year, James Neal (NAEA) and Michael Toogood (ARLA).

I would like to close by thanking the current NFoPP Board members for all their support in the first few months of my tenure.

**Michael Finn MBE**

# NATIONAL FEDERATION OF PROPERTY PROFESSIONALS MINUTES OF THE ANNUAL GENERAL MEETING

## 14 JUNE 2013

THE CHARING CROSS HOTEL  
LONDON

The sixth Annual General Meeting of the National Federation of Property Professionals was held on Friday 14th June 2013 at the Charing Cross Hotel, London. Mark Hayward, Company Secretary, chaired the meeting in the absence of Tim Hyatt, Acting Chair of the Board.

### 1. APOLOGIES

Numerous apologies had been received, details of which have been incorporated with the formal minutes of the meeting.

### 2. MINUTES OF THE FIFTH ANNUAL GENERAL MEETING HELD 15TH JUNE 2012 AT THE NOVOTEL ST PANCRAS HOTEL, LONDON

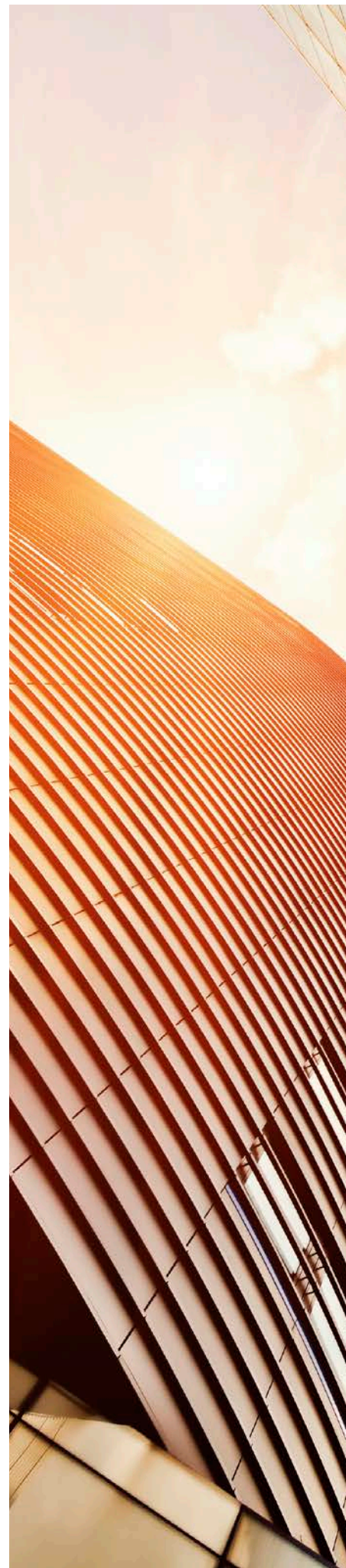
Mark Hayward advised that no questions had been received regarding the above minutes and they were proposed by Guy Charrison and seconded by Michael Toogood as an accurate record of the meeting. This was unanimously agreed.

### 3. PROPOSED SPECIAL RESOLUTION TO AMEND THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The amendments, as listed in the AGM agenda and provided to members under the electronic voting system, are given below.

That the Company's Memorandum and Articles of Association be amended in the following manner:

- 3.1. In the proviso to paragraph 4 of the Memorandum, the words "(who may also be a Director) or the Executive Chairman" shall be added after the words "other than the Secretary".
- 3.2. In Article 1, the definition of "The Statutes" shall be amended to read:  
"The Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force."
- 3.3. In Article 1, the defined word "Branches" shall be changed to "Regions" and the definition shall be amended to read:  
"the Regions of the Federation established from time to time by the Board under the power contained in Article 31 hereof."
- 3.4. In Article 5.1, the words "in writing for that purpose signed by the applicant" shall be deleted.
- 3.5. In Article 7, the following paragraph shall be added at the end:  
"A Member who ceases to be a Member for any reason shall not be entitled to a refund of any part of his or her membership fee."
- 3.6. In Article 11, the words "twenty" shall be replaced with the words "one hundred".





- 3.7. In Article 30, the following sentence shall be added:  
 "There shall be a President, President Elect and a Vice President of each Division who shall each hold office for a term of one year. At the end of such term, the President Elect and the Vice President shall automatically become President and President Elect respectively unless good reason is demonstrated to the Board as to why they should not be elevated to that position."
- 3.8. In Article 31, the words "and/or Branches" shall be deleted.
- 3.9. In Article 33:  
 Article 33.2.1 shall be renumbered 33.2.

In Article 33.2, the third sentence shall be replaced with:

"The number of Directors in 2015 and subsequent years shall, in addition to the President and President Elect of the two divisions and the Executive Chairman referred to in Article 33.3, comprise eight members being four from the Estate Agents' Division and four from the Residential Lettings Division."

There shall be inserted a new Article 33.3 as follows:

"An Executive Chairman shall be appointed by the Board for a three-year term (renewable for a further period of up to three years, as the Board shall decide). The Executive Chairman shall act as a Director on such terms (as to remuneration and otherwise) as the Board shall decide."

There shall be inserted a new Article 33.4 as follows:

"In the year 2014 only, the number of Directors shall, in addition to the President and President Elect of the two divisions and the Executive Chairman referred to in Article 33.3, comprise nine members being five from the Estate Agents Division and four from the Residential Lettings Division elected in the manner prescribed by the Board pursuant to Article 33.2."

There shall be inserted a new Article 33.5 as follows:

"Until the Annual General Meeting in 2014, the Board shall comprise the President and President Elect of the two divisions, the Executive Chairman (when appointed) and nine further members being six from the Estate Agents Division and three from the Residential Lettings Division."

- 3.10. In Article 34, the words "three years" shall be replaced with "four years".
- 3.11. In Article 35, the words "one-third" shall be replaced with "one-quarter".
- 3.12. Article 37 shall be replaced with the following:  
 "No person shall be eligible to be or remain a Director:-  
 37.1 unless that person is a Corporate Member of the Federation; or



37.2 if there are already two Directors who are employed by the same company, organisation or legal entity as the Director in question.”

3.13. In Article 40, the following words shall be added at the end:

“and save that nothing in this Article shall prevent a Director who is also the Secretary from receiving remuneration in respect of that office”.

3.14. In Article 46, the words “(who may also be a Director)” shall be added after the words “The Secretary” in the first line.

3.15. In Article 47, the word “Executive” shall be inserted before the word “Chairman”.

3.16. In Article 54, the words “Corporate members of the Federation” shall be deleted and replaced with “any suitable individual (who need not be a member of the Federation)”.

Thomas Collings from the Electoral Reform Services was present to oversee the announcement of the results of the electronic vote of all members. In accordance with normal practice, a show of hands was requested at the AGM of those in favour of the Resolution to amend the Memorandum and Articles. The show of hands was in favour of the amendments being put in place. In addition, Thomas Collings advised that the results of the proxy vote were 205 in favour, 18 against, with 43 abstentions.

There being no questions or comments in respect of the amendments, they were carried.

#### 4. ACCOUNTS FOR THE YEAR ENDING 31ST DECEMBER 2012

Rob Clutton, Director of Finance at Arbon House, presented a summary of the consolidated accounts. The company was not required to submit consolidated accounts as a small company exemption.

The accounts had been prepared by Stiles & Company, the company auditors.

Rob Clutton advised that, in terms of income, the figures were £4.8m as opposed to £4.7m in the previous year. This was due to an improvement in the bank account interest received, Qualifications' increased income to £34,000 and receipt of more CMP payments from members. An increase on the commercial side had contributed a further £30,000.

Members' expenses had increased for various valid reasons and there was some provision for marketing and PR for the current year. The company had been able to bring those costs forward into 2012.

The net effect was a surplus of £169,000 versus £254,000 in the previous year.

There had been a slight fall in the balance sheet due to depreciation. The main asset in the balance sheet was the premises at Arbon House at £1.5m, which with cash deposits gave total assets of £3.7m.

Rob Clutton asked if the meeting was comfortable with the summary of the accounts presented. He had received no prior questions in this respect. It was proposed by Michael Jones and seconded by David Mackie that the accounts be accepted and this was unanimously agreed.

Mark Hayward thanked and congratulated Rob Clutton on his work during the year.





## 5. ANNUAL REPORT

In the absence of Tim Hyatt, Acting Chair of the NFoPP Board, Mark Hayward thanked the Board for their support in a year that had seen enormous change, particularly in the workings at Arbon House. It had been a challenging year, but the company was in good financial health.

Some exciting initiatives were coming through, some of which Brian Schubert, Head of Communications, had alluded to in the Communications Workshop earlier in the day and it would put the organisation where it needed to be. The Associations were held in extremely high regard by other property sector organisations, such as CML and the Land Registry.

## 6. ELECTION OF THE PRESIDENTIAL TEAMS AND BOARD 2013/2014

With the approval of the Board and Divisional Councils, the Presidents Elect, Jan Hýtch (NAEA) and Susan Fitz-Gibbon (ARLA) would take office as respective Presidents.

Simon Gerrard (NAEA) and Valerie Bannister (ARLA) were unopposed in the nominations for the office of President Elect and therefore would be elected to that office.

Martyn Baum (NAEA) and Peter Savage (ARLA) were unopposed in the nominations for the office of Vice President and therefore would be elected to that office.

The following nominees for the NFoPP Board were unopposed and were therefore elected accordingly:

David Mackie (NAEA)	– a three-year term
Aidan J Reed (NAEA)	– a three-year term
James Neal (NAEA)	– a one-year term
Claire Lloyd (ARLA)	– a three-year term

Mark Hayward advised that Gary Harper was now the new NAVA President, taking over from Guy Charrison for a one-year term.

## 7. REPORT BY THE NEW PRESIDENT OF ARLA, SUSAN FITZ-GIBBON

Susan said that she is very excited to be the new ARLA President and felt it to be a great privilege. She has been in the Association for thirty years, commencing when ARLA was based in Amersham. Many dedicated people had worked tirelessly to ensure the foundations were laid for the organisation. Susan was very proud to be representing ARLA members as President for the next twelve months.

The Association had recently been welcomed by Jack Dromey, Shadow Housing Minister to the Houses of Parliament, and Ian Potter, Managing Director of ARLA, was in regular contact with Mark Prisk, the Housing Minister.

Susan said that she was totally committed to further enhancing ARLA's profile, not only to members, but to Government and to the public at large. She believed in everything that ARLA stands for. ARLA is the organisation to drive industry standards forward and should be the authoritative voice, giving positive and clear messages in response to criticism of the industry.

The Association has to stand strong and support its members in bona fide activities. There was an opportunity and responsibility to ensure that ARLA was the Association that rules with authority and great expertise. Susan

pledged to put ARLA to the fore.

Susan thanked Jane Ingram, the outgoing ARLA President. She had found working with Jane to be a real pleasure. Susan was also looking forward to working with Ian Potter, Managing Director ARLA, who was incredibly supportive, and also with Valerie Bannister, President Elect and Peter Savage, Vice President. She welcomed Claire Lloyd and Sarah Holdsworth to the ARLA Divisional Council.

Susan thanked the NFOPP Board. She said it had been exciting to work with such committed people and she looked forward to working with them over the year ahead.

On behalf of the Board, Susan said she would like to recognise the efforts and work of the ARLA Regional Representatives. Their members benefited enormously from the meetings they organised. Susan had been asked to speak at a number of events during the next twelve months.

Susan also thanked Arbon House, without whom the mechanics of the organisation would fail.

Susan outlined some of the initiatives and work ahead in her Presidential year. The Private Rented Sector continues to grow and would continue to be a challenge. The Association would be working even harder at communicating with landlords and tenants and focusing on ARLA's expansion. The membership numbers had grown over the last five years from 3,500 to 6,500.

Susan felt that ARLA had to acknowledge and push out what ARLA was achieving. She wanted to sing this from the rooftops, bringing home the message of the numerous benefits to be obtained from membership and how these could enhance members' standing and increase their business. Her aim was to improve and enhance all areas, including qualifications, compliance and expertise over the next twelve months. ARLA should be pushed to be recognised as the Association that the public demanded.

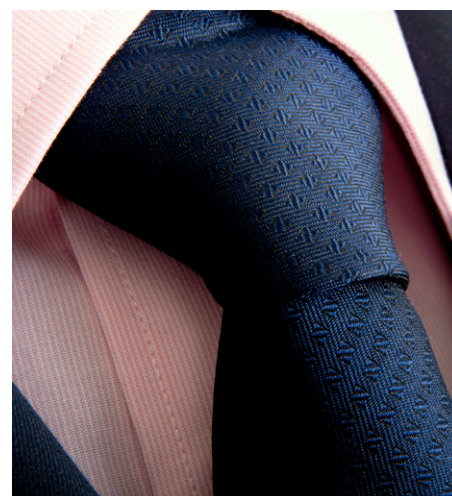
#### 8. REPORT BY THE NEW PRESIDENT OF THE NAEA, JAN HÛTCH

Jan joked that she was absolutely delighted that the height restriction in respect of Presidents had been removed for 2013!

Jan said that, two years ago, having been a time-served member of both the NAEA and ARLA, she decided to become a member of the NAEA Divisional Council, as she wanted to be a part of the Association that would enable her to score points against the business next door. She chose to give up a bit of her time to try and make a difference herself and felt tremendously privileged to be standing as President. She wanted the NAEA to make a louder noise, be heard and get Government to listen.

Jan said that, in today's world, professionals must constantly justify their worth to paying customers and, as such, the NAEA had to justify its worth to the membership. There had been a drop in the NAEA membership but, on the plus side, a number of those may have been responsible for increasing the ARLA membership. But a membership association must constantly self-examine, or it would cease to exist. The more the membership offering looked its worth, so members would join, and influence would follow.

The new Marketing Department was working hard to promote the





Association and Jan thought the display that was given that morning was fantastic and Brian Schubert was to be congratulated. The ultimate aim is recognition of the NAEA brand and the public asking agents if they were NAEA members.

As the leading association, the NAEA brand was hardly known to the consumer. Without a meaningful presence, the NAEA could not claim to be the voice in the marketplace. Brian Schubert's initiatives were a master stroke, but his biggest challenge would be to bring the tools to promote the NAEA and put the brand out there.

Members had asked for better and more transparent accessibility. The NAEA and ARLA now had their own Managing Directors, providing approachability and accessibility by being out in the field. Jan thanked Mark Hayward for managing twelve months with four hats on – that of Acting Chief Executive, Managing Director, President and Company Secretary. Most of Mark's time was spent speaking at regional meetings and key housing events and travelling to deliver the information on CPRs. All of the feedback was distributed into the Board agenda.

Mark and Jan both wanted to hear from people. Jan had arranged new email addresses for the two new Presidents – [president@naea.co.uk](mailto:president@naea.co.uk) and [president@arla.co.uk](mailto:president@arla.co.uk) – where people could easily email Jan and Susan respectively and let them know their thoughts and concerns.

With the full support of the Board, Ian Potter and Mark Hayward had carried out a restructure, which had created a positive attitude at Arbon House. Jan thanked all the staff for rising to the challenge. Change was not easy but their co-operation had enabled this to take place.

Jan introduced a new initiative of bringing young people into the profession, which she had commenced as a pilot in her region, whereby two further education colleges were working with Jan to develop a two-year programme aimed at 16 to 18 year olds to turn out students equipped with Technical Awards, who would be ready to start work immediately for a sales or lettings agent.

Jan thanked the Regional Executives for their hard work and effort during the past year and was delighted to be supported in her presidential year by Simon Gerrard, President Elect, and Martyn Baum, Vice President. The NAEA Divisional Council gave informed guidance on the challenges and opportunities facing members. Jan urged all members to be part of this insight, not to be passive and to get behind their Regional Executive and make their views known as often as possible, by telling the NAEA what helped them and what is required.

Jan said she was determined that the NAEA would be an influential and loud voice in the UK, pushing to drive forward and striving to maintain the strongest ethics and highest standards. Jan asked all members to commit to engaging to undertake this and join her in being part of this effort.

#### 9. APPOINTMENT OF AUDITORS FOR THE COMING YEAR

It was proposed by Michael Toogood that Stiles & Company continue as the company auditors. This was seconded by James Wyatt and agreed unanimously.

#### 10. ANY OTHER BUSINESS

As no questions had been received under any other business, Mark Hayward declared the meeting closed at 16.00 and thanked everyone for attending.

# GROUP STRATEGIC REPORT FOR THE YEAR ENDED 2013

The directors present their strategic report of the company and the group for the year ended 31 December 2013

## STRATEGY AND OBJECTIVES

The principal activity of the company is the promotion and unity of understanding amongst estate agents and letting agents. Its core objective is to raise standards in the industry.

## THE BUSINESS MODEL

The company focuses on improving standards in the industry, whether this be through lobbying, active participation in industry groups and committees or through the provision of training and qualifications to its members and the industry at large. The members of the Associations within the organisation follow a code of conduct and participating agencies are required to belong to an Ombudsman redress scheme

## REVIEW OF BUSINESS

The business has performed well during the year with sustained income from sales of courses, qualifications and subscriptions, whilst costs continue to be controlled. During the year the company has reviewed and updated its membership rules and focused on clarifying its brand and licensing logo.

## FUTURE DEVELOPMENTS

With the 2015 general election on the horizon, the company will continue to focus on influencing the major political parties' housing and private rented sector mandates and to push for industry regulation through legislation.

## KEY PERFORMANCE INDICATORS

The company will push for sustainable membership growth, encouraging more agents to engage with the membership code of conduct & to raise standards in the industry. Membership numbers will continue to be a key performance indicator.

## PRINCIPAL RISKS AND UNCERTAINTIES

The changing political landscape creates uncertainty as do the vulnerabilities of the UK and global economies and the volatility of the property market.

ON BEHALF OF THE BOARD



H M HAYWARD, SECRETARY

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2013

### DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

S Gerrard	T Hyatt	J Neal	M W Toogood	A J Reed	J L Hÿtch
C Lloyd	P Bullick	R Horner	M J Baum	V J Bannister	

Other changes in directors holding office are as follows:

M Hayward - resigned 14 June 2013	J Ingram - resigned 14 June 2013	D Mackie - appointed 14 June 2013
M J Baum - appointed 14 June 2013	V J Bannister - appointed 14 June 2013	R Copus - resigned 14 June 2013
S Fitz-Gibbon - resigned 2 October 2013	P Savage - appointed 2 October 2013	

### POLITICAL DONATIONS AND EXPENDITURE

During the year the company made donations to charity of £2,764.

### STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### AUDITORS

The auditors, Stiles and Company, will be proposed for re-appointment at the forthcoming Annual General Meeting.

### ON BEHALF OF THE BOARD



H M HAYWARD, SECRETARY

# AUDITORS' REPORT

We have audited the financial statements of National Federation of Property Professionals for the year ended 31 December 2013 on pages fifteen to twenty-five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 13, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs at 31 December 2013, and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;

- have been prepared in accordance with the requirements of the Companies Act 2006.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared, is consistent with the financial statements.

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

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

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

**DELIA ROBINA ALLOTT**  
(SENIOR STATUTORY AUDITOR)

**FOR AND ON BEHALF OF STILES & COMPANY**

Chartered Accountants and Statutory Auditors  
2 Lake End Court  
Taplow Road  
Taplow  
Maidenhead  
Berkshire  
SL6 0JQ

# FINANCIAL STATEMENTS 2013

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	31.12.13 (£)	31.12.12 (£)
TURNOVER		4,271,075	4,021,996
Cost of sales		<u>2,666,808</u>	<u>2,396,915</u>
GROSS PROFIT		1,604,267	1,625,081
Administrative expenses		<u>2,276,730</u>	<u>2,429,342</u>
		(672,463)	(804,261)
Other operating income		<u>808,872</u>	<u>925,865</u>
OPERATING PROFIT	3	136,409	121,604
Interest receivable and similar income		<u>47,229</u>	<u>46,561</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		183,638	168,165
Tax on profit on ordinary activities	4	<u>34,201</u>	<u>16,219</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u><u>149,437</u></u>	<u><u>151,946</u></u>

### CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

### TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

These notes form part of the statutory financial statements

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013

	Note		31.12.13		31.12.12
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	6		2,120,784		2,180,048
Investments	7		7,762		6,362
			<u>2,128,546</u>		<u>2,186,410</u>
<b>CURRENT ASSETS</b>					
Debtors	8	579,489		548,991	
Cash at bank and in hand		3,716,828		3,126,948	
		<u>4,296,317</u>		<u>3,675,939</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	9	2,517,377		2,104,300	
<b>NET CURRENT ASSETS</b>			<u>1,778,940</u>		<u>1,571,639</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,907,486</u>		<u>3,758,049</u>
<b>RESERVES</b>					
Other reserves	12		60,000		60,000
Profit and loss account	12		3,847,486		3,698,049
	13		<u>3,907,486</u>		<u>3,758,049</u>

The financial statements were approved by the Board of Directors on 15.05.14 and were signed on its behalf by  
M Baum, Director

## COMPANY BALANCE SHEET

### 31 DECEMBER 2013

	Note		31.12.13		31.12.12
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	6		2,120,145		2,179,577
Investments	7		7,762		6,362
			<u>2,127,907</u>		<u>2,185,939</u>
<b>CURRENT ASSETS</b>					
Debtors	8	140,731		102,221	
Prepayments and accrued income		348,708		331,447	
Cash at bank and in hand		<u>3,698,792</u>		<u>3,114,226</u>	
		4,188,231		3,547,894	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>2,450,765</u>		<u>2,051,672</u>	
<b>NET CURRENT ASSETS</b>			<u>1,737,466</u>		<u>1,496,222</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,865,373		3,682,161
<b>CREDITORS</b>					
Amount falling due within one year	10		<u>1,933,512</u>		<u>1,864,872</u>
<b>NET ASSETS</b>			<u>1,931,861</u>		<u>1,817,289</u>
<b>RESERVES</b>					
Other reserves	12		60,000		60,000
Profit and loss account	12		<u>1,871,861</u>		<u>1,757,289</u>
	13		<u>1,931,861</u>		<u>1,817,289</u>

The financial statements were approved by the Board of Directors on 15.05.14 and were signed on its behalf by  
**M Baum, Director**

These notes form part of the statutory financial statements

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	31.12.13 (£)	31.12.12
Net cash inflow from operating activities	1	617,910	592,263
Returns on investments and servicing of finance	2	45,829	55,911
Taxation		(29,717)	(18,025)
Capital expenditure	2	(44,142)	(6,552)
Increase in cash in the period		<u>589,880</u>	<u>623,597</u>

Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		589,880	623,597
Change in net funds resulting from cash flows		589,880	623,597
Movement in net funds in the period		589,880	623,597
Net funds at 1 January		<u>3,126,948</u>	<u>2,503,351</u>
Net funds at 31 December		<u>3,716,828</u>	<u>3,126,948</u>

These notes form part of the statutory financial statements

# NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.13 (£)	31.12.12 (£)
Operating profit	136,409	121,604
Depreciation charges	103,406	272,276
Increase in debtors	(30,498)	(110,560)
Increase in creditors	408,593	308,943
Net cash inflow from operating activities	<u>617,910</u>	<u>592,263</u>

## 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.13 (£)	31.12.12 (£)
Returns on investments and servicing of finance		
Interest received	47,229	46,561
Fixed asset investment	(1,400)	9,350
Net cash inflow for returns on investments and servicing of finance	<u>45,829</u>	<u>55,911</u>
Capital expenditure		
Purchase of tangible fixed assets	(44,142)	(6,552)
Net cash outflow for capital expenditure	<u>(44,142)</u>	<u>(6,552)</u>

## 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.13 (£)	Cash flow (£)	At 31.12.13 (£)
Net cash:			
Cash at bank and in hand	<u>3,126,948</u>	<u>599,880</u>	<u>3,716,828</u>
	<u>3,126,948</u>	<u>589,880</u>	<u>3,716,828</u>
Total	<u>3,126,948</u>	<u>589,880</u>	<u>3,716,828</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. ACCOUNTING POLICIES

### ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention.

### TURNOVER

Turnover represents net invoiced sales of goods, excluding value added tax.

### TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	10% on cost and 2% on cost
Plant and machinery	25% on cost and 10% on cost
Fixtures and fittings	25% on cost

### DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

### PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

## 2. STAFF COSTS

	31.12.13 (£)	31.12.12 (£)
Wages and salaries	1,791,310	1,831,453
Other pension costs	27,814	19,213
	<u>1,819,124</u>	<u>1,850,666</u>
Average monthly number of employees during the year was as follows:		
Administration	<u>54</u>	<u>52</u>

## 3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.13 (£)	31.12.12 (£)
Depreciation - owned assets	103,406	272,276
Auditors' remuneration	<u>25,330</u>	<u>19,115</u>
Directors' remuneration	<u>-</u>	<u>-</u>

## 4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.13 (£)	31.12.12 (£)
Current tax:		
UK corporation tax	22,588	16,564
Prior year corporation tax adjustment	<u>11,613</u>	<u>(345)</u>
Tax on profit on ordinary activities	<u>34,201</u>	<u>16,219</u>

## 5. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £114,572 (2012: £16,095).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

## 6. TANGIBLE FIXED ASSETS

GROUP	Freehold property £	Plant and machinery etc £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2013	2,583,238	473,009	167,065
Additions	-	-	6,638
Disposals	-	-	(7,917)
At 31 December 2013	<u>2,583,238</u>	<u>473,009</u>	<u>165,786</u>
<b>DEPRECIATION</b>			
At 1 January 2012	412,305	472,509	166,594
Charge for year	86,926	500	1,825
Eliminated on disposal	-	-	(7,917)
At December 2013	<u>499,231</u>	<u>473,009</u>	<u>160,502</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>2,084,007</u>	<u>-</u>	<u>5,284</u>
At 31 December 2012	<u>2,170,933</u>	<u>500</u>	<u>471</u>

GROUP	Library books £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2013	13,546	342,992	3,579,850
Additions	-	37,504	44,142
Disposals	(13,546)	-	(21,463)
At 31 December 2013	<u>-</u>	<u>380,496</u>	<u>3,602,529</u>
<b>DEPRECIATION</b>			
At 1 January 2013	13,546	334,848	1,399,802
Charge for year	-	14,155	103,406
Eliminated on disposal	(13,546)	-	(21,463)
At December 2013	<u>-</u>	<u>349,003</u>	<u>1,481,745</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>-</u>	<u>31,493</u>	<u>2,120,784</u>
At 31 December 2012	<u>-</u>	<u>8,144</u>	<u>2,180,048</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT.)

## 6. TANGIBLE FIXED ASSETS

COMPANY	Freehold property £	Plant and machinery etc £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2013	2,583,238	473,009	158,206
Additions	-	-	6,193
At 31 December 2013	<u>2,583,238</u>	<u>473,009</u>	<u>164,399</u>
<b>DEPRECIATION</b>			
At 1 January 2013	412,305	472,509	158,206
Charge for year	86,926	500	1,548
At December 2013	<u>499,231</u>	<u>473,009</u>	<u>159,754</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>2,084,007</u>	<u>-</u>	<u>4,645</u>
At 31 December 2012	<u>2,170,933</u>	<u>500</u>	<u>-</u>

COMPANY	Library books £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2013	13,546	342,992	3,570,991
Additions	-	37,504	43,697
Disposals	(13,546)	-	(13,546)
At 31 December 2013	<u>-</u>	<u>380,496</u>	<u>3,601,142</u>
<b>DEPRECIATION</b>			
At 1 January 2013	13,546	334,848	1,391,414
Charge for year	-	14,155	103,129
Eliminated on disposal	(13,546)	-	(13,546)
At December 2013	<u>-</u>	<u>349,003</u>	<u>1,480,997</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>-</u>	<u>31,493</u>	<u>2,120,145</u>
At 31 December 2012	<u>-</u>	<u>8,144</u>	<u>2,179,577</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

## 7. FIXED ASSET INVESTMENTS

GROUP	Interest in other participating interests £	COMPANY	Interest in other participating interests £
COST		COST	
At 1 January 2013	6,362	At 1 January 2013	6,362
Share of profit	6,400	Share of profit	6,400
Dividends received	(5,000)	Dividends received	(5,000)
At 31 December 2013	<u>7,762</u>	At 31 December 2013	<u>7,762</u>
NET BOOK VALUE		NET BOOK VALUE	
At 31 December 2013	<u>7,762</u>	At 31 December 2013	<u>7,762</u>
At 31 December 2012	<u>6,362</u>	At 31 December 2012	<u>6,362</u>

## 8. DEBTORS

	GROUP		COMPANY	
	31.12.13 £	31.12.12 £	31.12.13 £	31.12.12 £
Amounts falling due within one year:				
Trade debtors	95,842	130,264	73,913	92,979
Bad debt provision	(5,380)	(8,926)	(5,380)	(8,926)
Other debtors	8,820	7,360	8,820	7,360
VAT	30,164	10,043	24,937	10,808
Prepayments and accrued income	<u>450,043</u>	<u>410,250</u>	<u>-</u>	<u>-</u>
	<u>579,489</u>	<u>548,991</u>	<u>102,290</u>	<u>102,221</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>38,441</u>	<u>-</u>
Aggregate amounts	<u>579,489</u>	<u>548,991</u>	<u>140,731</u>	<u>102,221</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

## 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	31.12.13	31.12.12	31.12.13	31.12.12
	£	£	£	£
Trade creditors	111,694	120,985	107,201	111,565
Sales ledger credit balances	1,284,690	1,235,668	1,284,690	1,235,668
Tax	22,639	18,155	9,491	1,591
Social security and other taxes	31,752	27,126	31,752	27,126
Other creditors	138,018	97,487	108,407	97,487
Accruals and deferred income	<u>928,584</u>	<u>604,879</u>	<u>909,224</u>	<u>578,235</u>
	<u>2,157,377</u>	<u>2,104,300</u>	<u>2,450,765</u>	<u>2,051,672</u>

## 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	COMPANY	
	31.12.13	31.12.12
	£	£
Amounts owed to group undertakings	<u>1,933,512</u>	<u>1,864,872</u>

## 11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

GROUP		Other operating leases	
		31.12.13	31.12.12
		£	£
Expiring: Between one and five years		<u>37,404</u>	<u>30,624</u>
COMPANY		Other operating leases	
		31.12.13	31.12.12
		£	£
Expiring: Between one and five years		<u>37,404</u>	<u>30,624</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

## 12. RESERVES

	Profit and loss account £	Other reserves £	Totals £
GROUP			
At 1 January 2013	3,698,049	60,000	3,758,049
Profit for the year	149,437	-	149,437
At 31 December 2013	<u>3,847,486</u>	<u>60,000</u>	<u>3,907,486</u>

	Profit and loss account £	Other reserves £	Totals £
COMPANY			
At 1 January 2013	1,757,289	60,000	1,817,289
Profit for the year	114,572	-	114,572
At 31 December 2013	<u>1,871,861</u>	<u>60,000</u>	<u>1,931,861</u>

## 13. RECONCILIATION OF MOVEMENTS IN RESERVES

	31.12.13 £	31.12.12 £
GROUP		
Profit for the financial year	<u>149,437</u>	<u>151,946</u>
Net addition to reserves	149,437	151,946
Opening reserves	<u>3,758,049</u>	<u>3,606,103</u>
Closing reserves	<u>3,907,486</u>	<u>3,758,049</u>
	31.12.13 £	31.12.12 £
COMPANY		
Profit for the financial year	<u>114,572</u>	<u>16,095</u>
Net addition to reserves	114,572	16,095
Opening reserves	<u>1,817,289</u>	<u>1,801,194</u>
Closing reserves	<u>1,931,861</u>	<u>1,817,289</u>

## CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	31.12.13		31.12.12	
	£	£	£	£
Turnover				
Membership fees	2,457,504		2,357,468	
Education and training	1,167,868		1,141,028	
Publication sales	168,618		134,653	
Seminars and events	279,197		206,018	
Membership services	191,926		174,463	
Specialist committee	5,962		8,366	
		4,271,075		4,021,996
	£	£	£	£
Cost of sales				
Education and training costs	748,208		662,226	
Costs of publications	154,817		132,953	
Seminar and event costs	281,778		185,456	
Membership services	1,410,398		1,358,523	
Specialist committee costs	71,607		57,757	
		2,666,808		2,396,915
<b>GROSS PROFIT</b>		1,604,267		1,625,081

## CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT.)

	31.12.13		31.12.12	
	£	£	£	£
Other income				
Client money protection	808,872		925,865	
Deposit account interest	47,229		46,559	
Interest on tax	-		2	
	<u>          </u>	856,101	<u>          </u>	972,426
		<u>2,460,368</u>		<u>2,597,507</u>
Expenditure				
Administration expenses	1,791,310		1,831,453	
Pensions	27,814		19,213	
Rates and water	101,718		72,590	
Insurance	20,778		25,889	
Post and stationery	96,264		89,942	
Computer development costs	25,006		22,048	
Irrecoverable VAT	57,694		52,920	
Management charges	3,946		3,000	
Auditors' remuneration	25,330		19,115	
Depreciation of tangible fixed assets				
Freehold property	86,926		86,926	
Fixtures and fittings	16,480		185,350	
Donations	2,764		1,125	
	<u>          </u>	2,256,030	<u>          </u>	2,409,571
		204,338		187,936
Finance costs				
Bank charges		20,700		19,771
<b>NET PROFIT</b>		<u>183,638</u>		<u>168,165</u>

This page does not form part of the statutory financial statements

NOTES



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