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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF  
PROPERTY PROFESSIONALS)  
(A Company Limited by Guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**

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**COMPANY INFORMATION**

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<b>Directors</b>	V J Bannister P Bullick (resigned 29 August 2017) D L Coleman (resigned 15 June 2018) K L Griffin J L Hytch (resigned 15 June 2018) R A Jezzard (resigned 29 August 2017) D Mackie (resigned 15 June 2018) N Madan P E Savage L Scott S A Lawson (resigned 15 June 2018) M W Bentley (resigned 15 June 2018) N Emerson (appointed 15 June 2018)
<b>Company secretary</b>	P H Turner
<b>Registered number</b>	00897907
<b>Registered office</b>	Arbon House 6 Tournament Court Edgehill Drive Warwick Warwickshire CV34 6LG
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**

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**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their Strategic Report of the company and the group for the year ended 31 December 2017.

The company changed its name from The National Federation of Property Professionals to Propertymark Ltd on 3 November 2017.

**Principal activity**

The business of the group is to represent its members to the public, Parliament and other relevant stakeholders; and to promote unity and understanding amongst sales agents, letting agents and other property professionals. Its core objectives are to raise standards in the industry and to protect the consumer.

The focus on improving standards and enhancing the consumers' experience of using a Propertymark member is achieved by liaising closely with those government departments that have responsibilities to the Housing sector; with active participation in industry groups and working parties and through the provision of a comprehensive programme of training courses backed up by recognised qualifications. Members of Propertymark are required to adhere to a detailed Code of Conduct relating to every aspect of their business operation and to afford consumers access for resolution of disputes through an Approved Redress Scheme.

Propertymark is the largest professional association for sales and letting agents in the UK and supports its members by lobbying and responding to government consultations with a co-ordinated voice. Membership numbers remained steady despite considerable challenges facing the sector and stood at 17,130 on 31 December 2017 (2016: 17,156). These numbers now include the ARLA Inventories division which have not been previously recorded in total figures.

**Principal risks and uncertainties**

Whilst government policy has both generated and set in development much new legislation and may present opportunities to Propertymark, the impact on members, particularly in the private rented sector has yet to be clearly defined but with market uncertainties facing both letting and sales agents there is the potential for a consequential impact on Propertymark.

Agents face a difficult housing market in the UK with pressure on availability of suitable rental property and a reduced number of properties for sale. The global economic situation is of relevance to the UK economy and the potential significant impact of Brexit has yet to be fully identified. Propertymark continues to assess the risks and possible effects (positive or negative) facing members and continues to influence government policy.

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Operational review**

During the course of the year the rebrand to Propertymark was formally carried out with the name being readily accepted in the market place. A television and radio advertising campaign appeared in September to release the name on a nationwide basis and to gain recognition of the advantages to consumers of using a Propertymark agent. There has been positive feedback from members.

Internally at Arbon House a programme of resource realignment has continued to enable the departmental structure to be better equipped to serve members and meet future potential developments. The IT system is reaching the end of its effective life and a project has been commenced which will ensure the current system can continue to function in a business as usual state whilst a strategy for replacing that system to support the business and provide greater functionality to members is being implemented.

Regular face-to-face contact with members is maintained through the main ARLA Propertymark and NAEA Propertymark Conferences with attendance at both events measurable in hundreds; through 12 Regional Conferences and 90 Masterclasses/ Regional Meetings in the year. Courses were attended by 3,870 members and non-members and 2,175 accredited Qualifications were awarded.

**Strategic review and future prospects**

The year under report has seen a plethora of government consultations and new legislation. Propertymark will position itself to take up whatever role the new legislation may bring about for regulating the property sector or for fulfilling the need to guide members as to their responsibilities to comply with rules, regulation or Client Money Protection.

**Key performance indicators**

Member numbers were steady this year at 17,130 (2016 restated: 17,156). Profit for the group was £118k compared to the 2016 restated result of (£323k). The reduction in turnover was mainly due to lower membership fee income. The reduction in total costs was due to savings in events costs and education and training costs. The business made a large investment in advertising during the year (circa £650k) however, this cost was offset by provision releases of similar value. Cash and bank has reduced slightly to £4,705k (2016: £4,788k) which is to be expected after the investment in advertising during the year. Net assets increased by £118k to £2,386k (2016 restated: £2,268k) as a result of the current year profit. Creditors have remained steady compared to an increase in debtors.

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Financial review**

In preparing the financial statements for the current year the Directors identified a number of errors in the prior year financial statements, which have been corrected by restating the Statement of Comprehensive Income and Balance Sheet. The errors are as a consequence of the Group's previous application of a revenue recognition policy which was incorrect and not in line with FRS 102 and previous UK GAAPs.

Further detail is given in note 2.3 of the financial statements. The Board accepts that this situation was not acceptable and once identified took immediate action. New resources, processes and controls are now in the business to manage the issues arising from previous years and are in the process of building a finance function appropriate for a high growth and ambitious business.

**Corporate governance**

The group currently has a Senior Management Team made up of the Chairman, two Chief Executives, Head of Operations, Head of Finance and Head of Human Resources. The Propertymark Board currently meets 5 times per year. The organisation is working towards adherence with the Nolan principles of good corporate governance which will see the current member only representation replaced by a Board of Directors comprised of member representation and independent non-executive representation. Backing up the Board will be a Remuneration and Audit Committee.

This report was approved by the board on 28 June 2018 and signed on its behalf.



**V J Bannister**  
Director

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

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

**Results and dividends**

The profit for the year, after taxation, amounted to £118,285 (*restated 2016 - loss £323,198*).

No dividends will be distributed for the year ended 31 December 2017 (*restated 2016: £Nil*).

**Directors**

The directors who served during the year were:

V J Bannister  
P Bullick (resigned 29 August 2017)  
D L Coleman (resigned 15 June 2018)  
K L Griffin  
J L Hytch (resigned 15 June 2018)  
R A Jezzard (resigned 29 August 2017)  
D Mackie (resigned 15 June 2018)  
N Madan  
P E Savage  
L Scott  
S A Lawson (resigned 15 June 2018)  
M W Bentley (resigned 15 June 2018)

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Qualifying third party indemnity provisions**

The company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

**Matters covered in the Strategic Report**

The strategic review and future prospects, principal risks and uncertainties, and the financial key performance indicators are included in the Group Strategic Report.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

**Post balance sheet events**

An investment of £90,000 was made along with a third party entity that will allow the business to assist agents with anticipated forthcoming legislative changes. The venture is due for public launch in summer 2018. This resulted in a 51% share in the entity.

**Auditor**

The auditor, Grant Thornton UK LLP, was appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 June 2018 and signed on its behalf.



**V J Bannister**  
Director





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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMART LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**

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**Opinion**

We have audited the financial statements of Propertymart Ltd (formerly The National Federation of Property Professionals) (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2017, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and company Balance Sheets, the Consolidated and company Statement of Changes in Equity, the Consolidated Statement of Cash Flow 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 2017 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.

**Who we are reporting to**

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMART LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS) (CONTINUED)**

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMART LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS) (CONTINUED)**

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**Matter on which we are required to report by the Companies Act 2006**

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 Group Strategic Report or the Directors' Report.

**Matters on which we are required to report by exception**

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

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

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.



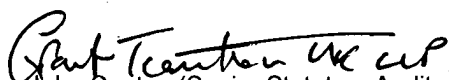
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMART LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS) (CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.

  
John Coates (Senior Statutory Auditor)  
for and on behalf of  
**Grant Thornton UK LLP**  
Chartered Accountants  
Statutory Auditor  
Birmingham  
4 July 2018

**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	As restated 2016 £
Turnover	5	5,301,237	5,755,766
Cost of sales		(2,199,352)	(4,020,044)
<b>Gross profit</b>		<b>3,101,885</b>	<b>1,735,722</b>
Administrative expenses		(3,926,449)	(2,904,699)
Other operating income	6	937,464	839,600
<b>Operating profit/(loss)</b>	7	<b>112,900</b>	<b>(329,377)</b>
Interest receivable and similar income	11	29,999	38,187
<b>Profit/(loss) before taxation</b>		<b>142,899</b>	<b>(291,190)</b>
Tax on profit/(loss)	12	(24,614)	(32,008)
<b>Profit/(loss) for the financial year</b>		<b>118,285</b>	<b>(323,198)</b>
 <b>Total comprehensive income for the year</b>		 <b>118,285</b>	 <b>(323,198)</b>
 <b>Profit/(loss) for the year attributable to:</b>			
Members of the parent company		118,285	(323,198)

The notes on pages 16 to 33 form part of these financial statements.

**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER:00897907**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	As restated 2016 £
<b>Fixed assets</b>			
Tangible assets	13	1,805,295	1,867,758
		<u>1,805,295</u>	<u>1,867,758</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	1,175,218	932,547
Cash at bank and in hand	16	4,705,365	4,788,061
		<u>5,880,583</u>	<u>5,720,608</u>
Creditors: amounts falling due within one year	17	(5,299,586)	(5,320,359)
<b>Net current assets</b>		<u>580,997</u>	<u>400,249</u>
<b>Total assets less current liabilities</b>		<u>2,386,292</u>	<u>2,268,007</u>
<b>Net assets</b>		<u>2,386,292</u>	<u>2,268,007</u>
<b>Capital and reserves</b>			
Other reserves	20	-	60,000
Profit and loss account	20	2,386,292	2,208,007
<b>Equity attributable to members of the parent company</b>		<u>2,386,292</u>	<u>2,268,007</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2018.

  
**V J Bannister**  
 Director

The notes on pages 16 to 33 form part of these financial statements.

**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER:00897907**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	As restated 2016 £
<b>Fixed assets</b>			
Tangible assets	13	1,805,295	1,867,757
		<u>1,805,295</u>	<u>1,867,757</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	996,502	858,482
Cash at bank and in hand	16	4,655,957	4,772,879
		<u>5,652,459</u>	<u>5,631,361</u>
Creditors: amounts falling due within one year	17	(7,594,898)	(5,268,989)
<b>Net current (liabilities)/assets</b>		<u>(1,942,439)</u>	<u>362,372</u>
<b>Total assets less current liabilities</b>		<u>(137,144)</u>	<u>2,230,129</u>
Creditors: amounts falling due after more than one year	18	-	(2,466,614)
<b>Net assets excluding pension asset</b>		<u>(137,144)</u>	<u>(236,485)</u>
<b>Net liabilities</b>		<u>(137,144)</u>	<u>(236,485)</u>
<b>Capital and reserves</b>			
Other reserves	20	-	60,000
Profit and loss account	20	(137,144)	(296,485)
<b>Deficit attributable to members of the company</b>		<u>(137,144)</u>	<u>(236,485)</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent for the year was £99,341 (2016 restated: loss after tax £547,127).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2018.



**V J Bannister**  
Director

The notes on pages 16 to 33 form part of these financial statements.

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
(A Company Limited by Guarantee)

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017 as restated	60,000	2,208,007	2,268,007
<b>Comprehensive income for the year</b>			
Profit for the year	-	118,285	118,285
Transfer between reserves	(60,000)	60,000	-
<b>At 31 December 2017</b>	<u>-</u>	<u>2,386,292</u>	<u>2,386,292</u>

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

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	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016 as restated	60,000	2,531,205	2,591,205
<b>Comprehensive income for the year</b>			
Loss for the year	-	(323,198)	(323,198)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(323,198)</u>	<u>(323,198)</u>
<b>At 31 December 2016</b>	<u>60,000</u>	<u>2,208,007</u>	<u>2,268,007</u>

The notes on pages 16 to 33 form part of these financial statements.



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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017 as restated	60,000	(296,485)	(236,485)
<b>Comprehensive income for the year</b>			
Profit for the year	-	99,341	99,341
Transfer between reserves	(60,000)	60,000	-
<b>At 31 December 2017</b>	<u>-</u>	<u>(137,144)</u>	<u>(137,144)</u>

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

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	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016 as restated	60,000	250,642	310,642
<b>Comprehensive income for the year</b>			
Loss for the year	-	(547,127)	(547,127)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(547,127)</u>	<u>(547,127)</u>
<b>At 31 December 2016</b>	<u>60,000</u>	<u>(296,485)</u>	<u>(236,485)</u>

The notes on pages 16 to 33 form part of these financial statements.

**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	<i>As restated</i> 2016 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	118,285	(323,198)
<b>Adjustments for:</b>		
Depreciation of tangible assets	124,997	122,813
Interest receivable	(29,999)	(38,187)
Taxation charge	24,614	32,008
(Increase)/decrease in debtors	(242,666)	707,682
(Decrease)/increase in creditors	(13,383)	8,825
Corporation tax (paid)	(32,008)	(23,150)
<b>Net cash generated from operating activities</b>	<u>(50,160)</u>	<u>486,793</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(62,534)	(6,554)
Interest received	29,999	38,187
<b>Net cash from investing activities</b>	<u>(32,535)</u>	<u>31,633</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(82,695)</u>	<u>518,426</u>
Cash and cash equivalents at beginning of year	4,788,061	4,269,635
<b>Cash and cash equivalents at the end of year</b>	<u><u>4,705,366</u></u>	<u><u>4,788,061</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,705,366	4,788,061
	<u><u>4,705,366</u></u>	<u><u>4,788,061</u></u>

The notes on pages 16 to 33 form part of these financial statements.

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

Propertymark Ltd (formerly The National Federation of Property Professionals) is a private company limited by guarantee and incorporated in England and Wales. Its registered head office is located at Arbon House, 6 Tournament Court, Edgehill Drive, Warwick, Warwickshire, CV34 6LG.

**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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 3).

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.

**2.3 Prior year errors**

In preparing the financial statements for the current year the Directors identified a number of errors in the prior year financial statements, which have been corrected by restating the Statement of Comprehensive Income and Balance Sheet.

The errors are as a consequence of the Group's previous application of a revenue recognition policy which was incorrect and not in line with FRS 102 and previous UK GAAPs.

In prior years, the majority of revenue was incorrectly recognised only for invoices that were paid. Revenue should have been recognised in the Statement of Comprehensive Income for all invoices raised over the course of the membership term. In addition, no allowance was made for the fact that not all members will renew their membership. Further, provisions for doubtful debts were not appropriately recognised in response to historical and expected exposures.

Revenue is now deferred over the period of the membership term in accordance with UK accounting standards. Deferred income is recorded in the Balance Sheet within creditors. A renewals provision is recorded in the Balance Sheet with a corresponding reduction in revenue, to reflect the fact that of the automatic renewals raised, only a certain percentage of members will want to renew their membership. An allowance is now made for debtors that the Directors deem to be doubtful.

Details of the prior year adjustment are given in note 3.

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group 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.

Membership fees are included in the Statement of Comprehensive Income, in the period to which they relate to. Advanced payments in respect of membership fees are deferred and recognised over the course of the membership term.

Education and training, publications, seminars and events along with all other income (including entrance fees, conferences and events, CPD training and book sales) are recognised in the Statement of Comprehensive Income in the period in which the services or goods are provided.

**2.5 Going concern**

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic review and future prospects section of the Group Strategic report on pages 1 and 2.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**2.6 Other operating income**

Other operating income represents client money protection (CMP) income. This is in relation to fees received from customers in order to demonstrate that they are Propertymark Protected. This is accounted for in the period to which they relate.

**2.7 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.

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

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	- 2% or 10%
Fixtures and fittings	- 25%

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 the Consolidated Statement of Comprehensive Income.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.9 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.

**2.10 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.11 Financial instruments**

The group only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Comprehensive Income.

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 of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.12 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.

**2.13 Operating leases: the group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

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2. Accounting policies (continued)

2.14 Pensions

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.16 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**Trade debtors provision:**

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the group's customers to make required payments. The allowance is based on the group's regular assessment of the credit worthiness and financial condition of customers.

**Renewals provision:**

Management accounts for a provision in relation to renewals to reflect that, of the automatic renewals raised, inherently there will be members who do not want to renew their membership. This provision is calculated on a three year rolling basis of membership renewals.

**Client Money Protection (CMP) provision:**

A provision is made in relation to the Client Money Protection scheme for renewals. This is made to reflect that, of the automatic renewals raised, there will be a number of members who do not want to renew. This provision is calculated on a three year rolling basis of renewals.



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**4. Prior year adjustment**

As reported in note 2.3, three errors have been corrected by restating the 2016 and 2015 comparative figures. The impact on the individual line items of the Statement of Comprehensive Income and Balance Sheet are set out below along with a description of each adjustment:

1) Deferral of revenue into the correct accounting period. This has decreased opening reserves at 31 December 2015 by £506,126, decreased profit for 2016 by £256,239 and decreased net assets at 31 December 2016 by £412,225.

2) Inclusion of a renewals provision. This has increased opening reserves at 31 December 2015 by £350,140, decreased profit for 2016 by £73,893 and decreased net assets at 31 December 2016 by £73,893.

3) Inclusion of a bad debt provision. This has decreased opening reserves at December 2015 by £1,294,545, decreased profit for 2016 by £nil and decreased net assets at December 2016 by £1,294,545.

The impact of the prior year adjustment on the Balance Sheet as at 31 December 2016 is as follows:

	Balance at 31 December 2016 (as previously reported) £	Adjustment in respect of the year ended 31 December 2016 £	Balance at 31 December 2016 as restated £
Tangible assets	1,867,758	-	1,867,758
Debtors	658,382	274,195	932,547
Cash	4,788,061	-	4,788,061
Creditors due in less than one year	(3,265,531)	(2,054,828)	(5,320,359)
<b>Net assets</b>	<b>4,048,670</b>	<b>(1,780,633)</b>	<b>2,268,007</b>
	£	£	£
Other reserves	60,000	-	60,000
Profit and loss account as at 1 January 2016	3,981,736	(1,450,531)	2,531,205
Profit/ (loss) for the year	6,934	(330,132)	(323,198)
<b>Closing reserves at 31 December 2016</b>	<b>4,048,670</b>	<b>(1,780,663)</b>	<b>2,268,007</b>

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4,4,4. 4. Prior year adjustment (continued)

The impact of the prior year adjustment on the Statement of Comprehensive Income for the year ended 31 December 2016 is as follows:

	Balance at 31 December 2016 (as previously reported) £	Adjustment in respect of the year ended 31 December 2016 £	Balance at 31 December 2016 as restated £
Revenue	5,992,808	(237,042)	5,755,766
Gross Profit	1,972,764	(237,042)	1,735,722
Bad debt write off	-	-	-
Other income	932,690	(93,090)	839,600
Profit/ (loss) before tax	38,942	(330,132)	(291,190)
Taxation	(32,008)	-	(32,008)
Profit/ (loss) after taxation	6,934	(330,132)	(323,198)

**5. Turnover**

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

	2017 £	As restated 2016 £
Membership fees	2,750,075	3,220,234
Education and training	1,566,817	1,535,906
Publications	296,394	450,400
Seminars and events	607,194	501,210
Membership services	73,348	47,946
Other	7,409	70
	<u>5,301,237</u>	<u>5,755,766</u>

All turnover arose within the United Kingdom.

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**6. Other operating income**

	2017 £	<i>As restated</i> 2016 £
Client Money Protection income	<b>937,464</b>	<b>839,600</b>

**7. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	<b>124,997</b>	<b>122,814</b>
Other operating lease rentals	<b>68,297</b>	<b>72,679</b>

**8. Auditor's remuneration**

	2017 £	2016 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<b>24,000</b>	<b>20,000</b>

**Fees payable to the group's auditor and its associates in respect of:**

Taxation compliance services	<b>5,000</b>	<b>3,240</b>
VAT services	<b>6,000</b>	<b>-</b>
Other accounting services	<b>4,500</b>	<b>-</b>
	<b>15,500</b>	<b>3,240</b>

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**9. Employees**

Staff costs were as follows:

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Wages and salaries	1,714,591	1,708,535	1,714,591	1,708,535
Social security costs	166,685	161,357	166,685	161,357
Cost of defined contribution scheme	52,014	48,653	52,014	48,653
	<u>1,933,290</u>	<u>1,918,545</u>	<u>1,933,290</u>	<u>1,918,545</u>

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

	<b>Group 2017 No.</b>	<i>Group 2016 No.</i>	<b>Company 2017 No.</b>	<i>Company 2016 No.</i>
Administration	<u>59</u>	<u>63</u>	<u>59</u>	<u>63</u>

**10. Directors' remuneration**

There was no director remuneration in the year (2016: £nil).

**11. Interest receivable**

	<b>2017 £</b>	<i>2016 £</i>
Other interest receivable	<u>29,999</u>	<u>38,187</u>

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**12. Taxation**

	2017 £	As restated 2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	24,614	32,008
	<u>24,614</u>	<u>32,008</u>
<b>Total current tax</b>	<u>24,614</u>	<u>32,008</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>24,614</u>	<u>32,008</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016: *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £	As restated 2016 £
Profit/(loss) on ordinary activities before tax	142,899	(291,190)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	27,508	(58,238)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	802	48,046
Depreciation add back	-	24,563
Utilisation of tax losses	-	(13,076)
Income not taxable	(29,288)	(343)
Deferred tax not recognised	(7,171)	-
Other differences leading to an increase (decrease) in the tax charge	32,763	31,056
<b>Total tax charge for the year</b>	<u>24,614</u>	<u>32,008</u>

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**12. Taxation (continued)**

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017 until 31 March 2020) was substantively enacted in October 2015 and received Royal Assent on 18 November 2015. A further reduction to 17% (effective from 1 April 2020) received Royal Assent on 15 September 2016.

**13. Tangible fixed assets**

**Group**

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2017	2,583,238	644,868	3,228,106
Additions	-	62,534	62,534
At 31 December 2017	<u>2,583,238</u>	<u>707,402</u>	<u>3,290,640</u>
<b>Depreciation</b>			
At 1 January 2017	760,018	600,330	1,360,348
Charge for the year on owned assets	99,686	25,311	124,997
At 31 December 2017	<u>859,704</u>	<u>625,641</u>	<u>1,485,345</u>
<b>Net book value</b>			
At 31 December 2017	<u>1,723,534</u>	<u>81,761</u>	<u>1,805,295</u>
At 31 December 2016	<u>1,823,220</u>	<u>44,538</u>	<u>1,867,758</u>

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**13. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2017	2,583,238	644,868	3,228,106
Additions	-	62,534	62,534
At 31 December 2017	<u>2,583,238</u>	<u>707,402</u>	<u>3,290,640</u>
<b>Depreciation</b>			
At 1 January 2017	760,018	600,331	1,360,349
Charge for the year on owned assets	99,686	25,310	124,996
At 31 December 2017	<u>859,704</u>	<u>625,641</u>	<u>1,485,345</u>
<b>Net book value</b>			
At 31 December 2017	<u>1,723,534</u>	<u>81,761</u>	<u>1,805,295</u>
At 31 December 2016	<u>1,823,220</u>	<u>44,537</u>	<u>1,867,757</u>

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**14. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Propertymark Qualifications Ltd	Limited by guarantee	100 %	Awarding body

Propertymark Ltd (formerly The National Federation of Property Professionals) has been the sole member of its subsidiary company Propertymark Qualifications Limited (formerly NFOPP Awarding Body Ltd), a company limited by guarantee, since incorporation in November 2006, and as such hold no share capital.

In the event of winding up, every member of the company undertakes to contribute to the assets of the company such an amount as may be required not exceeding £10.

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Propertymark Qualifications Ltd	<b>2,528,659</b>	<b>24,632</b>

**15. Debtors**

	<b>Group</b>	<i>Group As restated</i>	<b>Company</b>	<i>Company As restated</i>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>921,073</b>	315,255	<b>762,032</b>	308,280
Other debtors	<b>199,251</b>	160,050	<b>179,581</b>	160,050
Prepayments and accrued income	<b>54,894</b>	457,242	<b>54,889</b>	390,152
	<b>1,175,218</b>	932,547	<b>996,502</b>	858,482

Amounts impaired during the year were £399,212 (restated 2016: £nil).



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**16. Cash and cash equivalents**

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Cash at bank and in hand	<b>4,705,366</b>	<i>4,788,061</i>	<b>4,655,957</b>	<i>4,772,879</i>

**17. Creditors: Amounts falling due within one year**

	<b>Group 2017 £</b>	<i>Group As restated 2016 £</i>	<b>Company 2017 £</b>	<i>Company As restated 2016 £</i>
Trade creditors	<b>308,039</b>	<i>190,961</i>	<b>305,610</b>	<i>178,127</i>
Amounts owed to group undertakings	<b>-</b>	<i>-</i>	<b>2,610,423</b>	<i>-</i>
Corporation tax	<b>24,614</b>	<i>32,008</i>	<b>19,462</b>	<i>1,472</i>
Other taxation and social security	<b>51,325</b>	<i>-</i>	<b>51,325</b>	<i>-</i>
Other creditors	<b>195,405</b>	<i>120,268</i>	<b>124,740</b>	<i>120,268</i>
Accruals and deferred income	<b>4,720,203</b>	<i>4,977,122</i>	<b>4,483,338</b>	<i>4,969,122</i>
	<b>5,299,586</b>	<i>5,320,359</i>	<b>7,594,898</b>	<i>5,268,989</i>

Amounts owed to group undertakings are unsecured, have no fixed repayment terms, are repayable on demand and are interest free. This amount was previously held as falling due after more than one year.

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Amounts owed to group undertakings	<b>-</b>	<i>-</i>	<b>-</b>	<i>2,466,614</i>

Amounts owed to group undertakings are unsecured, have no fixed repayment terms and are interest free.

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**19. Financial instruments**

	<b>Group</b>	<i>Group</i> <i>As restated</i>	<b>Company</b>	<i>Company</i> <i>As restated</i>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial assets</b>				
Cash and cash equivalents	<b>4,705,366</b>	4,788,061	<b>4,655,957</b>	4,772,879
Financial assets that are debt instruments measured at amortised cost	<b>1,120,324</b>	475,305	<b>941,613</b>	468,330
	<u><b>5,825,690</b></u>	<u>5,263,366</u>	<u><b>5,597,570</b></u>	<u>5,241,209</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(1,082,790)</b>	(489,877)	<b>(3,333,254)</b>	(3,057,490)
	<u><b>(1,082,790)</b></u>	<u>(489,877)</u>	<u><b>(3,333,254)</b></u>	<u>(3,057,490)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed to group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

**20. Reserves**

**Other reserves**

Included within other reserves at the start of the year was a £20,000 general reserve, a £20,000 membership reserve and a £20,000 maintenance reserve. Since these amounts were not restricted they have been transferred into the profit and loss account during the year.

**Profit and loss account**

The profit and loss account includes all current and prior year retained profits and losses.

**21. Company status**

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

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**22. Contingent liabilities**

Subsequent to the year-end and as part of the improving governance routines of the business, the directors have commenced a review of historical indirect tax procedures and compliance. This review has identified a number of potential matters which could indicate that additional material liabilities could fall due on the business in respect of the current and prior financial periods. However, given the preliminary stage of this review, the range of potential outcomes has yet to be assessed, and there may be actions that can be taken by the directors to mitigate any exposures. As such, the financial effect cannot be reliably quantified with reasonable certainty as of the balance sheet date.

**23. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £52,014 (2016: £48,653). Contributions totalling £7,487 (2016: £7,517) were payable to the fund at the balance sheet date and are included in creditors.

**24. Commitments under operating leases**

At 31 December 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Not later than 1 year	<b>64,462</b>	54,245	<b>64,462</b>	54,245
Later than 1 year and not later than 5 years	<b>129,012</b>	25,269	<b>129,012</b>	25,269
	<b><u>193,474</u></b>	<u>79,514</u>	<b><u>193,474</u></b>	<u>79,514</u>

**25. Related party transactions**

During the year the group purchased non-directorship consulting services from Toiler Consulting totalling £nil (2016: £14,875), an unincorporated entity controlled by A J Reed, a director who resigned 17 June 2016. At the year end Propertymark Limited owed A J Reed £40 (2016: £Nil) which is included within trade creditors.

During the year, M Bentley, a director of the group, provided consultancy services amounting to £3,000 through his company, Paul Carr Estate Agents (PY: £nil).

During the year, P Savage, a director of the group, provided consultancy services amounting to £4,711 (PY: £nil).

During the year, a total of key management personnel compensation of £401,840 (2016: £278,046) was paid.

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**PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS)**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**26. Controlling party**

The group is controlled by its board of directors as shown in the directors' report.