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Annual Report and Accounts 2017/2018

propertymark

CONTENTS

CHAIRMAN'S FOREWORD

Although my foreword for the 2016 Annual Report highlighted the rebrand of the organisation to Propertymark, that new brand was not brought into public view until February 2017. By the time of the Annual General Meeting in June of last year however the name had already become well known, in use by members and giving a strong sense of identity to the largest professional association in the property sector.

The projection of Propertymark as a brand and its consumer protection ethos has been strengthened and supported by a mainstream TV advertising campaign, that advert appearing on property related channels and Sky. Further campaigns are in development.

2017 has been a year of continuing challenge and difficulty for the sector with an almost constant flow of government calls for evidence and consultations. However, I am delighted to report that despite the challenges facing the sector, Propertymark membership passed 17,000 agents.

Lobbying activity has been at the heart of the organisation's progress. David Cox, Chief Executive of ARLA Propertymark has been a leading force in driving a strategy that ensures member's views and needs are clearly understood by Government policy-makers. There have been numerous meetings with Department for Communities and Local Government (DCLG, now MHCLG) with the aim of increasing government officials' understanding of the sector, the reality behind the fees debate and the desperate need for appropriately resourced enforcement activity and overarching regulation. The Tenant Fee campaign and the development of a Tenant Fees Toolkit has been welcomed by members with more than 5,000 agents using the resources to support their conversations with MPs. Work with Scottish Government and Welsh Assembly has also continued as regulation and mandatory qualification were introduced in Scotland and Rent Smart Wales developed. ARLA Propertymark members have never been more engaged, with increasing numbers standing for a voluntary regional representative role, attending events and contributing articles to Property Professional magazine.

Sales agents have not been sheltered from the challenges of 2017. Mark Hayward as NAEA Propertymark Chief Executive, with his experience in the marketplace believes that the role and responsibility of NAEA Propertymark is to support all members in adapting their business models to ensure compliance and increase income. He continues to travel right across the country, meeting independent agents along with franchisees and corporate representatives, understanding the issues that face local businesses and liaising with government departments on behalf of agents.

NAEA Propertymark has met with two different Housing Ministers during the course of 2017 and worked closely with DCLG as the sector built up to the Government's long-awaited review of the house buying and selling process. Financial crime remained an important issue for the sector and work continued through the year with National Trading Standards Estate Agency Team and the National Crime Agency.

Within this context Propertymark has developed a strategy to ensure that the organisation has clearly defined goals for serving members, moving the organisation forward in the interests of both members and consumers and being at the forefront of government consultation. The strategy is aimed at enabling Propertymark to act robustly on behalf of members in any regulatory regime that may be introduced by government in years to come, to assist firms to meet their regulatory obligations, set the standards by which business should be conducted and give consumers the confidence that they will be looked after by a Propertymark agent.

The main Propertymark Board, the Chief Executives, Presidential Teams and the staff at Arbon House continue to be at every members' side day in, day out whether that takes the form of a call to a legal helpline, advice at a local meeting or receiving the latest guidance on compliance in a fact sheet or newsletter. Propertymark continually works to deliver new opportunities and increased member benefits, a more visible logo with a clearer offer for consumers and a unified voice for the industry offering guidance and vision.

Christopher J Hamer
Executive Chairman

AGENDA FOR THE ELEVENTH ANNUAL GENERAL MEETING, 15 JUNE 2018

1. Welcome.
2. Christopher Hamer, Executive Chairman.
3. Minutes of the Tenth Annual General Meeting.
4. Special Resolution - Retrospectively that the name of the Company be changed from the National Federation of Property Professionals Ltd to Propertymark Ltd.
5. Special Resolution - That Article 33.4 of the Company's Articles of Association be amended to read as follows: 33.4 With effect from the conclusion of the Annual General Meeting in 2018, the President of the Estate Agents Division and the President of the Residential Lettings' Division shall be entitled to attend meetings of the Board but shall not be entitled to vote.
6. Special Resolution - That the Board shall be permitted to seek the approval of the members to the accounts of the Company for the period ended on 31st December 2017 in an extraordinary general meeting to be convened on not less than 21 clear days' notice and held no later than the end of July 2018, such accounts to be circulated to the members or made available on the Company's website before or at the same time as the giving of the notice of such meeting and that (for 2018 only) the provisions of Article 64 of the Company's Articles of Association be waived accordingly.
7. Election results, Mi-Voice.
8. Financial update.
9. Appointment of auditors.
10. Mark Bentley, President, NAEA Propertymark.
11. Peter Savage, President, ARLA Propertymark.
12. Public Relations update from Lansons.
13. Any other business.

PROPERTYMARK AGM REPORT FRIDAY 16TH JUNE 2017

MINUTES OF THE TENTH ANNUAL GENERAL MEETING, 16 JUNE 2017

Minutes of an annual general meeting held Friday 16 June 2017 at 11.00am
St Martins Lane Hotel, 45 St Martins Lane, London WC2N 4HX

PRESENT

Jamie Aspland
Angela Davey
Robert May
Geoffrey L. Ashworth
Teresa Duarte
Christopher Mervyn
Tina Atherton
Nathan Emerson
Brian Moran
Keith Baker
Kathleen Gell
James Neal
Valerie Bannister
John Gell
John Paul
Martyn Baum
Katie Griffin
Neville J. Pedersen
Dawn Bennett
Russell Griffin
John Pring
Mark Bentley
Richard Hair
Stephen Reade
Aidan Branch
Ian Harris
Des Rowson
Paul Bridgeman
Jonathan Hudson
Peter Savage
Clive Buckland
Jan Hÿtch
Lauren Scott
Patrick Bullick
Paul Jager
Peter Speak
Frances Burkinshaw
Marti Kollar
Linda Spelman
Dawn Clarke
Sally Lawson
Darshan Sunger
Ian Colban
Toby Leek
Simon Thomson
David Coleman
David Mackie
Robert Ulph
Lora Cooper
Nik Madan
Matias Weiland
Richard Copus
Corelia Maskell-Moseley
Vicky Weller
Beverley Daley
Shelagh Marett
Chris Wood

IN ATTENDANCE

Christopher Hamer	Executive Chairman, Propertymark
Mark Hayward	Chief Executive, NAEA Propertymark
David Cox	Chief Executive, ARLA Propertymark
Pam Turner	Acting Head of Finance
Rachel Hartley	Marketing Communications Manager
Sarah Davies	Events Manager
Tanya Richards	Events Assistant
Stacey Ballard	Copywriter and Marketing Officer
Stephanie Williams	Executive Assistant, NAEA Propertymark
Sarah Turnbull	HR Manager
Ralph Jackson	Lansons
Rimmi Shah	Lansons
Judy Ramella	National Association of Realtors

1. APOLOGIES

Chris Brown, Elspie Munro-Price, Sally Thatcher, Simon Hardy, Naomi Murdoch, Greg Tsuman, Ross Jezzard, Vicki Philips, David Waterhouse, Gill Mooney, Ian Potter, Andrew Morris, John Smith.

2. CHAIRMAN'S OPENING REMARKS

The Chairman addressed the public comments and speculation in the trade press and on social media, which had taken place in advance of the meeting. It was noted that seven members had raised questions for consideration, many of which would be answered during the opening address, with the others being clarified throughout the meeting.

i. Christopher Hamer (CJH) confirmed that he had been appointed Executive Chairman, as per article 33.3 of the Memorandum and Articles of Association. This article was agreed by members at the 2013 AGM. Members were reminded that CJH had taken on the role of interim Chairman, following the resignation of the previous Chairman, while the Board considered an independent review of the organisation and governance structure. Following the review, the interim role was regularised.

ii. CJH confirmed that a reduction in the number of NAEA and ARLA representatives on the Board was not a diminution of power or a distancing of members and that members would retain the ability to communicate through the Regional Representative network and the NAEA / ARLA Boards. The appointment of two independent Directors would bring other, more specific, business skills. In addition, the Board would be able to co-opt two further Directors and that such an approach better reflected proper principles of corporate governance.

iii. CJH addressed concerns raised regarding the participation of Presidents at Board meetings. The Presidential role was a prime channel of communication with members, through the regional network or at individual events. The President was in post for one year and it would not be appropriate to have to accept such legal liability as that held by the Directors. The wording of that clause, in the proposed changes, was formulated by legal advisers, with experience of drafting Articles, as a way of protecting the President. In practice, the President would be able to contribute to discussions at the Board without any restriction.

iv. CJH advised that operational developments were designed to improve efficiency and cost effectiveness and were not issues that should concern the membership at large. CJH confirmed that there was a strong team at Arbon House to support members and that a new post, Head of Operations, would be appointed shortly.

3. MINUTES OF THE LAST MEETING, HELD 17 JUNE 2016

The minutes of the last meeting were agreed as a true and accurate record of that meeting. Proposed by DM, seconded by MB.

4. ACCOUNTS

i. The full and audited accounts had been provided via a link in an email, dated 1 June 2017, and were also available on the Propertymark website. In the event that Arbon House had been advised of non-receipt of the accounts, all details had been re-sent.

ii. The accounts were presented by acting Head of Finance, PT. The accounts had been fully audited.

iii. The group accounts had been prepared by auditors, Stiles & Co.

iv. PT responded to a question, relating to the deficit recorded in the previous year. It was explained that the deficit included one off costs, related to structural changes and an operating surplus could be confirmed.

v. The accounts would be presented in a more concise, user friendly format, moving forward.

vi. The Board had examined a more detailed financial report and felt that expenditure was appropriate, however, the incorporation of a section setting out costs would be considered for next year.

vii. Nik Madan proposed acceptance of the accounts, seconded by David Coleman. The adoption of the accounts was agreed.

5. APPOINTMENT OF AUDITORS

In order to ensure value for money and appropriate guidance was received, the Board would seek tenders from auditing firms, with a view to awarding a contract in time for the 2017 accounts.

6. SPECIAL RESOLUTION

i. The proposals had been emailed to members on 18 May 2017, four weeks ahead of the AGM, in order to allow adequate time for consideration and voting.
Voting had been administered by Mi-Voice.

ii. It was noted that some members felt that a wider consultation on major changes and a statement from Arbon House, when concerns were initially expressed, would have prevented the adverse public comments.

iii. A comment was made that some members may not have been aware of the consequences of the vote and that a more personable report, detailing the rationale behind the proposal would have been beneficial.

iv. A concern was raised about a perceived lack of transparency in consulting with members on these changes, and that there was no opportunity to debate.

v. It was confirmed that article 33.4 of the Special Resolution had been inserted, following legal advice, in order to protect the Presidents. There were no plans to remove the President posts. Concerns were raised over the wording "shall not be entitled to speak unless invited to by the Chairman of the meeting."

vi. The Board would review all comments from the day.

vii. Simon Thompson from Mi-Voice announced the results of the vote on the Special Resolution.
- Votes in favour: 459
- Votes against: 104
- Abstained: 82

viii. Motion carried.

7. ELECTION OF VICE PRESIDENTS

NAEA PROPERTYMARK

i. Lauren Scott and Jonathan Hudson were the candidates for consideration.

ii. Lauren Scott was successfully elected as Vice President of NAEA Propertymark.

ARLA PROPERTYMARK

i. It was noted that Claire Lloyd had resigned from her positon as Vice President. As such, two candidates would be elected, with one becoming Vice President, and one stepping directly into the role of President Elect.

ii. Michelle Niziol, Peter Savage, David Votta and Ross Jezzard had been put forward for consideration.

iii. Michelle Niziol and Peter Savage were both successfully elected. It was agreed between the two that Peter Savage would adopt the role of President Elect.

Katie Griffin
President NAEA Propertymark

8. NAEA PROPERTYMARK PRESIDENT'S UPDATE

Katie Griffin (KG) said that she was privileged to be President of NAEA Propertymark. She was prepared to face the challenges ahead, supported by Mark Hayward and David Mackie, and inspired by their commitment. KG thanked Mark Hayward, the Past Presidents and Board Directors for their tireless efforts to improve the industry.

In her address, KG noted that the industry had demonstrated its resilience in the past year, in the face of economic, social and structural changes, both domestically and internationally. The industry had constantly evolved and adapted, embracing a fluid, uncertain market, with market disrupters and an increasing level of client expectation.

KG intended to support and engage with members. She committed to making Propertymark appealing to a new generation of members by ensuring that the delivery and content of training and education was second to none.

KG also committed to promoting clear and simple ways to give back to local and national charities.

9. ARLA PROPERTYMARK PRESIDENT'S UPDATE

Sally Lawson (SL) joined ARLA in 1994, gaining support, guidance and help to structure her business and remain compliant. SL had been an agent for 27 years, a landlord for 28 years and a private tenant, through choice, for 10 years.

SL was a franchisor, assisting others to set up and grow agencies and saw the role of President as an extension of that. SL wanted to continue the great work of the previous Presidents and support and guide members through the challenges faced, across the country. SL thanked David Cox, the Past Presidents, Lansons and the team at Arbon House for their support. SL felt that the next 12 months would be the most challenging the industry had ever faced and stated that she did not take on the role of President lightly; appreciating the enormity and responsibility of the position.

Sally Lawson
President ARLA Propertymark

10. ANY OTHER BUSINESS

COMMUNICATION

i. The Chief Executives and Presidents spent a lot of time engaging with members at events across the country. In 2016, there were 7,948 delegates at events, with that number set to increase in 2017.

ii. The Marketing Department kept members informed of changes within the industry, issuing various forms of communications to members.

iii. The response from members to the Tenant Fee Ban had been extremely high, with over 700 members responding to ARLA Propertymark's consultation response. Thousands of members had downloaded the toolkit provided.

COLLEGE OF FELLOWS

iv. Peter Savage (PS) responded to the question regarding the function and purpose of the College of Fellows (CoF) and what benefit it was to the organisation, moving forward.

The purpose and function had drifted over time and it was important to open a discussion on how it could work for the benefit of the entire membership. PS felt it was disappointing that some members of the CoF had spoken publicly to the trade press on matters that would have been better placed internally. It would be beneficial to take a fresh look in order to recognise the talent, experience and valuable contribution of CoF members. Further discussion would be held at the next Propertymark Board meeting, in July 2017.

ARBON TRUST

v. A huge amount of work and effort had been put in by the Trustees to set up and achieve charitable status. PS felt that funds could be used to assist in the training and education of young people hoping to enter the industry. PS requested the Trustees look into the possibly of incorporating that.

LANSONS

vi. Ralph Jackson and Rimmi Shah gave a short presentation on the work of Lansons.

vii. Lansons had been working with Propertymark for three years, supporting external communications. Activities ranged from assisting with the monthly reports, acting as a press office, liaising with trade and national media, supporting the launch of Propertymark and engaging with Civil Servants and MPs. Lansons worked closely with the Marketing Department and the Presidents and had run pro-active campaigns, namely regarding the Tenants Fee Ban and Anti-Money Laundering.

Meeting closed at 12:25 p.m.

CONSOLIDATED FINANCIAL STATEMENTS

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017 PROPERTYMARK LTD (FORMERLY THE NATIONAL FEDERATION OF PROPERTY PROFESSIONALS) (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS

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)

SECRETARY

P H Turner

REGISTERED NUMBER

00897907

REGISTERED OFFICE

Arbon House
6 Tournament Court
Edgehill Drive
Warwick
CV34 6LG

INDEPENDENT AUDITOR

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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.

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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.

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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 five 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.

Valerie Bannister

V J Bannister, Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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)

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.

Valerie Bannister

V J Bannister, Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMARK LTD (FORMERLY NFOPP)

OPINION

We have audited the financial statements of Propertymark 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 PROPERTYMARK LTD (FORMERLY NFOPP)

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMARK LTD (FORMERLY NFOPP)

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMARK LTD (FORMERLY NFOPP)

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.

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. 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

28 June 2018

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)
GROSS PROFIT		3,101,885	1,735,722
Administrative expenses		(3,926,449)	(2,904,699)
Other operating income	6	937,464	839,600
OPERATING PROFIT/(LOSS)	7	112,900	(329,377)
Interest receivable and similar income	11	29,999	38,187
PROFIT/(LOSS) BEFORE TAXATION		142,899	(291,190)
Tax on profit/(loss)	12	(24,614)	(32,008)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		118,285	(323,198)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		118,285	(323,198)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Members of the parent company		118,285	(323,198)

The notes on pages 37 to 55 form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £		As restated 2016 £	
FIXED ASSETS					
Tangible assets	13		1,805,295		1,867,758
			1,805,295		1,867,758
CURRENT ASSETS					
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	
		5,880,583		5,720,608	
Creditors: amounts falling due within one year	17	(5,299,586)		(5,320,359)	
NET CURRENT ASSETS			580,997		400,249
TOTAL ASSETS LESS CURRENT LIABILITIES			2,386,292		2,268,007
NET ASSETS			2,386,292		2,268,007
CAPITAL AND RESERVES					
Other reserves	20		-		60,000
Profit and loss account	20		2,386,292		2,208,007
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			2,386,292		2,268,007

The notes on pages 37 to 55 form part of these financial statements.

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**

Valerie Bannister

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £		As restated 2016 £	
FIXED ASSETS					
Tangible assets	13		**1,805,295**		1,867,757
			1,805,295		1,867,757
CURRENT ASSETS					
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	
		5,652,459		5,631,361	
Creditors: amounts falling due within one year	17	**(7,594,898)**		(5,268,989)	
NET CURRENT (LIABILITIES)/ASSETS			**(1,942,439)**		362,372
TOTAL ASSETS LESS CURRENT LIABILITIES			**(137,144)**		2,230,129
Creditors: amounts falling due after more than one year	18		**-**		(2,466,614)
NET ASSETS EXCLUDING PENSION ASSET			**(137,144)**		(236,485)
NET LIABILITIES			**(137,144)**		(236,485)
CAPITAL AND RESERVES					
Other reserves	20		**-**		60,000
Profit and loss account	20		**(137,144)**		(296,485)
DEFICIT ATTRIBUTABLE TO MEMBERS OF THE COMPANY			**(137,144)**		(236,485)

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 notes on pages 37 to 55 form part of these financial statements.

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** Valerie Bannister

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

	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017 as restated	60,000	2,208,007	2,268,007
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	118,285	118,285
Transfer between reserves	(60,000)	60,000	-
AT 31 DECEMBER 2017	-	2,386,292	2,386,292

The notes on pages 37 to 55 form part of these financial statements.

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

	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016 as restated	60,000	2,531,205	2,591,205
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(323,198)	(323,198)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(323,198)	(323,198)
AT 31 DECEMBER 2016	60,000	2,208,007	2,268,007

The notes on pages 37 to 55 form part of these financial statements.

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

	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017 as restated	60,000	(296,485)	(236,485)
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	99,341	99,341
Transfer between reserves	(60,000)	60,000	-
AT 31 DECEMBER 2017	-	(137,144)	(137,144)

The notes on pages 37 to 55 form part of these financial statements.

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

	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016 as restated	60,000	250,642	310,642
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(547,127)	(547,127)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(547,127)	(547,127)
AT 31 DECEMBER 2016	60,000	(296,485)	£236,485

The notes on pages 37 to 55 form part of these financial statements.

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

	2017 £	As restated 2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the financial year	118,285	(323,198)
ADJUSTMENTS FOR:		
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)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(50,160)	486,793
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(62,534)	(6,554)
Interest received	29,999	38,187
NET CASH FROM INVESTING ACTIVITIES	(32,535)	31,633
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(82,695)	518,426
Cash and cash equivalents at beginning of year	4,788,061	4,269,635
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	4,705,366	4,788,061
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	4,705,366	4,788,061
	4,705,366	4,788,061

The notes on pages 37 to 55 form part of these financial statements.

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

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.

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

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.

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.

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

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.

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.

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

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.

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.

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

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.

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.

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

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 £
COST OR VALUATION			
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)
NET ASSETS	4,048,670	(1,780,633)	2,268,007
	£	£	£
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)
CLOSING RESERVES AT 31 DECEMBER 2016	4,048,670	(1,780,663)	2,268,007

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

4. PRIOR YEAR ADJUSTMENT

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)

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

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
	5,301,237	5,755,766

All turnover arose within the United Kingdom.

6. OTHER OPERATING INCOME

	2017 £	As restated 2016 £
Client Money Protection income	937,464	839,600

7. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:	2017 £	2016 £
Depreciation of tangible fixed assets	124,997	122,814
Other operating lease rentals	68,297	72,679

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

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	24,000	20,000
FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
Taxation compliance services	5,000	3,240
VAT services	6,000	-
Other accounting services	4,500	-
	15,500	3,240

9. EMPLOYEES

Staff costs were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
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
	1,933,290	1,918,545	1,933,290	1,918,545

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

	Group 2017 No.	Group 2016 No.	Company 2017 No.	Company 2016 No.
Administration	59	63	59	63

10. DIRECTORS' REMUNERATION

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

11. INTEREST RECEIVABLE

	2017 £	2016 £
Other interest receivable	29,999	38,187

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

12. TAXATION

	2017 £	As restated 2016 £
CORPORATION TAX		
Current tax on profits for the year	24,614	32,008
	24,614	32,008
TOTAL CURRENT TAX	24,614	32,008
DEFERRED TAX		
TOTAL DEFERRED TAX	-	-
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	24,614	32,008

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

12. TAXATION (CONTINUED)

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)
EFFECTS OF:		
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
TOTAL TAX CHARGE FOR THE YEAR	24,614	32,008

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.

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

13. TANGIBLE FIXED ASSETS

Group	Freehold property £	Fixtures and fittings £	Total £
COST			
At 1 January 2017	2,583,238	644,868	3,228,106
Additions	-	62,534	62,534
At 31 December 2017	2,583,238	707,402	3,290,640
DEPRECIATION			
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	859,704	625,641	1,485,345
NET BOOK VALUE			
At 31 December 2017	1,723,534	81,761	1,805,295
At 31 December 2016	1,823,220	44,538	1,867,758

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

13. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Fixtures and fittings £	Total £
COST			
At 1 January 2017	2,583,238	644,868	3,228,106
Additions	-	62,534	62,534
At 31 December 2017	2,583,238	707,402	3,290,640
DEPRECIATION			
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	859,704	625,641	1,485,345
NET BOOK VALUE			
At 31 December 2017	1,723,534	81,761	1,805,295
At 31 December 2016	1,823,220	44,537	1,867,757

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

14. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
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 holds 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:

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

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

15. DEBTORS

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

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

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

16. CASH AND CASH EQUIVALENTS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	**4,705,366**	4,788,061	**4,655,957**	4,772,879

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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.

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

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2017 £	Group as restated 2016 £	Company 2017 £	Company as restated 2016 £
Amounts owed to group undertakings	-	-	-	2,466,614

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

19. FINANCIAL INSTRUMENTS

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

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.

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

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.

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.

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

24. COMMITMENTS UNDER OPERATING LEASES

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

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

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 Ltd 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.

26. CONTROLLING PARTY

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