

DO NOT STAPLE
PRINT ON ONE SIDE ONLY

CERTIFICATION OFFICE
FOR TRADE UNIONS
& EMPLOYERS' ASSOCIATIONS

FORM AR27

13 AUG 2014

Trade Union and Labour Relations (Consolidation) Act 1992

RECEIVED

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

e-mail:

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG

RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
8835	247	0	0	9082

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change

* PLEASE SEE ATTACHED ANNEX

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

BALANCE SHEET AS AT [31 DECEMBER 2013]
(see notes 19 and 20)

Previous Year	£	£
Fixed Assets (as at page 11)		6,956,991
Investments (as per analysis on page 13)		6,104
Quoted (Market value £)		
Unquoted		
Total Investments		
Other Assets		
Sundry debtors	530,042	
Cash at bank and in hand	851,671	
Stocks of goods	—	
Others (specify)		
Total of other		
assets		1,381,713
	TOTAL ASSETS	8,344,808
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Revaluation Reserve	509,090
Liabilities		
Loans		3,500,000
Bank overdraft		
Tax payable		230,232
Sundry creditors		382,628
Accrued expenses		1,375,400
Provisions		
Other liabilities		
	TOTAL LIABILITIES	8,991,550 5,488,260
	TOTAL ASSETS	1,856,548 8,344,808

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	7,229,433	1,575,747	28,389	8,833,569
Additions during period	124,144	86,148	0	210,292
Less: Disposals during period	0	0	0	0
Less: DEPRECIATION:	500,680	1,557,801	28,389	2,086,870
Total to end of period				
BOOK AMOUNT at end of period	6,852,897	104,094	0	6,956,991
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	- EQUITIES	6,104
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	3,678,863		3,678,863
From Investments	6,968		6,968
Other Income (including increases by revaluation of assets)	230,913		230,913
Total Income	3,916,744		3,916,744
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	4,604,622		4,604,622
Funds at beginning of year (including reserves)	3,035,366		3,035,336
Funds at end of year (including reserves)	2,347,458		2,347,458
ASSETS			
Fixed Assets			6,956,991
Investment Assets			6,104
Other Assets			1,381,713
		Total Assets	8,344,808
LIABILITIES			
		Total Liabilities	5,488,260 991,350
NET ASSETS (Total Assets less Total Liabilities)			2,847,458

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Federation of Master Builders Limited and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit and loss account for the year dealt with in the accounts of the company was a loss after tax of £687,878 (2012 - £233,888).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% of cost
Equipment and Vehicles	-	15-33 1/3% straight line

Land is not depreciated and comprises 50% of the valuation shown.

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

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

	2013 £	2012 £
Subscription Income	3,975,134	4,115,603
Sales of Goods	33,555	22,857
Sales of Services	170,028	165,472
Seminar Income	735,107	1,046,616
	<u>4,913,824</u>	<u>5,350,548</u>

All turnover arose within the United Kingdom.

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

3. OPERATING LOSS

The operating loss is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the group	127,444	85,647
Auditors' remuneration	16,500	18,500
Auditors' remuneration - non-audit	5,400	6,410
	<u>149,344</u>	<u>110,557</u>

During the year, no director received any emoluments (2012 - £NIL).

Auditors fees for the company were £13,000 (2012 - £14,500)

4. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	1,908,544	1,819,117
Social security costs	206,607	209,634
Other pension costs	159,604	163,657
	<u>2,274,755</u>	<u>2,192,408</u>

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

	2013 No.	2012 No.
	<u>50</u>	<u>52</u>

5. TAXATION

	2013 £	2012 £
Analysis of tax credit in the year		
Deferred tax (see note 10)		
Origination and reversal of timing differences	6,371	(1,393)
Tax on loss on ordinary activities	<u>6,371</u>	<u>(1,393)</u>

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

5. TAXATION (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	(686,322)	(267,177)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(159,570)	(65,458)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,805	2,130
Capital allowances for year in excess of depreciation	(10,448)	13,399
Unutilised tax losses	162,987	51,322
Other differences leading to an increase in the tax charge	5,226	-
Timing differences relating to pension charges	-	(1,393)
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

There are tax losses carried forward of some £950,000.

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

6. TANGIBLE FIXED ASSETS

Group and Company	Land and Buildings £	Equipment and vehicles £	Total £
Cost or valuation			
At 1 January 2013	7,229,433	1,604,136	8,833,569
Additions	124,144	86,148	210,292
At 31 December 2013	<u>7,353,577</u>	<u>1,690,284</u>	<u>9,043,861</u>
Depreciation			
At 1 January 2013	425,431	1,533,995	1,959,426
Charge for the year	75,249	52,195	127,444
At 31 December 2013	<u>500,680</u>	<u>1,586,190</u>	<u>2,086,870</u>
Net book value			
At 31 December 2013	<u>6,852,897</u>	<u>104,094</u>	<u>6,956,991</u>
At 31 December 2012	<u>6,804,002</u>	<u>70,141</u>	<u>6,874,143</u>

Cost or valuation at 31 December 2013 is as follows:

Group and Company	Land and buildings £
At cost	4,183,577
At valuation	
June 1999	1,200,000
April 2005	1,970,000
	<u>7,353,577</u>

Cost or valuation at 31 December 2013 is as follows:

Company	Land and buildings
At cost	4,183,577
At valuation:	
Valuation June 1999	1,200,000
Valuation April 2005	1,970,000
	<u>7,353,577</u>

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

6. TANGIBLE FIXED ASSETS (continued)

In accordance with the exemption afforded to Not for Profit organisations by Financial Reporting Standard 15 Tangible Fixed Assets, National Council decided that the benefits of undertaking the five-yearly full valuation of all properties at 31 December 2004 were outweighed by the costs of performing the valuation. Hence, a full valuation of all properties was not undertaken as at 31 December 2004, although the Federation's largest property was revalued in April 2005.

7. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	6,104
Net book value	
At 31 December 2013	6,104
At 31 December 2012	6,104

Details of the principal subsidiaries can be found under note number 17.

8. DEBTORS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	155,434	105,312	88,653	67,543
Amounts owed by group undertakings	-	-	226,824	92,842
Other debtors	41,699	526,407	12,107	460,469
Prepayments and accrued income	204,393	194,712	202,458	133,092
Deferred tax asset (see note 10)	-	6,371	-	6,371
	<u>401,526</u>	<u>832,802</u>	<u>530,042</u>	<u>760,317</u>

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

9. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Bank loans and overdrafts	2,500,000	2,500,000	2,500,000	2,500,000
Other loans	1,000,000	1,000,000	1,000,000	1,000,000
Trade creditors	156,380	184,692	114,943	181,447
Subscriptions in advance	957,330	1,032,709	892,474	941,225
Amounts owed to group undertakings	-	-	217,632	142,071
Corporation tax	613	613	613	613
Other taxation and social security	229,619	50,704	229,619	50,704
Other creditors	168,781	111,492	50,053	88,152
Accruals and deferred income	623,560	383,799	482,926	243,117
	<u>5,636,283</u>	<u>5,264,009</u>	<u>5,488,260</u>	<u>5,147,329</u>

The company obtained a bridging loan of £2,500,000 to enable it to purchase a new head office. The lender had a first charge over both properties and a floating charge over all other assets.

A further loan of £1,000,000 was obtained for working capital purposes and the lender had a second charge over the Federation's previous head office.

The loans were repaid from the sale of the previous head office in April 2014 (see note 16)

10. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
At beginning of year	6,371	4,978	6,371	4,978
(Charge for)/released during the year (P&L)	(6,371)	1,393	(6,371)	1,393
At end of year	<u>-</u>	<u>6,371</u>	<u>-</u>	<u>6,371</u>

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Origination of timing differences	<u>-</u>	<u>6,371</u>	<u>-</u>	<u>6,371</u>

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

11. RESERVES

	Revaluation reserve £	Profit and loss account £
Group		
At 1 January 2013	509,090	3,086,087
Loss for the financial year		(692,693)
	<u>509,090</u>	<u>2,393,394</u>
Company		
At 1 January 2013	509,090	3,035,336
Loss for the financial year		(687,878)
	<u>509,090</u>	<u>2,347,458</u>

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating loss	(829,802)	(405,874)
Depreciation of tangible fixed assets	127,444	85,647
Decrease in debtors	517,773	120,550
Increase/(decrease) in creditors	372,277	(362,483)
Net cash inflow/(outflow) from operating activities	<u>187,692</u>	<u>(562,160)</u>

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	6,987	18,970
Interest paid	(92,871)	-
Rent receivable	136,493	119,727
Net cash inflow from returns on investments and servicing of finance	<u>50,609</u>	<u>138,697</u>
Taxation		
Corporation tax repaid/(paid)	-	29,114

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(210,292)	(3,421,923)
	2013 £	2012 £
Financing		
New secured loans	-	2,500,000
Other new loans	-	994,600
Net cash inflow from financing	-	3,494,600

14. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	1,152,241	28,009	-	1,180,250
Debt:				
Debts due within one year	(3,500,000)	-	-	(3,500,000)
Net debt	(2,347,759)	28,009	-	(2,319,750)

15. RELATED PARTY TRANSACTIONS

HBC Building Management Limited charged the company £nil (2012: £7,175) for the services of Mr D Bostock, a director of the company in his role as National President and were approved by the Managing Board.

Headingley Developments Limited charged the group £32,500 (2012: £39,000) for consultancy work performed by Mr G Lister, a director of the company. The work was in respect of the Cross Industry Apprenticeship Task Force project and the costs were reimbursed in full by the Construction Industry Training Board.

16. POST BALANCE SHEET EVENTS

On 11 April 2014 the previous Head Office was sold for £4,800,000. The carrying value of the property in the accounts as at 31 December 2013 was £2,970,766. Loans of £3,500,000 have now been repaid.

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

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

17. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
FMB Insurance Services Limited	England and Wales	100	Trading
	England and Wales	100	Trading
FMB Training Services Limited	England and Wales	100	Trading
Build Assure Limited	England and Wales	100	Dormant
Building Industry Certification Scheme Limited	England and Wales	100	Dormant
Construction Industry Services Limited	England and Wales	100	Dormant
Trade Debt Recovery Services Limited	England and Wales	100	Dormant

NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

A large, empty rectangular box with a black border, intended for the user to enter their notes to the accounts. The box occupies most of the page's vertical space below the instructions.

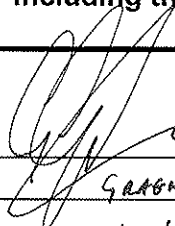
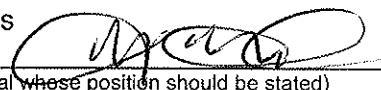
ACCOUNTING POLICIES

(see notes 37 and 38)

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>GRANIA COPESTAKE.</u> Date: <u>11/8/2014.</u>	Chairman's Signature: <u></u> ✓ (or other official whose position should be stated) Name: <u>JAMES GILMAN.</u> ✓ Date: <u>7/8/2014</u>
---	--

CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES		NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES		NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES		NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES		NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES/NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:

- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
- (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
- (c) whether the accounts to which the report relates agree with the accounting records?
(See section 36(3) of the 1992 Act, set out in note 83)

YES/NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
- (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in rule 83)

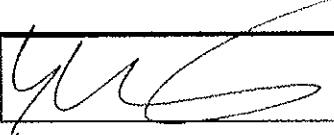
YES/NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.

(See note 85) PREVIOUSLY SENT AS SEPERATE DOCUMENT

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):	HAYSMACINTYRE	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS	
Address(es):	26 RED LION SQUARE LONDON WC1R 4AG	
Date:	27 AUGUST 2014	
Contact name and telephone number:	SIMON WILKES 020 7969 5525	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Federation of Master Builders is a company limited by guarantee and has no share capital. The principal activity continues to be that of an employers' association in the construction industry. The Federation owns 100% of the share capital of four subsidiary companies, whose function is to offer ancillary services to members of the Federation.

RESULTS

The loss for the year, after taxation, amounted to £692,693 (2012 - loss £265,784).

DIRECTORS

The directors who served during the year were:

L A Allen (resigned 26 February 2013)	G Mellor (resigned 2 September 2013)
J Barton	S Mulligan
D Bentley	A Murrell (resigned 2 September 2013)
D G Bostock	R S Pennycook (resigned 2 September 2013)
W T D Croft (resigned 2 September 2013)	M J Quickfall
T J Drayton (resigned 2 September 2013)	H W G Rackham (resigned 14 March 2013)
J M Etchells (appointed 4 November 2013)	P T E Sample (resigned 2 September 2013)
K G R Farnham	K E Smith (resigned 2 September 2013)
J M Gilmour	G Snow (resigned 2 September 2013)
R Gutteridge (resigned 2 September 2013)	R Storer (resigned 2 September 2013)
K A Ireland (resigned 2 September 2013)	B Sutherland
G J Lewis	B G Tierney (resigned 2 September 2013)
G H Lister (resigned 2 September 2013)	G Urwin (resigned 2 September 2013)
A J McArdle	J Weightman
J R McKechnie	

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

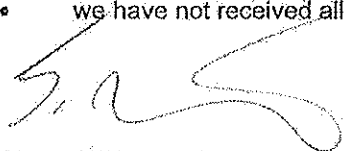
FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERATION OF MASTER BUILDERS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Simon Wilks (Senior statutory auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

2 June 2014

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERATION OF MASTER BUILDERS LIMITED

We have audited the financial statements of Federation of Master Builders Limited for the year ended 31 December 2013, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's loss 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.