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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## 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:

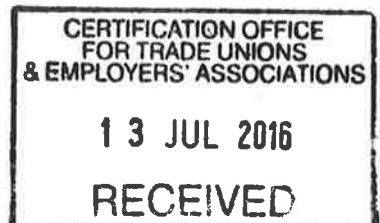
e-mail:

**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  
22<sup>nd</sup> 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



**FEDERATION OF MASTER BUILDERS LIMITED**  
**(A Company Limited by Guarantee)**

**COMPANY INFORMATION**

**DIRECTORS**

J Barton  
PD Bentley  
J Etchells  
J M Gilmour  
G J Lewis  
A J McArdle  
J R McKechnie  
S Mulligan (resigned 4 December 2015)  
R S Pennycook  
M J Quickfall  
J Weightman  
K G R Farnham  
B Sutherland (resigned 9 March 2015)  
I Lowry (appointed 4 December 2015)  
K Ireland (appointed 19 March 2015)  
R Housden (appointed 7 September 2015)

**COMPANY SECRETARY**

Crossley Secretaries Limited

**REGISTERED NUMBER**

00368163

**REGISTERED OFFICE**

Star House  
Star Hill  
Rochester  
Kent  
ME1 1UX

# 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
7972	248	0	0	8220

## 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
	S MULLIGAN		04/12/2015
	B SUTHERLAND		09/03/2015
		I LOWRY	04/12/2015
		K IRELAND	19/03/2015
		R HOUSDEN	07/09/2015

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

RESTATED

Previous Year		£	£
	<b>INCOME</b>		
3,666,189	From Members                      Subscriptions, levies, etc		3,810,213
5,265	Investment income      Interest and dividends (gross) Bank interest (gross) Other (specify)		5,170
26,900	Other income      Sales of goods Sales of services Unrealised surplus on revaluation of fixed assets Income from fixed asset investment Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify) Exceptional sale of fixed assets		21,586
154,309			422,156
458,230			159,955
153,403			98,051
878,461			561,147
2,949,336			
8,292,093	<b>TOTAL INCOME</b>		5,078,278
	<b>EXPENDITURE</b>		
	Administrative expenses		
1,734,121	Remuneration and expenses of staff	1,997,864	
231,811	Occupancy costs	329,624	
48,076	Printing, Stationery, Post	400,994	
60,942	Telephones	427,315	
105,591	Legal and Professional fees	674,514	
103,8484	Miscellaneous (specify)		
130,298	Other charges      Bank charges	110	
80,315	Depreciation	115,534	
6,910	Sums written off		
50	Affiliation fees		
	Donations		
	Conference and meeting fees		
	Expenses		
187,352	Miscellaneous (specify)		
730,518	Impairment of fixed assets	903,148	
	Cost of sales		
(91,207)	Taxation	59,331	
4,263,341	<b>TOTAL EXPENDITURE</b>		4,908,434
4,028,752	Surplus/Deficit for year		169,844
252,3982	Amount of fund at beginning of year		6,552,734
—	Transfer of investment property revaluation		(556,281)
6,552,734	Amount of fund at end of year		6,166,297

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
REVALUATION RESERVE			
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	Surplus on REVALUATION OF TANGIBLE ASSETS		225,319
	TRANSFER OF INVESTMENT PROPERTY REVALUATIONS		556,281
	<b>Total Income</b>		781,600
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			-
	<b>Total Expenditure</b>		-
	Surplus (Deficit) for the year		781,600
	Amount of fund at beginning of year		1,137,725
	Amount of fund at the end of year (as Balance Sheet)		1,919,325

ACCOUNT 3		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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)

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

<b>ACCOUNT 5</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
		<b>Total Expenditure</b>	
		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)

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

<b>ACCOUNT 7</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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 2015 ]**

RESTATED

(see notes 19 and 20)

Previous Year		£	£
4,746,471	<b>Fixed Assets</b> (as at page 11)		4,891,542
1,750,000	<b>Investments</b> (as per analysis on page 13)		2,031,051
	Quoted (Market value £           )		
	Unquoted		
1,750,000	<b>Total Investments</b>		2,031,051
554,466	<b>Other Assets</b>		
	Sundry debtors	522,033	
2,596,558	Cash at bank and in hand	2,906,232	
	Stocks of goods		
	Others (specify)		
	<b>Total of other</b>		
	<b>assets</b>	3,422,265	
9,647,495		<b>TOTAL ASSETS</b>	10,344,858
6,552,734	<b>PROFIT AND LOSS</b> Fund (Account)	6,166,297	
	Fund (Account)		
	Fund (Account)		
1,137,725	Revaluation Reserve	1,919,325	
	<b>Liabilities</b>		
	Loans		
	Bank overdraft		
218,028	Tax payable	218,591	
395,816	Sundry creditors	528,419	
1,099,329	Accrued expenses	1,215,617	
243,863	Provisions	296,609	
	Other liabilities		
			4,178,561
1,957,036		<b>TOTAL LIABILITIES</b>	2,259,326
7,690,459		<b>TOTAL ASSETS</b>	8,085,622



# FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period	4,812,353		181,328	4,993,681
Additions during period	5,907		129,879	135,786
Revaluation surplus	225,319			225,319
Less: Disposals during period			(15,995)	(15,995)
Transfers to Investments	(183,000)			(183,000)
Less: DEPRECIATION:	187,352			247,210
BIFWD	56,059		59,858	115,534
Current year			59,475	(15,995)
Disposals			(15,995)	(15,995)
Total to end of period	243,411		103,338	346,749
<b>BOOK AMOUNT</b> at end of period	4,617,168		191,874	4,809,042
Freehold	4,617,168			
Leasehold (50 or more years unexpired)	-			
Leasehold (less than 50 years unexpired)	-			
<b>AS BALANCE SHEET</b>	4,617,168		191,874	4,809,042

# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
<b>QUOTED</b>	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	
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	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)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
If YES name the relevant companies:			
COMPANY NAME  FMB Training Services Ltd FMB Insurance services Ltd Trade Debt Recovery services Ltd (Dormant) Building Industry Certification Scheme limited (Dormant) Build Assure Limited (Dormant) Construction Industry services Ltd (Dormant)	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)  07712578 01520341 0197 3826 03487866. 07756335 00544876		
<b>INCORPORATED EMPLOYERS' ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		<input type="checkbox"/> YES	<input type="checkbox"/> 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		
<b>UNINCORPORATED EMPLOYERS ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		<input type="checkbox"/> YES	<input type="checkbox"/> 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

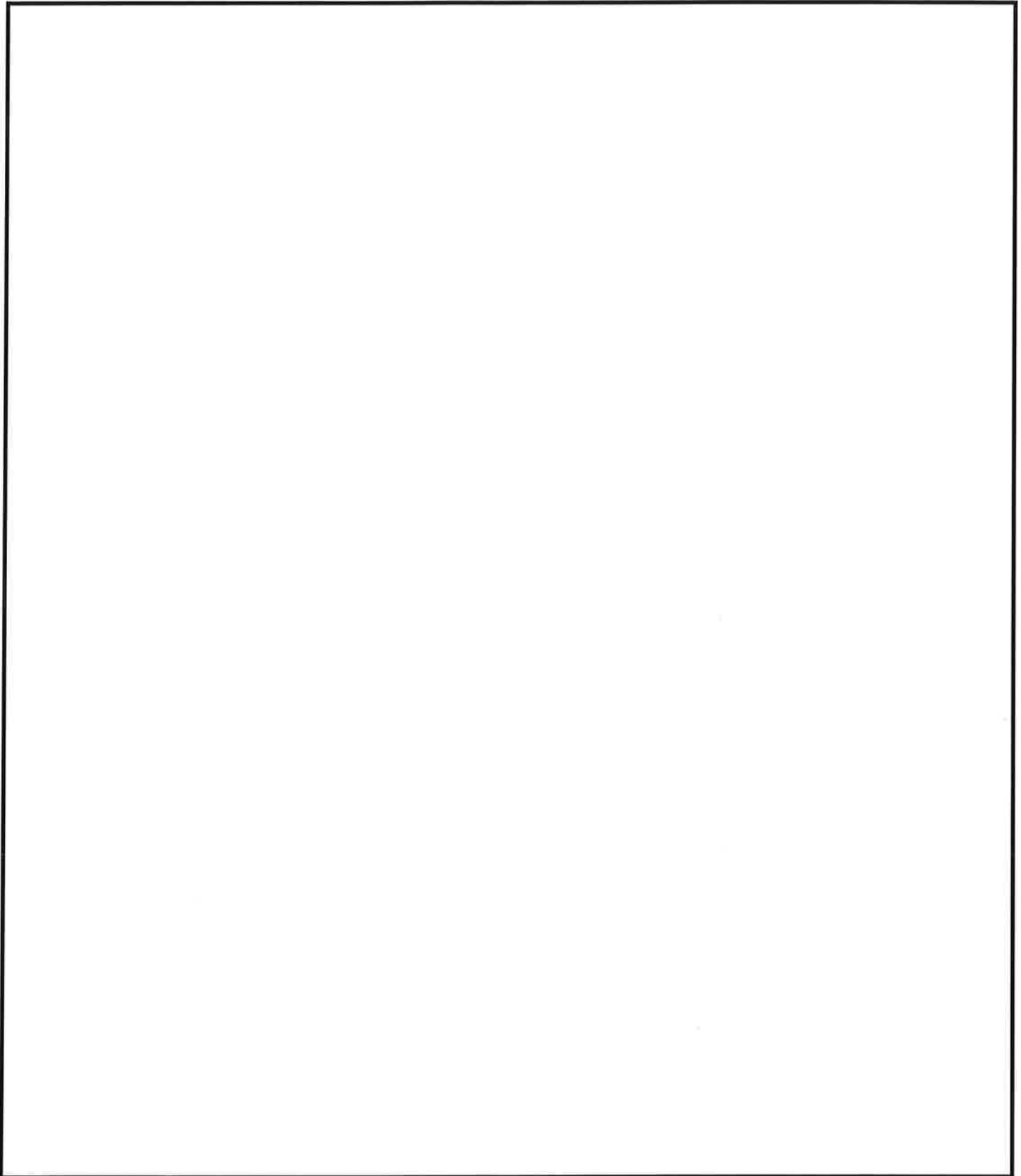
(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	3,810,213		3,810,213
From Investments	159,955		159,955
Other Income (including increases by revaluation of assets)	1,108,110		1,108,110
<b>Total Income</b>	5,078,278		5,078,278
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	4,908,434		4,908,434
<b>Funds at beginning of year</b> (including reserves)			
Transfer of PROPERTY REVALUATION	6,552,734 (566,281)		6,552,734 (566,281)
<b>Funds at end of year</b> (including reserves)	6,166,297		6,166,297
<b>ASSETS</b>			
	Fixed Assets		4,891,542
	Investment Assets		2,031,051
	Other Assets		3,422,265
	<b>Total Assets</b>		10,344,858
<b>LIABILITIES</b>			
	<b>Total Liabilities</b>		2,279,236.
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			
			8,065,622

# 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 taxpayer to enter their notes to the accounts. The box occupies most of the page below the instruction.

## 1. ACCOUNTING POLICIES

### Statutory Information

Federation of Master Builders Limited is a private company, limited by guarantee, domiciled in England and Wales, registration number 00368163. The registered office is Star house, Star Hill, Rochester, Kent, ME1 1UX.

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom account standards, including Financial Reporting Standard FRS 102 Section 1A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)', and with the Companies Act 2006.

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS Section 1A small entities. The date of transition is 1 January 2014.

The transition to FRS 102 Section 1A small entities has resulted in a small number of changes in accounting policies to those used previously.

The nature of these changes and their impact on opening equity and profit for the comparative period are explained in note 25.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

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

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

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

#### 1.3 Going concern

The financial statements have been prepared on the going concern basis. The Directors consider that the use of the going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt over the ability of the Company to continue as a going concern.

## 1. ACCOUNTING POLICIES (continued)

### 1.4 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. The following criteria must also be met before revenue is recognised:

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

### 1.5 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.

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

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

Depreciation is provided on the following bases:

Freehold property	-	2%	Straight line
Motor vehicles	-	25%	Straight line
Fixtures and fittings	-	15%	Straight line
Office equipment	-	20%	Straight line
Computer equipment	-	33%	Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the consolidated statement of comprehensive income.

**1. ACCOUNTING POLICIES (continued)**

**1.6 Revaluation of tangible fixed assets**

Land and buildings in tangible fixed asset are under the revaluation model. Fair values are determined from market based evidence normally undertaken by professionally qualified valuers. These professional valuations are not undertaken every year. In the years where professional valuations are not obtained the fair value of the properties is estimated by use of retail office property indices to estimate the value based on the previous professional valuation. The indices used are the IPD UK Annual Property Index and in particular the capital growth percentage of office properties.

Revaluation gains and losses are recognised as other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit and loss.

**1.7 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Software	-	3	years
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**1.8 Operating leases: Lessee**

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



## 1. ACCOUNTING POLICIES (continued)

### 1.9 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. As for the tangible fixed asset land and buildings, in the years where professional valuations are not obtained the fair value of the properties is estimated by use of retail office property indices to estimate the value based on the previous professional valuation. The indices used are the IPD UK Annual Property Index and in particular the capital growth percentage of office properties.

No depreciation is provided. Changes in fair value are recognised in the Profit and loss account.

Properties that are used for both operating and investment purposes are considered to be mixed properties. The fair value of such properties is split between freehold and investment properties based on the square footage used by staff of the Group and tenants and the headcount.

### 1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

### 1.11 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 accounts receivable and payable, 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 payables or receivables, 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 Profit and loss account.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the 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.

**1. ACCOUNTING POLICIES (continued)**

**1.12 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in profit and loss account when due.

**1.13 Taxation**

Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors have made the following judgments:

Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

The Directors have made key assumptions in the determination of the fair value of the investment property. The valuation method is further described in Note x together with the valuation of the investment property at the reporting date.

**3. TURNOVER**

0.0% of the Company's turnover (2014 - NIL) is attributable to geographical markets outside the United Kingdom.

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	115,534	80,315
Impairment of tangible fixed assets	-	187,352
Operating lease rentals	<u>18,476</u>	<u>22,771</u>

**5. AUDITORS' REMUNERATION**

	2015 £	2014 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	16,500	16,500
Fees payable to the Group's auditor in respect of taxation compliance services	<u>3,000</u>	<u>3,000</u>

**6. EMPLOYEES**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,581,303	1,362,749
Social security costs	167,526	142,346
Cost of defined contribution scheme	150,555	121,219
	<u>1,899,384</u>	<u>1,626,314</u>

The average monthly number of employees, including directors, during the year was 38 (2014 - 44).

**7. DIRECTORS' REMUNERATION**

During the year, the directors in the group received emoluments of £80,500 (2014 - £2,500).

**8. INTEREST PAYABLE**

	2015 £	2014 £
Bank loans	110	130,298
	<u>-</u>	<u>130,298</u>

**9. INTEREST RECEIVABLE**

	2015 £	2014 £
Other interest receivable	5,170	5,265
	<u>5,170</u>	<u>5,265</u>

**10. TAXATION**

	2015 £	Restated 2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	6,585	43,432
<b>Total current tax</b>	<u>6,585</u>	<u>43,432</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	52,746	(134,639)
<b>Total deferred tax</b>	<u>52,746</u>	<u>(134,639)</u>
<b>Taxation on profit on ordinary activities</b>	<u>59,331</u>	<u>(91,207)</u>

**10. TAXATION (continued)**

The tax assessed for the year is lower than (2014 – lower than) the standard rate of corporation tax in the UK of 20.25% (2014 – 21.49%). The differences are explained below:

	2015 £	2014 £
Profit/loss on ordinary activities before tax	<u>229,175</u>	<u>3,937,545</u>
Profit on Ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.49%)	46,408	846,572
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	(4,223)	(34,559)
Fixed asset differences	2,270	(641,645)
Utilisation of tax losses	-	(50,846)
Short term timing differences leading to decrease in taxation	-	(2,917)
Non-taxable income less expenses not deductible for tax purposes	1,204	1,171
Marginal relief	-	(1,340)
Other differences leading to an decrease in the tax charge	(41,611)	(73,004)
	(4,048)	-
<b>Current tax charge for the year</b>	<u>-</u>	<u>43,432</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There are losses carried forward of some £656,983 which can be held against future trading surplus.

**11. EXCEPTIONAL ITEM**

	2015 £	2014 £
Profit on sale of tangible fixed assets	<u>-</u>	<u>2,949,336</u>

At the year ended 31 December 2014, the profit on the sale of tangible fixed assets of £2,949,336 arose from the sale of two properties in the year.

**12. PARENT COMPANY PROFIT FOR THE YEAR**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The profit after tax of the parent Company for the year was £169,844 (2014 restated - £4,028,752).

**13. INTANGIBLE ASSETS**

<b>Group</b>	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
Additions	82,500
<b>At 31 December 2015</b>	<u>82,500</u>
<b>Amortisation at 31 December 2015</b>	-
<b>Net book value</b>	
<b>At 31 December 2015</b>	<u>82,500</u>
<i>At 31 December 2014</i>	<u>-</u>

The intangible asset recognised in the year is a software package developed in FMB Insurance Services Limited. The software was not completed at yearend and as such no amortisation has been applied. The remaining amortisation period is 3 years from the yearend.

14. TANGIBLE FIXED ASSETS

Group	Land and Buildings	Equipment and vehicles	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2015	4,812,353	181,328	4,993,681
Additions	5,907	129,879	135,786
Disposals	-	(15,995)	(15,995)
Revaluation surplus	225,319	-	225,319
Transfer to investment properties	(183,000)	-	(183,000)
<b>At 31 December 2015</b>	<b>4,860,579</b>	<b>295,212</b>	<b>5,155,791</b>
<b>Depreciation</b>			
At 1 January 2015	187,352	59,858	247,210
Charge owned for the period	56,059	59,475	115,534
Disposals	-	(15,995)	(15,995)
<b>At 31 December 2015</b>	<b>243,411</b>	<b>103,338</b>	<b>346,749</b>
<b>At 31 December 2015</b>	<b>4,617,168</b>	<b>191,874</b>	<b>4,809,042</b>
<i>At 31 December 2014</i>	<i>4,625,001</i>	<i>121,470</i>	<i>4,746,471</i>

Land is not depreciated and comprises 50% of the valuation shown. The book cost of the buildings, including mixed property component included in investment properties is £3,298,000.

The land and buildings were revalued on 31 July 2015 by Cluttons LLP on an open market existing use basis. This valuation was then used to estimate the fair value as at 31 December 2015 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings.

14. TANGIBLE FIXED ASSETS (continued)

Company	Land and Buildings	Vehicles and Equipment	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2015	4,812,353	170,362	4,982,715
Additions	5,907	85,024	90,931
Disposals	-	(15,995)	(15,995)
Revaluation surplus	225,319	-	225,319
Transfer to investment properties	(183,000)	-	(183,000)
<b>At 31 December 2015</b>	<b>4,860,579</b>	<b>239,391</b>	<b>5,099,970</b>
<b>Depreciation</b>			
At 1 January 2015	187,352	59,007	246,359
Charge owned for the period	56,059	52,048	108,107
Disposals	-	(15,995)	(15,995)
<b>At 31 December 2015</b>	<b>243,411</b>	<b>95,060</b>	<b>338,471</b>
<b>At 31 December 2015</b>	<b>4,617,168</b>	<b>144,331</b>	<b>4,761,499</b>
<i>At 31 December 2014</i>	<i>4,625,001</i>	<i>111,355</i>	<i>4,736,356</i>

Land is not depreciated and comprises 50% of the valuation shown. The book cost of the buildings, including investment properties is £3,298,000.

The land and buildings were revalued on 31 July 2015 by Cluttons LLP on an open market existing use basis. This valuation was then used to estimate the fair value as at 31 December 2015 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings.



**15. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Freehold investment property</b>
	<b>£</b>
<b>Valuation</b>	
At 1 January 2015	1,750,000
Revaluation surplus	98,051
Transfer from freehold property	183,000
<b>At 31 December 2015</b>	<u><u>2,031,051</u></u>

The valuations were made by Cluttons LLP on 31 July 2015 on an open market value for existing use basis. This valuation was then used to estimate the fair value as at 31 December 2015 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings.

**Subsidiary undertaking**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
FMB Training Services Limited	1 Ordinary share	100%
FMB Insurance Services Limited	5,000 Ordinary shares	100%
Building Industry Certification Scheme Limited	2 Ordinary shares	100%
Construction Industry Services Limited	1,000 Ordinary shares	100%
Trade Debt Recovery Services Limited	100 Ordinary shares	100%
Build Assure Limited	1 Ordinary share	100%

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

<b>Name</b>	<b>Aggregate of share Capital and reserves</b>	<b>Profit</b>
	<b>£</b>	<b>£</b>
FMB Training Services Limited	73,776	14,461
FMB Insurance Services Limited	100,784	26,555
Building Industry Certification Scheme Limited	2	-
Construction Industry Services Limited	1,709	-
Trade Debt Recovery Services Limited	2,377	-
Build Assure Limited	1	-

FMB Training Services Limited ceased to trade on 31 December 2015 when the trade was taken over by the Federation of Master Builders Limited. As a result, the going concern assumption is no longer appropriate for FMB Training Services

15. FIXED ASSET INVESTMENTS (continued)

Company

	Investments in subsidiary companies	Investment properties	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2015	6,104	1,750,000	1,756,104
Additions	-	-	-
Revaluations	-	98,051	98,051
Transfer from freehold properties	-	183,000	183,000
<b>At 31 December 2015</b>	<b>6,104</b>	<b>2,031,051</b>	<b>2,037,155</b>

16. DEBTORS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	167,698	151,570	85,469	62,764
Amounts owed by group undertakings	-	4,323	555,096	216,497
Other debtors	87,042	40,519	49,346	16,884
Prepayments and accrued income	267,293	358,054	107,363	219,482
	<u>522,033</u>	<u>554,466</u>	<u>797,274</u>	<u>515,627</u>

17. CREDITORS: Amounts falling due  
within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	232,982	255,344	176,779	227,020
Amounts owed to group undertakings	-	4,323	3,617	23,710
Corporation tax	6,585	44,045	-	29,000
Taxation and social security	212,006	173,983	211,676	173,983
Other creditors	295,437	136,149	113,636	71,384
Accruals and deferred income	1,215,617	1,099,329	1,080,413	954,370
	<u>1,962,627</u>	<u>1,713,173</u>	<u>1,586,121</u>	<u>1,479,467</u>

18. FINANCIAL INSTRUMENTS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
<b>Financial assets</b>				
Financial assets that are debt instruments at amortised cost	254,470	192,089	689,911	298,145
	<u>522,033</u>	<u>554,466</u>	<u>797,274</u>	<u>515,627</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	528,419	395,816	505,708	322,114
	<u>522,033</u>	<u>554,466</u>	<u>797,274</u>	<u>515,627</u>

Financial assets measured at amortised cost for the Group comprise trade debtors of £167,698 (2014 - £151,570) and other debtors £87,042 (2014 - £40,519).

Financial assets measured at amortised cost for the Company comprises trade debtors £85,469 (2014 - £62,764), amounts owed by group undertakings £555,096 (2014 - £216,497) and other debtors £49,346 (2014 - £16,884).

Financial liabilities measured at amortised cost for the Group comprise trade creditors £232,982 (2014 - £255,344), amounts owed by group undertakings £Nil (2014 - £4,323) and other creditors £295,437 (2014 - £136,149).

Financial liabilities measured at amortised cost for the Company comprise trade creditors £176,779 (2014 - £227,020), amounts owed by group undertakings £3,617 (2014 - £23,710) and other creditors £113,636 (2014 - £71,384).

19. DEFERRED TAX LIABILITY/ (ASSET)

	2015 £	2014 £
At 1 January (restated)	243,863	378,502
Charged for/ (credited) during the year	52,746	(134,639)
<b>As at 31 December 2015</b>	<b><u>296,609</u></b>	<b><u>243,863</u></b>

The deferred tax liability/ (asset) is made up as follows:

Fixed asset timing differences	97,462	79,263
Short term timing differences	(3,237)	(3,642)
Capital gains	320,641	298,729
Losses and other deductions	(118,257)	(130,487)
	<b><u>296,609</u></b>	<b><u>(243,863)</u></b>

20. RESERVES

Group	Revaluation Reserve £	Profit and loss account £
At 1 January 2015 (restated)	1,137,725	6,552,734
Profit for the financial year	-	169,844
Surplus on revaluation on tangible fixed assets	225,319	-
Transfer of investment property revaluations	556,281	(556,281)
	<b><u>1,919,325</u></b>	<b><u>6,166,297</u></b>
<b>Company</b>		
At 1 January 2015 (restated)	1,137,725	6,385,986
Profit for the financial year	-	131,077
Surplus on revaluation on tangible fixed assets	225,319	-
Transfer of investment property revaluations	556,281	(556,281)
	<b><u>1,919,325</u></b>	<b><u>5,960,782</u></b>

The reserve transfer in the year is to move the revaluation surpluses recognised in the P&L per FRS102 back in to the revaluation reserve. This is in order to keep undistributable reserves separate.

**21. COMMITMENTS UNDER OPERATING LEASES**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015 £	2014 £
Not later than one year	33,764	3,188
Later than one and not later than five years	114,987	11,159
Later than five years	-	-
	<u>148,751</u>	<u>14,347</u>

**22. PENSION COMMITMENTS**

The Company operates a defined pension scheme and the pension charge, £129,982 (2014 - £104,414) represents the amounts payable by the company to the fund in respect of the year.

**23. RELATED PARTY TRANSACTIONS**

The only related party transactions in the year for the Company are payments to the directors as remuneration, which are disclosed in note 6.

Headingley Developments Limited charged FMB Training Services Limited £40,000 (2014 - £43,250) for the consultancy work performed by Mr G Lister, a director of the company. The amount due at the yearend by FMB Training Services Limited was £Nil (2014 - £Nil). The work was in respect of training projects carried out by the company and the costs were reimbursed in full by the Construction Industry Training Board.

**24. ULTIMATE CONTROLLING PARTY**

The directors believe that the ultimate controlling party is the members of the Federation of Master Builders.

**25. FIRST TIME ADOPTION OF FRS 102**

This is the first year that the Group and Company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

**a) Reconciliation of comparative profit**

Adjustments to previously reported net income in the comparative period were as follows:

<b>Group</b>	<b>£</b>
Profit for the period ended 31 December 2014 under UK GAAP as previously reported	3,435,883
Unrealised surplus on revaluation of fixed asset investments	458,230
Release of deferred tax on timing differences	134,639
	<hr/>
<b>Profit at 31 December 2014 under FRS 102</b>	<b><u>4,028,752</u></b>
<b>Company</b>	<b>£</b>
Profit for the period ended 31 December 2014 under UK GAAP as previously reported	3,315,071
Unrealised surplus on revaluation of fixed asset investments	458,230
Release of deferred tax on timing differences	134,639
	<hr/>
<b>Profit at 31 December 2014 under FRS 102</b>	<b><u>3,907,940</u></b>

**b) Reconciliation of reserves**

The below reconciliation is for the Company. These are the only changes to the Group reserves as a result of the transition to FRS 102:

<b>Reconciliation of equity at 1 January 2014</b>	<b>£</b>
Capital and reserves at 1 January 2014 under previous UK GAAP	2,856,548
Deferred tax provision on revaluations	(378,502)
	<hr/>
<b>Capital and reserves at 1 January 2014 under FRS 102</b>	<b><u>2,478,046</u></b>
<b>Reconciliation of equity at 31 December 2014</b>	<b>£</b>
Capital and reserves at 1 January 2014 under FRS102	2,478,046
Profit for the year under FRS 102 (as above)	3,907,940
Other recognised gains and losses in the year	1,137,725
	<hr/>
<b>Capital and reserves at 31 December 2014 under FRS 102</b>	<b><u>7,523,711</u></b>



**c) Changes in accounting policy**

The only significant changes to accounting policy were as follows:

Deferred tax - FRS 102 requires that deferred tax be recognised on revaluations of freehold and investment property. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to increase the deferred tax charge for the year ended 31 December 2014.

Investment property gains and losses - FRS 102 requires that changes in the fair value of investment properties be recognised in profit or loss. This was not required under previous UK GAAP, gains and losses were recognised in the statement of total recognised gains and losses. This change has been retrospectively applied, leading to an increase in the profit of the company and group.

# 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><i>Candy Secretaries Limited</i></u> Name: <u>CROSSLEY SECRETARIES LIMITED.</u> Date: <u>27<sup>th</sup> June 2016</u>	Chairman's Signature: <u><i>[Signature]</i></u> (or other official whose position should be stated) Name: <u>P.D BENTLEY</u> Date: <u>30/6/16</u>
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## 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 43 and 44)

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 43)

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 note 43)

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 45)

## AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	<i>Eric Hindson</i>	
Name(s):	ERIC HINSON	
Profession(s) or Calling(s):	FCA	
Address(es):	PKF LITTLEJOHN LLP 1 WESTFERRY CIRCUS CANARY WHARF LONDON E14 4HD	
Date:	30 JUNE 2016	
Contact name and telephone number:	ERIC HINSON 0207 516 2223	

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

**Independent Auditors' Report to the Shareholders of Federation of Master Builders Limited**

We have audited the financial statements of Federation of Master Builders Limited for the year ended 31 December 2015, set out on pages 5 to 27. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', section 1A.

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 Financial Reporting Council'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; 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, based on the work undertaken in the course of the audit:

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit:

- We have not identified material misstatements in the Directors' Report.

**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.
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Eric Hindson (Senior statutory auditor)

for and on behalf of  
**PKF Littlejohn LLP**

Statutory Auditors

1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Date: 13 June 2016