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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

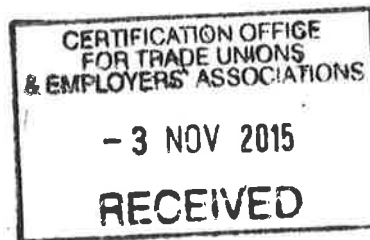
Name of Employers' Association:	FEDERATION OF MASTER BUILDERS
Year ended:	DECEMBER 2014.
List No:	128E
Head or Main Office:	DAVID CROFT HOUSE. 25 ELY PLACE. LONDON EC1N 6TD.
Website address (if available)	WWW.FMB.ORG.UK.
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	MR NAZIV HAJI CROSSLEY SECRETARIES.
Contact name for queries regarding the completion of this return:	VICTORIA JEAL
Telephone Number:	01634 840066
e-mail:	FINANCE@FMB.ORG.UK.

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



Please see the following list of all officers in post at the year end:

J Barton

P D Bentley

J Etchells

J M Gilmour

G J Lewis

A J McArdle

J R McKechnie

S Mulligan

R S Pennycook

M J Quickfall

J Weightman

D G Bostock (resigned 13/09/2014)

K G R Farnham

B Sutherland (resigned 09/03/2015)

I hope this helps, but if you have any further queries, please do not hesitate to contact me.

Thank you,

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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
8,343	241	0	0	8,584

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
	D.G. BOSTOCK		13/09/2014

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
3,678,863	From Members Subscriptions, levies, etc		3,666,189
6,968	Investment income Interest and dividends (gross) Bank interest (gross) Other (specify) <i>Sale of Goods. Sale of Services.</i>		5,265 26,900 154,309
136,493	Other Income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify) <i>Sale of fixed assets. Fixed Asset Investment.</i>		153,403 878,461 2,949,336 153,403
33,559			
58,995			
1,866			
	TOTAL INCOME		7,987,266
3,916,744	EXPENDITURE		
	Administrative expenses		
1,924,369	Remuneration and expenses of staff	1,734,121	
329,995	Occupancy costs	231,811	
370,858	Printing, Stationery, Post	48,076	
	Telephones	60,942	
236,473	Legal and Professional fees	105,591	
60,924	Miscellaneous (specify)	1,161,044	
359,165	<i>EXCEPTIONAL ITEM</i> <i>Please see attached.</i>		
	Other charges		
127,144	Bank charges	162,031	
	Depreciation	78,825	
	Sums written off	6,910	
353,179	Affiliation fees		
	Donations	50	
280,908	Conference and meeting fees		
	Expenses		
129,897	Miscellaneous (specify)	1,87,352	
	<i>Impairment of fixed assets. cost of sales.</i>	780,598	
	Taxation	43,432	
	TOTAL EXPENDITURE		4,551,383
460,462	Surplus/Deficit for year		3,435,883
(687,870)	Amount of fund at beginning of year		2,393,394
30,353	<i>Revaluation Transfer</i>		509,090
23,474	Amount of fund at end of year		6,338,367

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

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £
ADMINISTRATION EXPENSES	
Staff salaries	1,362,749
Staff private health insurance	7,261
Staff national insurance	142,346
Staff pension costs - money purchase schemes	121,219
Compensation for loss of office as employee	74,364
Staff training	19,933
Staff welfare	6,249
Research	4,524
Motor running costs	5,392
Entertainment	5,285
Hotels, travel and subsistence	117,836
Consultancy	175,189
Printing and stationery	22,331
Postage	25,745
Telephone and fax	60,942
Computer costs	101,507
General office expenses	420
Advertising and promotion	30,761
Trade subscriptions	51,993
Charity donations	50
Legal and professional	86,622
Auditors' remuneration	18,892
Auditors' remuneration - non-audit	77
Bank charges	32,333
Bad debts	6,910
Sundry expenses	782
Parliamentary activity	22,733
Rent - operating leases	20,589
Rates	159,095
Water	1,282
Light and heat	50,845
Cleaning	16,712
Other costs	11,575
Insurances	49,956
Repairs and maintenance	38,852
Sundry property expenses	6,356
Depreciation - plant and machinery	(22,098)
Depreciation - office equipment	12,743
Depreciation - computer equipment	24,904
Depreciation - fixtures & fittings	19,093
Depreciation - freehold property	44,182
Impairment of freehold property - charge/reversal	187,352
Admin - Exhibition	18,817
Admin - gifts	718
Admin - courier	718
Admin - master builder of the year	35,152
Admin - Public relations	33,212
Admin - website costs	20,995
Admin - H/O meetings	19,398
Admin - recruitment expenses	6,135
Admin - group life insurance	9,111
Admin - Irrecoverable VAT	9,723
Sub-total carried forward	3,279,862

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

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £
ADMINISTRATION EXPENSES (continued)	
Sub-total brought forward	3,279,862
Admin - archive storage	13,228
Admin - National/regional president's expenses	25,541
Admin - room hire	7,295
Admin - helpline	31,078
Admin - regional expenses	24,272
Admin - masterbuilder journals	72,985
Admin - branch expenses	9,252
Admin - european expenses	6,919
Admin - national AGM expenses	19,812
Admin - external committees	3,408
Admin - exceptional (on face of P&L a/c)	"
	<hr/> 3,493,652 <hr/> <hr/>

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND
(see notes 17 to 18)

ACCOUNT 2		Fund Account	
		£	£
Name of account:	REVALUATION RESERVE		
Income	From members Investment income Other income (specify) SURPLUS ON REVALUATION		1,595,955
		Total Income	1,595,955
Expenditure	Administrative expenses Other expenditure (specify) TRANSFER TO REVENUE RESERVE		(509,090)
		Total Expenditure	(509,090)
		Surplus (Deficit) for the year	1,086,865
		Amount of fund at beginning of year	509,090
		Amount of fund at the end of year (as Balance Sheet)	1,595,955

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 2014 .]
(see notes 19 and 20)

Previous Year		£	£
6956,991	Fixed Assets (as at page 11)		4,746,471
	Investments (as per analysis on page 13)		1,750,000
	Quoted (Market value £)		
	Unquoted		
	Total Investments		1,750,000
	Other Assets		
401,526	Sundry debtors	554,166	
1,180,250	Cash at bank and in hand	2,596,558	
	Stocks of goods		
	Others (specify)		
	Total of other		
	assets		
8538767		TOTAL ASSETS	9,647,495
2,393,394		Fund (Account)	6,338,367
		Fund (Account)	
		Fund (Account)	
509,090	Liabilities	Revaluation Reserve	1,595,955
3,500,000	Loans		
	Bank overdraft		218,028
230,232	Tax payable		395,816
325,161	Sundry creditors		1,099,329
1,580,890	Accrued expenses		
	Provisions		
	Other liabilities		
	TOTAL LIABILITIES		9,647,495
	TOTAL ASSETS		

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	7,353,577	1,661,895	28,389	9,043,861
Additions during period	25,292	130,455	-	155,747
Revaluation surplus	974,261			974,261
Less: Disposals during period	(2,095,000)	(1,627,017)	(12,394)	(3,734,411)
Transfer to investments	(1,445,997)			(1,445,997)
Less: DEPRECIATION:				
Brought forward	500,620	1,557,801	28,389	2,086,810
During year	(84,865)	33,571	-	(51,294)
Subtotal	415,815	1,591,372	28,389	
Disposals	(228,463)	(1,547,509)	(12,394)	(1,788,366)
Total to end of period	187,352	43,863	15,995	247,210
BOOK AMOUNT at end of period	4,625,001	121,470	-	4,746,471
Freehold	6,425,000			
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	4,625,001	121,470	-	4,746,471

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)	
	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)
FMB Training Services Limited	07712578
FMB Insurance Services Limited	01520341
Trade Debt Recovery Services Limited	01975826
-DORMANT	
Building Industry Certification Scheme Limited	03487866
-DORMANT	
Construction Industry Services Limited - DORMANT	00544876
Build Assure Limited - DORMANT	07756335

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	3,666,189	-	3,666,189.
From Investments	153,403	-	153,403
REVALUATION	1,595,955	-	1,595,955
Other Income (including increases by revaluation of assets)	4,014,271	-	4,014,271.
Total Income	9,429,818	-	9,429,818
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	4,397,980	-	4,397,980
Funds at beginning of year (including reserves)	2,902,484	-	: 2,902,484
Funds at end of year (including reserves)	7,934,322	-	7,934,322
ASSETS			
			4,746,471
Fixed Assets			1,750,000
Investment Assets			3,151,024.
Other Assets			9,647,495
		Total Assets	
LIABILITIES			
		Total Liabilities	(1,713,173)
NET ASSETS (Total Assets less Total Liabilities)			7,934,322.

NOTES TO THE ACCOUNTS

(see note 36)

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

PLEASE SEE ATTACHED.


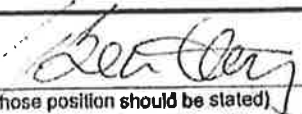
ACCOUNTING POLICIES

(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:  Name: _____ Date: <u>23/10/2015</u>	Chairman's Signature:  (or other official whose position should be stated) Name: <u>PETER DAVID BENTLEY</u> Date: <u>27/10/2015</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)

PLEASE SEE ATTACHED

Signature(s) of auditor or auditors:

Eric Hindson

Name(s):

ERIC HINDSON

Profession(s) or Calling(s):

FAC

Address(es):

PKF LITTLEJOHN LLP
1 WESTFERRY CIRCUS
CANARY WHARF
E14 4 HD.

Date:

23/10/2015

Contact name and telephone number:

ERIC HINDSON
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.

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 2014, set out on pages 5 to 20. 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 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 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 2014 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.

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.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group 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: 7 SEPTEMBER 2015

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 fixed assets and in accordance with applicable accounting standards.

1.2 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 the ability of the Company to continue as a going concern.

1.3 Basis of consolidation

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

1.4 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.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	15% straight line
Office equipment	-	20% straight line
Computer equipment	-	33.3% straight line

1.6 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the Company and the Group.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.9 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:

	2014 £	2013 £
Subscription Income	3,666,189	3,975,134
Sales of Goods	26,900	33,555
Sales of Services	154,309	170,028
Seminar Income	878,461	735,107
	<u>4,725,859</u>	<u>4,913,824</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	80,315	127,444
Impairment of fixed assets	187,352	-
Operating lease rentals:		
- plant and machinery	56,273	-
- other operating leases	20,589	-
Difference on foreign exchange	2,182	-
	<u>346,651</u>	<u>127,444</u>

4. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	16,500	16,500
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	3,000	5,400
	<u>19,500</u>	<u>21,900</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	1,362,749	1,908,544
Social security costs	142,348	206,607
Other pension costs	121,219	159,604
	<u>1,626,314</u>	<u>2,274,755</u>

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

	2014 No.	2013 No.
	44	50
	<u>44</u>	<u>50</u>

6. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	2,500	-
	<u>2,500</u>	<u>-</u>

7. INTEREST PAYABLE

	2014 £	2013 £
Bank loans	130,298	-
	<u>130,298</u>	<u>-</u>

8. EXCEPTIONAL ITEMS

	2014 £	2013 £
Profit on sale of tangible fixed assets	2,949,336	-
Exceptional administrative expenses	-	234,165
	<u>2,949,336</u>	<u>234,165</u>

At the year ended 31 December 2014, the profit on sale of tangible fixed assets of £3,458,426 arises from the sale of two properties in the year.

At the year ended 31 December 2013, the exceptional amount of £234,165 was charged to the profit and loss account in respect of restructuring costs.

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9. TAXATION

	2014 £	2013 £
UK corporation tax charge on profit/loss for the year	<u>43,432</u>	<u>6,371</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	<u>3,479,315</u>	<u>(686,322)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	748,053	(159,570)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1,805
Capital allowances for year in excess of depreciation	(34,559)	(10,448)
Utilisation of tax losses	(50,846)	-
Fixed asset differences	(616,130)	-
Short term timing difference leading to an increase (decrease) in taxation	(2,917)	-
Other timing differences leading to an increase (decrease) in taxation	"	5,226
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	1,181	-
Unrelieved tax losses carried forward	"	162,987
Other differences leading to an increase (decrease) in the tax charge	(10)	6,371
Marginal relief	(1,340)	-
Current tax charge for the year (see note above)	<u>43,432</u>	<u>6,371</u>

Factors that may affect future tax charges

There are losses carried forward of some £652,435 which can be held against future trading surplus¹.

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10. TANGIBLE FIXED ASSETS

Group	Land and Buildings £	Equipment and Vehicles £	Total £
Cost or valuation			
At 1 January 2014	7,353,577	1,690,284	9,043,861
Additions	25,292	130,455	155,747
Disposals	(2,095,000)	(1,639,411)	(3,734,411)
Transfer to investment properties	(1,445,777)	-	(1,445,777)
Revaluation surplus/(deficit)	974,261	-	974,261
At 31 December 2014	<u>4,812,353</u>	<u>181,328</u>	<u>4,993,681</u>
Depreciation			
At 1 January 2014	500,680	1,586,190	2,086,870
Charge for the year	45,254	33,571	78,825
On disposals	(228,463)	(1,559,903)	(1,788,366)
Transfer to investment properties	(154,007)	-	(154,007)
Impairment charge	187,352	-	187,352
On revalued assets	(163,464)	-	(163,464)
At 31 December 2014	<u>187,352</u>	<u>59,858</u>	<u>247,210</u>
Net book value			
At 31 December 2014	<u>4,625,001</u>	<u>121,470</u>	<u>4,746,471</u>
At 31 December 2013	<u>6,852,897</u>	<u>104,094</u>	<u>6,956,991</u>

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

The land and buildings were revalued on 31 July 2015 by Cluttons LLP on an open market existing use basis.

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Company	Land and Buildings £	Equipment and Vehicles £	Total £
Cost or valuation			
At 1 January 2014	7,353,577	1,690,284	9,043,861
Additions	25,292	119,489	144,781
Disposals	(2,095,000)	(1,639,411)	(3,734,411)
Transfer to investment properties	(1,445,777)	-	(1,445,777)
Revaluation surplus/(deficit)	974,261	-	974,261
At 31 December 2014	<u>4,812,353</u>	<u>170,362</u>	<u>4,982,715</u>
Depreciation			
At 1 January 2014	500,680	1,586,190	2,086,870
Charge for the year	45,254	32,720	77,974
On disposals	(228,463)	(1,559,903)	(1,788,366)
Transfer to investment properties	(154,007)	-	(154,007)
Impairment charge	187,352	-	187,352
On revalued assets	(163,464)	-	(163,464)
At 31 December 2014	<u>187,352</u>	<u>59,007</u>	<u>246,359</u>
Net book value			
At 31 December 2014	<u>4,625,001</u>	<u>111,355</u>	<u>4,736,356</u>
At 31 December 2013	<u>6,852,897</u>	<u>104,094</u>	<u>6,956,991</u>

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

The land and buildings were revalued on 31 July 2015 by Cluttons LLP on an open market existing use basis.

11. FIXED ASSET INVESTMENTS

Investment properties have been transferred from tangible fixed assets during the year as they are held for investment purposes. The properties have been revalued on 31 July 2015 by Cluttons LLP on a fair value basis.

It is the opinion of the Directors that the recognition of the properties as tangible fixed assets in the year ending 31 December 2013 is not a fundamental error to the financial statements, as defined in Financial Reporting Standard 3 *Reporting Financial Performance*, therefore a prior year adjustment has not been made.

Group	Investment Properties £
Cost or valuation	
Additions	1,291,770
Revaluations	458,230
At 31 December 2014	<u>1,750,000</u>
Net book value	
At 31 December 2014	<u>1,750,000</u>

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11. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertaking

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
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 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
FMB Training Services Limited	73,776	62,330
FMB Insurance Services Limited	100,784	64,280
Building Industry Certification Scheme Limited	2	-
Construction Industry Services Limited	1,709	-
Trade Debt Recovery Services Limited	2,377	-
Build Assure Limited	1	-
	73,776	62,330

The investment properties were revalued on 31 July 2015 by Cluttons LLP at market value.

Company	Investments in subsidiary companies £	Investment properties £	Total £
Cost or valuation			
At 1 January 2014	6,104	-	6,104
Additions	-	1,291,770	1,291,770
Revaluations	-	458,230	458,230
	6,104	1,750,000	1,756,104
Net book value			
At 31 December 2014	6,104	1,750,000	1,756,104
At 31 December 2013	6,104	-	6,104

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12. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	151,570	155,434	62,764	88,653
Amounts owed by group undertakings	4,323	-	216,497	226,824
Other debtors	40,519	41,699	16,884	12,107
Prepayments and accrued income	358,054	204,393	219,482	202,458
	<u>554,466</u>	<u>401,526</u>	<u>515,627</u>	<u>530,042</u>

**13. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Loans and overdrafts	-	3,500,000	-	3,500,000
Trade creditors	255,344	156,380	227,020	114,933
Amounts owed to group undertakings	4,323	-	23,710	217,632
Corporation tax	44,045	613	29,000	613
Other taxation and social security	173,983	229,619	173,983	229,619
Other creditors	136,149	168,781	71,384	50,053
Accruals and deferred income	1,099,329	1,580,890	954,370	1,375,410
	<u>1,713,173</u>	<u>5,636,283</u>	<u>1,479,467</u>	<u>5,488,260</u>

The Company obtained a bridging loan of £2,500,000 in 2013 to enable it to purchase a new head office. The lender had a first charge over both properties and a floating charge over 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.

14. 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 £0.25 towards the assets of the company in the event of liquidation.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. RESERVES

	Revaluation reserve £	Profit and loss account £
Group		
At 1 January 2014	509,090	2,393,394
Profit for the financial year		3,435,883
Surplus on revaluations	1,595,955	
Transfer between Revaluation reserve and P/L account	(509,090)	509,090
	<u>1,595,955</u>	<u>6,338,367</u>
At 31 December 2014		
	<u>1,595,955</u>	<u>6,338,367</u>
Company		
At 1 January 2014	509,090	2,347,458
Profit for the financial year		3,315,071
Surplus on revaluations	1,595,955	
Transfer between Revaluation reserve and P/L account	(509,090)	509,090
	<u>1,595,955</u>	<u>6,171,619</u>
At 31 December 2014		
	<u>1,595,955</u>	<u>6,171,619</u>

16. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2014 £	2013 £
Group		
Opening members' funds	2,902,484	3,595,177
Profit/(loss) for the financial year	3,435,883	(692,693)
Other recognised gains and losses during the year	1,595,955	-
	<u>7,934,322</u>	<u>2,902,484</u>
Closing members' funds		
	<u>7,934,322</u>	<u>2,902,484</u>
Company		
Opening members' funds	2,856,548	3,549,241
Profit/(loss) for the financial year	3,315,071	(692,693)
Other recognised gains and losses during the year	1,595,955	-
	<u>7,767,574</u>	<u>2,856,548</u>
Closing members' funds		
	<u>7,767,574</u>	<u>2,856,548</u>

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

The profit/(loss) for the year dealt with in the accounts of the Company was £3,315,071 (2013 - £-692,693).

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17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit/(loss)	501,609	(829,802)
Depreciation of tangible fixed assets	78,825	127,444
Impairments of fixed assets	187,352	-
Decrease in stocks	1,291,770	-
(Increase)/decrease in debtors	(147,553)	517,773
Increase in amounts owed by group undertakings	(4,323)	-
(Decrease)/increase in creditors	(470,864)	372,277
Increase in amounts owed to group undertakings	4,323	-
	<u>1,441,139</u>	<u>187,692</u>
Net cash inflow from operating activities	<u><u>1,441,139</u></u>	<u><u>187,692</u></u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	4,200	6,987
Interest paid	(130,298)	(92,871)
Rent receivable	153,403	-
Rent receivable	-	136,493
	<u>27,305</u>	<u>50,609</u>
Net cash inflow from returns on investments and servicing of finance	<u><u>27,305</u></u>	<u><u>50,609</u></u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(155,747)	(210,292)
Sale of tangible fixed assets	4,895,381	-
Purchase of unlisted and other investments	(1,291,770)	-
	<u>3,447,864</u>	<u>(210,292)</u>
Net cash inflow/(outflow) from capital expenditure	<u><u>3,447,864</u></u>	<u><u>(210,292)</u></u>
	2014 £	2013 £
Financing		
Repayment of loans	<u>(3,500,000)</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	1,180,250	1,416,308	-	2,596,558
Debt:				
Debts due within one year	(3,500,000)	3,500,000	-	-
Net debt	<u>(2,319,750)</u>	<u>4,916,308</u>	<u>-</u>	<u>2,596,558</u>

20. OPERATING LEASE COMMITMENTS

At 31 December 2014 the Group had annual commitments under non-cancellable operating leases as follows:

	Other	
	2014 £	2013 £
Group and Company		
Expiry date:		
Between 2 and 5 years	<u>3,188</u>	<u>-</u>