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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 Limited
Year ended:	31 December 2017
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:	Crossley Secretaries
Contact name for queries regarding the completion of this return:	KatieMay Clarke
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: 0330 109 3602

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
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

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 G Barton
P D Bentley
J M Etchells
J M Gilmour
G J Lewis
A J McArdle
J R McKechnie
M J Quickfall
J Weightman
K G R Farnham
I Lowry
K A Ireland
R Housden
G Urwin

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
7,943	267			8,210

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

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
3,848,133	From Members	Subscriptions, levies, etc		3,735,346
2470	Investment income	Interest and dividends (gross)		201,490
		Bank interest (gross)		170
		Other (specify)		
118,826		Grant Funding & Connections		194,447
179,865	Other income	Rents received		
324,984		Insurance commission		517,385
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
		Inspection Fee + Admin Income		243,402
		Sponsorship		231,671
		Other Income		133,673
		TOTAL INCOME		5,257,584
	EXPENDITURE			
	Administrative expenses			
2,427,370		Remuneration and expenses of staff	2,329,693	
335,011		Occupancy costs	386,110	
51,648		Printing, Stationery, Post	349,620	
82,680		Telephones		
674,705		Legal and Professional fees	381,310	
		Miscellaneous (specify) Membership Costs	379,584	
		Marketing Costs	718,369	
27,654	Other charges	Bank charges	22,630	
105,142		Depreciation	120,711	
		Sums written off	7,349	
		Affiliation fees		
		Donations	531,408	
		Conference and meeting fees		
		Expenses		
		Miscellaneous (specify)		
0.00	Taxation		0.00	
		TOTAL EXPENDITURE		5,226,784
		Surplus/Deficit for year		30,800
		Amount of fund at beginning of year		6,127,844
		Amount of fund at end of year		6,158,644

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:	<i>Revaluation Reserve</i>	£	£
Income			
	From members		
	Investment income		
	Other income (specify)		
	Surplus Revaluation of Freehold Property		211,683
		Total Income	211,683
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	-
		Surplus (Deficit) for the year	211,683
		Amount of fund at beginning of year	1,919,325
		Amount of fund at the end of year (as Balance Sheet)	2,131,008

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 [31st December 2017]
(see notes 19 and 20)

Previous Year		£	£
4,908,895	Fixed Assets (as at page 11)		
	Tangible		4,931,295
	Intangible		425,032
2,111,142	Investments (as per analysis on page 13)	2,335,825	
	Quoted (Market value £)		
	Unquoted		
	Total Investments		2,338,825
	Other Assets		
509,910	Sundry debtors	582,361	
2,551,727	Cash at bank and in hand	2,240,533	
	Stocks of goods		
	Others (specify)		
	Total of other assets	2,822,894	
1,008,674		TOTAL ASSETS	10,515,046
6,127,844			Revenue Account
			6,158,644
1,919,325			Revaluation Reserve
			2,131,008
	Liabilities		
	Loans		
	Bank overdraft		
165,559	Tax payable	180,613	
357,821	Sundry creditors	473,737	
1,214,515	Accrued expenses	1,274,435	
	Provisions		
296,609	Other liabilities	296,609	
2,034,505		TOTAL LIABILITIES	2,225,394
1,008,674		TOTAL ASSETS	10,515,046

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings & Equipment	Motor Vehicles	Total
	£	£	£	£
COST OR VALUATION				
At start of period	4,582,728	364,530		4,947,258
Additions during period		67,103		67,103
Less: Disposals during period	(30,236)			(30,236)
Revaluation	211,683			211,683
Less: DEPRECIATION:		182,949		
Charge for period		81,564		
Total to end of period		264,513		(264,513)
BOOK AMOUNT at end of period	4,764,175	167,120		4,931,295
Freehold	4,764,175			
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	4,764,175	167,120		4,931,295

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)	
	Property	2,335,825
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	2,335,825

* 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 Insurance Services Limited	01520341		
FMB Training Services Limited (Dormant)	07712578		
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	3,735,346		3,735,346
From Investments	396,107		396,107
Other Income (including increases by revaluation of assets)	1,337,814		1,337,814
	1,522,238		1,522,238
Total Income	5,469,267		5,469,267
	5,257,584		5,257,584
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	5,226,784		5,226,784
Funds at beginning of year (including reserves)	6,127,844		6,127,844
	8,047,169		8,047,169
Funds at end of year (including reserves)	6,158,644		6,158,644
	8,289,652		8,289,652
ASSETS			
Fixed Assets			5,356,327
Investment Assets			2,335,825
Other Assets			2,822,894
		Total Assets	10,515,046
LIABILITIES		Total Liabilities	(2,225,394)
NET ASSETS (Total Assets less Total Liabilities)			8,289,652

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 financial statements attached

ACCOUNTING POLICIES

(see notes 37 and 38)


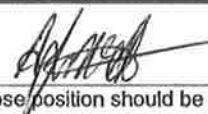
- 2 OCT 2018



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>GRAEME COLES</u> Date: _____	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>ARTHUR JAMES MCARDLE</u> Date: <u>01/10/18</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.

THE CHECKLIST BELOW IS FOR GUIDANCE. A REPORT IS STILL REQUIRED EITHER SET OUT OVERLEAF OR BY WAY OF AN ATTACHED AUDITOR'S REPORT THAT COVERS THE ABOVE 1992 ACT REQUIREMENTS.

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)

Please see financial statements attached

AUDITOR'S REPORT (continued)

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs at 31 December 2017 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom generally accepted accounting practice
- Meet the provisions of the Trade Union and Labour Relations (Consolidations) Act 1992

Signature(s) of auditor or auditors:	PKF Littlejohn LLP	
Name(s):	ERIC HINDSON OF PKF LITTLEJOHN LLP	
Profession(s) or Calling(s):	FCA	
Address(es):	1 WESTFERRY CIRCUS CANARY WHARF LONDON E14 4HD	
Date:	1/10/2018	
Contact name and telephone number:	ERIC HINDSON 0207 516 2200	

tered number: 00368163

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

In December 2016, the FMB Board approved its new three-year strategic plan, 'Building Better Together 2017-2020', which sets out an ambitious programme to grow and professionalise the FMB.

The five new strategic objectives are:

1. **The Membership Offer** - Develop, improve and promote the relevance and value of being a Master Builder to generate membership growth.
2. **Standards** - Build the reputation and credibility of Master Builders as being the best in the building industry as underpinned by a commitment to raising membership standards.
3. **Promotion** - Proactively promote the benefits of being and using a Master Builder.
4. **Operations** - Ensure the delivery of all FMB operations are effective and within budget.
5. **FMB Insurance Services Ltd** - To grow FMB Insurance Services Limited (FMBIS) into a profitable and growing business.

Business review

Membership of the FMB grew for the second consecutive year in 2017 with sales exceeding 1,000 and retention increasing to over 88%. A valuation of the FMB property portfolio revealed that the value had increased by £675,000 to £7.1m since the previous valuation in 2015. FMB Insurance Services Ltd (FMBIS) is expected to deliver a balanced budget despite a projected deficit and the fact that 2017 was an investment year.

Principal risks and uncertainties

The FMB's Audit and Risk Committee meets regularly to ensure that the organisation considers risks and uncertainties. The main risks are:

1. Impact of Brexit on the economy/construction industry particularly in relation to the growing skills crisis.
2. Competition from on-line providers.
3. Ensuring the FMB maintains the quality and flow of inspections.

Financial key performance indicators

Our Finance Team support their colleagues to enable them to implement their business objectives. The team measures:

1. Cashflow and credit control
2. Performance against budget and reporting variances
3. Overall business surplus
4. Return on investment on assets

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

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Other key performance indicators

The FMB ensures that it measures the objectives it implements. These include:

- **Membership** – measuring the monthly retention rate.
- **Sales** - sales are measured monthly and are above target averaging 100 plus for the first quarter of 2018 which represents a 22% increase compared to 2017.
- **Marketing** – measures the impact of the new TV advert and the 'How to' videos. The FMB will be carrying out research with homeowners, members and prospective members to better understand their needs and expectations. It will also measure the traffic to the members' section on the FMB website which has nearly doubled over the last year.
- **External Affairs** – in 2017 the FMB External Affairs Team won the national 'Public Affairs Award' for 'Best in-house Public Affairs Team', beating competition from the National Union of Students, Battersea Dogs & Cats Home and the National Farmers Union. The External Affairs Team measures the impact of major projects such as its recent report on, 'Homes on our High Streets', as well as the extensive media coverage that it generates.
- **FMBIS** - sales for insurance products are measure and continue to grow. The average customer review score is 4.5 out of 5.
- **Staff Survey** - the 2018 staff survey reveals that FMB staff engagement levels place the FMB amongst the top 10% of benchmarked organisations

Going forward

The FMB has ambitious plans for 2018. These include:

- Deliver a third consecutive year of **membership growth** which will be dependent on strong sales and a high retention rate.
- Ensure we continue to adopt a robust approach to **sound financial management**.
- Introduce a **new CRM system to improve membership service**.
- Increase **marketing activity** with a renewed emphasis on digital marketing.
- Develop and increase our **commercial activities** via Connections to ensure we continue to raise additional income to support FMB growth.
- Grow **FMBIS** in line with its new business strategy which will be unveiled later this year.
- Retain **Investors in People (IiP) and ISO9001 status**.
- Launch the **FMB's Licensing Research Report** which will be launched on 2nd July 2018 in the House of Lords. The Shadow Chancellor of the Exchequer, John McDonnell MP will be the keynote speaker.
- Attend the **party conferences** - the FMB has linked up with the British Property Federation (BPF) to host two fringe events at the Conservative and Labour party conferences in the autumn.
- Host the FMB's first national policy conference, '**The British Building Conference**', which will be held in central London on 4th December 2018.

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

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

This report was approved by the board on 11 June 2018 and signed on its behalf.

G J Lewis
Director



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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and 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'. 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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.

Results and dividends

The profit for the year, after taxation, amounted to £30,800 (2016 - £46,794).

Directors

The directors who served during the year were:

J G Barton
P D Bentley
J M Etchells
J M Gilmour
G J Lewis
A J McArdle
J R McKechnie
M J Quickfall
J Weightman
K G R Farnham
I Lowry
K A Ireland
R Housden

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

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

G Urwin (appointed 12 December 2016)

Future developments

Future Developments are included in the Strategic Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 11 June 2018 and signed on its behalf.


G J Lewis
Director

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Federation of Master Builders Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

We other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Group and parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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



Eric Hindson (Senior statutory auditor)

for and on behalf of
PKF Littlejohn LLP

Canary Wharf
London
E14 4HD

Date: 11 June 2018

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

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

	Note	2017 £	2016 £
Turnover	4	4,861,477	4,592,903
Cost of sales		(877,175)	(743,406)
Gross profit		3,984,302	3,849,497
Administrative expenses		(4,349,609)	(4,071,014)
Operating loss	5	(365,307)	(221,517)
Income from other fixed asset investments	9	201,490	180,602
Interest receivable and similar income	10	170	2,435
Dividends received from group components		-	85,274
Unrealised surplus on revaluation of fixed asset investments	14	194,447	-
Profit before taxation		30,800	46,794
Profit for the financial year		30,800	46,794
Unrealised surplus on revaluation of tangible fixed assets		211,683	-
Other comprehensive income for the year		211,683	-
Total comprehensive income for the year		242,483	46,794
Profit for the year attributable to:			
Owners of the parent Company		30,800	46,794
		30,800	46,794
Total comprehensive income for the year attributable to:			
Owners of the parent Company		242,483	46,794
		242,483	46,794

The notes on pages 15 to 35 form part of these financial statements.

All amounts relate to continuing operations.

A separate Statement of Other Comprehensive Income is not required as all gains and losses are included in the Statement of Comprehensive income.

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00368163

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible fixed assets	12	425,032	144,587
Tangible assets	13	4,931,295	4,764,308
Investment property	14	2,335,825	2,111,142
		<u>7,692,152</u>	<u>7,020,037</u>
Current assets			
Debtors due within 1 year	16	582,361	509,910
Cash at bank and in hand	17	2,240,533	2,551,727
		<u>2,822,894</u>	<u>3,061,637</u>
Creditors: amounts falling due within one year	18	(1,928,785)	(1,737,896)
Net current assets		<u>894,109</u>	<u>1,323,741</u>
Total assets less current liabilities		<u>8,586,261</u>	<u>8,343,778</u>
Provisions for liabilities			
Deferred taxation	20	(296,609)	(296,609)
		<u>(296,609)</u>	<u>(296,609)</u>
Net assets excluding pension asset		<u>8,289,652</u>	<u>8,047,169</u>
Net assets		<u>8,289,652</u>	<u>8,047,169</u>
Capital and reserves			
Profit and loss account		6,158,644	6,127,844
Revaluation reserve		2,131,008	1,919,325
Equity attributable to owners of the parent Company		<u>8,289,652</u>	<u>8,047,169</u>
		<u>8,289,652</u>	<u>8,047,169</u>

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


G J Lewis
Director

The notes on pages 15 to 35 form part of these financial statements.

FEDERATION OF MASTER BUILDERS LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00368163

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	341,545	55,759
Tangible assets	13	4,901,015	4,727,267
Investment property	14	2,341,929	2,117,246
		<u>7,584,489</u>	<u>6,900,272</u>
Current assets			
Debtors: amounts falling due within one year	16	663,452	675,649
Cash at bank and in hand	17	1,752,913	2,217,572
		<u>2,416,365</u>	<u>2,893,221</u>
Creditors: amounts falling due within one year	18	(1,484,849)	(1,517,029)
Net current assets		<u>931,516</u>	<u>1,376,192</u>
Total assets less current liabilities		<u>8,516,005</u>	<u>8,276,464</u>
Provisions for liabilities			
Deferred taxation	20	(296,609)	(296,609)
		<u>(296,609)</u>	<u>(296,609)</u>
Net assets excluding pension asset		<u>8,219,396</u>	<u>7,979,855</u>
Net assets		<u>8,219,396</u>	<u>7,979,855</u>
Capital and reserves			
Revaluation reserve		2,131,008	1,919,325
Profit and loss account		6,088,388	6,060,530
		<u>8,219,396</u>	<u>7,979,855</u>

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

G J Lewis
 Director



The notes on pages 15 to 35 form part of these financial statements.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the parent company Income Statement and Statement of Comprehensive Income. The profit for the parent Company for the year was £27,858 (2016: £99,755) and the total comprehensive profit for the year was £239,541 (2016: £99,755)

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

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

	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2016	1,919,325	6,166,324	8,085,649
Comprehensive income for the year			
Profit for the year	-	46,794	46,794
Dividends paid during the year	-	(85,274)	(85,274)
Other comprehensive income for the year	-	(85,274)	(85,274)
Total comprehensive income for the year	-	(38,480)	(38,480)
Total transactions with owners	-	-	-
At 1 January 2017	1,919,325	6,127,844	8,047,169
Comprehensive income for the year			
Profit for the year	-	30,800	30,800
Surplus on revaluation of freehold property	211,683	-	211,683
Other comprehensive income for the year	211,683	-	211,683
Total comprehensive income for the year	211,683	30,800	242,483
Total transactions with owners	-	-	-
At 31 December 2017	2,131,008	6,158,644	8,289,652

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

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

	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2016	1,919,325	5,960,775	7,880,100
Comprehensive income for the year			
Profit for the year	-	99,755	99,755
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	99,755	99,755
Total transactions with owners	-	-	-
At 1 January 2017	1,919,325	6,060,530	7,979,855
Comprehensive income for the year			
Profit for the year	-	27,858	27,858
Surplus on revaluation of freehold property	211,683	-	211,683
Other comprehensive income for the year	211,683	-	211,683
Total comprehensive income for the year	211,683	27,858	239,541
Total transactions with owners	-	-	-
At 31 December 2017	2,131,008	6,088,388	8,219,396

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

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

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	30,800	46,794
Adjustments for:		
Amortisation of intangible assets	54,368	25,530
Depreciation of tangible assets	81,564	79,612
Loss on disposal of tangible assets	-	(85,274)
Unrealised surplus on revaluation of fixed assets investments	(194,447)	-
(Increase)/decrease in debtors	(72,451)	12,123
Increase/(decrease) in creditors	190,888	(224,704)
Net cash generated from operating activities	<u>90,722</u>	<u>(145,919)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(334,813)	(87,617)
Purchase of tangible fixed assets	(67,103)	(87,414)
Purchase of investment properties	-	(27,555)
Net cash from investing activities	<u>(401,916)</u>	<u>(202,586)</u>
Net (decrease) in cash and cash equivalents	<u>(311,194)</u>	<u>(348,505)</u>
Cash and cash equivalents at beginning of year	2,551,727	2,900,232
Cash and cash equivalents at the end of year	<u>2,240,533</u>	<u>2,551,727</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,240,533	2,551,727
	<u>2,240,533</u>	<u>2,551,727</u>

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

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

1. General information

Federation of Master Builders Limited is a private company, limited by guarantee, incorporated and domiciled in England and Wales, registration number 00368163. The registered office is Star house, Star Hill, Rochester, Kent, Me1 1UX.

The financial statements are presented in pounds sterling which is the functional currency of the group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The Parent Company is included in the Consolidated Financial Statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the Parent Company Financial Statements have been applied:

- No separate Parent Company Cash Flow Statement with related notes is included;

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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.

2.3 Going concern

The Directors have assessed the appropriateness of the going concern concept in relation to these financial statements and consider that it is fair to prepare the accounts on a going concern basis. This conclusion is based on the Company having sufficient assets to meet its liabilities as they fall due for the twelve months from the date these financial statements are signed.

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

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. 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.

2.5 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 ten years.

The estimated useful lives range as follows:

Software and Website	-	3 - 5 years
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2.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

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 in the Consolidated statement of comprehensive income.

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of 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 or loss.

2.8 Investment property

Investment property is carried at fair value determined 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. 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 Consolidated statement of comprehensive income.

Properties that are used for both operating and investment purposes are considered to be mixed use 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.

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

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

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

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

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

FEDERATION OF MASTER BUILDERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.12 Financial instruments (continued)

an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

FEDERATION OF MASTER BUILDERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

FEDERATION OF MASTER BUILDERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

Impairment of assets

Determine whether there are indicators of impairment of the company's tangible & intangible 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.

Useful economic life of assets

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.

Estimated provision for insurance claim exposure

A provision has been recognised to estimate the potential exposure arising from claims in relation to the strategic claim policy. The valuation of the provision is based on management's best estimate of the total possible claims under this provision and the likelihood of such claims. Factors taken into consideration in reaching such a decision include the number of claims and total potential costs the company is exposed to.

4. Turnover

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

	2017 £	2016 £
Membership income	3,735,346	3,848,342
Inspection fee and admin income	243,402	97,772
Other income	133,673	224,585
Sponsorship income	231,671	95,130
Premiums	517,385	327,074
	<u>4,861,477</u>	<u>4,592,903</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	4,861,477	4,592,903
	<u>4,861,477</u>	<u>4,592,903</u>

All turnover arose within the United Kingdom.

FEDERATION OF MASTER BUILDERS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	81,564	79,621
Amortisation of intangible assets, including goodwill	54,368	25,530
Other operating lease rentals	41,031	(45,564)
Defined contribution pension cost	189,822	184,445
	<u>189,822</u>	<u>184,445</u>

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	15,800	16,915
Fees payable to the Group's auditor and its associates in respect of:		
Fees payable to the Group's auditor in respect of taxation compliance services	3,150	3,100
	<u>3,150</u>	<u>3,100</u>

7. Employees

Staff costs were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	1,975,184	1,804,177	1,649,208	1,549,847
Social security costs	214,396	189,650	182,299	165,119
Cost of defined contribution scheme	189,822	184,445	163,279	162,072
	<u>2,379,402</u>	<u>2,178,272</u>	<u>1,994,786</u>	<u>1,877,038</u>

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

	Group 2017 No.	Group 2016 No.	Company 2017 No.	Company 2016 No.
Average number of employees	60	55	49	46
	<u>60</u>	<u>55</u>	<u>49</u>	<u>46</u>

FEDERATION OF MASTER BUILDERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

8. Directors' and Key Management Personnels' remuneration

During the year, the directors of the company received emoluments of £10,000 (2016: £10,000) and Group: £83,148 (2016: Group: £77,546).

During the year the key management personnel of the company received emoluments of £437,612 and Group £513,701.

9. Income from investments

	2017 £	2016 £
Income from fixed asset investments	201,490	180,602
	<u>201,490</u>	<u>180,602</u>

10. Interest receivable

	2017 £	2016 £
Other interest receivable	170	2,435
	<u>170</u>	<u>2,435</u>

11. Taxation

	2017 £	2016 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

FEDERATION OF MASTER BUILDERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2017 £	2016 £
Profit on ordinary activities before tax	30,800	46,794
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	5,929	9,359
Effects of:		
Fixed asset differences	1,785	17,424
Utilisation of tax losses	-	(2,516)
Adjustments to tax charge in respect of prior periods - deferred tax	(8,614)	-
Adjust closing deferred tax to average rate of 19.25%	(40,270)	-
Adjust opening deferred tax to average rate of 19.25%	38,117	-
Expenses not deductible for tax purposes	8,041	1,528
Non-taxable income less expenses not deductible for tax purposes	(37,431)	(17,055)
Chargeable gains/(losses)	40,749	-
Other differences leading to an increase (decrease) in the tax charge	(8,306)	(8,740)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There are losses carried forward of £138,023 (2016: £750,497) which can be held against future trading surplus.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Intangible assets

Group

	IT Strategy CRM System £	Software and Website £	Total £
Cost			
At 1 January 2017	-	170,117	170,117
Additions	289,920	44,893	334,813
At 31 December 2017	<u>289,920</u>	<u>215,010</u>	<u>504,930</u>
Amortisation			
At 1 January 2017	-	25,530	25,530
Charge for the year	-	54,368	54,368
At 31 December 2017	<u>-</u>	<u>79,898</u>	<u>79,898</u>
Net book value			
At 31 December 2017	<u>289,920</u>	<u>135,112</u>	<u>425,032</u>
At 31 December 2016	<u>-</u>	<u>144,587</u>	<u>144,587</u>

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12. Intangible assets (continued)

Company

	IT Strategy CRM System £	Computer software £	Total £
Cost			
At 1 January 2017	-	59,887	59,887
Additions	289,920	7,158	297,078
At 31 December 2017	<u>289,920</u>	<u>67,045</u>	<u>356,965</u>
Amortisation			
At 1 January 2017	-	4,128	4,128
Charge for the year	-	11,292	11,292
At 31 December 2017	<u>-</u>	<u>15,420</u>	<u>15,420</u>
Net book value			
At 31 December 2017	<u>289,920</u>	<u>51,625</u>	<u>341,545</u>
At 31 December 2016	<u>-</u>	<u>55,759</u>	<u>55,759</u>

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2017	4,582,728	95,122	91,911	177,497	4,947,258
Additions	-	14,078	34,278	18,747	67,103
Transfer to investment	(30,236)	-	-	-	(30,236)
Revaluations	211,683	-	-	-	211,683
At 31 December 2017	<u>4,764,175</u>	<u>109,200</u>	<u>126,189</u>	<u>196,244</u>	<u>5,195,808</u>
Depreciation					
At 1 January 2017	-	24,336	47,270	111,343	182,949
Charge for the year on owned assets	-	15,829	24,730	41,005	81,564
At 31 December 2017	<u>-</u>	<u>40,165</u>	<u>72,000</u>	<u>152,348</u>	<u>264,513</u>
Net book value					
At 31 December 2017	<u>4,764,175</u>	<u>69,035</u>	<u>54,189</u>	<u>43,896</u>	<u>4,931,295</u>
At 31 December 2016	<u>4,582,728</u>	<u>70,786</u>	<u>44,640</u>	<u>66,154</u>	<u>4,764,308</u>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	<u>4,764,175</u>	<u>4,582,728</u>
	<u>4,764,175</u>	<u>4,582,728</u>

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 2017 by Cluttons LLP on an open market existing use basis. This valuation was then used to estimate the fair value as at 31 December 2017 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings. The Directors are satisfied that the carrying amount of Land and Buildings as at 31 December 2017 is materially consistent with fair value of the Land and Buildings revalued on 31 July 2017.

FEDERATION OF MASTER BUILDERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

Company	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
At 31 December 2017					
At 1 January 2017	4,582,728	65,945	60,171	177,497	4,886,341
Additions	-	14,078	25,351	18,747	58,176
Transfer to Investment Properties	(30,236)	-	-	-	(30,236)
Revaluations	211,683	-	-	-	211,683
At 31 December 2017	4,764,175	80,023	85,522	196,244	5,125,964
Depreciation					
At 1 January 2017	-	16,667	31,063	111,343	159,073
Charge for the year on owned assets	-	11,453	13,418	41,005	65,876
At 31 December 2017	-	28,120	44,481	152,348	224,949
Net book value					
At 31 December 2017	4,764,175	51,903	41,041	43,896	4,901,015
At 31 December 2016	4,582,728	49,278	29,107	66,154	4,727,267

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 2017 by Cluttons LLP on an open market existing use basis. This valuation was then used to estimate the fair value as at 31 December 2017 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings. The Directors are satisfied that the carrying amount of Land and Buildings as at 31 December 2017 is materially consistent with fair value of the Land and Buildings revalued on 31 July 2017.

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

13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	4,764,175	4,582,728
	<u>4,764,175</u>	<u>4,582,728</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2017	2,111,142
Surplus on revaluation	194,447
Transfer from freehold property	30,236
	<u>2,335,825</u>
At 31 December 2017	<u><u>2,335,825</u></u>

The 2017 valuations were made by Cluttons LLP on 31 July 2017, on an open market value for existing use basis.

This valuation was then used to estimate the fair value as at 31 December 2017 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings. The Directors are satisfied that the carrying amount of investment property as at 31 December 2017 is materially consistent with fair value of investment property valued at 31 July 2017.

Company

	Investments in subsidiary companies £	Freehold investment property £	Total £
Valuation			
At 1 January 2017	6,104	2,111,142	2,117,246
Surplus on revaluation	-	194,447	194,447
Transfers between classes	-	30,236	30,236
	<u>6,104</u>	<u>2,335,825</u>	<u>2,341,929</u>
At 31 December 2017	<u><u>6,104</u></u>	<u><u>2,335,825</u></u>	<u><u>2,341,929</u></u>

The 2017 valuations were made by Cluttons LLP on 31 July 2017, on an open market value for existing use basis.

On 06 June 2017, Building Industry Certification Scheme Limited (100% subsidiary) was dissolved via voluntary strike-off.

On 12 September 2017, Construction Industry Services Limited (100% subsidiary) and Trade Debt Recovery Services Limited (100% subsidiary) was dissolved via voluntary strike off.

The three dissolved subsidiaries have been deconsolidated in these financial statements.

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

14. Investment property (continued)

On 1 January 2016, FMB Training Services Limited ceased to trade. The trade assets and liabilities were transferred in to the Company where the business continued as a separate unit.

15. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
FMB Insurance Services Limited	5,000 Ordinary shares	100 %
FMB Training Services Limited	1 Ordinary share	100 %
Build Assure Limited	1 Ordinary share	100 %

Name	Registered office
FMB Insurance Services Limited	Star House, Star Hill, Rochester, Kent, ME1 1UX
FMB Training Services Limited	Star House, Star Hill, Rochester, Kent, ME1 1UX
Build Assure Limited	David Croft House, 25 Ely Place, London, EC1N 6TD

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

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
FMB Insurance Services Limited	72,246	2,942
FMB Training Services Limited	1	-
Build Assure Limited	1	-
	<u>72,248</u>	<u>2,942</u>

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

16. Debtors

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Trade debtors	147,266	113,760	65,378	113,129
Amounts owed by group undertakings	-	-	369,340	354,831
Other debtors	85,528	97,101	31,306	21,368
Prepayments and accrued income	349,567	299,049	197,428	186,321
	<u>582,361</u>	<u>509,910</u>	<u>663,452</u>	<u>675,649</u>

17. Cash and cash equivalents

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Cash at bank and in hand	2,240,533	2,551,727	1,752,913	2,217,572
	<u>2,240,533</u>	<u>2,551,727</u>	<u>1,752,913</u>	<u>2,217,572</u>

18. Creditors: Amounts falling due within one year

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Trade creditors	134,613	237,362	129,392	227,608
Amounts owed to group undertakings	-	-	-	3,617
Corporation tax	439	439	-	-
Other taxation and social security	180,613	165,120	180,613	165,121
Other creditors	338,683	120,459	45,819	38,415
Accruals and deferred income	1,274,437	1,214,516	1,129,025	1,082,268
	<u>1,928,785</u>	<u>1,737,896</u>	<u>1,484,849</u>	<u>1,517,029</u>

FEDERATION OF MASTER BUILDERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

19. Financial instruments

	Group 2017 £	<i>Group</i> <i>2016</i> £	Company 2017 £	<i>Company</i> <i>2016</i> £
Financial assets				
Financial assets measured at fair value through profit or loss	2,240,533	2,551,727	1,752,913	2,217,572
Financial assets that are debt instruments measured at amortised cost	232,794	210,861	466,025	489,328
	<u>2,473,327</u>	<u>2,762,588</u>	<u>2,218,938</u>	<u>2,706,900</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(473,296)	(357,823)	(175,211)	(269,640)
	<u>(473,296)</u>	<u>(357,823)</u>	<u>(175,211)</u>	<u>(269,640)</u>

Financial assets measured at fair value through profit or loss for the Group comprise cash and cash equivalents of £2,240,533 (2016: 2,551,727) and for the Company £1,752,913 (2016: £2,217,572)

Financial assets that are debt instruments measured at amortised cost for the Group comprise trade debtors of £147,266 (2016: 113,760) and other debtors £85,528 (2016: £97,101).

Financial assets that are debt instruments measured at amortised cost for the Company comprise trade debtors of £65,378 (2016: £113,129), other debtors £31,306 (2016: £21,368) and amounts owed by group undertakings £369,340 (2016: 354,831).

Financial liabilities measured at amortised cost for the Group comprise trade creditors £134,613 (2016: £237,362) and other creditors £338,683 (2016: £120,459).

Financial liabilities measured at amortised cost for the Company comprise trade creditors £129,392 (£227,608), other creditors £45,819 (2016: £38,415) and amounts owed by group undertakings £nil (2016: £3,617).

20. Deferred taxation

Group

	2017 £
At beginning of year	(296,609)
At end of year	<u>(296,609)</u>

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

20. Deferred taxation (continued)

Company

	2017			
	£			
At beginning of year				(296,609)
At end of year				<u>(296,609)</u>
	Group	<i>Group</i>	Company	<i>Company</i>
	2017	<i>2016</i>	2017	<i>2016</i>
	£	<i>£</i>	£	<i>£</i>
Tax losses carried forward	<u>(296,609)</u>	<u>(296,609)</u>	<u>(296,609)</u>	<u>(296,609)</u>
	<u>(296,609)</u>	<u>(296,609)</u>	<u>(296,609)</u>	<u>(296,609)</u>

21. Pension commitments

The Company operates a defined pension scheme and the pension charge, £163,279 (2016 - £162,072) represents the amounts payable by the company to the fund in respect of the year.

22. Commitments under operating leases

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2017	<i>2016</i>	2017	<i>2016</i>
	£	<i>£</i>	£	<i>£</i>
Not later than 1 year	40,364	45,564	9,788	14,988
Later than 1 year and not later than 5 years	48,835	104,110	2,594	12,382
	<u>89,199</u>	<u>149,674</u>	<u>12,382</u>	<u>27,370</u>

23. Related party transactions

Payments to the Directors as remuneration, which qualify as related party transactions are disclosed in note 8.

Peter Matson, a director of the company, charged FMB Insurance Services Limited £30,000 (2016 - £30,000) for management consultancy work. The amount due at the year-end by FMB Insurance Services Limited was £5,000 (2016 - £2,500).

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

24. Controlling party

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

FEDERATION OF MASTER BUILDERS LIMITED

Dashboard Company Officers Members Membership Classes PSCs Mortgages

Officers

Actions

Officers	Current	Former
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Name	Appointment	Date of appointment	Status	Actions
✓ James George BARTON	Director	12/08/2000	Current	
✓ Peter David BENTLEY	Director	14/03/2004	Current	
CROSSLEY SECRETARIES LIMITED	Secretary	31/01/2014	Current	
✓ Janet May ETCHELLS	Director	04/11/2013	Current	
✓ Kenneth Godfrey Reginald FARNHAM	Director	17/08/1998	Current	
✓ James McGinchey GILMOUR	Director	08/12/1998	Current	
Ian Anthony HENDERSON	Director	18/05/2018	Current	
✓ Roger HOUSDEN	Director	07/08/2015	Current	
✓ Kevin Anthony IRELAND	Director	19/03/2015	Current	
✓ Gery James LEWIS	Director	22/03/2010	Current	
✓ Ian LOWRY	Director	04/12/2015	Current	
✓ Arthur James MCARDLE	Director	07/05/2009	Current	
✓ Michael John QUICKFALL	Director	05/03/2002	Current	
✓ Julian WEIGHTMAN	Director	12/08/2008	Current	

Appoint officer

View company registers

APPOINTED MAY 2018

