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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 2023			
List No:	128E			
Head or Main Office:	David Croft House			
	25 Ely Place			
	London			
	United Kingdom			
Postcode	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"/>	('X' in appropriate box)
General Secretary:	Crossley Secretaries Limited			
Contact name for queries regarding the completion of this return:	David Lloyd			
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 1093602

You should send the annual return to the following address stating the name of the union in subject:

returns@certoffice.org

Contents

Employers' Association's details.....	1
Return of members.....	2
Change of officers.....	2
Officers in post.....	2a
Revenue Account/General Fund.....	3
Accounts other than the revenue account/general fund.....	4-6
Balance sheet.....	7
Fixed Assets Account.....	8
Analysis of investments.....	9
Analysis of investments income (Controlling interests).....	10
Summary sheet.....	11
Summary Sheet (Only for Incorporated Bodies).....	11a
Notes to the accounts.....	12
Accounting policies.....	13
Signatures to the annual return.....	13
Checklist.....	13
Checklist for auditor's report.....	14
Auditor's report (continued).....	15
Guidance on completion.....	16

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
6,535	274			6,809

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Director	N C De Sousa		21 April 2023
Director	J Dunster		18 December 2023
Director	A J McArdle		25 September 2023
Director		A P Lockett	15 May 2023
Director		G J Ford	28 November 2023

Officers in post

(see note 10)

Please complete list of all officers in post at the end of the year to which this form relates.

Name of Officer	Position held
Christopher Stephen Carr	Director
Robert Joseph Clark	Director
Janet May Etchells	Director
Graham John Ford	Director
Mark Gribbin	Director
Phillip Hall	Director
Anthony Peter Lockett	Director
Michael John Quickfall	Director
Michelle Lesley Radford	Director
Alastair Scott Raitt	Director
Anne Frances Summun	Director
Robert Graham Williams	Director
TC Kent (formerly Crossley Secretaries)	Secretary

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
4,202,686	From Members	Subscriptions, levies, etc	4,148,512	4,148,512
	Investment income			
3,913		Interest and dividends (gross)		
		Bank interest (gross)	31,634	31,634
		Other (specify)		
233,142		Investment property rental income	279,747	279,747
367,887		Revaluation loss on property realised gain on the sale of investment property		
604,942		Total Investment Income	311,381	311,381
	Other Income			
559,791		Rents received		
		Insurance commission	514,446	514,446
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
178,084		Inspection Fee + Admin	18,055	18,055
92,961		Sponsorship	74,905	74,905
446,780		Other Income	518,122	518,122
67,620		Government Grants Receivable	17,865	17,865
1,345,236		Total of other income		1,143,393
6,152,864		Total income		5,603,286
	Interfund Transfers IN			
	Expenditure			
2,957,906	Administrative expenses	Remuneration and expenses of staff	2,821,313	2,821,313
349,828		Occupancy costs	244,000	244,000
23,612		Printing, Stationery, Post	11,748	11,748
81,638		Telephones	67,452	67,452
387,481		Legal and Professional fees	363,509	363,509
		Miscellaneous (specify)		
		Marketing & Advertising	289,534	289,534
171,557		Cost of Sales	619,378	619,378
544,566		Office Expenses	628,040	628,040
691,472		Software and Computer Expenses	337,396	337,396
271,416		Subscriptions	7,124	7,124
5,479,475		Total of Admin expenses		5,369,493
	Other Charges			
47,294		Bank charges	35,579	35,579
152,500		Depreciation	169,601	169,601
		Sums written off		
		Affiliation fees		
		Donations		
304,571		Conference and meeting fees	394,281	394,281
		Expenses		
		Miscellaneous (specify)		
		Insurance & Consumer Codes for NH		
		Tenant Decorations/Repairs	46,534	46,534
67,620		Grants	17,865	17,865
		Irrecoverable VAT	23,567	23,567
571,986		Total of other charges		687,427
50,208		Taxation		
6,101,669		Total expenditure		6,056,920
	Interfund Transfers OUT			
51,195		Surplus/Deficit for year		-453,634
6,504,485		Amount of fund at beginning of year		6,555,680
6,555,680		Amount of fund at end of year		6,102,046

Accounts other than 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)			
Deferred tax movement on revaluation of property		302,982	
Revalued Loss on property		-1,240,000	
		-937,018	-937,018
		Total Income	-937,018
	Interfund Transfers IN		
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	-937,018
		Amount of fund at beginning of year	1,439,274
		Amount of fund at the end of year (as Balance Sheet)	502,256

Account 3		Fund Account	
Name of account:		£	£
Income			
From members			
Investment income			
Other income (specify)			
		Total Income	
	Interfund Transfers IN		
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
	Interfund Transfers OUT		
		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 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	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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 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		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
	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		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
	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 2023]

(see notes 19 and 20)

Previous Year		£	£
4,438,010	Fixed Assets (as at Page 8)	3,337,577	3,337,577
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
2,291,000	Unquoted (Market value £) as at Page 9		2,139,000
2,291,000	Total Investments	2,139,000	2,139,000
	Other Assets		
487,547	Sundry debtors	403,513	403,513
2,480,500	Cash at bank and in hand	1,962,195	1,962,195
	Stocks of goods		
	Others (specify)		
435,859	Intangible Assets	415,369	
3,403,906	Total of other assets	2,781,077	2,781,077
	Total Assets		8,257,654
6,555,680	Revenue Account/ General Fund	6,102,046	
1,439,274	Revaluation Reserve	502,256	
	Revaluation Reserve		
	Liabilities		
106,266	Trade Creditors	127,778	
50,208	Corporation Tax Payable		
225,760	Other taxation and social security	213,190	
158,945	Other creditors	145,139	
816,161	Accruals and deferred income	689,606	
780,621	Other liabilities	477,639	
	Total Liabilities		1,653,352
	Total Assets		8,257,654

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	4,417,600	12,754	7,656	4,438,010
Additions during period			537	537
Less: Disposals	-200,000		2,067	-197,933
Less: Depreciation	-891,600	-7,924	-3,513	-903,037
Total to end of period	3,326,000	4,830	6,747	3,337,577
Book Amount at end of period	3,326,000	4,830	6,747	3,337,577
Freehold	3,326,000			3,326,000
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	3,326,000	4,830	6,747	3,337,577

Analysis of Investments

(see note 22)

Quoted		Other Funds
	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 investments (to be specified)	
	CCNH Shares	
	Property	2,139,000
	Total Unquoted (as Balance Sheet)	2,139,000
	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 note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes

X

No

If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
FMB Insurance Services	1520341
FMB Training Services (Dormant)	7712578
Build Assure Limited (Dormant)	7756335

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes

X

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

X

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 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	4,148,512	4,148,512
From Investments	311,381	311,381
Other Income (including increases by revaluation of assets)	206,375	206,375
Total Income	4,666,268	4,666,268
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	6,056,920	6,056,920
Funds at beginning of year (including reserves)	7,994,954	7,994,954
Funds at end of year (including reserves)	6,604,302	6,604,302
ASSETS		
Fixed Assets		3,337,577
Investment Assets		2,139,000
Other Assets		2,781,077
Total Assets		8,257,654
Liabilities		
Total Liabilities		1,653,352
Net Assets (Total Assets less Total Liabilities)		6,604,302

Summary Sheet

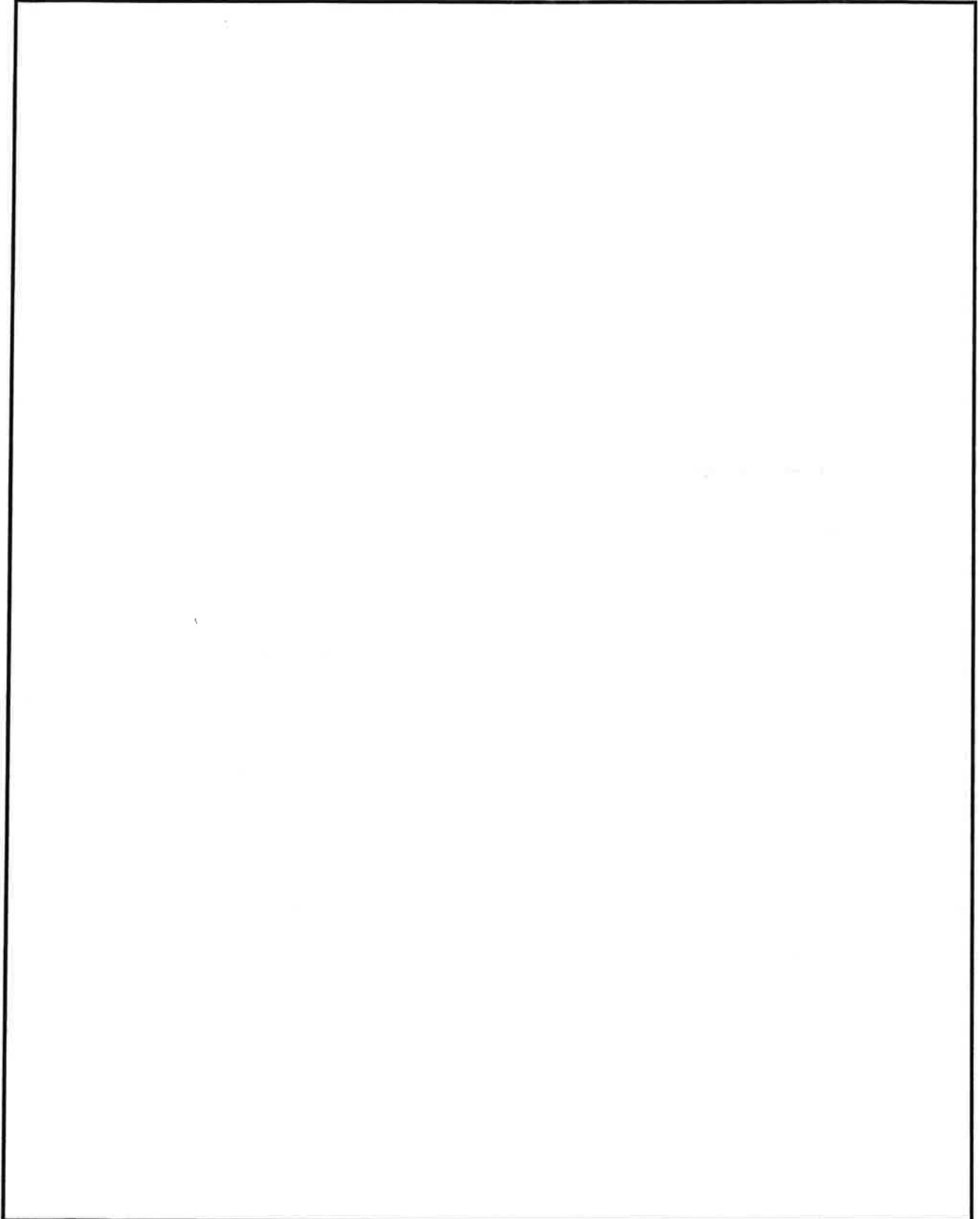
(see notes 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	4,148,512	4,148,512
From Investments	311,381	311,381
Other Income (including increases by revaluation of assets)	206,375	206,375
Total Income	4,666,268	4,666,268
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	6,056,920	6,056,920
Funds at beginning of year (including reserves)	7,994,954	7,994,954
Funds at end of year (including reserves)	6,604,302	6,604,302
ASSETS		
Fixed Assets		3,337,577
Investment Assets		2,139,000
Other Assets		2,781,077
Total Assets		8,257,654
Liabilities		
Total Liabilities		1,653,352
Net Assets (Total Assets less Total Liabilities)		6,604,302

Notes to the accounts

(see note 34)

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

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Accounting policies

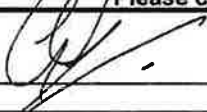

(see notes 35 & 36)

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
		LEO	<small>(or other official whose position should be stated)</small>
Name:	GNAEMC CORESTANE	Name:	BRIAN BERRY
Date:	24 / 9 / 2024	Date:	30 / 09 / 2024

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

Checklist for auditor's report

(see notes 41 to 44)

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 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)

Please explain in your report overleaf or attached.

2. 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)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:


In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

Please see attached Financial Statements and auditor's report therein. We have audited the financial statements in accordance with the requirements of sections 28 to 36 of the Trade Union Labour Regulations (Consolidation) Act 1992. In Our opinion the financial statements give a true and fair view of the Company's financial affairs as at 31 December 2023 and of its transactions for the year then ended.

Please see our full audit report in the attached financial statements.

Signature(s) of auditor or auditors:		
Name(s):	Julia Poulter	
Profession(s) or Calling(s):	Statutory Auditor	
Address(es)	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Date:	7 October 2024	
Contact name for enquiries and telephone number:	Julia Poulter 0207 842 5216	

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)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

COMPANY INFORMATION

Directors	C S Carr R J Clark A R Cropper (appointed 6 June 2024) J S Cole (appointed 12 March 2024) N C De Sousa (resigned 21 April 2023) J Dunster (resigned 18 December 2023) J M Etchells G J Ford (appointed 28 November 2023) M Gribbin P Hall A P Lockett (appointed 15 May 2023) A J McArdle (resigned 25 September 2023) M J Quickfall (resigned 6 June 2024) M L Radford A S Raitt A F Summun R G Williams
Company secretary	Crossley Secretaries Limited
Registered number	00368163
Registered office	Star House Star Hill Rochester Kent ME1 1UX
Business address	David Croft House 25 Ely Place London EC1N 6TD
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

CONTENTS

	Page
Group strategic report	1 - 4
Directors' report	5 - 6
Directors' responsibilities statement	7
Independent auditor's report	8 - 11
Consolidated statement of comprehensive income	12
Consolidated balance sheet	13
Company balance sheet	14 - 15
Consolidated statement of changes in equity	16
Company statement of changes in equity	17
Consolidated statement of cash flows	18 - 19
Notes to the financial statements	20 - 42

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

The Federation of Master Builders

The FMB is the largest trade association in the UK construction industry representing nearly 7,000 small and medium sized (SMEs) and micro construction companies in England, Scotland, Wales, and Northern Ireland. It is a not-for profit organisation which is run by its members for its members. For over 80 years the FMB has championed continuous improvement in the building industry. The FMB has its own insurance company, FMB Insurance Services Limited (FMBIS), which provides a key benefit to its members. It is a wholly owned subsidiary of the FMB and forms part of the FMB Group.

The FMB is more than a traditional trade body it effectively acts as an accreditation body to ensure any building company wanting to join meets its entry criteria. Standards are at the heart of the FMB membership offer underpinning what most members want most from their membership - credibility. Members must comply with the FMB Code of Practice which is overseen by the FMB Standards Committee.

Against this background the FMB has three core functions:

- Accreditation

The FMB has a robust entry criteria to underpin its credibility and reputation as an organisation committed to high standards in the building industry. Any company wishing to join the FMB has to undergo a 14 point entry check as well as an independent inspection of its work. The FMB currently rejects up to 20% of all applications. All members on joining agree to abide by the FMB's Code of Practice and to ensure there is full compliance. The FMB has its own Standards Committee to adjudicate when work falls below the standard expected of a Master Builder company.

- Support for members

As a membership organisation the FMB provides a range of support to help its members operate efficiently. These include a range of business helplines; the Find A Builder service to help members win work; a range of webinars on industry related topics; business coaching and e-learning; plus numerous regional and national events such as the prestigious Master Builder Awards dubbed the Oscars of the building industry.

- Voice

The FMB was set up to give building companies a united voice to compete in a competitive market. That need still remains which is why the FMB focuses on active engagement with governments in all four home nations of the UK. In addition, the FMB projects its views and advice within the national and local media as well as social media platforms. Working within the construction sector the FMB works collaboratively with industry partner

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

In March 2024, the FMB Board approved a new three-year strategic plan called, 'Project Growth' which will focus on promoting the membership offer and brand to grow the membership.

FMB Vision

Over recent years the FMB has committed itself to raising standards to underpin its credibility to attract new building companies; retain the best building companies; and to give consumers the assurance that Master Builder companies deliver quality building work.

The Vision for the FMB is to become 'go-to' organisation for all who value building quality.

FMB Values

The FMB's strategic objectives are underpinned by a culture that recognises certain core values. These include:

- Integrity – to be honest, fair, impartial and decent.
- Inclusivity - to allow everyone to be themselves in a supportive and positive working environment.
- Innovation - to be encourage original and creative thinking.

Strategic Objectives

Over the next three years the FMB's Vision will be supported by five key strategic objectives:

(i) Membership growth

Over recent years the FMB has focused its attention on raising standards within its membership with the introduction of an independent inspection and a 14 point entry check for any building company wanting to join. Now that all our members are independently inspected we want to focus on growing the membership making the construction industry, consumers, and government more aware of what is to be a Master Builder company. We want to promote the FMB as the 'go-to' organisation for any building company that values high standards and is seeking credibility.

(ii) Promotion

The FMB was originally set up to enable small building companies to have a collective voice to enable them to secure work. The need for a strong voice is as great now as it was in 1941. We know that when the FMB is in the media, lead generation is significantly better performing which is why the FMB will focus on better ways to promote itself. Going forward the FMB will focus its activities on getting closer to the members and consumers.

(iii) Standards

The FMB is committed to raising standards to help improve the reputation and credibility of the building industry. Over recent years the FMB has moved away from being a traditional trade association to one that actively accredits its members. We know that our members value the credibility that FMB accreditation gives them.

(iv) Commercial

All our commercial activities are designed to support the membership offer and increase non-subscription income. Over the next three years we will develop a new commercial strategy which will include an active engagement strategy with both our national and regional commercial partners.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

(v) Data Driven Growth

The effective use of data is critical as it allows for better business decisions to be made. As a membership organisation for SME and micro building companies across the UK it is absolutely critical that we understand as much as we can about the makeup of our members' businesses. The capturing of as much data about each of our members' companies will enable the FMB to develop more tailored services that are better able to meet the needs of an individual member.

Evaluation

Each of the five strategic objectives is supported by defined objectives which are measured and assessed by the Senior Management Team (SMT) and the FMB Board. Success is being defined by:

- All members compliant with the FMB's entry criteria.
- An increase in members' satisfaction about being a member of the FMB.
- An increase in members' awareness about what the FMB stands for and the services it provides.
- A new commercial strategy that supports the membership offer and increases non-subscription income.

Review of FMB performance

2023 was a challenging year for the construction sector particularly for house building as delivery of new homes fell and the impact of labour shortages and price inflation affected all contractors. The FMB Board had agreed in 2022 to allow a deficit budget in 2023 to allow for investment in developing a new FMB App and improvements to its Find A Builder service. The 2023 deficit was below the agreed amount approved by the FMB Board. Membership fell by 171 and was 6,809 at the end of December 2023. The retention rate held up well at over 87% throughout 2023.

Key performance indicators

The FMB Finance Team, provided through T C Group, supports the FMB team to enable them to implement their business objectives. The Finance Team measures:

- Cashflow and credit control
- Performance against budget and reporting variances
- Overall business surplus
- Return on investment on assets.

Principal risks and uncertainties

The FMB's Audit and Risk Committee meets regularly to ensure that the FMB Group consider risks and uncertainties affecting the business. The main risks are:

- Sluggish economic growth
- Skills shortages in the construction sector and the wider economy.
- Impact of rising inflation.
- FMBIS restructure
- Ensuring all members meet comply with the FMB's entry criteria and adherence to the Code of Practice.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Future Direction

A successful implementation of the new strategic plan, 'Project Growth', will allow the FMB to consolidate its position as the UK's largest trade association in the construction sector. Critically it is actively focused on stronger membership growth and commercial opportunities as the FMB logo becomes recognised and valued by all those who value quality in the building industry.

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



C S Carr
Chair of the Board

Date: 24th July 2024

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their report and the financial statements for the year ended 31 December 2023.

Principal activity

The principal activity of the Company and Group continued to be that of an employers' association in the construction industry.

Results and dividends

The loss for the year, after taxation, amounted to £453,634 (2022 - profit £51,195).

The results for the year are set out on the Group Statement of Comprehensive Income.

Directors

The directors who served during the year were:

C S Carr
R J Clark
N C De Sousa (resigned 21 April 2023)
J Dunster (resigned 18 December 2023)
J M Etchells
G J Ford (appointed 28 November 2023)
M Gribbin
P Hall
A P Lockett (appointed 15 May 2023)
A J McArdle (resigned 25 September 2023)
M J Quickfall
M L Radford
A S Raitt
A F Summun
R G Williams

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



C S Carr

Director

Date: 24th July 2024

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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;
- 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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S 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 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

Other information

The 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 contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 its 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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group and the parent Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and the parent Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and the parent Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Julia Poulter
Senior statutory auditor

for and on behalf of **Crowe U.K. LLP**

Statutory Auditor

London (Statutory Auditor)
Date: 24 September 2024

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	5,274,040	5,480,303
Cost of sales		(619,378)	(544,566)
Gross profit		4,654,662	4,935,737
Administrative expenses		(5,437,542)	(5,506,896)
Other operating income	5	17,865	67,620
Operating loss	6	(765,015)	(503,539)
Income from fixed assets investments		279,747	233,142
Interest receivable and similar income	10	31,634	3,913
Realised gain on the sale of investment property		-	367,887
(Loss)/profit before taxation		(453,634)	101,403
Tax on (loss)/profit	11	-	(50,208)
(Loss)/profit for the financial year		(453,634)	51,195
Property revaluation and Release of unrealised gains on disposal of property		(1,240,000)	(368,373)
Deferred tax movement on disposal of property/ revaluation of property	21	302,982	83,950
Other comprehensive income for the year		(937,018)	(284,423)
Total comprehensive income for the year		(1,390,652)	(233,228)
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(453,634)	51,195

The notes on pages 20 to 42 form part of these financial statements.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 00368163

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	415,369	435,858
Tangible assets	14	3,337,577	4,438,010
Investments	15	-	3,600
Investment property	16	2,139,000	2,287,400
		<u>5,891,946</u>	<u>7,164,868</u>
Current assets			
Debtors: amounts falling due within one year	17	403,513	487,547
Cash at bank and in hand	18	1,962,195	2,480,500
		<u>2,365,708</u>	<u>2,968,047</u>
Creditors: amounts falling due within one year	19	(1,175,713)	(1,357,340)
Net current assets		<u>1,189,995</u>	<u>1,610,707</u>
Total assets less current liabilities		<u>7,081,941</u>	<u>8,775,575</u>
Provisions for liabilities			
Deferred taxation	21	(477,639)	(780,621)
Net assets		<u>6,604,302</u>	<u>7,994,954</u>
Capital and reserves			
Revaluation reserve		502,256	1,439,274
Profit and loss account		6,102,046	6,555,680
		<u>6,604,302</u>	<u>7,994,954</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C S Carr
Director



Date: 24th July 2024

The notes on pages 20 to 42 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 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	411,102	418,725
Tangible assets	14	3,334,688	4,430,732
Investments	15	5,002	5,002
Investment Property	16	2,139,000	2,287,400
		<u>5,889,792</u>	<u>7,141,859</u>
Current assets			
Debtors: amounts falling due after more than one year	17	650,000	245,000
Debtors: amounts falling due within one year	17	411,963	541,978
Cash at bank and in hand	18	1,863,514	2,414,533
		<u>2,925,477</u>	<u>3,201,511</u>
Creditors: amounts falling due within one year	19	(1,123,565)	(1,285,968)
Net current assets		<u>1,801,912</u>	<u>1,915,543</u>
Total assets less current liabilities		<u>7,691,704</u>	<u>9,057,402</u>
Provisions for liabilities			
Deferred taxation	21	(477,639)	(780,621)
Net assets		<u><u>7,214,065</u></u>	<u><u>8,276,781</u></u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 00368163

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

Capital and reserves

Revaluation reserve	502,256	1,439,274
Profit and loss account brought forward	6,837,507	6,416,111
Loss/(profit) for the year	(125,698)	421,396
	<hr/>	<hr/>
Profit and loss account carried forward	6,711,809	6,837,507
	<hr/>	<hr/>
	<u>7,214,065</u>	<u>8,276,781</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C S Carr
Director

Date: 24th July 2024

The notes on pages 20 to 42 form part of these financial statements.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Revaluation reserve	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	1,723,697	6,504,485	8,228,182
Comprehensive income for the year			
Profit for the year	-	51,195	51,195
Release of unrealised gains on disposal of property	(368,373)	-	(368,373)
Release of deferred tax on disposal	83,950	-	83,950
Other comprehensive income for the year	(284,423)	-	(284,423)
Total comprehensive income for the year	(284,423)	51,195	(233,228)
Total transactions with owners	-	-	-
At 1 January 2023	1,439,274	6,555,680	7,994,954
Comprehensive income for the year			
Loss for the year	-	(453,634)	(453,634)
Release of deferred tax on disposal	(1,240,000)	-	(1,240,000)
Release of deferred tax on disposal / revaluation of property	302,982	-	302,982
Other comprehensive income for the year	(937,018)	-	(937,018)
Total comprehensive income for the year	(937,018)	(453,634)	(1,390,652)
Total transactions with owners	-	-	-
At 31 December 2023	502,256	6,102,046	6,604,302

The notes on pages 20 to 42 form part of these financial statements.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Revaluation reserve	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	1,723,697	6,416,111	8,139,808
Comprehensive income for the year			
Profit for the year	-	421,396	421,396
Release of unrealised gains on disposal of property	(368,373)	-	(368,373)
Release of deferred tax on disposal	83,950	-	83,950
Total comprehensive income for the year	(284,423)	421,396	136,973
At 1 January 2023	1,439,274	6,837,507	8,276,781
Comprehensive income for the year			
Loss for the year	-	(125,698)	(125,698)
Property revaluation loss	(1,240,000)	-	(1,240,000)
Release of deferred tax on disposal	302,982	-	302,982
Total comprehensive income for the year	(937,018)	(125,698)	(1,062,716)
At 31 December 2023	<u>502,256</u>	<u>6,711,809</u>	<u>7,214,065</u>

The notes on pages 20 to 42 form part of these financial statements.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(453,634)	51,195
Adjustments for:		
Amortisation of intangible assets	166,001	149,233
Depreciation of tangible assets	9,392	17,999
Fixed asset investments charge	3,600	3,600
Loss on disposal of tangible assets	-	(367,887)
Government grants	(17,865)	(67,620)
Interest received	(311,381)	(237,055)
Taxation charge	-	50,208
Decrease/(increase) in debtors	87,264	(134,040)
(Decrease) in creditors	(131,421)	(401,560)
Corporation tax (paid)/received	(51,392)	171,614
Net cash generated from operating activities	(699,436)	(764,313)
Cash flows from investing activities		
Purchase of intangible fixed assets	(145,511)	-
Purchase of tangible fixed assets	(537)	-
Sale of tangible fixed assets	(2,067)	-
Sale of investment properties	-	380,016
Government grants received	17,865	67,620
Interest received	31,634	3,913
Income from investments	279,747	233,142
Net cash from investing activities	181,131	684,691

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Net (decrease) in cash and cash equivalents	<u>(518,305)</u>	<u>(79,622)</u>
Cash and cash equivalents at beginning of year	2,480,500	2,560,122
Cash and cash equivalents at the end of year	<u>1,962,195</u>	<u>2,480,500</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>1,962,195</u>	<u>2,480,500</u>

The notes on pages 20 to 42 form part of these financial statements.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Federation of Master Builders Limited ("the Company") is a private company, limited by guarantee, incorporated and domiciled in England and Wales. The registered office is Star House, Star Hill, Rochester, Kent, ME1 1UX.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent Company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit attributable to the Company is disclosed in the Company's balance sheet.

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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

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.

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the FMB to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment the directors have considered the impact of the increase in cost of living and the impact on costs faced by our members and whilst there remains uncertainty as to the impact of these situations on our membership any losses can be mitigated by anticipated cost savings. Annual budgets have been revised taking this into account with prudent figures for both income and expenditure. The FMB holds significant reserves in the form of unencumbered Freehold buildings and Investment properties and has liquid assets in the form of cash, which is readily available. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.5 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.

2.6 Operating leases: the Group as lessee

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

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 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 profit or loss 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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.11 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	-	3 - 5 years
CRM system	-	7 years

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.12 Tangible fixed assets

Freehold property is held under the revaluation model and is stated at fair value less accumulated depreciation and any accumulated impairment losses. Other tangible fixed assets are held under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Depreciation is provided on the following basis:

Freehold property	- Externally valued every other year; depreciation is not charged as considered to be not material
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 profit or loss.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.13 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.14 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 those for 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 2023

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.18 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow Group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

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

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

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 the 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Turnover

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

	2023	2022
	£	£
Membership income	4,148,512	4,202,686
Inspection fee and administrative income	18,055	178,084
Sponsorship income	74,905	92,961
Other income	518,122	446,780
Premiums	514,446	559,791
	<u>5,274,040</u>	<u>5,480,302</u>

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	<u>5,274,040</u>	<u>5,480,303</u>

5. Other operating income

	2023	2022
	£	£
Government grants receivable	<u>17,865</u>	<u>67,620</u>

6. Operating loss

The operating loss is stated after charging:

	2023	2022
	£	£
Exchange differences	25	-
Other operating lease rentals	<u>45,864</u>	<u>40,843</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Group's auditor and its associates in respect of:		
The audit of the Group's annual financial statements	24,800	23,300
All other services	<u>3,650</u>	<u>3,400</u>

8. Employees

Staff costs were as follows:

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Wages and salaries	2,251,467	2,414,468	1,947,890	1,883,713
Social security costs	253,412	272,688	216,167	214,705
Cost of defined contribution scheme	201,128	204,613	174,912	167,386
	<u>2,706,007</u>	<u>2,891,769</u>	<u>2,338,969</u>	<u>2,265,804</u>

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

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	No.	No.	No.	No.
Employees	<u>54</u>	<u>59</u>	<u>45</u>	<u>45</u>

9. Income from investments

	2023	2022
	£	£
Income from fixed asset investments	<u>279,747</u>	<u>233,142</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Interest receivable

	2023	2022
	£	£
Other interest receivable	<u>31,634</u>	<u>3,913</u>

11. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	-	50,208
Total current tax	<u>-</u>	<u>50,208</u>
Deferred tax		
Taxation on profit on ordinary activities	<u>-</u>	<u>50,208</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(453,634)</u>	<u>101,403</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(86,190)	19,267
Effects of:		
Expenses not deductible for tax purposes	19,929	8,792
Capital allowances for year in excess of depreciation	8,765	(9,329)
Utilisation of tax losses	-	(30,173)
Other differences	30	(1)
Non-taxable income	(23,207)	(6,213)
Unrelieved tax losses carried forward	13,291	67,865
Movement in deferred tax	302,982	-
Property revaluation losses	(235,600)	-
Total tax charge for the year	<u>-</u>	<u>50,208</u>

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (25% effective from 1 April 2023) have been substantively enacted. This will impact the Company's future tax charge accordingly.

12. Realised gain on the sale of investment property

	2023 £	2022 £
Realised gain on the sale of investment property	-	(367,887)
	<u>-</u>	<u>(367,887)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Intangible assets

Group

	Website and app £	CRM system £	Software £	Total £
Cost				
At 1 January 2023	-	817,293	361,829	1,179,122
Additions	145,511	-	-	145,511
At 31 December 2023	<u>145,511</u>	<u>817,293</u>	<u>361,829</u>	<u>1,324,633</u>
Amortisation				
At 1 January 2023	-	398,568	344,696	743,264
Charge for the year on owned assets	36,378	116,756	12,866	166,000
At 31 December 2023	<u>36,378</u>	<u>515,324</u>	<u>357,562</u>	<u>909,264</u>
Net book value				
At 31 December 2023	<u>109,133</u>	<u>301,969</u>	<u>4,267</u>	<u>415,369</u>
At 31 December 2022	<u>-</u>	<u>418,725</u>	<u>17,133</u>	<u>435,858</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Intangible assets (continued)

Company

	Website and app £	CRM system £	Software £	Total £
Cost				
At 1 January 2023	-	817,293	9,923	827,216
Additions	145,511	-	-	145,511
At 31 December 2023	<u>145,511</u>	<u>817,293</u>	<u>9,923</u>	<u>972,727</u>
Amortisation				
At 1 January 2023	-	398,568	9,923	408,491
Charge for the year	36,378	116,756	-	153,134
At 31 December 2023	<u>36,378</u>	<u>515,324</u>	<u>9,923</u>	<u>561,625</u>
Net book value				
At 31 December 2023	<u>109,133</u>	<u>301,969</u>	<u>-</u>	<u>411,102</u>
At 31 December 2022	<u>-</u>	<u>418,725</u>	<u>-</u>	<u>418,725</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2023	4,417,600	85,544	66,679	286,294	4,856,117
Additions	-	-	537	-	537
Disposals	-	(57)	(50,994)	(170,751)	(221,802)
Transfers between classes	(200,000)	-	-	-	(200,000)
Revaluations	(891,600)	-	-	-	(891,600)
At 31 December 2023	<u>3,326,000</u>	<u>85,487</u>	<u>16,222</u>	<u>115,543</u>	<u>3,543,252</u>
Depreciation					
At 1 January 2023	-	72,790	65,163	280,154	418,107
Charge for the year on owned assets	-	7,924	1,507	2,006	11,437
Disposals	-	(57)	(50,994)	(172,818)	(223,869)
At 31 December 2023	<u>-</u>	<u>80,657</u>	<u>15,676</u>	<u>109,342</u>	<u>205,675</u>
Net book value					
At 31 December 2023	<u><u>3,326,000</u></u>	<u><u>4,830</u></u>	<u><u>546</u></u>	<u><u>6,201</u></u>	<u><u>3,337,577</u></u>
At 31 December 2022	<u><u>4,417,600</u></u>	<u><u>12,754</u></u>	<u><u>1,516</u></u>	<u><u>6,140</u></u>	<u><u>4,438,010</u></u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2023	4,417,600	34,394	66,679	221,493	4,740,166
Additions	-	-	537	-	537
Disposals	-	(57)	(50,994)	(170,751)	(221,802)
Transfers between classes	(200,000)	-	-	-	(200,000)
Revaluations	(891,600)	-	-	-	(891,600)
At 31 December 2023	<u>3,326,000</u>	<u>34,337</u>	<u>16,222</u>	<u>50,742</u>	<u>3,427,301</u>
Depreciation					
At 1 January 2023	-	23,418	65,163	220,853	309,434
Charge for the year on owned assets	-	3,535	1,507	2,006	7,048
Disposals	-	(57)	(50,994)	(172,818)	(223,869)
At 31 December 2023	<u>-</u>	<u>26,896</u>	<u>15,676</u>	<u>50,041</u>	<u>92,613</u>
Net book value					
At 31 December 2023	<u>3,326,000</u>	<u>7,441</u>	<u>546</u>	<u>701</u>	<u>3,334,688</u>
At 31 December 2022	<u>4,417,600</u>	<u>10,976</u>	<u>1,516</u>	<u>640</u>	<u>4,430,732</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Fixed asset investments

Group

	Investment other than loans £
Cost or valuation	
At 1 January 2023	18,000
At 31 December 2023	<u>18,000</u>
Impairment	
At 1 January 2023	14,400
Charge for the period	3,600
At 31 December 2023	<u>18,000</u>
Net book value	
At 31 December 2023	<u>-</u>
<i>At 31 December 2022</i>	<u>3,600</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	5,002
At 31 December 2023	<u>5,002</u>
Net book value	
At 31 December 2023	<u><u>5,002</u></u>
<i>At 31 December 2022</i>	<u><u>5,002</u></u>
Subsidiary undertakings	

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
FMB Insurance Services Limited	Insurance	Ordinary	100 %
FMB Training Services Limited	Dormant	Ordinary	100 %

All the above subsidiaries have the same registered address as the Company: Star House, Star Hill, Rochester, Kent, ME1 1UX.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 January 2023	2,287,400
Surplus / loss on revaluation	(348,400)
Transfers between classes	200,000
	2,139,000
At 31 December 2023	2,139,000

The 2023 valuations were made by Cluttons LLP, on an open market value for existing use basis.

The directors are satisfied that the carrying amount of investment property as at 31 December 2023 is materially consistent with fair value of investment property valued at £2,139,000.

17. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Amounts owed by group undertakings - Loans	-	-	650,000	245,000
Amounts falling due after more than one year:	-	-	650,000	245,000
	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Trade debtors	45,778	75,797	45,778	75,796
Amounts owed by group undertakings	-	-	175,772	291,197
Other debtors	52,572	88,187	3,231	10
Prepayments and accrued income	305,163	323,563	187,182	174,975
Amounts falling due within one year:	403,513	<i>487,547</i>	411,963	<i>541,978</i>

In December 2023, the subordinated loan to FMBIS was increased to £650k. The loan provided is interest free. It is planned that repayments of the loan would commence in 2028.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Cash at bank and in hand	<u>1,962,195</u>	<u>2,480,500</u>	<u>1,863,514</u>	<u>2,414,533</u>

19. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Trade creditors	127,778	106,266	109,413	98,326
Corporation tax	-	50,208	-	50,208
Other taxation and social security	213,190	225,760	213,190	225,760
Other creditors	145,139	158,945	118,118	123,505
Accruals and deferred income	689,606	816,161	682,844	788,169
	<u>1,175,713</u>	<u>1,357,340</u>	<u>1,123,565</u>	<u>1,285,968</u>

20. Financial instruments

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Financial assets				
Debt instruments measured at amortised cost	230,863	284,176	920,487	631,927
Equity instruments measured at cost less impairment	-	3,600	-	-
	<u>230,863</u>	<u>287,776</u>	<u>920,487</u>	<u>631,927</u>
Financial liabilities				
Measured at amortised cost	<u>(412,895)</u>	<u>(393,122)</u>	<u>391,553</u>	<u>(413,607)</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Deferred taxation

Group

	2023	<i>2022</i>
	£	£
At beginning of year	(780,621)	<i>(864,570)</i>
Charged to profit or loss	302,982	<i>83,950</i>
At end of year	<u>(477,639)</u>	<i><u>(780,620)</u></i>

The deferred tax balance is made up as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£	£	£	£
Tax losses carried forward	<u>477,639</u>	<i><u>780,621</u></i>	<u>477,639</u>	<i><u>780,621</u></i>
Comprising:				
Liability	<u>477,639</u>	<i><u>780,621</u></i>	<u>477,639</u>	<i><u>780,621</u></i>

22. Company status

The Company is a private company limited by guarantee and consequently does not have share capital.

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £213,025 (2022: £204,613).

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

24. Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	<i>Group 2022 £</i>
Not later than 1 year	30,576	30,576
Later than 1 year and not later than 5 years	15,288	45,864
	<u>45,864</u>	<u>76,440</u>

25. Related party transactions

During the year, the directors of the Company received emoluments of £12,000 (2022: £12,000) and Group £12,000 (2022: £12,000).

During the year, the key management personnel of the Company received emoluments of £432,631 (2022: £544,565) and Group £509,120 (2022: £650,802).

Peter Matson, a director of the Company, charged FMB Insurance Services Limited £25,000 (2022: £19,500) for management consultancy work. The amount due at the year-end by FMB Insurance Services Limited was £Nil (2022: £2,500).

During the year 1 (2022: 3) director was a customers of FMB Insurance Services Limited through their limited companies. The total premium paid by these companies was £910 (2022: £4,368).
