

FEDERATION OF MASTER BUILDERS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Company Number 368163

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FEDERATION OF MASTER BUILDERS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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FEDERATION OF MASTER BUILDERS LIMITED

REPORT OF THE NATIONAL COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2009

The members of National Council are pleased to present their report and the accounts for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS

The combined results for the year of the Federation and its subsidiaries are presented in the Consolidated Profit and Loss Account. The group achieved a net profit before tax of £120,568 (2008: loss £356,139), after taxation, the result was a profit of £80,046 (2008: loss £311,016).

The directors are confident about the future prospects of the Federation.

RISKS

As a result of the economic conditions and their effects on the construction industry, membership numbers continue to fall. However, due to effective cost management, the group accounts show a surplus for 2009. If the economic conditions continue to affect the construction industry, membership will continue to fall and a further review of costs will become necessary.

FINANCIAL INSTRUMENTS

The Federation finances operations through bank balances, plus debtors and creditors. Cash flow is regularly monitored.

FIXED ASSETS

Details of the fixed assets of both the company and of the group are in note 6 to the financial statements.

DIRECTORS

The directors who served during the year, being members of the National Council, were:

L A Allen	J McKechnie
A Baker (resigned 29 June 2009)	G Mellor
J Barton	S Mulligan
D Bentley	A C Nash
R Billingham	R Pennycook
D G Bostock	M J Quickfall
W T D Croft	H W G Rackham
P J Dancy	K Smith
N Etchells	G Snow
K G R Farnham	R F Storer
J M Gilmour	D D Stowell (resigned 22 March 2010)
P D Harris	B J Sutherland
T Hole (resigned 10 March 2009)	P Sample (appointed 1 August 2009)
G H Lister	B G Tierney MBE
G Marjoram (resigned 12 June 2009)	S Tuthill MBE (resigned 22 March 2010)
A McArdle (appointed 2 May 2009)	J Weightman
P McGeever (resigned 16 March 2009)	

FEDERATION OF MASTER BUILDERS LIMITED

REPORT OF THE NATIONAL COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution appointing haysmacintyre will be proposed at the AGM in accordance with S485 of the Companies Act 2006

BY ORDER OF THE NATIONAL COUNCIL



N A Haji
Company Secretary

Registered Office

Gordon Fisher House
14/15 Great James Street
London
WC1N 3DP

14 June 2010

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

We have audited the financial statements of Federation of Master Builders Limited for the year ended 31 December 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Parent Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and the parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


Simon Wilks (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

14 June 2010

Fairfax House
15 Fulwood Place
London
WC1V 6AY

FEDERATION OF MASTER BUILDERS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER	2	4,673,579	4,999,085
Less Cost of sales		(480,704)	(656,254)
GROSS PROFIT		4,192,875	4,342,831
Less Administrative expenses		(4,195,669)	(4,870,509)
OPERATING LOSS	3	(2,794)	(527,678)
Rent receivable		118,525	109,467
Investment income		5,109	62,072
Interest payable		(272)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		120,568	(356,139)
Tax (charge)/credit on ordinary activities	5	(40,522)	45,123
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£80,046</u>	<u>£(311,016)</u>

There were no discontinued operations during the year

The group has no recognised gains or losses other than the profit/(loss) for the year

The notes on pages 9 to 12 form an integral part of these financial statements

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2009

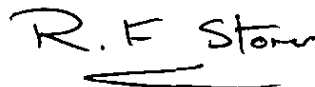
	Note	2009 £	2008 £
TANGIBLE FIXED ASSETS	6	4,255,621	4,404,536
CURRENT ASSETS			
Debtors	8	504,637	536,841
Cash at bank and in hand		1,326,096	1,048,411
		<u>1,830,733</u>	<u>1,585,252</u>
CREDITORS: amounts falling due within one year	9	(2,130,755)	(2,114,235)
NET CURRENT LIABILITIES		<u>(300,022)</u>	<u>(528,983)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£3,955,599</u>	<u>£3,875,553</u>
Representing:			
Revaluation reserve	10	509,090	509,090
Profit and loss account	11	3,446,509	3,366,463
		<u>£3,955,599</u>	<u>£3,875,553</u>

The financial statements were approved and authorised for issue by the Managing Board on behalf of the National Council on 14 June 2010 and were signed below on its behalf by

D Bostock
Director



R F Storer
Director



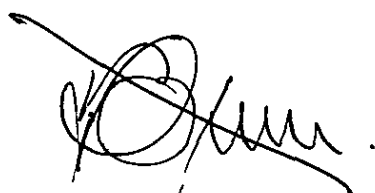
PARENT COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2009

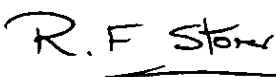
	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	6	4,255,621	4,404,536
Investments	7	6,102	6,102
		<u>4,261,723</u>	<u>4,410,638</u>
CURRENT ASSETS			
Debtors	8	486,910	535,190
Cash at bank and in hand		1,344,157	1,065,551
		<u>1,831,067</u>	<u>1,600,741</u>
CREDITORS: amounts falling due within one year	9	<u>(2,262,047)</u>	<u>(2,220,667)</u>
NET CURRENT LIABILITIES		<u>(430,980)</u>	<u>(619,926)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£3,830,743</u>	<u>£3,790,712</u>
Representing:			
Revaluation reserve	10	509,090	509,090
Profit and loss account	11	3,321,653	3,281,622
		<u>£3,830,743</u>	<u>£3,790,712</u>

The financial statements were approved and authorised for issue by the Managing Board on behalf of the National Council on 14 June 2010 and were signed below on its behalf by

D Bostock
Director



R F Storer
Director



FEDERATION OF MASTER BUILDERS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	£	2009	£	£	2008	£
Operating loss per accounts				(2,794)		(527,678)	
Depreciation				215,567		188,082	
				<u>212,773</u>		<u>(339,596)</u>	
Movement in debtors		(30,535)			9,261		
Movement in creditors		(22,027)			(152,594)		
Loss on disposal of fixed assets		-			7,107		
				<u>(52,562)</u>		<u>(136,226)</u>	
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES				160,211		(475,822)	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE							
Interest paid		(272)			-		
Interest received		5,109			62,072		
Rent received		118,525			109,467		
NET CASH INFLOW FROM INVESTMENTS				123,362		171,539	
TAXATION							
UK Corporation tax received/(paid)				60,764		(41,764)	
CAPITAL EXPENDITURE							
Acquisition of fixed assets		(66,652)			(205,079)		
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE				<u>(66,652)</u>		<u>(205,079)</u>	
INCREASE/(DECREASE) IN CASH IN THE YEAR	3			<u>£277,685</u>		<u>£(551,126)</u>	

FEDERATION OF MASTER BUILDERS LIMITED

NOTES TO THE GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

1. ANALYSIS OF CASH AS SHOWN IN IN THE BALANCE SHEET	2009 £	2008 £	Change £
Cash at bank and in hand	<u>£1,326,096</u>	<u>£1,048,411</u>	<u>£277,685</u>
2. ANALYSIS OF NET FUNDS	At 1 January 2009 £	Cashflow £	At 31 December 2009 £
Cash at bank and in hand	<u>£1,048,411</u>	<u>£277,685</u>	<u>£1,326,096</u>
3. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			2009 £
Increase in cash in the year			277,685
Net funds at 1 January 2009			<u>1,048,411</u>
Net funds at 31 December 2009			<u>£1,326,096</u>

FEDERATION OF MASTER BUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

(a) Basis of preparation

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

(b) Basis of consolidation

The consolidated financial statements include all of the company's wholly-owned subsidiaries

(c) Subscription income

Income represents subscriptions received from members apportioned on a time basis from the date of receipt, together with arrears and admission fees

(d) Tangible fixed assets

Freehold land and buildings are shown at valuation as set out in note 6

Other tangible assets are shown at cost

(e) Depreciation

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its anticipated useful life, as follows

Freehold buildings	2% of cost
Equipment & vehicles	15% - 33 ¹ / ₃ of cost

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

(f) Pensions

The company operates a money purchase pension scheme. Contributions are charged to the Profit and Loss Account as they become payable in accordance with the rules of the scheme

2. TURNOVER

	2009 £	2008 £
Subscription income	4,395,572	4,713,714
Sales of goods	12,637	19,795
Sales of services	265,370	265,576
	<u>£4,673,579</u>	<u>£4,999,085</u>

3. OPERATING LOSS

Operating loss is stated after charging		
Auditors' remuneration	17,200	17,200
Depreciation	<u>215,567</u>	<u>188,082</u>

FEDERATION OF MASTER BUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

4. EMPLOYEES	2009 £	2008 £
Wages and salaries	2,095,666	2,256,492
Social security costs	237,812	252,703
Pension costs	204,107	201,552
Redundancy and ex gratia payments	-	67,929
	<u>£2,537,585</u>	<u>£2,778,676</u>
The average number of people employed during the year was	<u>65</u>	<u>69</u>
5. TAXATION	£	£
(a) Analysis of charge/(credit) in the year:		
Current tax:		
UK Corporation tax on profit/(loss) for the year	38,547	(60,000)
Adjustments in respect of prior years	(764)	(123)
Tax on profit/(loss) on ordinary activities (see (b) below)	<u>37,783</u>	<u>(60,123)</u>
Deferred tax		
Origination of timing differences	2,739	15,000
	<u>£40,522</u>	<u>£(45,123)</u>
(b) Factors affecting tax charge/(credit) for year:		
The tax assessed for the year is different from the standard rate of corporation tax in the UK 28% The differences are explained below		
Profit/(loss) on ordinary activities before tax	<u>£120,568</u>	<u>£(356,139)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax of 28%	33,759	(99,719)
Effects of		
Expenses not deductible for tax purposes	2,205	4,797
Depreciation in excess of capital allowances	25,386	16,361
Timing differences relating to pension contributions	(442)	(11,289)
Marginal rate relief on (profits)/losses	(12,848)	17,756
Losses carried forward	-	12,094
Adjustments in respect of prior years	(764)	(123)
Utilisation of tax losses	(9,513)	-
Current tax charge/(credit) for the year (see (a) above)	<u>£37,783</u>	<u>£(60,123)</u>

FEDERATION OF MASTER BUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

6. TANGIBLE FIXED ASSETS COMPANY AND GROUP	Land & Buildings £	Equipment & Vehicles £	Total £
COST OR VALUATION			
At 1 January 2009	4,271,073	1,492,102	5,763,175
Additions	-	66,652	66,652
Disposals	-	(11,600)	(11,600)
At 31 December 2009	4,271,073	1,547,154	5,818,227
Comprising			
Cost	1,101,073	1,547,154	2,648,227
Valuation June 1999	1,200,000	-	1,200,000
Valuation April 2005	1,970,000	-	1,970,000
	4,271,073	1,547,154	5,818,227
DEPRECIATION			
At 1 January 2009	247,775	1,110,864	1,358,639
Charge for the year	42,711	172,856	215,567
Eliminated on disposal	-	(11,600)	(11,600)
At 31 December 2009	290,486	1,272,120	1,562,606
NET BOOK VALUE			
At 31 December 2009	£3,980,587	£275,034	£4,255,621
At 31 December 2008	£4,023,298	£381,238	£4,404,536

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

7. INVESTMENTS - COMPANY	2009 £	2008 £
Shares of wholly-owned subsidiaries at cost		
Construction Industry Services Limited	1,000	1,000
National Register of Warranted Builders (FMB) Limited	5,000	5,000
Trade Debt Recovery Services Limited	100	100
Building Industry Certification Scheme Limited	2	2
	£6,102	£6,102

In the opinion of the Directors, the market value of the investments is in excess of cost.

FEDERATION OF MASTER BUILDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

8. DEBTORS	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	135,306	233,908	135,306	233,908
Prepayments	160,382	96,526	160,382	96,526
Accrued income	159,689	99,152	159,689	99,152
Corporation tax recoverable	-	60,000	-	60,000
Deferred tax	5,588	8,327	5,588	8,327
Sundry debtors	43,672	38,928	25,945	37,277
	<u>£504,637</u>	<u>£536,841</u>	<u>£486,910</u>	<u>£535,190</u>
9. CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR				
Subscriptions in advance	1,202,987	1,124,179	1,065,885	1,015,231
Trade creditors	124,951	286,886	124,951	281,381
Tax and social security	189,512	204,913	189,512	204,913
Accruals	421,494	387,539	295,792	272,694
Corporation tax	38,547	-	28,918	-
Due to subsidiaries	-	-	435,719	384,689
Other creditors	153,264	110,718	121,270	61,759
	<u>£2,130,755</u>	<u>£2,114,235</u>	<u>£2,262,047</u>	<u>£2,220,667</u>
10. REVALUATION RESERVE			Group £	Company £
Balance at 1 January 2009 and at 31 December 2009			<u>£509,090</u>	<u>£509,090</u>
11. PROFIT AND LOSS ACCOUNT			Group £	Company £
The company is limited by guarantee and has no share capital				
The movement on Profit and Loss Account during the year was as follows				
Balance at 1 January 2009			3,366,463	3,281,622
Profit for the year			<u>80,046</u>	<u>40,031</u>
Balance at 31 December 2009			<u>£3,446,509</u>	<u>£3,321,653</u>

Federation of Master Builders Limited has taken advantage of the special exemptions under Section 408 of the Companies Act 2006 not to prepare its own Profit and Loss Account