Registered number: 00368163

FEDERATION OF MASTER BUILDERS LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2016

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

COMPANY INFORMATION

DIRECTORS	J Barton PD Bentley J Etchells J M Gilmour G J Lewis A J McArdle J R McKechnie R S Pennycook (Resigned 9 September 2016) M J Quickfall J Weightman K G R Farnham I Lowry K Ireland R Housden G Urwin (Appointed 12 December 2016)
COMPANY SECRETARY	Crossley Secretaries Limited
REGISTERED NUMBER	00368163
REGISTERED OFFICE	Star House Star Hill Rochester Kent ME1 1UX

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

CONTENTS

The directors present their report and the financial statements for the year ended 31 December 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The Federation of Master Builders is a company limited by guarantee and has no share capital. The principal activity continues to be that of an employers' association in the construction industry.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £46,794 *(2015 - £169,844)*.

DIRECTORS

The directors who served during the year were:

J Barton
PD Bentley
J Etchells
J M Gilmour
G J Lewis
A J McArdle
J R McKechnie
R S Pennycook (Resigned 9 September 2016)
M J Quickfall
J Weightman
K G R Farnham
I Lowry
K Ireland
R Housden
G Urwin (Appointed 12 December 2016)

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, PKF Littlejohn LLP, were appointed as auditors during the year. They will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report the directors have taken advantage of the small companies exemptions provided by s415A of the Companies Act 2006.

This report was approved by the board on 12 June 2017 and signed on its behalf.

G J Lewis
Director

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

We have audited the Financial Statements of Federation of Masters Builders Limited for the year ended 31 December 2016 which comprise of the Company Statement of Financial Position, Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matter where the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or take advantage of the small company exemptions from the requirement to prepare a Directors' report.

Eric Hindson

Eric Hindson (Senior statutory auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditors

1 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 12 June 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	4,592,903	4,815,102
Cost of sales	4	(743,406)	(903,148)
Gross profit		3,849,497	3,911,954
Administrative expenses		(4,071,014)	(3,945,845)
Operating (loss)/profit		(221,517)	(33,891)
Income from other fixed asset investments		180,602	159,955
Interest receivable and similar income	9	2,435	5,170
Interest payable and expenses	8	-	(110)
Dividends received from group components	10	85,274	-
Unrealised surplus on revaluation of fixed asset investments		-	98,051
Profit before tax		46,794	229,175
Tax on profit	11	-	(59,331)
Profit for the year		46,794	169,844
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets	19	-	225,319
Other Comprehensive income		-	225,319
Total comprehensive income for the year		46,794	395,163

All amounts relate to continuing operations.

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

The notes on pages 8 to 25 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note		2016 £		*2015 £*
Fixed assets					
Intangible assets	12		144,587		*82,500*
Tangible assets	13		4,764,308		*4,809,042*
Investment property	14		2,111,142		*2,031,051*
			7,020,037		*6,922,593*
Current assets					
Debtors: amounts falling due within one year	15	509,910		*522,033*	
Cash at bank and in hand		2,551,727		*2,900,232*	
		3,061,637		*3,422,265*	
Creditors: amounts falling due within one year	16	(1,737,896)		*(1,962,627)*	
Net current assets			1,323,741		*1,459,638*
Total assets less current liabilities			8,343,778		*8,382,231*
Provisions for liabilities					
Deferred taxation	18	(296,609)		*(296,609)*	
			(296,609)		*(296,609)*
Net assets			8,047,169		*8,085,622*
Capital and reserves					
Profit and loss account	19		6,127,844		*6,166,297*
Revaluation reserve	19		1,919,325		*1,919,325*
			8,047,169		*8,085,622*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 June 2017.

G J Lewis
Director

The notes on pages 8 to 25 form part of these financial statements.

FEDERATION OF MASTER BUILDERS LIMITED
(A Company Limited by Guarantee)
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COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note		2016 £		*2015 £*
Fixed assets					
Intangible assets	12		**55,759**		-
Tangible assets	13		**4,727,267**		*4,761,499*
Investments	14		**2,117,246**		*2,037,155*
			6,900,272		*6,798,654*
Current assets					
Debtors: amounts falling due within one year	15	**675,649**		*797,274*	
Cash at bank and in hand		**2,217,572**		*2,166,909*	
		2,893,221		*2,964,183*	
Creditors: amounts falling due within one year	16	**(1,517,029)**		*(1,586,121)*	
Net current assets			**1,376,192**		*1,378,062*
Total assets less current liabilities			**8,276,464**		*8,176,716*
Provisions for liabilities					
Deferred taxation	18	**(296,609)**		*(296,609)*	
			(296,609)		*(296,609)*
Net assets			**7,979,855**		*7,880,107*
Capital and reserves					
Profit and loss account	19		**6,060,530**		*5,960,782*
Revaluation reserve	19		**1,919,325**		*1,919,325*
			7,979,855		*7,880,107*

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The profit after tax of the parent Company for the year was £99,748 *(2015 - £131,069)*.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 June 2017.

G J Lewis
Director

1. ACCOUNTING POLICIES

Statutory Information

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

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable United Kingdom account standards, including Financial Reporting Standard FRS 102 Section 1A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102), and with the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, 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.

1.3 Going concern

The Directors have assesse 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 form the date these financial statements are signed.

1.4 Revenue

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

1. ACCOUNTING POLICIES (continued)

Rendering of services

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

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

1.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than freehold land and buildings, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Depreciation is provided on the following bases:

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

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

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

1. ACCOUNTING POLICIES (continued)

1.6 Revaluation of tangible fixed assets

Freehold land and building in tangible fixed assets are carried in the current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

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

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

1.7 Intangible assets

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

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

The estimated useful lives range as follows:

Software	-	3	years

1.8 Operating leases: Lessee

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

1.9 Investment property

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

No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

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

1. ACCOUNTING POLICIES (continued)

1.10 Valuation of investments

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

1.11 Debtors

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

1.12 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 month from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Creditors

Short term creditors are measured at the transaction price.

1.14 Financial instruments

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

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

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

The company operates a defined contribution scheme for the benefit of 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.

Contributions payable are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

1.16 Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

1.17 Interest Income

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

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

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

Impairment of assets

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

Useful economic life of assets

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

Estimated provision for insurance claim exposure

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

3. TURNOVER

0.0% of the Company's turnover *(2015 - NIL)* is attributable to geographical markets outside the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016	*2015*
	£	*£*
Depreciation of tangible fixed assets	**79,612**	*115,534*
Amortisation of intangible fixed assets	**25,530**	*-*
Operating lease rentals	**45,564**	*18,746*

5. AUDITORS' REMUNERATION

	2016	*2015*
	£	*£*
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**16,915**	*16,500*
Fees payable to the Group's auditor in respect of taxation compliance services	**3,100**	*3,000*

6. EMPLOYEES

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

	2016 £	*2015* *£*
Wages and salaries	1,804,176	*1,581,303*
Social security costs	189,650	*167,526*
Cost of defined contribution scheme	184,446	*150,555*
	2,178,272	*1,899,384*

The average monthly number of employees, including directors, during the year was 55 *(2015 - 48)*.

7. DIRECTORS' REMUNERATION

During the year, the directors of the company received emoluments of £10,000 (*2015 - £10,000*).

8. INTEREST PAYABLE

	2016 £	*2015* *£*
Bank loans	-	*110*
	-	*110*

9. INTEREST RECEIVABLE

	2016 £	*2015* *£*
Other interest receivable	2,435	*5,170*
	2,435	*5,170*

10. DIVIDENDS RECEIVED FROM GROUP COMPONENTS

As at 1 January 2016 FMB Training services Limited ceased trading and transferred by way of a dividend its net assets £85,274 as at this date. The trade assets and liabilities were also transferred to the Company on this date.

11. TAXATION

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	*6,585*
Total current tax	-	*6,585*
Deferred tax		
Origination and reversal of timing differences	-	*52,746*
Total deferred tax	-	*52,746*
Taxation on profit on ordinary activities	-	*59,331*

The tax assessed for the year is lower than (2015 – lower than) the standard rate of corporation tax in the UK of 20% (2015 – 20.25%). The differences are explained below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	46,794	*229,175*
Profit on Ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	9,359	*46,408*
Effects of:		
Capital allowances for year in excess of depreciation	-	*(4,223)*
Fixed asset differences	**17,424**	*2,270*
Utilisation of tax losses	**(2,516)**	-
Expenses not deductible for tax purposes	**1,528**	-
Non-taxable income less expenses not deductible for tax purposes	**(17,055)**	*1,204*
Marginal relief	-	*(41,611)*
Other differences leading to a decrease in the tax charge	**(8,740)**	*(4,048)*
Current tax charge for the year	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are losses carried forward of some £750,497 (2015: 656,983) which can be held against future trading surplus.

12. INTANGIBLE FIXED ASSETS

Group

	Software & Website
	£
Cost	
At 1 January 2016	82,500
Additions	87,617
At 31 December 2016	170,117
Amortisation	
At 1 January 2016	-
Charge for the period	25,530
At 31 December 2016	25,530
At 31 December 2016	144,587
At 31 December 2015	*82,500*

12. INTANGIBLE FIXED ASSETS (continued)

Company

	Software & Website
	£
Cost	
At 1 January 2016	-
Additions	59,887
At 31 December 2016	59,887
Amortisation	
At 1 January 2016	-
Charge for the period	4,128
At 31 December 2016	4,128
At 31 December 2016	55,759
At 31 December 2015	-

13. TANGIBLE FIXED ASSETS

Group

	Land and Buildings	Equipment and vehicles	Total
	£	£	£
Cost or valuation			
At 1 January 2016	4,860,579	295,212	5,155,791
Additions	18,096	69,318	87,414
Transfer to investments	(52,536)	-	(52,536)
Transfer from depreciation	(243,411)	-	(243,411)
At 31 December 2016	4,582,728	364,530	4,999,258
Depreciation			
At 1 January 2016	243,411	103,338	346,749
Charge for the period	-	79,612	79,612
Transfer to Valuation	(243,411)	-	(243,411)
At 31 December 2016	-	182,950	182,950
At 31 December 2016	4,582,728	181,580	4,764,308
At 31 December 2015	*4,617,168*	*191,874*	*4,809,042*

The book cost of the buildings, including mixed property component included in investment properties is £3,298,000.

The land and buildings were revalued on 31 July 2015 by Cluttons LLP on an open market existing use basis. This valuation was then used to estimate the fair value as at 31 December 2016 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings. The Directors are satisfied that the carrying amount of Land and Buildings as at 31 December 2015 is materially consistent with fair value of the Land and Buildings as at 31 December 2016.

13. TANGIBLE FIXED ASSETS (continued)

Company

	Land and Buildings	Equipment and vehicles	Total
	£	£	£
At 1 January 2016	4,860,579	239,391	5,099,970
Additions	18,096	64,222	82,318
Transfer to investments	(52,536)	-	(52,536)
Transfer from depreciation	(243,411)	-	(243,411)
At 31 December 2016	4,582,728	303,613	4,886,341
Depreciation			
At 1 January 2016	243,411	95,060	338,471
Charge for the period	-	64,014	64,014
Transfer to Valuation	(243,411)	-	(243,411)
At 31 December 2016	-	159,074	159,074
At 31 December 2016	4,582,728	144,539	4,727,267
At 31 December 2015	*4,617,168*	*144,331*	*4,761,499*

The book cost of the buildings, including mixed property component included in investment properties is £3,298,000.

The land and buildings were revalued on 31 July 2015 by Cluttons LLP on an open market existing use basis. This valuation was then used to estimate the fair value as at 31 December 2016 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings. The Directors are satisfied that the carrying amount of Land and Buildings as at 31 December 2015 is materially consistent with fair value of the Land and Buildings as at 31 December 2016.

14. FIXED ASSET INVESTMENTS

Group

	Freehold investment property
	£
Valuation	
At 1 January 2016	2,031,051
Additions	27,555
Revaluation surplus	-
Transfer from freehold property	52,536
At 31 December 2016	2,111,142

The valuations were made by Cluttons LLP on 31 July 2015 on an open market value for existing use basis. This valuation was then used to estimate the fair value as at 31 December 2016 using the IPD UK Annual Property Index indices using the capital growth percentage for commercial office buildings. The Directors are satisfied that the carrying amount of investment property as at 31 December 2015 is materially consistent with fair value of investment property the as at 31 December 2016.

Company

	Investments in subsidiary companies	Investment properties	Total
	£	£	£
Cost or valuation			
At 1 January 2016	6,104	2,031,051	2,037,155
Additions	-	27,555	27,555
Revaluations	-	-	-
Transfer from freehold properties	-	52,536	52,536
At 31 December 2016	6,104	2,111,142	2,117,246

14. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertaking

The following were subsidiary undertakings of the Company:

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

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share Capital and reserves	Profit/(Loss)
	£	£
FMB Training Services Limited	1	-
FMB Insurance Services Limited	100,784	(52,953)
Building Industry Certification Scheme Limited	2	-
Construction Industry Services Limited	1,709	-
Trade Debt Recovery Services Limited	2,377	-
Build Assure Limited	1	-

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

15. DEBTORS

	Group 2016 £	*Group 2015 £*	Company 2016 £	*Company 2015 £*
Trade debtors	**113,760**	*167,698*	**113,129**	*85,469*
Amounts owed by group undertakings	**-**	*-*	**354,831**	*555,096*
Other debtors	**97,101**	*87,042*	**21,368**	*49,346*
Prepayments and accrued income	**299,049**	*267,293*	**186,321**	*107,363*
	509,910	*522,033*	**675,649**	*797,274*

16. CREDITORS: Amounts falling due within one year

	Group 2016 £	*Group 2015 £*	Company 2016 £	*Company 2015 £*
Trade creditors	**237,362**	*232,982*	**227,608**	*176,779*
Amounts owed to group undertakings	**-**	*-*	**3,617**	*3,617*
Corporation tax	**439**	*6,585*	**-**	*-*
Taxation and social security	**165,120**	*212,006*	**165,121**	*211,676*
Other creditors	**120,459**	*295,437*	**38,415**	*113,636*
Accruals and deferred income	**1,214,515**	*1,215,617*	**1,082,268**	*1,080,413*
	1,737,896	*1,962,627*	**1,517,029**	*1,586,121*

17. FINANCIAL INSTRUMENTS

	Group 2016 £	*Group 2015 £*	**Company 2016 £**	*Company 2015 £*
Financial assets				
Financial assets that are debt instruments at amortised cost	**210,861**	*254,470*	**489,328**	*689,911*
	210,861	*254,470*	**489,328**	*689,911*
Financial liabilities				
Financial liabilities measured at amortised cost	**357,823**	*528,419*	**269,640**	*505,708*
	357,823	*528,419*	**269,640**	*505,708*

Financial assets measured at amortised cost for the Group comprise trade debtors of £113,760 (2015 - £167,698) and other debtors £97,101 (2015 - £87,042).

Financial assets measured at amortised cost for the Company comprises trade debtors £113,129 (2015 - £85,469), amounts owed by group undertakings £354,831 (2015 - £555,096) and other debtors £21,368 (2015 - £49,346).

Financial liabilities measured at amortised cost for the Group comprise trade creditors £237,362 (2015 - £232,982) and other creditors £120,461 (2015 - £295,437).

Financial liabilities measured at amortised cost for the Company comprise trade creditors £227,608 (2015 - £176,779), amounts owed by group undertakings £3,617 (2015 - £3,617) and other creditors £38,415 (2015 - £113,636).

18. DEFERRED TAX LIABILITY/ (ASSET)

	2016 £	*2015* *£*
At 1 January 2016	**296,609**	*243,863*
Charged for/ (credited) during the year	**-**	*52,746*
As at 31 December 2016	**296,609**	*296,609*

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

Fixed asset timing differences	**97,462**	*97,462*
Short term timing differences	**(3,237)**	*(3,237)*
Capital gains	**320,641**	*320,641*
Losses and other deductions	**(118,257)**	*(118,257)*
	296,609	*296,609*

19. RESERVES

Group	**Revaluation Reserve** **£**	**Profit and loss account** **£**
At 1 January 2016	1,919,325	6,166,297
Profit for the financial year	-	46,794
Dividends paid during the year	-	(85,274)
	1,919,325	6,127,844
Company		
At 1 January 2016	1,919,325	5,960,782
Profit for the financial year	-	99,748
	1,919,325	6,060,530

20. COMMITMENTS UNDER OPERATING LEASES

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

	2016	*2015*
	£	*£*
Not later than one year	**45,564**	*45,564*
Later than one and not later than five years	**104,110**	*149,674*
Later than five years	**-**	-
	149,674	*195,238*

21. PENSION COMMITMENTS

The Company operates a defined pension scheme and the pension charge, £162,072 (2015 - £129,982) represents the amounts payable by the company to the fund in respect of the year.

22. RELATED PARTY TRANSACTIONS

Payments to the Directors as remuneration, which qualify as related party transactions are disclosed in note 6.

Peter Matson, a director of the company, charged FMB Insurance Services Limited £30,000 (2015 - £Nil) for management consultancy work. The amount due at the yearend by FMB Insurance Services Limited was £2,500 (2015 - £Nil).

Graham Urwin, a director of the company is also a director of Graline Construction Ltd who charged Federation of Master Builders Limited £5,484 (2015 - £Nil) for maintenance work. The amount due at the yearend by Federation of Master Builders Limited was £Nil (2015 - £Nil).

23. ULTIMATE CONTROLLING PARTY

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