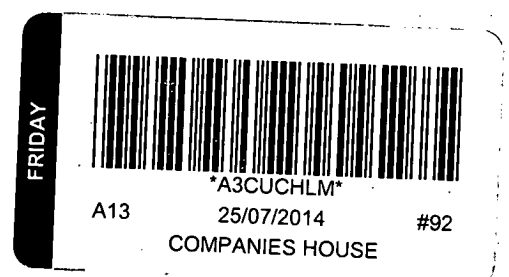


Registered number: 00368163

FEDERATION OF MASTER BUILDERS LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2013



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

CONTENTS

	Page
Directors' report	1 - 2
Group strategic report	3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 19

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

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.

RESULTS

The loss for the year, after taxation, amounted to £692,693 (2012 - loss £265,784).

DIRECTORS

The directors who served during the year were:

L A Allen (resigned 26 February 2013)
J Barton
D Bentley
D G Bostock
W T D Croft (resigned 2 September 2013)
T J Drayton (resigned 2 September 2013)
J M Etchells (appointed 4 November 2013)
K G R Farnham
J M Gilmour
R Gutteridge (resigned 2 September 2013)
K A Ireland (resigned 2 September 2013)
G J Lewis
G H Lister (resigned 2 September 2013)
A J McArdle
J R McKechnie

G Mellor (resigned 2 September 2013)
S Mulligan
A Murrell (resigned 2 September 2013)
R S Pennycook (resigned 2 September 2013)
M J Quickfall
H W G Rackham (resigned 14 March 2013)
P T E Sample (resigned 2 September 2013)
K E Smith (resigned 2 September 2013)
G Snow (resigned 2 September 2013)
R Storer (resigned 2 September 2013)
B Sutherland
B G Tierney (resigned 2 September 2013)
G Urwin (resigned 2 September 2013)
J Weightman

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 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 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 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;

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

-
- 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.

PROVISION OF INFORMATION TO AUDITORS

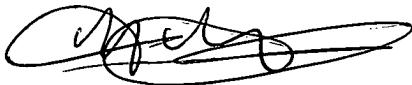
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 June 2014 and signed on its behalf.



J M Gilmour
Director

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

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

The directors present their strategic report for the year ended 31 December 2013.

BUSINESS REVIEW

The combined result for the year of the FMB and its subsidiaries are presented in the Consolidated Profit and Loss Account. The group achieved a net loss before tax of £686,322.

The group loss was mainly due to a continuing fall in membership numbers as a result of the depressed state of the building industry during the first nine months of the year; the associated costs of the London office move; staffing restructure costs; and poor trading of Build Assure. Measures have since been put in place to reduce overhead costs and restructure the FMB to give it a much clearer focus on sales and marketing. Build Assure has also been restructured to increase its financial performance and market relevance.

On 11 April 2014 the previous Head Office was sold for £4,800,000. See note 16 for more details.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks are falling membership numbers and increased competition from on-line providers increasing market share. The FMB is reviewing its membership offer alongside the development of a new marketing strategy.

FINANCIAL KEY PERFORMANCE INDICATORS

The principal key financial indicators are a stabilisation of membership numbers and an increase in revenue from partnership agreements.

OTHER KEY PERFORMANCE INDICATORS

These include improved financial performance of both FMB Insurance Services and FMB Training Services as well as better management of the let properties.

This report was approved by the board on 2 June 2014 and signed on its behalf.



J M Gilmour
Director

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

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

We have audited the financial statements of Federation of Master Builders Limited for the year ended 31 December 2013, set out on pages 6 to 19. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. 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 2013 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Simon Wilks (Senior statutory auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

2 June 2014

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
TURNOVER	1,2	4,913,824	5,350,548
Cost of sales		(1,191,237)	(1,250,220)
GROSS PROFIT		<u>3,722,587</u>	<u>4,100,328</u>
Administrative expenses		(4,318,224)	(4,139,828)
Exceptional administrative expenses		(234,165)	(366,374)
Total administrative expenses		<u>(4,552,389)</u>	<u>(4,506,202)</u>
OPERATING LOSS	3	(829,802)	(405,874)
Income from other fixed asset investments		136,493	119,727
Interest receivable and similar income		<u>6,987</u>	<u>18,970</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(686,322)	(267,177)
Tax on loss on ordinary activities	5	(6,371)	1,393
LOSS FOR THE FINANCIAL YEAR	11	<u><u>(692,693)</u></u>	<u><u>(265,784)</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 10 to 19 form part of these financial statements.

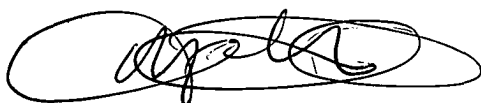
FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 00368163

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	6,956,991	6,874,143
CURRENT ASSETS			
Debtors	8	401,526	832,802
Cash at bank and in hand		1,180,250	1,152,241
		<u>1,581,776</u>	<u>1,985,043</u>
CREDITORS: amounts falling due within one year	9	<u>(5,636,283)</u>	<u>(5,264,009)</u>
NET CURRENT LIABILITIES		<u>(4,054,507)</u>	<u>(3,278,966)</u>
NET ASSETS		<u>2,902,484</u>	<u>3,595,177</u>
CAPITAL AND RESERVES			
Called up share capital		-	-
Revaluation reserve	11	509,090	509,090
Profit and loss account	11	<u>2,393,394</u>	<u>3,086,087</u>
		<u>2,902,484</u>	<u>3,595,177</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 2 June 2014.



J M Gilmour
Director

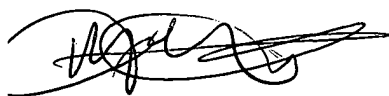
The notes on pages 10 to 19 form part of these financial statements.

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

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	6,956,991	6,874,143
Investments	7	6,104	6,104
		<u>6,963,095</u>	<u>6,880,247</u>
CURRENT ASSETS			
Debtors	8	530,042	760,317
Cash at bank and in hand		851,671	1,051,191
		<u>1,381,713</u>	<u>1,811,508</u>
CREDITORS: amounts falling due within one year	9	<u>(5,488,260)</u>	<u>(5,147,329)</u>
NET CURRENT LIABILITIES		<u>(4,106,547)</u>	<u>(3,335,821)</u>
NET ASSETS		<u>2,856,548</u>	<u>3,544,426</u>
CAPITAL AND RESERVES			
Revaluation reserve	11	509,090	509,090
Profit and loss account	11	2,347,458	3,035,336
		<u>2,856,548</u>	<u>3,544,426</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by 2 June 2014.



J M Gilmour
Director

The notes on pages 10 to 19 form part of these financial statements.

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	12	187,692	(562,160)
Returns on investments and servicing of finance	13	50,609	138,697
Taxation	13	-	29,114
Capital expenditure and financial investment	13	(210,292)	(3,421,923)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		28,009	(3,816,272)
Financing	13	-	3,494,600
INCREASE/(DECREASE) IN CASH IN THE YEAR		28,009	(321,672)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
Increase/(Decrease) in cash in the year	28,009	(321,672)
Cash inflow from increase in debt and lease financing	-	(3,494,600)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	28,009	(3,816,272)
Other non-cash changes	-	(5,395)
MOVEMENT IN NET DEBT IN THE YEAR	28,009	(3,821,667)
Net debt at 1 January 2013	(2,347,759)	1,473,908
NET DEBT AT 31 DECEMBER 2013	(2,319,750)	(2,347,759)

The notes on pages 10 to 19 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 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

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

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

The profit and loss account for the year dealt with in the accounts of the company was a loss after tax of £687,878 (2012 - £233,888).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% of cost
Equipment and Vehicles	-	15-33 1/3% straight line

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

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

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

	2013 £	2012 £
Subscription Income	3,975,134	4,115,603
Sales of Goods	33,555	22,857
Sales of Services	170,028	165,472
Seminar Income	735,107	1,046,616
	<hr/>	<hr/>
	4,913,824	5,350,548
	<hr/>	<hr/>

All turnover arose within the United Kingdom.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. OPERATING LOSS

The operating loss is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the group	127,444	85,647
Auditors' remuneration	16,500	18,500
Auditors' remuneration - non-audit	5,400	6,410
	<u>149,344</u>	<u>110,557</u>

During the year, no director received any emoluments (2012 - £NIL).

Auditors fees for the company were £13,000 (2012 - £14,500)

4. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	1,908,544	1,819,117
Social security costs	206,607	209,634
Other pension costs	159,604	163,657
	<u>2,274,755</u>	<u>2,192,408</u>

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

	2013 No.	2012 No.
	<u>50</u>	<u>52</u>

5. TAXATION

	2013 £	2012 £
Analysis of tax credit in the year		
Deferred tax (see note 10)		
Origination and reversal of timing differences	6,371	(1,393)
	<u>6,371</u>	<u>(1,393)</u>
Tax on loss on ordinary activities		
	<u>6,371</u>	<u>(1,393)</u>

FEDERATION OF MASTER BUILDERS LIMITED**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013****5. TAXATION (continued)****Factors affecting tax credit for the year**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	(686,322)	(267,177)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(159,570)	(65,458)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,805	2,130
Capital allowances for year in excess of depreciation	(10,448)	13,399
Unutilised tax losses	162,987	51,322
Other differences leading to an increase in the tax charge	5,226	-
Timing differences relating to pension charges	-	(1,393)
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

There are tax losses carried forward of some £950,000.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

6. TANGIBLE FIXED ASSETS

Group and Company	Land and Buildings £	Equipment and vehicles £	Total £
Cost or valuation			
At 1 January 2013	7,229,433	1,604,136	8,833,569
Additions	124,144	86,148	210,292
	<u>7,353,577</u>	<u>1,690,284</u>	<u>9,043,861</u>
At 31 December 2013			
Depreciation			
At 1 January 2013	425,431	1,533,995	1,959,426
Charge for the year	75,249	52,195	127,444
	<u>500,680</u>	<u>1,586,190</u>	<u>2,086,870</u>
At 31 December 2013			
Net book value			
At 31 December 2013	<u>6,852,897</u>	<u>104,094</u>	<u>6,956,991</u>
At 31 December 2012	<u>6,804,002</u>	<u>70,141</u>	<u>6,874,143</u>

Cost or valuation at 31 December 2013 is as follows:

Group and Company	Land and buildings £
At cost	4,183,577
At valuation	
June 1999	1,200,000
April 2005	1,970,000
	<u>7,353,577</u>

Cost or valuation at 31 December 2013 is as follows:

Company	Land and buildings
At cost	4,183,577
At valuation:	
Valuation June 1999	1,200,000
Valuation April 2005	1,970,000
	<u>7,353,577</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

6. TANGIBLE FIXED ASSETS (continued)

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. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	6,104
Net book value	
At 31 December 2013	6,104
At 31 December 2012	6,104

Details of the principal subsidiaries can be found under note number 17.

8. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	155,434	105,312	88,653	67,543
Amounts owed by group undertakings	-	-	226,824	92,842
Other debtors	41,699	526,407	12,107	460,469
Prepayments and accrued income	204,393	194,712	202,458	133,092
Deferred tax asset (see note 10)	-	6,371	-	6,371
	401,526	832,802	530,042	760,317

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

9. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	2,500,000	2,500,000	2,500,000	2,500,000
Other loans	1,000,000	1,000,000	1,000,000	1,000,000
Trade creditors	156,380	184,692	114,943	181,447
Subscriptions in advance	957,330	1,032,709	892,474	941,225
Amounts owed to group undertakings	-	-	217,632	142,071
Corporation tax	613	613	613	613
Other taxation and social security	229,619	50,704	229,619	50,704
Other creditors	168,781	111,492	50,053	88,152
Accruals and deferred income	623,560	383,799	482,926	243,117
	<u>5,636,283</u>	<u>5,264,009</u>	<u>5,488,260</u>	<u>5,147,329</u>

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

A further loan of £1,000,000 was obtained for working capital purposes and the lender had a second charge over the Federation's previous head office.

The loans were repaid from the sale of the previous head office in April 2014 (see note 16)

10. DEFERRED TAXATION

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	6,371	4,978	6,371	4,978
(Charge for)/released during the year (P&L)	(6,371)	1,393	(6,371)	1,393
At end of year	<u>-</u>	<u>6,371</u>	<u>-</u>	<u>6,371</u>

The deferred taxation balance is made up as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Origination of timing differences	<u>-</u>	<u>6,371</u>	<u>-</u>	<u>6,371</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

11. RESERVES

	Revaluation reserve £	Profit and loss account £
Group		
At 1 January 2013	509,090	3,086,087
Loss for the financial year		(692,693)
	<u>509,090</u>	<u>2,393,394</u>
At 31 December 2013	<u>509,090</u>	<u>2,393,394</u>
Company		
At 1 January 2013	509,090	3,035,336
Loss for the financial year		(687,878)
	<u>509,090</u>	<u>2,347,458</u>
At 31 December 2013	<u>509,090</u>	<u>2,347,458</u>

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating loss	(829,802)	(405,874)
Depreciation of tangible fixed assets	127,444	85,647
Decrease in debtors	517,773	120,550
Increase/(decrease) in creditors	372,277	(362,483)
Net cash inflow/(outflow) from operating activities	<u>187,692</u>	<u>(562,160)</u>

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	6,987	18,970
Interest paid	(92,871)	-
Rent receivable	136,493	119,727
Net cash inflow from returns on investments and servicing of finance	<u>50,609</u>	<u>138,697</u>
Taxation		
Corporation tax repaid/(paid)	-	29,114

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(210,292)	(3,421,923)
	<u>2013 £</u>	<u>2012 £</u>
Financing		
New secured loans	-	2,500,000
Other new loans	-	994,600
Net cash inflow from financing	<u>-</u>	<u>3,494,600</u>

14. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	1,152,241	28,009	-	1,180,250
Debt:				
Debts due within one year	(3,500,000)	-	-	(3,500,000)
Net debt	<u>(2,347,759)</u>	<u>28,009</u>	<u>-</u>	<u>(2,319,750)</u>

15. RELATED PARTY TRANSACTIONS

HBC Building Management Limited charged the company £nil (2012: £7,175) for the services of Mr D Bostock, a director of the company in his role as National President and were approved by the Managing Board.

Headingley Developments Limited charged the group £32,500 (2012: £39,000) for consultancy work performed by Mr G Lister, a director of the company. The work was in respect of the Cross Industry Apprenticeship Task Force project and the costs were reimbursed in full by the Construction Industry Training Board.

16. POST BALANCE SHEET EVENTS

On 11 April 2014 the previous Head Office was sold for £4,800,000. The carrying value of the property in the accounts as at 31 December 2013 was £2,970,766. Loans of £3,500,000 have now been repaid.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

17. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
FMB Insurance Services Limited	England and Wales	100	Trading
	England and Wales	100	Trading
FMB Training Services Limited	England and Wales	100	Trading
Build Assure Limited	England and Wales	100	Dormant
Building Industry Certification Scheme Limited	England and Wales	100	Dormant
Construction Industry Services Limited	England and Wales	100	Dormant
Trade Debt Recovery Services Limited	England and Wales	100	Dormant