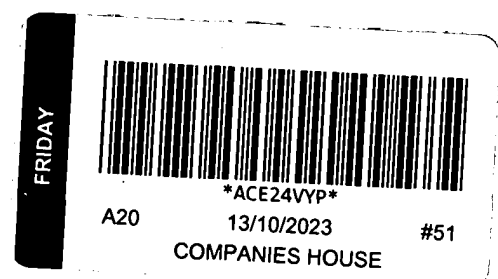

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

COMPANY INFORMATION

Directors	C S Carr R J Clark J M Etchells M Gribbin A J McArdle M L Radford A S Raitt A F Summun R G Williams N C De Sousa J Dunster P Hall M J Quickfall (appointed 18 October 2022)
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
Directors' responsibilities statement	6
Independent auditor's report	7 - 11
Consolidated statement of comprehensive income	12
Consolidated balance sheet	13
Company balance sheet	14
Consolidated statement of changes in equity	15
Company statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to the financial statements	18 - 37

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present the strategic report for the year ended 31 December 2022.

The Federation of Master Builders

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry representing nearly 7,000 small and medium sized (SME) construction companies in all four countries of the UK. Since its creation in 1941, the FMB has championed continuous improvement in the building industry.

FMB members are vetted and independently inspected on joining to ensure they meet our standards. The FMB also requires all existing members to undergo a continuous inspection cycle to ensure they meet the FMB's standards. We also provide a range of member services to help members grow, improve and protect their businesses. These include training and development, insurance services, Find a Builder service and a range of business helplines.

The FMB is committed to building trust with all those who engage in the building industry. For our members it means giving them the support they need to promote their businesses and for their clients it's about reassuring them that by employing Master Builders they will have the right people to deliver the right results.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

In July 2021, the FMB Board approved a new three-year strategic plan called, 'Building for Success', with a focus on standards and growth.

FMB Vision

Over the next three years the FMB's vision is to become the '**go-to organisation for all who value building quality**'.

FMB's Five Strategic Objectives

The FMB is focusing on five key strategic objectives:

- **Standards** - to ensure our standards can be verified and measured.
- **Services** - to ensure our services to members are relevant to their needs.
- **Voice** – to ensure our voice is effective and widespread within government, industry and the media.
- **People** - to ensure that staff are trained and supported to deliver the FMB's business objectives.
- **Commercial** - to develop the commercial offer in support of the FMB's business objectives.

FMB's Four Values

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

These include:

- **Integrity** - a commitment to ensuring the highest standards and to do the right thing.
- **Commercial** - to act in a way that provides good financial value for all business and work activities.
- **Positive** - to be proactively engaged and solutions focused.
- **Collaborative** - the commitment to work together as one team.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Evaluation

Each of the five strategic objectives are 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 both the membership offer and increases non-subscription

Review of FMB performance

2022 was another challenging year for the construction sector, particularly for labour shortages and price inflation. Despite the difficult economic and political climate the FMB (parent) delivered a surplus of £103,716 before tax in 2022 (this is excluding a gain of £367,887 on the sale of investment property) which was above the target set by the FMB Board at the end of 2021;. Membership fell by 211 and was 6,980 at the end of December 2022. The retention rate held up well at over 87% in 2022.

FMB Insurance Services (FMBIS) delivered a deficit of £370,200 before tax.

Overall, the group generated a surplus of £101,403 before tax and £51,195 after tax.

Key performance indicators

The FMB Finance Team, provided through Crossley, 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:

- Economic uncertainty
- Impact of high energy prices
- Skills shortages in the construction sector and the wider economy.
- Impact of rising inflation.
- Membership income
- FMBIS restructure
- Ensuring all members meet the FMB's entry criteria.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Future Direction

A successful implementation of the strategic plan will allow the FMB to consolidate its position as the UK's largest trade association in the construction sector. Critically it affords the potential for stronger membership growth and commercial opportunities as the FMB logo becomes recognised and valued by all those who value quality. In support of the strategic plan the FMB conducted its own 'Big Conversation' in 2022 to help identify those areas of the business that could be improved. The FMB Board, working the CEO, will take forward the findings in 2023.

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



J M Etchells
Director

Date: 24th July 2023

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

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 profit for the year, after taxation, amounted to £51,195 (2021 - £265,849).

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
J M Etchells
M Gribbin
A J McArdle
M L Radford
A S Raitt
A F Summun
R G Williams
N C De Sousa
J Dunster
P Hall
M J Quickfall (appointed 18 October 2022)

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.

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.



J M Etchells
Director
Date: 24th July 2023

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022; which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and 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 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 6, 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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

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.

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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

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

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

Date: 29 August 2023

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	5,480,303	5,985,842
Cost of sales		(544,566)	(538,110)
Gross profit		4,935,737	5,447,732
Administrative expenses		(5,506,896)	(5,528,528)
Other operating income	5	67,620	22,524
Operating loss	6	(503,539)	(58,272)
Income from fixed assets investments		233,142	227,505
Revaluation gain/(loss) on investment property		-	55,501
Realised gain on the sale of investment property	12	367,887	-
Interest receivable and similar income	10	3,913	1,353
Profit before taxation		101,403	226,087
Tax on profit	11	(50,208)	39,762
Profit for the financial year		51,195	265,849
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		-	50,000
Release of unrealised gains on disposal of property		(368,373)	-
Deferred tax movement on disposal of property		83,950	-
Deferred tax increase relating to property revaluations		-	(234,753)
Other comprehensive income for the year		(284,423)	(184,753)
Total comprehensive income for the year		(233,228)	81,096
Profit for the year attributable to:			
Owners of the parent Company		51,195	265,849

The notes on pages 18 to 37 form part of these financial statements.

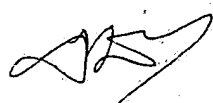
FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 00368163

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	435,858	585,091
Tangible assets	14	4,438,010	4,456,009
Investments	15	3,600	7,200
Investment property	16	2,287,400	2,667,901
		<u>7,164,868</u>	<u>7,716,201</u>
Current assets			
Debtors: amounts falling due within one year	17	487,547	525,121
Cash at bank and in hand	18	2,480,500	2,560,122
		<u>2,968,047</u>	<u>3,085,243</u>
Creditors: amounts falling due within one year	19	(1,357,340)	(1,708,692)
Net current assets		<u>1,610,707</u>	<u>1,376,551</u>
Total assets less current liabilities		<u>8,775,575</u>	<u>9,092,752</u>
Provisions for liabilities			
Deferred taxation	21	(780,621)	(864,570)
Net assets		<u>7,994,954</u>	<u>8,228,182</u>
Capital and reserves			
Revaluation reserve		1,439,274	1,723,697
Profit and loss account		6,555,680	6,504,485
		<u>7,994,954</u>	<u>8,228,182</u>

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



J M Etchells
Director

Date: 24th July 2023

The notes on pages 18 to 37 form part of these financial statements.

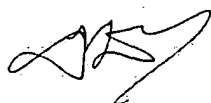
FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 00368163

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	418,725	535,408
Tangible assets	14	4,430,732	4,439,833
Investments	15	5,002	5,002
Investment property	16	2,287,400	2,667,901
		<u>7,141,859</u>	<u>7,648,144</u>
Current assets			
Debtors: amounts falling due within one year	17	541,978	357,030
Cash at bank and in hand	18	2,414,533	1,974,627
		<u>2,956,511</u>	<u>2,331,657</u>
Creditors: amounts falling due within one year	19	(1,285,968)	(1,220,423)
Net current assets		<u>1,670,543</u>	<u>1,111,234</u>
Debtors (Loans): amounts falling due after more than one year	17	245,000	245,000
Total assets less current liabilities		<u>9,057,402</u>	<u>9,004,378</u>
Provisions for liabilities			
Deferred taxation	21	(780,621)	(864,570)
Net assets		<u>8,276,781</u>	<u>8,139,808</u>
Capital and reserves			
Revaluation reserve		1,439,274	1,723,697
Profit and loss account brought forward		6,416,111	6,110,813
Profit for the year		421,396	305,298
Profit and loss account carried forward		6,837,507	6,416,111
		<u>8,276,781</u>	<u>8,139,808</u>

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



J M Etchells
Director

Date: 24th July 2023

The notes on pages 18 to 37 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 2022**

	Revaluation reserve	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1,908,450	6,238,636	8,147,086
Comprehensive income for the year			
Profit for the year	-	265,849	265,849
Revaluation of tangible fixed assets	50,000	-	50,000
Deferred tax movement relating to property revaluation	(234,753)	-	(234,753)
Other comprehensive income for the year	(184,753)	-	(184,753)
Total comprehensive income for the year	(184,753)	265,849	81,096
Total transactions with owners	-	-	-
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 31 December 2022	1,439,274	6,555,680	7,994,954

The notes on pages 18 to 37 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 2022**

	Revaluation reserve	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1,908,450	6,110,813	8,019,263
Comprehensive income for the year			
Profit for the year	-	305,298	305,298
Revaluation of tangible fixed assets	50,000	-	50,000
Deferred tax movement relating to property revaluation	(234,753)	-	(234,753)
Other comprehensive income for the year	(184,753)	-	(184,753)
Total comprehensive income for the year	(184,753)	305,298	120,545
Total transactions with owners	-	-	-
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
Other comprehensive income for the year	(284,423)	-	(284,423)
Total comprehensive income for the year	(284,423)	421,396	136,973
Total transactions with owners	-	-	-
At 31 December 2022	1,439,274	6,837,507	8,276,781

The notes on pages 18 to 37 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 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	51,195	265,849
Adjustments for:		
Amortisation of intangible assets	149,233	180,465
Depreciation of tangible assets	17,999	27,329
Fixed assets investments charge	3,600	-
Profit on disposal of investment property	(367,887)	-
Government grants	(67,620)	-
Interest received	(237,055)	(1,353)
Taxation charge	50,208	(39,762)
(Increase) in debtors	(134,040)	(54,718)
(Decrease) in creditors	(401,560)	(667,921)
Corporation tax received	171,614	-
Net cash generated from operating activities	(764,313)	(290,111)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(23,040)
Purchase of tangible fixed assets	-	(5,237)
Income from Investments	233,142	-
Sale of investment properties	380,016	-
Government grants received	67,620	-
Interest received	3,913	1,353
Net cash from investing activities	684,691	(26,924)
Net (decrease) in cash and cash equivalents	(79,622)	(317,035)
Cash and cash equivalents at beginning of year	2,560,122	2,877,157
Cash and cash equivalents at the end of year	2,480,500	2,560,122
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,480,500	2,560,122

The notes on pages 18 to 37 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 2022

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 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 2022

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.

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 Revenue

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

Rendering of services

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

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

2.5 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.

2.6 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.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Borrowing costs

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

2.8 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.

2.9 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.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

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

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 and 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 2022**

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 2022

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

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.18 Financial instruments

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

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

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

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.18 Financial instruments (continued)

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

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

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 considered 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 2022**

4. Turnover

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

	2022 £	2021 £
Membership income	4,202,686	4,300,601
Inspection fee and administrative income	178,084	330,627
Sponsorship income	92,961	43,306
Other income	446,780	418,706
Premiums	559,791	892,602
	<u>5,480,302</u>	<u>5,985,842</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	<u>5,480,303</u>	<u>5,985,842</u>

5. Other operating income

	2022 £	2021 £
Government grants receivable	<u>67,620</u>	<u>22,524</u>

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Other operating lease rentals	<u>40,843</u>	<u>47,239</u>

7. Auditor's remuneration

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

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>23,300</u>	<u>18,400</u>
All other services	<u>3,400</u>	<u>3,200</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

Staff costs were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	2,414,468	2,425,933	1,883,713	1,839,767
Social security costs	272,688	258,138	214,705	199,908
Cost of defined contribution scheme	204,613	204,968	167,386	158,585
	<u>2,891,769</u>	<u>2,889,039</u>	<u>2,265,804</u>	<u>2,198,260</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Employees	<u>59</u>	<u>62</u>	<u>45</u>	<u>45</u>

9. Income from investments

	2022 £	2021 £
Income from fixed asset investments	<u>233,142</u>	<u>227,505</u>

10. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>3,913</u>	<u>1,353</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	50,208	(34,098)
Total current tax	<u>50,208</u>	<u>(34,098)</u>
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>(5,664)</u>
Taxation on profit/(loss) on ordinary activities	<u>50,208</u>	<u>(39,762)</u>
Factors affecting tax charge for the year		

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>101,403</u>	<u>226,087</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	19,267	42,957
Effects of:		
Expenses not deductible for tax purposes	8,792	18,555
Capital allowances for year in excess of depreciation	(9,329)	(14,862)
Utilisation of tax losses	(30,173)	(46,373)
Other differences	(1)	(4,378)
Non-taxable income	(6,213)	-
Adjustment for research and development claim in prior years	-	(34,098)
Unrelieved tax losses carried forward	67,865	14,655
Movement in deferred tax	-	(5,664)
Tax effect of expenses that are not deductible in determining taxable profit	-	(10,554)
Total tax charge for the year	<u>50,208</u>	<u>(39,762)</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation (continued)

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 gains on investment property

	2022 £	2021 £
(Gain)/loss on disposal of investment property	(367,887)	-
	<u>(367,887)</u>	<u>-</u>

13. Intangible assets

Group

	CRM system £	Software £	Total £
Cost			
At 1 January 2022	817,294	361,829	1,179,123
At 31 December 2022	<u>817,294</u>	<u>361,829</u>	<u>1,179,123</u>
Amortisation			
At 1 January 2022	281,886	312,146	594,032
Charge for the year on owned assets	116,682	32,550	149,232
At 31 December 2022	<u>398,568</u>	<u>344,696</u>	<u>743,264</u>
Net book value			
At 31 December 2022	<u>418,726</u>	<u>17,133</u>	<u>435,859</u>
At 31 December 2021	<u>535,408</u>	<u>49,683</u>	<u>585,091</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Intangible assets (continued)

Company

	CRM system £	Software £	Total £
Cost			
At 1 January 2022	817,294	9,923	827,217
At 31 December 2022	817,294	9,923	827,217
Amortisation			
At 1 January 2022	281,886	9,923	291,809
Charge for the year	116,682	-	116,682
At 31 December 2022	398,568	9,923	408,491
Net book value			
At 31 December 2022	418,726	-	418,726
At 31 December 2021	535,408	-	535,408

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets**Group**

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	4,417,600	85,544	66,679	286,294	4,856,117
At 31 December 2022	4,417,600	85,544	66,679	286,294	4,856,117
Depreciation					
At 1 January 2022	-	60,312	63,666	276,130	400,108
Charge for the year on owned assets	-	12,478	1,497	4,024	17,999
At 31 December 2022	-	72,790	65,163	280,154	418,107
Net book value					
At 31 December 2022	4,417,600	12,754	1,516	6,140	4,438,010
At 31 December 2021	4,417,600	25,232	3,013	10,164	4,456,009

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	4,417,600	34,394	66,679	221,493	4,740,166
At 31 December 2022	4,417,600	34,394	66,679	221,493	4,740,166
Depreciation					
At 1 January 2022	-	19,836	63,666	216,830	300,332
Charge for the year on owned assets	-	3,582	1,497	4,023	9,102
At 31 December 2022	-	23,418	65,163	220,853	309,434
Net book value					
At 31 December 2022	4,417,600	10,976	1,516	640	4,430,732
At 31 December 2021	4,417,600	14,558	3,013	4,662	4,439,833

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments

Group

	Investment other than loans £
Cost or valuation	
At 1 January 2022	18,000
At 31 December 2022	18,000
Impairment	
At 1 January 2022	10,800
Charge for the period	3,600
At 31 December 2022	14,400
Net book value	
At 31 December 2022	3,600
<i>At 31 December 2021</i>	7,200

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments (continued)

Company

**Investments
in
subsidiary
companies
£**

Cost or valuation

At 1 January 2022 **5,002**

At 31 December 2022 **5,002**

Net book value

At 31 December 2022 **5,002**

At 31 December 2021 **5,002**

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 2022**

16. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 January 2022e	2,667,901
Disposals	(380,501)
At 31 December 2022	<u>2,287,400</u>

The 2022 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 2022 is materially consistent with fair value of investment property valued at £2,287,400.

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due after more than one year:				
Amounts owed by group undertakings - Loans	-	-	245,000	245,000
	<u>-</u>	<u>-</u>	<u>245,000</u>	<u>245,000</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year:				
Trade debtors	75,797	52,522	75,796	48,222
Amounts owed by group undertakings	-	-	291,197	138,761
Other debtors	88,187	259,801	10	1,002
Prepayments and accrued income	323,563	212,798	174,975	169,045
	<u>487,547</u>	<u>525,121</u>	<u>541,978</u>	<u>357,030</u>

During 2022 it was agreed by the parent company and FMBIS that the existing intercompany loan of £245k would be subordinated. The loan provided is interest free. It is planned that the loan will be repaid at 50% of profits earned in FMBIS from the year ended 2024 until the loan is fully repaid.

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	<u>2,480,500</u>	<u>2,560,122</u>	<u>2,414,533</u>	<u>1,974,627</u>

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	106,266	198,962	98,326	187,666
Corporation tax	50,208	-	50,208	-
Other taxation and social security	225,760	178,153	225,760	178,153
Other creditors	158,945	487,497	123,505	62,186
Accruals and deferred income	816,161	844,080	788,169	792,418
	<u>1,357,340</u>	<u>1,708,692</u>	<u>1,285,968</u>	<u>1,220,423</u>

20. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Debt instruments measured at amortised cost	284,176	334,627	631,927	438,985
Equity instruments measured at cost less impairment	3,600	7,200	-	-
	<u>287,776</u>	<u>341,827</u>	<u>631,927</u>	<u>438,985</u>
Financial liabilities				
Measured at amortised cost	<u>(393,122)</u>	<u>(867,726)</u>	<u>(413,607)</u>	<u>(383,765)</u>

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(864,570)	(635,481)
Charged to profit or loss	83,950	(229,089)
At end of year	<u><u>(780,620)</u></u>	<u><u>(864,570)</u></u>

The deferred tax balance is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Tax losses carried forward	<u><u>(780,620)</u></u>	<u><u>(864,570)</u></u>	<u><u>(780,620)</u></u>	<u><u>(864,570)</u></u>
Comprising:				
Liability	<u><u>780,620</u></u>	<u><u>864,570</u></u>	<u><u>780,620</u></u>	<u><u>864,570</u></u>

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 £204,613 (2021: £204,968).

FEDERATION OF MASTER BUILDERS LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	-	5,750	-	5,750
Later than 1 year and not later than 5 years	-	1,438	-	1,438
	<u>-</u>	<u>7,188</u>	<u>-</u>	<u>7,188</u>

25. Related party transactions

During the year, the directors of the company received emoluments of £12,000 (2021: £12,000) and Group £12,000 (2021: £12,000).

During the year, the key management personnel of the company received emoluments of £544,565 (2021: £433,566) and Group £650,802 (2021: £523,153).

Peter Matson, a director of the company, charged FMB Insurance Services Limited £19,500 (2021: £27,500) for management consultancy work. The amount due at the year-end by FMB Insurance Services Limited was £2,500 (2021: £2,500).

During the year, 3 directors were customers of FMB Insurance Services Limited through their limited companies. The total premium paid by these companies was £4,368 (2021: £64,109).