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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	The Electrical Contractors' Association of Scotland T/A SELECT
Year ended:	31 December 2013
List No:	022E (S)
Head or Main Office:	The Walled Garden Bush Estate Midlothian EH26 0SB
Website address (if available)	www.select.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	J McGhee, ACMA
Contact name for queries regarding the completion of this return:	J Petrie
Telephone Number:	0131 445 5577
e-mail:	jenny.petrie@select.org.uk

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

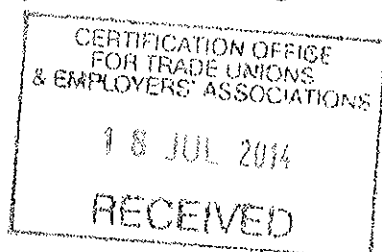
For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG

Assistant Certification Officer
London

27 MAY 2014

Received

(Revised February 2011)



RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
1,229				1,229

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
VICE PRESIDENT	VACANT	J MCKISSOCK	5 JUNE 2013

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,439,264	From Members	Subscriptions, levies, etc		1,409,586
305,203	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)	207,229	
108,192	Other income	Rents received	108,716	
255,666		Insurance commission	268,358	
89,991		Consultancy fees	82,340	
101,100		Publications/Seminars	73,704	
760,557		Miscellaneous receipts : Sundry	776,905	
		Sale of Goods		
		Management fees		
3,059,973	TOTAL INCOME			2,926,838
	EXPENDITURE			
	Administrative expenses			
1,416,518		Remuneration and expenses of staff	1,280,603	
272,714		Occupancy costs	285,391	
72,921		Printing, Stationery, Post & Telephones	76,237	
93,683		Legal and Professional fees	86,791	
69,903		Miscellaneous :Publications	46,456	
50,191		In-house costs	74,072	
199,783		Admin expenses	172,497	
115,563	Other charges	Bank charges	132,497	
		Depreciation		
15,064		Sums written off	17,569	
131,506		Affiliation fees	102,484	
159,699		Marketing Costs	184,843	
137,604		Conference and meeting fees	152,645	
		Course Expenses		
		Miscellaneous (specify)		
10,376	Taxation		(189)	
2,745,525	TOTAL EXPENDITURE			2,611,896
12,832	Transfer (to) / from Reserves			12,196
327,280	Surplus/Deficit for year			327,138
3,467,872	Amount of fund at beginning of year			3,718,352
(76,800)	Other Recognised Gains & Losses			146,800
3,718,352	Amount of fund at end of year			4,192,290

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND
(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND
(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

BALANCE SHEET AS AT 31 December 2013

(see notes 19 and 20)

Previous Year		£	£
3,188,304	Fixed Assets (as at page 11)		3,097,437
	Investments (as per analysis on page 13)		
	Quoted (Market value £)		
50,000	Unquoted		50,000
	Total Investments		3,147,437
	Other Assets		
199,377	Sundry debtors	263,427	
1,352,359	Cash at bank and in hand	1,456,203	
13,766	Stocks of goods	27,675	
-	Others -Pension Asset	206,400	
	Total of other		1,953,705
1,565,502	assets		
4,803,806		TOTAL ASSETS	5,101,142
427,654	Specific Reserves		415,458
	Fund (Account)		
	Fund (Account)		
3,718,352	General Reserve		4,192,290
	Liabilities		
-	Loans		
13,861	Bank overdraft		
(18,660)	Tax payable		
448,110	Sundry creditors		398,888
96,089	Deferred Tax Liability		94,506
118,400	Provisions		
	Other liabilities		
657,800		TOTAL LIABILITIES	493,394
4,803,806		TOTAL ASSETS	5,101,142

FIXED ASSETS ACCOUNT

(see note 21)

	Freehold Office Premises	Plant & Equipment	Investment Property	Motor Vehicles	Total
	£	£	£		£
COST OR VALUATION					
At start of period	2,694,549	699,659	775,000	-	4,169,208
Additions during period	-	19,102	-	22,528	41,630
Less: Disposals during period	-	-	-	-	-
Less: DEPRECIATION:	49,912	76,753	-	5,832	132,497
Total to end of period	584,288	523,281	-	5,832	1,113,401
BOOK AMOUNT at end of period	2,110,261	195,480	775,000	16,696	3,097,437
Freehold	2,110,261	-	-	-	2,110,261
Leasehold (50 or more years unexpired)					
Leasehold (less than 50 years unexpired)					
AS BALANCE SHEET	2,110,261	195,480	775,000	16,696	3,097,437

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified): 50,000 ordinary shares of £1.00 each fully paid up Scottish Electrical Contractors' Insurance Ltd	50,000
	TOTAL QUOTED (as Balance Sheet)	50,000
	*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	<input checked="" type="checkbox"/>	NO
If YES name the relevant companies:				
COMPANY NAME Scottish Electrical Contractors' Insurance Limited	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) SC42408 (Registered in Scotland)			
INCORPORATED EMPLOYERS' ASSOCIATIONS				
Are the shares which are controlled by the association registered in the association's name		YES	<input type="checkbox"/>	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.				
COMPANY NAME	NAMES OF SHAREHOLDERS			
UNINCORPORATED EMPLOYERS ASSOCIATIONS				
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	<input type="checkbox"/>	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.				
COMPANY NAME	NAMES OF SHAREHOLDERS			

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	1,409,586	-	1,409,586
From Investments	207,229	-	207,229
Other Income (including increases by revaluation of assets)	1,310,023		1,310,023
Total Income	2,926,838	NIL	2,926,838
EXPENDITURE (including decreases by revaluation of assets)	2,611,896	-	2,611,896
Other Gains & Losses	(146,800)	-	(146,800)
Total Expenditure	2,465,096	NIL	2,465,096
Funds at beginning of year (including reserves)	4,146,006	NIL	4,146,006
Funds at end of year (including reserves)	4,607,748	NIL	4,607,748
ASSETS			
Fixed Assets			3,097,437
Investment Assets			50,000
Other Assets			1,953,705
		Total Assets	5,101,142
LIABILITIES		Total Liabilities	493,394
NET ASSETS (Total Assets less Total Liabilities)			4,607,748

NOTES TO THE ACCOUNTS

(see note 36)

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

Please see Financial Statements for the year ended 31 December 2013.

ACCOUNTING POLICIES


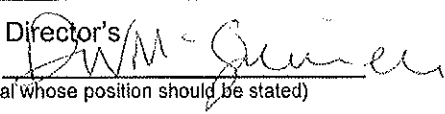
(see notes 37 and 38)

Please see Financial Statements for the year ended 31 December 2013.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: J McGhee Date: <u>8/5/14</u>	Managing Director's Signature: <u></u> <small>(or other official whose position should be stated)</small> Name: D N McGuinness Date: <u>8/5/14</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	<input checked="" type="checkbox"/>	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	<input checked="" type="checkbox"/>	NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES/NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES/NO

If "No" please explain below.

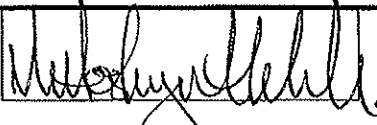
3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

YES/NO

If "No" please explain below.

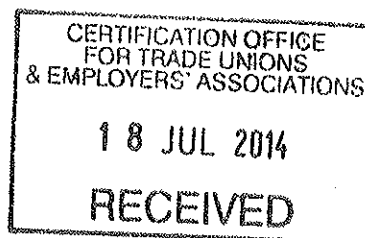
4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 45)

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):	Mark Hoskyns Abrahall	
Profession(s) or Calling(s):	ACA	
Address(es):	PwC Atria One 144 Morrison Street Edinburgh, EH3 8EX	
Date:	May 2014	
Contact name and telephone number:	0131 226 4488	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

**The Electrical Contractors' Association
of Scotland (trading as SELECT)
Consolidated financial statements
for the year ended 31 December 2013**



The Electrical Contractors' Association of Scotland (trading as SELECT)

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The Electrical Contractors' Association of Scotland (trading as SELECT)

Report of the Central Board for the year ended 31 December 2013

The rules of the Association require the Central Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and the Group and of the surplus or deficit of the Group for that period. In preparing those financial statements, the Central Board is required to ensure that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- a statement is made whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Central Board is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Association. The Central Board is also responsible for safeguarding the assets of the Association and hence for ensuring that reasonable steps are taken for the prevention and detection of fraud and other irregularities.

On behalf of the Central Board



J Noble
President

19 March 2014

The Electrical Contractors' Association of Scotland (trading as SELECT)

Independent auditors' report to the members of The Electrical Contractors' Association of Scotland

We have audited the group and parent association's financial statements of The Electrical Contractors' Association of Scotland for the year ended 31 December 2012 which comprise the consolidated operating statement, the consolidated statement of total recognised gains and losses, the insurance general business technical account, the consolidated balance sheet, the Association's balance sheet, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Central Board and auditors

As explained more fully in the Report of the Central Board, the Central Board 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.

This report, including the opinions, has been prepared for and only for the Association's members as a body in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 parent association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Central Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Central Board 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent association's affairs as at 31 December 2012 and of the group's surplus and cash flows for the year then ended; and
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Independent auditors' report to the members of
The Electrical Contractors' Association of Scotland
(continued)**

Matters on which we report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- a satisfactory system of control over its transactions has not been maintained by the association;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we required for our audit as required by Section 37 of the Act.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Edinburgh

19 March 2014

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Consolidated operating statement for the year ended 31 December
2013**

	Note	2013	2012
		£	£
Income from membership			
Subscriptions and application fees		427,942	365,551
Turnover levy		845,847	701,122
Training and development levies		135,797	372,591
		1,409,586	1,439,264
Sales of products and services		419,402	441,167
Cost of sales		(230,545)	(211,872)
		188,857	229,295
Transfer from insurance general business technical account (page 6)		574,089	723,685
Other income/(expense)	3	500,284	(7,085)
Committee expenses and other direct costs	4	(316,820)	(306,270)
Administrative expenses	5	(1,727,146)	(1,889,418)
Operating surplus		628,850	189,471
Property and investment income	8	135,362	160,620
Other financial income		6,000	1,000
Surplus for year before taxation		770,212	351,091
Taxation charge	9	(151,415)	(80,414)
Surplus for year after taxation		618,797	270,677
Net transfer from specific reserves	17	12,196	12,832
Transfer to general reserve	16	630,993	283,509

Results are attributable to continuing operations. There is no difference between the surplus for year before taxation and the surplus for year after taxation stated above, and their historical cost equivalents.

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Consolidated statement of total recognised gains and losses
for the year ended 31 December 2013**

	Note	2013	2012
		£	£
Surplus for the year		630,993	283,509
Actuarial gain /(loss) for the year on defined benefit pension scheme	7	228,000	(96,000)
Deferred taxation on defined benefit pension scheme	14	(81,200)	19,200
Total recognised gains and losses relating to the year		777,793	206,709

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Insurance general business technical account
for the year ended 31 December 2013**

	2013	2012
	£	£
<hr/>		
Earned premiums		
Gross premium written		
Sickness and accident benefit scheme	930,906	1,034,352
Claims incurred		
Gross claims paid		
Sickness and accident benefit scheme	(352,868)	(313,744)
Change in the provision for claims	(3,949)	3,077
Net claims incurred	(356,817)	(310,667)
<hr/>		
Transfer to operating statement (page 4)	574,089	723,685
<hr/>		

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

Consolidated balance sheet as at 31 December 2013

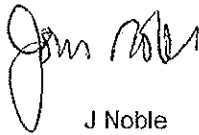
	Note	2013		2012	
		£	£	£	£
Fixed Assets	10		3,097,437		3,188,304
Investments	11		10,000		10,000
Current Assets					
Stocks			27,675		13,766
Debtors	12		898,800		320,990
Bank deposits			2,118,802		2,093,391
Cash at bank and in hand			2,739,772		2,786,109
			5,785,049		5,214,256
Creditors: Amounts falling due within one year	13		(751,796)		(715,034)
Net current assets			5,033,253		4,499,222
Total assets less current liabilities			8,140,690		7,697,526
Technical provisions					
Provisions for outstanding claims			(17,634)		(13,685)
Provisions for liabilities and charges	14		(94,506)		(96,089)
Net assets excluding net pension liability			8,028,550		7,587,752
Net pension liability	7		206,400		(118,400)
Net assets including net pension liability			8,234,950		7,469,352
Reserves					
General reserve:					
Balance as at 1 January			7,041,698		6,834,989
Transfer from operating statement			630,994		283,509
Other recognised gains and losses			146,800		(76,800)
Balance as at 31 December	15		7,819,492		7,041,698
Specific reserves	16		415,458		427,654
			8,234,950		7,469,352

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

Consolidated balance sheet as at 31 December 2013 (continued)

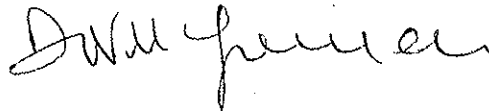
The financial statements on pages 4 to 26 were approved by the Central Board on 5 March 2014 and are signed on their behalf by:

President



J Noble

Managing Director



D N McGuiness

The Electrical Contractors' Association of Scotland (trading as SELECT)

Association's balance sheet as at 31 December 2013


	Note	2013		2012	
		£	£	£	£
Fixed assets	10	3,097,437		3,188,304	
Investments	11	50,000		50,000	
Current assets					
Stocks		27,675		13,766	
Debtors	12	263,427		218,037	
Bank deposits					
Cash at bank and in hand		1,456,203		1,352,359	
		1,747,305		1,584,162	
Creditors: Amounts falling due within one year	13	(398,888)		(461,971)	
Net current assets		1,348,417		1,122,191	
Total assets less current liabilities		4,495,854		4,360,495	
Provisions for liabilities and charges	14	(94,506)		(96,089)	
Net assets excluding net pension liability		4,401,348		4,264,406	
Net Pension liability	7	206,400		(118,400)	
Net assets including net pension liability		4,607,748		4,146,006	
Reserves					
General reserve:					
Balance as at 1 January		3,718,352		3,467,872	
Transfer from operating statement		327,138		327,280	
Other recognised gains and losses		146,800		(76,800)	
Balance as at 31 December	15	4,192,290		3,718,352	
Specific reserves	16	415,458		427,654	
		4,607,748		4,146,006	

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

Association's balance sheet as at 31 December 2013 (continued)

The financial statements on pages 4 to 26 were approved by the Central Board on 5 March 2014 and are signed on their behalf by:

President


Noble

Managing Director



D N McGuiness

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Consolidated cash flow statement for the year ended 31 December
2013**

	Notes	2013	2012
		£	£
Net cash inflow from operating activities	17	(30,761)	587,298
Returns on investments and servicing of finance			
Rental income		108,715	108,192
Other interest		26,648	52,427
Taxation paid		(70,038)	(207,535)
Capital expenditure			
Payments to acquire tangible fixed assets	10	(41,630)	(172,904)
		(7,066)	367,478
Management of liquid resources			
Movement in current asset investment	18	25,410	1,725,241
Movement in cash		18,344	2,092,719
Reconciliation of net cash flow to movement in net funds			
Movement in cash		18,344	2,092,719
Movement in current asset investment		(25,410)	(1,725,241)
Change in net funds		(7,066)	367,478
Net Funds at 1 January		4,865,639	4,498,161
Net Funds at 31 December	18	4,858,573	4,865,639

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013

1 Principal accounting policies

These financial statements are prepared on a going concern basis under the historical cost convention as modified by the revaluation of certain land and buildings and in accordance with applicable UK accounting standards and Statements of Recommended Practice, as considered appropriate for a trade association and an insurance company. The insurance company results are prepared using the annual basis of accounting.

Basis of consolidation

As a result of Financial Reporting Standard 2 'Accounting for subsidiary undertakings', the Association is required to prepare consolidated financial statements of the Association and its wholly owned subsidiary, the Scottish Electrical Contractors' Insurance Limited (SECI Limited). The insurance general business technical account represents the results of SECI Limited on technical account and the net surplus arising for the year, taking into account the elimination of inter-company transactions, is transferred to the consolidated operating statement. The assets and liabilities of SECI Limited have been fully consolidated with those of the Association.

Fixed assets

The cost of fixed assets is the purchase cost together with any incidental cost of acquisition.

Depreciation

Depreciation on fixed assets is calculated as follows:-

Plant and Equipment - Fixtures and fittings	10% or 20% per annum, straight line
Plant and Equipment - Office and computer equipment	15% to 25% per annum, straight line
Plant and machinery	10% per annum, straight line
Freehold Office premises	2% per annum, straight line
Motor Vehicles	25% per annum, straight line

It is considered that the use of these rates will write off the costs of the assets over their effective working lives. Land is not depreciated.

Investment properties

Investment properties are included in the balance sheet at the Board's valuation. The Board consider these valuations are appropriate given their knowledge of the state of the market at the date of these financial statements. Movements in valuation are transferred directly to the revaluation reserve unless a property valuation falls below historic cost. Any valuation impairment beneath historic cost is recorded in the consolidated operating statement.

Depreciation is not provided on investment properties as these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. This accounting policy is therefore necessary to give the financial statements a true and fair view.

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

1 Principal accounting policies (continued)

Pension scheme arrangements

The Association operates a defined benefit pension scheme. In accordance with FRS 17 'Retirement Benefits' the operating and financing costs of pensions are charged to the consolidated operating statement in the period in which they arise and are recognised separately. The costs of past service benefits enhancements, settlements and curtailments are also recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, are recognised in the statement of total recognised gains and losses. Pension costs are assessed in accordance with the advice of qualified actuaries.

The Association also operates a defined contribution pension scheme. Contributions to the scheme are expenses as they occur.

Operating leases

Income and costs in respect of operating leases are credited/charged on a straight line basis over the lease term.

Annual Basis of accounting for the insurance company

The technical result for accident and health is determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

- (i) Premiums written relate to business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the Company.
- (ii) Claims are recognised in the accounting period in which the loss is made. Provision is made at the year end for:
 - (a) Illnesses arising in the year but not yet reported at the balance sheet date.
 - (b) Illnesses arising in the year and unpaid at the year end.
 - (c) Illnesses in the following year which are a continuation of illnesses first started during the year.

Rebate income

Rebate income represents rebates of premiums paid to Phoenix Life Limited by the Company in their role as agents for the insurance of death risks. The rebates which reflect claims history are calculated on a bi-annual basis and are recognised once they become receivable.

Sales of products and services

Sales of products and services represents the invoiced value of course fees, services and publications, net of VAT where appropriate.

Subscriptions and turnover levy

Subscriptions and turnover levy are those actually received during the year.

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

1 Principal accounting policies (continued)

Investment income

Income from investments is included on an accruals basis.

Investments

Investments are stated at the lower of cost and market value.

Stock

Stock of publications and stationery is valued at the lower of cost and net realisable value.

Current Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Segmental analysis by class of business

The analysis by class of business of the Group's surplus before taxation and net assets is set out below. All activities relate to the UK.

	2013	2012
	£	£
Surplus before taxation		
Trade association	114,752	337,655
Insurance company	655,460	326,266
	770,212	663,921

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

2 Segmental analysis by class of business (continued)

	2013	2012
	£	£
Net assets		
Trade association	4,607,558	4,146,006
Insurance company	3,677,202	3,373,346
	8,284,760	7,519,352
Investment in subsidiary	(50,000)	(50,000)
	8,234,760	7,469,352

3 Other income/(expense)

Other income/(expenses) includes the £30,866 gain (2012: loss of £7,676) made in the year on the reinsurance of life insurance with Phoenix Life and health insurance with BUPA.

Other income for the year ended 31 December 2013 also includes £469,418 of rebates of premiums paid to Phoenix Life by the company in their role as agents for the insurance of death risks. The rebate is received on a bi-annual basis. The rebate recognised in the non technical account for the year ended 31 December 2013 is in respect of the premiums and loss experience over the previous two years.

4 Committee expenses and other direct costs

	2013	2012
	£	£
Conference, functions and meetings	152,462	142,700
Branch expenses	24,291	20,137
Marketing campaign and membership	123,880	128,369
Subscriptions	16,187	15,064
	316,820	306,270

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

5 Administrative expenses

Included in administrative expenses are the following items of expenditure:

	2013	2012
	£	£
Staff costs (see note 6)	1,452,603	1,541,518
Group audit fees of which the parent Association was £9,580 (2012: £9,300).	18,900	20,160
Group non audit fees of which the parent Association was £5,720 (2012: £5,720)		
- Tax compliance	11,800	10,220
- Other audit services	20,350	23,010
Depreciation – owned assets	132,497	115,561
Operating lease rentals	27,111	28,878

6 Employee information

The number of persons employed by the Association at 31 December were as follows:

	2013	2012
	Number	Number
Full-time	38	38

	2013	2012
	£	£
Staff costs		
Salaries	1,063,042	1,029,458
Social security costs	106,161	115,238
Pension and permanent health insurances	283,400	396,822
	1,452,603	1,541,518

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Pension scheme

Defined benefit scheme

The Association operates a contributory funded pension scheme for certain of its employees, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Association, being invested with an insurance company.

An actuarial valuation of the SELECT pension scheme using the projected unit basis was carried out at 31 December 2013 by AEGON Actuarial Services, independent consulting actuaries. The major assumptions used by the actuary were:

	2013 %	2012 %
Rate of increases in salaries	4.5	3.9
Rate of increase in pensions in payment	3.5	3.2
Rate of increase to deferred pensions	2.5	2.1
Discount Rate	4.4	4.1
Inflation assumption RPI	3.5	2.9
Inflation assumption CPI	2.7	2.1

For the 31 December 2013 valuation the CPI inflation assumption has been utilised for deriving deferred pension revaluation with the RPI inflation assumption being utilised for deriving the pensions in payment increase.

The mortality assumptions used were as follows:

	2013 years	2012 years
Longevity at age 65 for current pensioners:		
- Men	22.4	22.7
- Women	24.7	25.0
Longevity at age 65 for future pensioners currently aged 45:		
- Men	24.6	24.9
- Women	27.0	27.3

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

7 Pension scheme (continued)

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31 December 2013 %	Value at 31 December 2013 £	Long term rate of return expected at 31 December 2012 %	Value at 31 December 2012 £
Equities	5.7	2,337,000	6.7	1,747,000
Bonds	3.1	363,000	4.1	337,000
Gilts	1.7	686,000	2.7	637,000
Cash	0.5	37,000	0.5	17,000
Total market value of assets		3,423,000		2,738,000
Present value of scheme liabilities		(3,165,000)		(2,886,000)
Surplus / (Deficit) in the scheme		258,000		(148,000)
Related deferred tax (liability)/ asset (note 14)		(51,600)		29,600
Net pension surplus / (deficit)		206,400		(118,400)

Reconciliation of present value of scheme liabilities

	2013 £	2012 £
1 January	2,886,000	2,511,000
Interest Cost	131,000	134,000
Current service cost - Employers	108,000	92,000
- Members	27,000	40,000
Benefits Paid	(65,000)	(79,000)
Charges paid	20,000	(10,000)
Actuarial loss	58,000	198,000
31 December	3,165,000	2,886,000

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Pension scheme (continued)

Reconciliation of fair value of scheme assets

	2013	2012
	£	£
1 January	2,738,000	2,333,000
Expected Return on scheme assets	137,000	135,000
Actuarial gain	286,000	102,000
Benefits Paid	(65,000)	(79,000)
Contributions - Employers	280,000	217,000
- Members	27,000	40,000
Charges Paid	20,000	(10,000)
31 December	3,423,000	2,738,000

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £228,000 (2012: loss of £96,000).

	31 December 2013	31 December 2012
	£	£
Analysis of amounts charged to consolidated operating statement are as follows:		
Current Service cost	108,000	92,000
Expected return on pension scheme assets	(137,000)	(135,000)
Interest on pension scheme liabilities	131,000	134,000
Total	102,000	91,000

Actuarial Valuation

The most recent full actuarial valuation occurred at 1 April 2010. Following the valuation the scheme's ordinary contribution rate increased, with effect from 1 April 2010, from 32.3% of pensionable salaries to 38.7%. Further to this, as the scheme is closed to new entrants, the current service cost will increase as members approach retirement.

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Pension scheme (continued)

Amounts for current and previous four years:	2013	2012	2011	2010
	£	£	£	£
Defined Benefit Obligation	(3,165,000)	(2,886,000)	(2,511,000)	(2,270,000)
Plan Assets	3,423,000	2,738,000	2,333,000	2,249,000
Gain / (Deficit)	258,000	(148,000)	(178,000)	(21,000)
Experience adjustments on scheme assets				
Amount	-	-	(126,000)	181,000
Experience adjustments on scheme liabilities:				
Amount	-	-	(16,000)	15,000
Total amount recognised in statement of total recognised gains and losses:				
Amount	228,000	(96,000)	(199,000)	(99,000)

Defined contribution scheme

Since 1 August 2003, the Association has operated a defined contribution group personal pension arrangement for some employees. The cost in respect of this scheme for the period is equal to the contributions paid. These amounted to £98,430 (2012: £77,223). There were no accrued contributions at the year end (2012: £6,497).

8 Property and investment income

	2013	2012
	£	£
Rental income	108,715	108,192
Other interest	26,647	52,428
	135,362	160,620

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

9 Taxation

	2013 £	2012 £
United Kingdom corporation tax charge based on the surplus for the year		
Current : current year	151,604	51,378
: prior year	1,395	(2,633)
	152,999	48,745
Deferred : current year	1,584	31,669
	152,415	80,414

The difference between the tax charge on ordinary activities for the period, reported in the consolidated operating statement, and the current year charge which would result from applying a relevant standard rate of tax to the surplus for the year before tax, is explained as follows:

	2013 £	2012 £
Factors affecting tax charge for the period		
Surplus / (deficit) on ordinary activities before tax	770,212	351,091
	179,048	86,017
Surplus / (deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)		
Effects of:		
Capital allowances in excess of depreciation	1,707	(13,455)
Expenses not deductible for tax purposes	11,603	8,392
Other timing differences	(39,986)	(25,335)
Adjustments to tax in respect of prior periods	1,395	(2,633)
Effect of other tax rates/credits	(768)	(4,241)
Current tax charge for the period	152,999	48,745

The standard rate of UK corporation tax in the year changed from 24% to 23% with effect from 1 April 2013 and will change to 21% from 1 April 2014 and 20% from 1 April 2015. UK deferred tax is therefore recognised at the reduced rate of 20%

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

10 Fixed assets

Group and Association	Investment Property £	Plant and Equipment £	Freehold Office Premises £	Motor Vehicles	Total £
Association and group:					
Cost at 1 January 2013	775,000	699,659	2,694,549	-	4,169,208
Additions	-	19,102	-	22,528	41,630
At 31 December 2013	775,000	718,761	2,694,549	22,528	4,210,838
Accumulated Depreciation					
at 1 January 2013	-	446,528	534,376	-	980,904
Charge for the year	-	76,753	49,912	5,832	132,497
At 31 December 2013	-	523,281	584,288	5,832	1,113,401
Net book value					
At 31 December 2013	775,000	195,480	2,110,261	16,696	3,097,437
Net book value					
At 31 December 2012	775,000	253,131	2,160,173	-	3,188,304

11 Investments

	Group		Association	
	2013 £	2012 £	2013 £	2012 £
Subsidiaries				
SECI Limited				
50,000 ordinary shares (2012: 50,000) of £1 each fully paid	-	-	50,000	50,000
Others				
ESCA Estates Limited				
10,000 'C' ordinary Shares (2012: 10,000) of £1 each fully paid	10,000	10,000	-	-
	10,000	10,000	50,000	50,000

The Association owns 100% of the share capital of Scottish Electrical Contractors' Insurance Limited (SECI Limited).

The Association controls the Electrical Engineering Training Foundation which is a company limited by guarantee and not having a share capital. The EETF is not included in the group financial statements as it is a charitable organisation and in the event of a winding up or dissolution; any surplus will be transferred to some other charitable institution or institutions having objectives similar to the objectives of the company.

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

12 Debtors

	Group		Association	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	79,484	82,127	79,484	82,127
Other debtors – on direct insurance operations	782,555	157,750	147,182	69,992
CT debtor	17,265	18,660	17,265	18,660
Prepayments and accrued income	19,496	81,113	19,496	47,258
	898,800	339,650	263,425	218,037

13 Creditors: Amounts falling due within one year

	Group		Association	
	2013 £	2012 £	2013 £	2012 £
Bank overdraft	-	13,861	-	13,861
Trade creditors	103,055	99,131	103,055	99,131
Corporation tax	151,604	70,038	-	-
Other taxation and social security	76,869	82,591	76,869	82,591
Other creditors & accruals	420,268	468,073	218,964	266,388
	751,796	733,694	398,888	461,971

14 Provisions for liabilities and charges

	Group and Association	
	2013 £	2012 £
Deferred tax asset relating to pension deficit		
Balance as at 1 January	29,600	35,600
Deferred tax credit in profit and loss account	-	(25,200)
Deferred tax charge to the statement of total recognised gains and losses:		
On actuarial losses	(81,200)	19,200
Balance as at 31 December	(51,600)	29,600

The deferred tax liability of £51,600 has been deducted (2012: asset £29,600) in arriving at the net pension asset on the balance sheet.

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

15 General reserves

	Association £	SECI Limited £	Total £
Balance as at 1 January 2013	3,718,352	3,323,346	7,041,698
Surplus for the year after net transfers to specific reserves	327,137	303,856	630,993
Other recognised gains and losses	146,800	-	146,800
Balance at 31 December 2013	4,192,289	3,627,202	7,819,491

16 Specific reserves

	Opening Balance At 1 January 2013 £	Transfer to operating Statement £	Closing Balance At 31 December 2013 £
Capital Projects Reserve (a)	381,648	(10,297)	371,351
Guarantee Scheme Reserve (b)	46,006	(1,899)	44,107
Total	427,654	(12,196)	415,458

- (a) Exceptional maintenance and depreciation of the building.
 (b) Potential claims under existing guarantee scheme; re-launch of contracts completion guarantee scheme and the Scottish Government's Building Standards Division (BSD) Certification Scheme.

17 Reconciliation of operating surplus to net cash inflow from continuing operating activities

	2013 £	2012 £
Operating surplus	628,850	189,471
Depreciation	132,497	115,561
FRS 17 'Retirement benefits' pension charge for defined benefit scheme	108,000	92,000
Pensions contributions made to defined benefit scheme	(280,000)	(217,000)
(Increase)/decrease in stocks	(13,909)	6,466
(Increase)/decrease in debtors	(577,810)	377,123
(Decrease)/increase in creditors	(32,338)	26,754
Increase/(decrease) in outstanding claims provision	3,949	(3,077)
Net cash inflow from operating activities	(30,761)	587,298

The Electrical Contractors' Association of Scotland (trading as SELECT)

Notes to the financial statements for the year ended 31 December 2013 (continued)

18 Analysis of changes in net funds

	At 1 January 2013 £	Cash Flows £	At 31 December 2013 £
Cash at bank and in hand	2,786,109	(46,337)	2,739,772
Bank overdraft	(13,861)	13,861	-
Net cash	2,772,248	(32,476)	2,739,772
Bank deposits	2,093,391	25,410	2,118,801
Total	4,865,639	(7,066)	4,858,573

19 Related party transactions

Transactions between the Association and Scottish Electrical Contractors' Insurance Limited ('SECI Limited'), have been eliminated on consolidation and therefore as permitted by FRS 8 'Related party disclosures' are not included in this note.

The Association is a joint partner in the Scottish Joint Industry Board for the Electrical Contracting Industry (SJIB), members of which are also members of the Association.

The Association provides management and other services for the SJIB and the fees charged in respect of these services amounted to £486,454 (2012: £474,019). Included in prepayments and accrued income are amounts due to the Association of £62,892 (2012: £54,096). Included within debtors are amounts of £155,772 (2012: £92,402) due to SECI Limited from the SJIB.

A sum of £66,600 was loaned in past years to the National Electrotechnical Training Organisation of which D N McGuinness is a director, the loan has previously been provided in full.

The Scottish Electrical Charitable Training Trust (SECTT) is a partner of the Association and through this relationship is also a related party. The Association received rental income from SECTT totalling £52,994 in the year (2012: £53,248). The Association also rented training space from SECTT in the year costing £12,686 (2012: £12,109).

20 Financial commitments

At 31 December the Association had annual commitments under non-cancellable operating leases, in respect of vehicles and equipment, expiring as follows:

	2013 £	2012 £
Within one year	-	458
Within two to five years	35,147	29,112

The Electrical Contractors' Association of Scotland T/A SELECT

Listing of Officers in Post

Title of Office	Name of Officer
President	J Noble
Vice President	J McCaig
Immediate Past President	A J Smith
Managing Director	D N McGuinness
Secretary	J F McGhee