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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

e-mail:

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

Assistant Certification Officer
for Scotland

28 JAN 2013

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

Received



Certified a True Copy
of the Original

Victor Lewis

(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
329				329

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

OFFICE BEARERS IN POST

AS AT 30 NOVEMBER 2012

President:	J J Walker OBE
Vice President:	J A Campbell
Past President:	A C Wills
Chief Executive:	P T Hughes OBE FREng

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc		949,735
	Investment income Interest and dividends (gross)	42,592	
	Bank interest (gross)	1,627	
	Other (specify)	-	
	Other income Rents received	27,158	44,219
	Insurance commission	-	
	Consultancy fees	41,835	
	Publications/Seminars	-	
	Miscellaneous receipts - sponsorship	6,000	
			74,993
	TOTAL INCOME		1,068,947
	EXPENDITURE		
	Administrative expenses		
	Remuneration and expenses of staff	783,052	
	Occupancy costs	75,259	
	Printing, Stationery, Post	73,902	
	Telephones	-	
	Legal and Professional fees	48,201	
	Miscellaneous – Motor Expenses	56,190	
	Meeting & Travel	16,859	
	General Expenses	(7,138)	
	Other charges Bank charges	-	1,046,325
	Depreciation	5,209	
	Sums written off	-	
	Affiliation fees	-	
	Donations	-	
	Conference and meeting fees	-	
	Expenses	-	
	Miscellaneous– Gain on Sale of Investments	(1,703)	
	Taxation		3,506
			2,390
	TOTAL EXPENDITURE		1,052,221
	Surplus/Deficit for year		16,726
	Amount of fund at beginning of year		562,935
	Amount of fund at end of year		579,661

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 30 NOVEMBER 2012

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at page 11)		15,625
	Investments (as per analysis on page 13)		
	Quoted (Market value £1,003,905)	642,293	
	Unquoted	7,500	
	Total Investments		649,793
	Other Assets		
	Sundry debtors	19,809	
	Cash at bank and in hand	39,859	
	Stocks of goods	-	
	Others – Prepayments	9,836	
	Accrued Income	4,167	
	VAT	413	
	Total of other		74,084
	assets		74,084
		TOTAL ASSETS	739,502
	Capital Reserve Fund (Account)	7,500	
	Income and Expenditure Fund (Account)	572,161	
	Fund (Account)	-	
	Revaluation Reserve	-	
	Liabilities		
	Loans	-	
	Bank overdraft	-	
	Tax payable	-	
	Sundry creditors	119,000	
	Accrued expenses	37,078	
	Prepaid Income	3,763	
	Other liabilities	-	
		TOTAL LIABILITIES	739,502
		TOTAL ASSETS	739,502

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period			31,747	31,747
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:			5,209	5,209
Total to end of period			16,122	16,122
BOOK AMOUNT at end of period			15,625	15,625
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET			15,625	15,625

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)	642,293
	*Market Value of Quoted Investments	1,003,905
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	7,500
	TOTAL QUOTED (as Balance Sheet)	7,500
	*Market Value of Unquoted Investments	Not quantifiable

* 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	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	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	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	949,735		949,735
From Investments	44,219		44,219
Other Income (including increases by revaluation of assets)	74,993		74,993
Total Income	1,068,947		1,068,947
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	1,052,221		1,052,221
Funds at beginning of year (including reserves)	562,935		562,935
Funds at end of year (including reserves)	579,661		579,661
ASSETS			
Fixed Assets			15,625
Investment Assets			649,793
Other Assets			74,084
		Total Assets	739,502
LIABILITIES			
		Total Liabilities	159,841
NET ASSETS (Total Assets less Total Liabilities)			579,661

NOTES TO THE ACCOUNTS

(see note 36)

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

1. Investments

a. Property investment at cost

	2012	2011
	£	£
Fyfe Chambers (First Floor) Limited 351,312 ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>

The investment of 7,500 ordinary shares of £1 each in Fyfe Chambers (Glasgow) Ltd was exchanged on demerger for 351,312 ordinary shares of £1 each in Fyfe Chambers (First Floor) Limited.

This investment represents Scottish Engineering's 100% holding in the ordinary share capital of that latter company which owns the premises rented by the Association at 105 West George Street, Glasgow. In the opinion of the Finance Committee, the value of this investment is materially greater than the amount of £7,500 incorporated in the financial statements.

b. Investments in quoted shares and securities

	Market value as at	Cost	2012	Interest and dividends received
	30.11.12	Cost	2012	2011
	£	£	£	£
Tesco Personal Finance 25,500 5% Retail Bond 2020	27,151	25,902	638	-
Centrica 4,275 ordinary shares	13,932	13,394	198	-
27,500 Treasury 4% % Stock 2015	31,117	28,547	1,306	1,306
3,750 Treasury 2.5% Index-Linked 2020	14,016	11,864	269	258
Alliance Trust Plc 26,000 2.5p ordinary stock units	97,448	3,424	2,432	2,223
Barclays Plc 2,307 25p ordinary shares	-	-	-	23
British American Tobacco Plc 1,250 25p ordinary shares	40,925	4,093	1,633	1,489
Dunedin Income Growth Investment Trust 8,300 25p ordinary shares	19,339	12,066	988	851
Tesco Personal Finance 25,000 5.2% Retail Bond 2018	-	-	650	650
Glaxosmithkline Plc 3,680 25p ordinary shares	49,110	6,329	2,834	2,466
Experian Plc 1,330 ordinary shares	13,792	1,166	273	235

J Sainsbury Plc 2,275 28 1/2p ordinary shares	7,767	9,352	366	344
Royal Dutch Shell Plc 2,000 B shares	43,090	1,228	2,177	3,349
Murray International Trust Plc 1,500 25p ordinary shares	15,360	10,451	585	554
Unilever Plc 1,012 3 1/2p ordinary shares	24,318	12,750	777	764
Prudential Plc 4,200 5p ordinary shares	38,010	14,365	1,077	1,058
Rio Tinto Plc 1,000 10p ordinary shares	30,935	13,325	1,038	723
JP Morgan American IT 2,075 25p ordinary shares	18,945	12,905	332	228
Land Securities Group Plc 2,075 10p ordinary shares	16,766	14,916	485	355
BG Group Plc 1,100 10p ordinary shares	11,770	11,370	174	153
Kraft Foods Inc 324 ordinary A shares	8,286	3,069	166	163
National Grid Group Plc 2,140 10p ordinary shares	-	-	841	778
European Inv Bank 245,000 4.125% Notes 2017	287,963	249,233	10,106	10,106
JP Morgan Overseas IT 900 25p ordinary shares	6,890	7,312	122	122
Allied Domecq 23,000 6.625% Bonds 2011	-	-	-	762
Experian Finance 24,000 5.625% Notes 2013	26,363	25,345	1,350	1,350
Vodafone Group Plc 7,765 \$0.11478571 ordinary shares	12,513	9,835	1,050	691
Standard Chartered Plc 340 USD \$0.50 ordinary shares	4,947	6,128	165	150
Diageo Plc 1,425 28.935p ordinary shares	26,462	12,111	620	576
Electrocomponents Plc 4,300 10p ordinary shares	9,060	11,501	505	495
Marks & Spencer 23,000 5.625% Bonds 2014	24,989	24,010	1,294	1,294
Sarasin International Equity 17,500 income fund – Inst B inc	18,655	19,489	939	503
Centrica 23,000 5.875% Bonds 2012	-	-	1,351	1,351

Marks And Spencer Group Plc 2,350 25p ordinary shares	9,179	9,945	400	400
HSBC Holdings Plc 1,230 USD \$0.50 ordinary shares	7,844	10,231	318	293
Scottish And Southern Energy Plc 835 50p ordinary shares	11,899	11,940	669	626
Rexam Plc 2,375 64.3p ordinary shares	10,395	9,996	349	302
Provident Financial 23,000 7.5% MTN 2016	24,669	24,701	1,725	863
	<u>1,003,905</u>	<u>642,293</u>	40,202	37,854
c) Other interest received			<u>1,627</u>	<u>1,321</u>
			<u>41,829</u>	<u>39,175</u>
For the purpose of comparison, income received from investments includes the associated tax credit.				
d) Cash on deposit at bank			2012	2011
			£	£
Business Bank Accounts			32,637	24,887
Speirs & Jeffrey Deposit Accounts			<u>7,084</u>	<u>6,331</u>
			<u>39,721</u>	<u>31,218</u>
2. Taxation			2012	2011
The charge is made up as follows: -			£	£
Corporation Tax due for the year			-	-
Adjustment for prior year			<u>-</u>	<u>-</u>
			<u>-</u>	<u>-</u>
3. Sundry Creditors and Provisions			2012	2011
			£	£
Taxation and Social Security			-	-
Accruals and Deferred Income			40,841	49,629
EEF Pension Scheme Deferred Settlement Account			119,000	139,000
Refundable Overpayment			<u>-</u>	<u>2,500</u>
			<u>159,841</u>	<u>191,129</u>
4. Income and expenditure account			2012	2011
			£	£
Balance at 1 December 2011			555,435	576,589
Surplus/(Deficit) for the year after tax			<u>16,726</u>	<u>(21,154)</u>
Balance at 30 November 2012			<u>572,161</u>	<u>555,435</u>

ACCOUNTING POLICIES

(see notes 37 and 38)

Income

The income has been collected on the basis of information given by member firms and accepted by Scottish Engineering.

No accrual has been made for fees unpaid by certain member firms in receivership or liquidation or those considered to be doubtful by the members' representatives.

Income received in advance is deferred and released to the Income and Expenditure statement against the related cost.

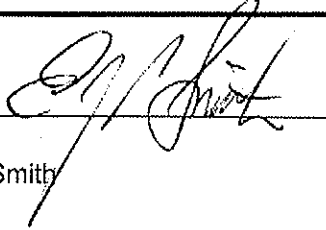
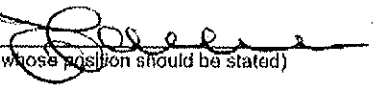
Investments

For the purpose of comparisons, income received from investments includes the associated tax credit.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature:  Name: E J P Smith Date: _____	Chairman's Signature:  (or other official whose position should be stated) Name: J J Walker OBE Date: _____
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	✓	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	✓	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	✓	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	✓	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	✓	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	✓	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)

Independent Auditor's Report to the Members of Scottish Engineering

We have audited the financial statements of Scottish Engineering for the year ended 30 November 2012 on pages 3 to 10. The financial reporting framework that has been applied in their preparation is applicable law.

This report is made solely to the Association's representatives as a body. Our work has been undertaken so that we might state to the Association's representatives those matters we are required to state to them in the 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 Association and the Association's representatives as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members' representatives and auditors

As described on page 1, the Association's representatives 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 in Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

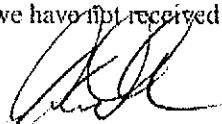
In our opinion the financial statements:

- give a true and fair view of the state of Scottish Engineering's affairs at 30 November 2012 and of its results for the year then ended;

Matters on which we are required to report by exception

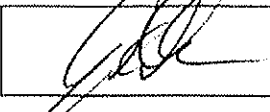
We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept in accordance with section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992;
- the Association has maintained a satisfactory system of control over its transactions in accordance with section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992
- the financial statements are not in agreement with the accounting records;
- we have not received all the information and explanations we require for our audit.


J Wallace
Senior Statutory Auditor
For and on behalf of
William Duncan & Co
Chartered Accountants &
Registered Auditor
Ayr
19th December 2012

P Nelson
Employer Auditor
Glasgow

19th December 2012

Signature(s) of auditor or auditors:		
Name(s):	John Wallace	
Profession(s) or Calling(s):	Chartered Accountant	
Address(es):	Partner William Duncan & Co 30 Miller Road Ayr KA7 2AY	
Date:	11/01/2013	
Contact name and telephone number:	N P Reid 01292 265071	

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