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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

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



(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
756	8			764

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
Director	A Morrison		15 October 2012
Vice President		C McGeoch	27 February 2013

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc		
	Investment income Interest and dividends (gross) Bank interest (gross) Other (specify)		
	Other income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)		
	TOTAL INCOME		
	EXPENDITURE		
	Administrative expenses Remuneration and expenses of staff Occupancy costs Printing, Stationery, Post Telephones Legal and Professional fees Miscellaneous (specify)		
	Other charges Bank charges Depreciation Sums written off Affiliation fees Donations Conference and meeting fees Expenses Miscellaneous (specify)		
	Taxation		
	TOTAL EXPENDITURE		
	Surplus/Deficit for year		
	Amount of fund at beginning of year		
	Amount of fund at end of year		

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 []
(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at page 11)		
	Investments (as per analysis on page 13)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Sundry debtors		
	Cash at bank and in hand		
	Stocks of goods		
	Others (specify)		
	Total of other		
	assets		
		TOTAL ASSETS	
	Liabilities		
	Loans		
	Bank overdraft		
	Tax payable		
	Sundry creditors		
	Accrued expenses		
	Provisions		
	Other liabilities		
		TOTAL LIABILITIES	
		TOTAL ASSETS	

FIXED ASSETS ACCOUNT

(see note 21)

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

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)	
	TOTAL QUOTED (as Balance Sheet)	
	*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 Scotsure Insurance Company Limited Andstrat (No.288) Limited The Scottish Motor Show Limited SMTA (Trading Partners) Limited Scotsure MBI Limited	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered): SC127665 SC077926 SC121085 SC342972 SC352229			
INCORPORATED EMPLOYERS' ASSOCIATIONS				
Are the shares which are controlled by the association registered in the association's name		YES	<input checked="" 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 <input checked="" type="checkbox"/>
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	234,309		234,309
From Investments	28,847		28,847
Other Income (including increases by revaluation of assets)	1,833,740		1,833,740
Total Income	2,096,896		2,096,896
EXPENDITURE (including decreases by revaluation of assets)	2,067,303		2,067,303
Total Expenditure			
Funds at beginning of year (including reserves)	2,280,306		2,280,306
Funds at end of year (including reserves)	2,309,899		2,309,899
ASSETS			
Fixed Assets			583,128
Investment Assets			453,937
Other Assets			1,848,912
		Total Assets	2,885,977
LIABILITIES		Total Liabilities	576,078
NET ASSETS (Total Assets less Total Liabilities)			2,309,899

NOTES TO THE ACCOUNTS

(see note 36)

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

See attached Annual Report.

ACCOUNTING POLICIES


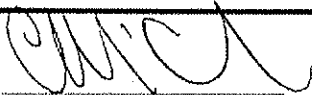
(see notes 37 and 38)

See attached Annual Report.

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>	President's Signature: <u></u>
Name: <u>D R W ROBERTSON</u>	Name: <u>C MCGEOCH</u>
Date: <u>7.10.2013</u>	Date: <u>7.10.2013</u>

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		NO	<input checked="" type="checkbox"/>
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

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

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)

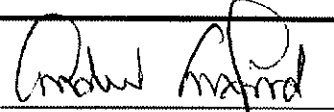
YES

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)

SEE ATTACHED

AUDITOR'S REPORT (continued)

See attached Accounts

Signature(s) of auditor or auditors:		
Name(s):	Andrew Croxford	
Profession(s) or Calling(s):	CA	
Address(es):	Thomson Cooper 3 Castle Court Dunfermline Fife, KY11 8PB	
Date:	8/10/13	
Contact name and telephone number:	01383 628800	

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

ASSOCIATION BOARD OF DIRECTORS

I. Grieve (Chairman)

C. McGeoch (Vice Chairman) (appointed 27.02.13)

J.S. Kinghorn (Treasurer)

W. A. Burgess

A.J.S. Smith

G. Gall

C.A.R. Ramsay

A. Campbell

G.W. Greenwood

D.R.W. Robertson

A. Morrison (resigned 15.10.12)

Ian Grieve (Falkirk), Falkirk

Phoenix Car Co, Paisley

Mansfield Motors, Hawick

ANZ Automotive, Stranraer

Adrian Smith Motors, Aberdeen

Arnold Clark Automobiles, Glasgow

Haddington

North Road Garage, Kelty

Newmarket Garage, Bannockburn

SMTA, South Queensferry

Morrisons Land Rover, Stirling

ASSOCIATION ADVISORS

AUDITORS

Thomson Cooper, 3 Castle Court, Carnegie Campus,
Dunfermline, Fife, KY11 8PB

BANKERS

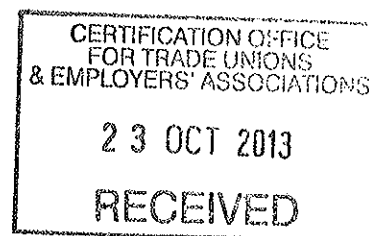
The Co-operative Bank plc ,96 Fountainbridge, Edinburgh, EH3 9QA
Royal Bank of Scotland plc, 36 St. Andrew Square, Edinburgh, EH2 2YB
Bank of Scotland, 20-22 Shandwick Place, Edinburgh, EH2 4RN
HSBC, 76 Hanover Street, Edinburgh, EH2 1HQ

LEGAL ADVISORS

Anderson Strathern LLP, 1 Rutland Court, Edinburgh, EH3 8EY

INSURANCE BROKERS

Giles Insurance Brokers Ltd, 7th floor Spectrum Building, 55 Blythswood
Street, Glasgow G2 7AT



ORGANISATION

S.M.T.A LIMITED

Chief Executive & Company Secretary D.R.W. Robertson

Senior Staff

Manager – Independent Garage Division	D. Innes
Training Manager	F. Miller
Finance / Administration Manager	M. Gaynor
Business Development Manager	M. McRobert

SUBSIDIARY COMPANIES

SCOTSURE INSURANCE COMPANY LIMITED

Board of Directors

Chairman	J. C. Chessor
Chief Executive & Company Secretary	D.R.W. Robertson
	A. Morrison (resigned 15.10.12)

Senior Staff

Operations Manager	D. McLennan
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THE SCOTTISH MOTOR SHOW LIMITED

Board of Directors

Chairman	I. Grieve
Chief Executive & Company Secretary	D.R.W. Robertson
	A.J.S. Smith

SCOTSURE MBI LIMITED

Board of Directors

Chairman	J. C. Chessor
Chief Executive & Company Secretary	D.R.W. Robertson
	A. Morrison (resigned 15.10.12)
	C. A. R. Ramsay (appointed 03.10.12)

SMTA (TRADING PARTNERS) LIMITED

Board of Directors

Chairman	J.S. Kinghorn
Chief Executive & Company Secretary	D.R.W. Robertson
	I. Grieve
	D. Innes

ANDSTRAT (No 288) LIMITED

Board of Directors

Chief Executive & Company Secretary	D.R.W. Robertson
	I. Grieve

CONSUMER AFFAIRS' REPORT

The Association operates an independent customer complaints, conciliation and arbitration service to assist members and their customers resolve disputes. Should no agreement be reached at the Committee stage, there exists the facility to refer the matter to formal arbitration, the results of which are legally binding on both parties and enforceable in law.

Each case presented is dealt with entirely by written submissions to a panel of independent technical experts and Trading Standards officers. Trading Standards departments continue to be keen to work with the Association in this fashion as their presence at Committee meetings is evidence of the Committee's impartiality. The statistics for the operation of the service over the last year are reproduced below. Though there has again been an increase in initial approaches to us (up 30%), the figures continue to give a strong indication that informal conciliation of such potential disputes is highly successful in resolving the matter before it is formally registered as a complaint. 6 meetings of the Committee were held during 2012-13.

	%	2012/13	%	2011/12
TOTAL COMPLAINT ENQUIRIES RECEIVED		431		332
Less resolved by telephone advice or by company prior to Committee including referrals to other bodies	93.7	404	96.1	319
FORMAL COMPLAINTS REGISTERED and CONSIDERED BY COMMITTEE		27		13
Resolved for complainant	40.7	11	23.1	3
Resolved for member company	39.3	16	76.9	10
		27		13
Complaints passed to formal arbitration		0		0

The complaints, conciliation and arbitration procedure is an important member service, and also affords consumers a valuable redress mechanism should they be dissatisfied in any way with the service they have received from an SMTA member.

It is important to note that the scheme operated by the SMTA is outwith the scheme operated by Motor Codes Ltd. The SMTA is in agreement with the principles and content of Motor Codes Code of Practice; however, whilst supportive of the Code, we feel it essential to retain our independent redress procedure which can be utilised by any member, irrespective of whether or not they subscribe to Motor Codes Code of Practice.

Customer complaints should be sent for consideration to:

Consumer Affairs Department
Scottish Motor Trade Association Ltd
Palmerston House
10 The Loan
South Queensferry EH30 9NS
(Tel: 0131 331 5510)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

We have audited the financial statements of The Scottish Motor Trade Association Limited for the year ended 31 March 2013 which comprise the consolidated income and expenditure account, the balance sheets, the consolidated cash flow statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement on page 14, the directors are responsible for the preparation of the Annual Report and 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 Annual Report and 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Association's affairs as at 31 March 2013 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report and other information contained in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Andrew W Croxford (Senior Statutory Auditor)
for and on behalf of Thomson Cooper
Statutory Auditor
Dunfermline

4th June 2013

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013	Notes	2013 Continuing Operations £	2012 Continuing Operations £
Operating Income	3	2,033,304	2,241,347
Employment Costs	3,4	(464,992)	(433,864)
Other Operating Charges	3,5	(1,587,381)	(1,745,015)
		<hr/>	<hr/>
OPERATING (DEFICIT)/SURPLUS	3	(19,069)	62,468
Net Surplus from Investments and Similar Income	6	55,386	6,715
		<hr/>	<hr/>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		36,317	69,183
Tax Charge on Surplus on Ordinary Activities	7	(6,724)	(11,725)
		<hr/>	<hr/>
SURPLUS FOR THE YEAR	14	29,593	57,458
		<hr/> <hr/>	<hr/> <hr/>

The statement of movement on reserves is shown in note 14.

There are no recognised gains or losses other than as stated above.

CONSOLIDATED BALANCE SHEET

31 MARCH 2013	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	8	-	1,068
Tangible assets	9	583,128	543,427
		<u>583,128</u>	<u>544,495</u>
CURRENT ASSETS			
Investments	11	453,937	415,481
Debtors	12	365,810	359,031
Cash at bank and in hand		1,463,102	1,856,716
		<u>2,302,849</u>	<u>2,631,228</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	13	576,078	895,417
		<u>576,078</u>	<u>895,417</u>
NET CURRENT ASSETS		<u>1,726,771</u>	<u>1,735,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,309,899</u>	<u>2,280,306</u>
ACCUMULATED SURPLUS	14	<u>2,309,899</u>	<u>2,280,306</u>

These financial statements were approved by the Board of Directors of the Association on 4th June 2013.

Signed on behalf of the Board of Directors

I. GRIEVE
President

D.R.W. ROBERTSON
Chief Executive

Company Registration No. SC005898

ASSOCIATION BALANCE SHEET

31 MARCH 2013	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	568,412	518,211
Investments	10	797,556	797,556
		<u>1,365,968</u>	<u>1,315,767</u>
CURRENT ASSETS			
Debtors	12	253,136	208,114
Cash at Bank		22,050	846
		<u>275,186</u>	<u>208,960</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft	13	-	288,381
Sundry creditors	13	632,157	225,832
		<u>632,157</u>	<u>514,213</u>
NET CURRENT LIABILITIES		<u>(356,971)</u>	<u>(305,253)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,008,997</u>	<u>1,010,514</u>
ACCUMULATED SURPLUS	14	<u>1,008,997</u>	<u>1,010,514</u>

These financial statements were approved by the Board of Directors of the Association on 4th June 2013.

Signed on behalf of the Board of Directors

I. GRIEVE
President

D.R.W. ROBERTSON
Chief Executive

Company Registration No. SC005898

CONSOLIDATED CASH FLOW STATEMENT

31 MARCH 2013	Notes	2013 £	2012 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	18	(19,365)	(59,918)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received	20,212 ✓	36,014	
Interest Paid	(10,784)	(9,109)	
Dividends received	8,759 ✓	7,694	
Net cash inflow from returns on investments and servicing of finance		18,187	34,599
TAXATION			
Corporation tax (paid)/repaid		(11,842)	18,144
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Receipts from sales of tangible fixed assets	17,750	14,300	
Payments to acquire tangible fixed assets	(85,830)	(20,455)	
		(68,080)	(6,155)
NET CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES		(81,100)	(13,330)
MANAGEMENT OF LIQUID RESOURCES			
Payments to acquire current asset investments	(8,680)	(7,585)	
Receipts from sales of current asset investments	4,547	300,000	
		(4,133)	292,415
(DECREASE)/INCREASE IN CASH	19,20	(85,233)	279,085

NOTES TO THE ACCOUNTS

31 MARCH 2013

1. STATUS

The Association is a company limited by Guarantee and not having a Share Capital. The liability of the members who constitute the Association is limited to £1 per member. The affairs of the Association are managed by an elected Board of Directors. Details of the Board of Directors are given on page 11 of the Annual Report.

2. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the Directors are described below:-

(a) CONVENTION

The accounts are prepared under the historical cost convention as modified by the revaluation of heritable property and current asset investments.

(b) BASIS OF CONSOLIDATION

The Group accounts consolidate the accounts of the Association and all subsidiaries for the financial year ended 31 March 2013.

(c) OPERATING INCOME

Operating income comprises the value of services provided in the course of the Group's ordinary activities, net of discounts, value-added tax and insurance premium tax.

(d) TANGIBLE FIXED ASSETS AND DEPRECIATION

With the exception of heritable property, depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:-

Computer Equipment	33 1/3%
Equipment and Fittings	10-20%
Motor Cars	25%

No depreciation is charged on heritable land or property. Heritable property is maintained to a high standard and the costs of refurbishment and maintenance are charged to the income and expenditure account as incurred. The Directors review the value of the heritable land and property on an annual basis and provision is made for any impairment accordingly.

(e) INTANGIBLE ASSETS

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

(f) INVESTMENTS

Investments held as fixed assets are stated at cost. Investments held as current assets are stated at market value.

(g) LEASED ASSETS

Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the periods of the leases.

(h) PENSIONS

The group operates a defined contributions group personal pension scheme covering certain of its employees. The pension cost shown in note 4 represents the contributions payable to the pension scheme in respect of the accounting period.

(i) INSURANCE COMPANY INCOME AND EXPENDITURE

Provision is made for unearned premiums, outstanding claims, and deferred costs. Unearned premiums are calculated on a monthly time-apportionment basis. Provision for outstanding claims is made on the basis of available information for the full estimated cost of claims notified but not settled, and claims incurred but not reported at the year end. Deferred costs are time-apportioned on the same basis as unearned premiums. Premiums written are disclosed net of commission payable to dealers.

3. ANALYSIS OF ACTIVITY	Services to Members £	Trading Partners £	Scotsure MBI £	Scotsure Insurance £	Group 2013 £	Group 2012 £
Operating Income						
Annual Subscriptions	234,184	125	-	-	234,309	246,175
Training and seminars	427,838	-	-	-	427,838	471,142
Administration fees	-	-	211,175	-	211,175	222,085
Earned premiums & commissions	-	54,835	-	-	54,835	32,315
Members recharges	-	1,064,907	-	-	1,064,907	1,204,135
Management Charges (note 5)	99,600	-	-	-	99,600	30,000
Other Income	35,675	-	4,565	-	40,240	65,495
	<u>797,297</u>	<u>1,119,867</u>	<u>215,740</u>	<u>-</u>	<u>2,132,904</u>	<u>2,271,347</u>
Elimination of Group Management Charges					(99,600)	(30,000)
					<u>2,033,304</u>	<u>2,241,347</u>
Employment Costs (note 4)	352,925	-	112,067	-	464,992	433,864
Other Operating Charges (note 5)	437,906	1,115,014	93,080	40,981	1,686,981	1,775,015
Elimination of Group Management Charges					99,600	30,000
					<u>1,587,381</u>	<u>1,745,015</u>
Operating expenditure	790,831	1,115,014	205,147	40,981	2,052,373	2,178,879
Operating surplus/(deficit) - 2013	6,466	4,853	10,593	(40,981)	(19,069)	
Operating surplus/(deficit) - 2012	52,577	91	51,756	(41,956)		62,468

All operating income is generated in the UK

4. EMPLOYMENT COSTS	2013 £	2012 £
Salaries	377,914	352,874
Social Security Costs	42,739	40,361
Pension Fund Contributions	44,339	40,629
	<u>464,992</u>	<u>433,864</u>
The average weekly number employed by the Group within each category of person was:	No	No
Administration	13	12
Directors' Emoluments	£	£
Emoluments of executive directors	82,242	79,099
Contributions to group personal pension scheme on behalf of one director (2012 : one)	14,664	14,207

No fees were paid to Non Executive Directors during the year (2012 - £nil)

5. OTHER OPERATING CHARGES

	2013 £	2012 £
Total expenditure of £1,686,981 (2012: £1,775,015) includes:-		
Depreciation of tangible assests	35,139	43,519
Amortisation of intangible assests	1,068	1,067
(Gain)/loss on sale of tangible fixed assets	(6,760)	1,077
Travel and meeting expenses	18,620	12,874
Special meetings and functions	6,893	8,289
RMI affiliation fee	15,785	16,242
Management charges - (note 3)		
Scotsure MBI Limited	30,000	-
Scotsure Insurance Co Limited	24,000	-
SMTA (Trading Partners) Limited	45,600	30,000
	<u>139,902</u>	<u>87,642</u>
<u>Auditors' remuneration is comprised as follows:</u>		
Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,250; 2012 £6,250)	13,000	13,000
Fees payable to the group's auditor for other services:		
- tax services	1,700	1,700
- audit of FSA Return	-	1,200
- other	300	300
	<u>15,000</u>	<u>16,200</u>

6. NET SURPLUS FROM INVESTMENTS AND SIMILAR INCOME

Listed investments	16,759	35,694
Bank Interest payable	(7,784)	(12,109)
Bank interest receivable	12,088	8,274
	<u>21,063</u>	<u>31,859</u>
Unrealised gain/(loss) on investments	34,745	(7,135)
Realised loss on investments	(422)	(18,009)
	<u>55,386</u>	<u>6,715</u>

7. TAX CHARGE ON SURPLUS ON ORDINARY ACTIVITIES

<i>Current Taxation</i>		
UK corporation tax	6,607	11,725
Adjustments in respect of prior periods	117	-
	<u>6,724</u>	<u>11,725</u>
Tax on surplus on ordinary activities		

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 20% (2012 : 20%). The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation.

Surplus on Ordinary Activities Before Tax	36,317	69,183
Tax on surplus on ordinary activities at standard rate	7,263	13,837
Factors affecting charge for the period:		
Prior period adjustments	117	-
Non taxable income	(1,752)	(1,539)
Depreciation in excess of capital allowances	(536)	4,792
Losses brought forward	-	(6,053)
Other tax adjustments	1,632	688
Total actual amount of current tax	<u>6,724</u>	<u>11,725</u>

8. INTANGIBLE ASSETS		Goodwill			
		£			
Group					
Cost at 1 April 2012 and 31 March 2013		5,336			
Amortisation at 1 April 2012		4,268			
Charge for year		1,068			
At 31 March 2013		<u>5,336</u>			
Net Book Value					
At 31 March 2013		<u>-</u>			
At 31 March 2012		<u>1,068</u>			
9. TANGIBLE ASSETS		Heritable	Equipment	Motor	Total
		Property	& Fittings	Cars	£
		£	£	£	£
Group					
Cost at 1 April 2012		445,283	135,995	92,851	674,129
Additions		-	9,002	76,828	85,830
Disposals		-	-	(42,669)	(42,669)
At 31 March 2013		<u>445,283</u>	<u>144,997</u>	<u>127,010</u>	<u>717,290</u>
Depreciation at 1 April 2012		-	88,259	42,443	130,702
Charge for year		-	10,362	24,777	35,139
On disposals		-	-	(31,679)	(31,679)
At 31 March 2013		<u>-</u>	<u>98,621</u>	<u>35,541</u>	<u>134,162</u>
Net Book Value					
At 31 March 2013		<u>445,283</u>	<u>46,376</u>	<u>91,469</u>	<u>583,128</u>
At 31 March 2012		<u>445,283</u>	<u>47,736</u>	<u>50,408</u>	<u>543,427</u>
Association					
Cost at 1 April 2012		445,283	81,412	74,946	601,641
Additions		-	9,002	76,828	85,830
Disposals		-	-	(42,669)	(42,669)
At 31 March 2013		<u>445,283</u>	<u>90,414</u>	<u>109,105</u>	<u>644,802</u>
Depreciation at 1 April 2012		-	41,733	41,697	83,430
Charge for year		-	4,338	20,301	24,639
On disposals		-	-	(31,679)	(31,679)
At 31 March 2013		<u>-</u>	<u>46,071</u>	<u>30,319</u>	<u>76,390</u>
Net Book Value					
At 31 March 2013		<u>445,283</u>	<u>44,343</u>	<u>78,786</u>	<u>568,412</u>
At 31 March 2012		<u>445,283</u>	<u>39,679</u>	<u>33,249</u>	<u>518,211</u>

10. INVESTMENTS HELD AS FIXED ASSETS

Shares in
Subsidiary
Companies
£

Association

Cost at 1 April 2012 and 31 March 2013

797,556

11. INVESTMENTS HELD AS CURRENT ASSETS

Group
2012

Association

2012

2013
£

£

2013
£

£

Listed investments at market value:

At 1 April 2012

415,481 733,040

Additions

8,680 7,585

Unrealised gains/(losses)

34,745 (7,135)

Disposals

(4,969) (318,009)

At 31 March 2013

453,937 415,481

Listed investments at cost

562,959 554,989

12. DEBTORS

Trade debtors

150,218 195,346 19,233 15,937

Prepayments and accrued income

206,107 148,159 191,313 144,004

Amounts due from subsidiary companies

- - 33,105 32,647

Other debtors

9,485 15,526 9,485 15,526

365,810 359,031 253,136 208,114

13. OTHER CREDITORS

	2013	Group	2013	Association
	£	2012	£	2012
		£		£
Bank overdraft	-	288,381	-	288,381
Trade creditors	291,265	225,500	92,862	55,507
Corporation tax	6,607	11,725	-	9,800
Other taxation and social security	20,988	11,151	16,852	6,993
Amount due to subsidiary companies	-	-	396,498	2,498
Other creditors	131,340	192,577	16,993	12,255
Accruals and deferred income	125,878	166,083	108,952	138,779
	<u>576,078</u>	<u>895,417</u>	<u>632,157</u>	<u>514,213</u>

The bank overdraft is secured on the Group's freehold property.

14. STATEMENT OF MOVEMENT ON RESERVES

ACCUMULATED SURPLUS

Balance at 1 April 2012	2,280,306	2,222,848	1,010,514	979,474
Surplus/(deficit) in the year	29,593	57,458	(1,517)	31,040
Balance at 31 March 2013	<u>2,309,899</u>	<u>2,280,306</u>	<u>1,008,997</u>	<u>1,010,514</u>

15. PROFIT OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent company is not presented as part of these accounts. The parent company's deficit for the year amounted to £1,517 (2012 : surplus £31,040).

16. ADDITIONAL INFORMATION ON SUBSIDIARIES

Wholly owned subsidiary companies	Country of registration and operation	Activity	Investment	
			2013 £	2012 £
Scotsure Insurance Co. Ltd	Scotland	Investment company (see note below)	761,756	761,756
Scotsure MBI Ltd	Scotland	Administration of Mechanical Breakdown Insurance Policies	25,000	25,000
SMTA (Trading Partners) Ltd	Scotland	Buying group for members of The SMTA	9,800	9,800
The Scottish Motor Show Ltd	Scotland	Organisation of Motor Shows	1,000	1,000
			797,556	797,556

Scotsure Insurance Co. Ltd de-registered with the FSA as an Insurance company on 12th October 2012. During the course of 2013/14 it is intended to transfer its assets to the SMTA and will then become dormant.

17. RELATED PARTY TRANSACTIONS

The Scottish Motor Trade Association exists to encourage, promote and protect members of the Motor Trade in Scotland. It is a members' organisation and does not consider itself to be controlled by any individual party other than to the extent to which it can be influenced by the directors.

Due to the nature of the organisation, and the composition of the Board, it is inevitable that transactions with related parties will arise. Such transactions are not disclosed when the directors are not able to exercise control over the organisations they represent.

18. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating (deficit)/surplus	(19,069)	62,468
Depreciation	35,139	43,519
Amortisation	1,068	1,067
(Gain)/loss on sale of tangible fixed assets	(6,760)	1,077
Increase in debtors	(6,903)	(29,575)
Decrease in creditors	(22,840)	(128,832)
Decrease in unearned premiums	-	(9,642)
Net cash outflow from operating activities	(19,365)	(59,918)

19. ANALYSIS OF MOVEMENT IN NET FUNDS

	At 1 April 2012 £	Cash Flow £	Other Changes £	At 31 March 2013 £
Cash at bank and in hand	1,856,716	(373,614)	-	1,483,102
Bank overdraft	(288,381)	288,381	-	-
		<u>(85,233)</u>		
Current asset investments	415,481	4,133	34,323	453,937
Total	<u>1,983,816</u>	<u>(81,100)</u>	<u>34,323</u>	<u>1,937,039</u>

**20. RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET FUNDS**

	2013 £	2012 £
(Decrease)/increase in cash in year	(85,233)	279,085
Increase/(decrease) in current asset investments	4,133	(292,415)
Change in market value of current asset investments	34,323	(25,144)
Net funds at start of year	1,983,816	2,022,290
Net funds at end of year	<u>1,937,039</u>	<u>1,983,816</u>