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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

T/A SELECT

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

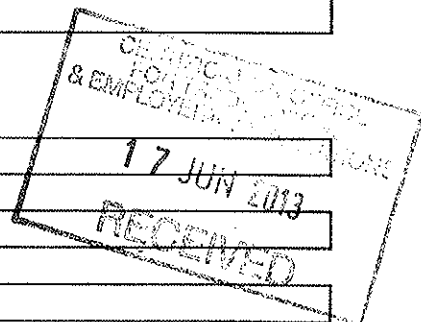
(Tick as appropriate)

General Secretary:

Contact name for queries
regarding
the completion of this return:

Telephone Number:

e-mail:

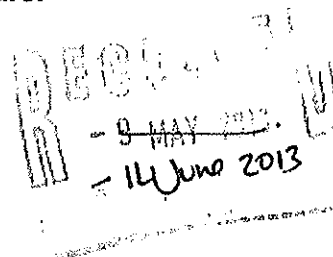


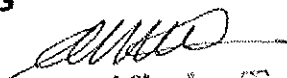
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the
Certification Office as below or by telephone to: 020 7210 3734

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)
Certified a True Copy
of the Original

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
1,242				1,242

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	J MCCAIG	VACANT	22 AUGUST 2012

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,455,737	From Members	Subscriptions, levies, etc		1,439,264
130,337	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)	305,203	
101,326	Other income	Rents received	108,192	
264,086		Insurance commission	255,666	
113,193		Consultancy fees	89,991	
69,116		Publications/Seminars	101,100	
742,681		Miscellaneous receipts: sundry sale of goods management fees	760,557	
2,876,476	TOTAL INCOME			3,059,973
	EXPENDITURE			
	Administrative expenses			
1,439,278		Remuneration and expenses of staff	1,416,518	
226,549		Occupancy costs	272,714	
67,826		Printing, Stationery, Post	72,921	
		Telephones		
80,221		Legal and Professional fees	93,683	
47,508		Miscellaneous: publications	69,903	
57,441		In-house costs	50,191	
134,605		admin exps	199,783	
84,384	Other charges	Bank charges		
		Depreciation	115,563	
15,667		Sums written off		
117,723		Affiliation fees	15,064	
184,466		Marketing costs	131,506	
177,271		Conference and meeting fees	159,699	
		Course expenses	137,604	
1,323,481		Miscellaneous (specify)		
		Loss on Revaluation of Investment property		
9,748	Taxation		10,376	
3,966,168	TOTAL EXPENDITURE			2,745,525
11,756	Transfer (to)/from reserves			12,832
(1,077,936)	Surplus/(Deficit) for year			327,280
4,705,008	Amount of fund at beginning of year			3,467,872
(159,200)	Other recognised gains & (losses)			(76,800)
3,467,872	Amount of fund at end of year			3,718,352

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 2012

(see notes 19 and 20)

Previous Year		£	£
3,130,961	Fixed Assets (as at page 8)		3,188,304
	Investments (as per analysis on page 9)		
	Quoted (Market value £)		
50,000	Unquoted		50,000
	Total Investments		
	Other Assets		
170,796	Sundry debtors	199,377	
1,217,053	Cash at bank and in hand	1,352,359	
20,232	Stocks of goods	13,766	
	Others (specify)		
1,408,081	Total of other		1,565,502
	assets		
4,589,042		TOTAL ASSETS	4,803,806
440,486	Specific reserves		427,654
	Fund (Account)		
	Fund (Account)		
3,467,872	General Reserve		3,718,352
	Liabilities		
	Loans		
706	Bank overdraft	13,861	
21,293	Tax payable	(18,660)	
426,665	Sundry creditors	448,110	
89,620	Deferred tax liability	96,089	
142,400	Net pension liability	118,400	
	Other liabilities		
680,684		TOTAL LIABILITIES	657,800
4,589,042		TOTAL ASSETS	4,803,806

FIXED ASSETS ACCOUNT

(see note 21)

	Freehold office premises	Plant & equipment	Investment property	Total
	£	£	£	£
COST OR VALUATION				
At start of period	2,694,549	526,755	775,000	3,996,304
Additions during period		172,904		172,904
Less: Disposals during period Fair value adjustment				
Less: DEPRECIATION:	48,756	66,805		115,561
Total to end of period	534,376	446,528		980,904
BOOK AMOUNT at end of period	2,160,173	253,131	775,000	3,188,304
Freehold	2,160,173			2,160,173
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	2,160,173	253,131	775,000	3,188,304

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 share of £1.00 each fully paid up Scottish Electrical Contractors' Insurance Limited	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	x	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		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	x	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	1,439,264		1,439,264
From Investments	305,203		305,203
Other Income (including increases by revaluation of assets)	1,315,172		1,315,172
Total Income	3,059,639	NIL	3,059,639
EXPENDITURE			
Other gains & losses	2,745,191		2,745,191
	76,800		76,800
Total Expenditure	2,821,991	NIL	2,821,991
Funds at beginning of year (including reserves)	3,908,358	NIL	3,908,358
Funds at end of year (including reserves)	4,146,006	NIL	4,146,006
ASSETS			
Fixed Assets			3,188,304
Investment Assets			50,000
Other Assets			1,565,502
		Total Assets	4,803,806
LIABILITIES		Total Liabilities	657,800
NET ASSETS (Total Assets less Total Liabilities)			4,146,006

NOTES TO THE ACCOUNTS

(see note 36)

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

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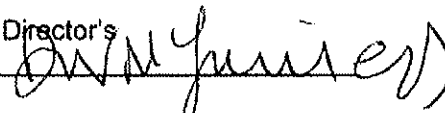
ACCOUNTING POLICIES

(see notes 37 and 38)

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>6/5/2013</u>	Managing Director's Signature: <u></u> Name: D M MCGUINNESS Date: <u>6/5/2013</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES		NO	X
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	X	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	X	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	X	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	X	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	X	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 83 and 84)

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 83)

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 rule 83)

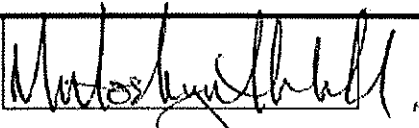
YES/NO

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 AR21 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 85)

AUDITOR'S REPORT (continued)

Please refer to the accompanying set of accounts

Signature(s) of auditor or auditors:		
Name(s):	Mark Hoskyns-Abrahall	
Profession(s) or Calling(s):	ACA	
Address(es):	PwC Erskine House 68 Queen Street Edinburgh EH2 4NH	
Date:	<input checked="" type="checkbox"/> May 2013	
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 accounts
for the year ended 31 December 2012**

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

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

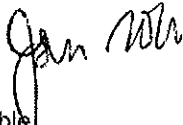
Report of the Central Board for the year ended 31 December 2012

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
20th March 2013

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.

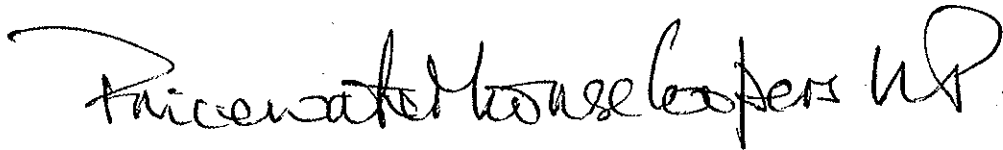
**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

**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
20th March 2013

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

Consolidated operating statement for the year ended 31 December 2012

	Note	2012	2011
		£	£
Income from membership			
Subscriptions and application fees	365,551	363,810	
Turnover levy	701,122	694,025	
Training and development levies	372,591	397,902	
		1,439,264	1,455,737
Sales of products and services	441,167	416,373	
Cost of sales	(211,872)	(230,723)	
		229,295	185,650
Transfer from insurance general business technical account (page 6)		723,685	812,139
Other (expense) / income	3	(7,085)	340,725
Committee expenses and other direct costs	4	(306,270)	(317,856)
Administrative expenses	5	(1,889,418)	(1,771,455)
Exceptional Item	6	-	(1,323,481)
Operating surplus / (deficit)		189,471	(618,541)
Property and investment income	9	160,620	142,579
Other financial income		1,000	6,000
Surplus / (Deficit) for year before taxation		351,091	(469,962)
Taxation charge	10	(80,414)	(198,622)
Surplus /(deficit) for year after taxation		270,677	(668,584)
Net transfer from specific reserves	17	12,832	11,756
Transfer to / (from) general reserve	16	283,509	(656,828)

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 2012

	Note	2012	2011
		£	£
Surplus / (deficit) for the year		283,509	(656,828)
Actuarial loss for the year on defined benefit pension scheme	8	(96,000)	(199,000)
Deferred taxation on defined benefit pension scheme	15	19,200	39,800
Total recognised gains and losses relating to the year		206,709	(816,028)

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

**Insurance general business technical account
for the year ended 31 December 2012**

	2012	2011
	£	£
Earned premiums		
Gross premium written		
Sickness and accident benefit scheme	1,034,352	1,093,942
Claims incurred		
Gross claims paid		
Sickness and accident benefit scheme	(313,744)	(283,551)
Change in the provision for claims	3,077	1,748
Net claims incurred	(310,667)	(281,803)
Transfer to operating statement (page 4)	723,685	812,139

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

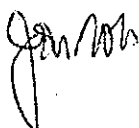
Consolidated balance sheet as at 31 December 2012

		2012		2011	
	Note	£	£	£	£
Fixed Assets	11	3,188,304		3,130,961	
Investments	12	10,000		10,000	
Current Assets					
Stocks		13,766		20,232	
Debtors	13	320,990		698,113	
Bank deposits		2,093,391		3,818,632	
Cash at bank and in hand		2,786,109		680,235	
		5,214,256		5,217,212	
Creditors: Amounts falling due within one year	14	(715,034)		(833,915)	
Net current assets		4,499,222		4,383,297	
Total assets less current liabilities		7,697,526		7,524,258	
Technical provisions					
Provisions for outstanding claims		(13,685)		(16,763)	
Provisions for liabilities and charges	15	(96,089)		(89,620)	
Net assets excluding net pension liability		7,587,752		7,417,875	
Net pension liability	8	(118,400)		(142,000)	
Net assets including net pension liability		7,469,352		7,275,475	
Reserves					
General reserve:					
Balance as at 1 January		6,834,989		7,651,017	
Transfer from operating statement		283,509		(656,828)	
Other recognised gains and losses		(76,800)		(159,200)	
Balance as at 31 December	16	7,041,698		6,834,989	
Specific reserves	17	427,654		440,486	
		7,469,352		7,275,475	

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

Consolidated balance sheet as at 31 December 2012 (continued)

The Accounts on pages 4 to 26 were approved by the Central Board on 20 March 2013 and are signed on their behalf by:

President  J Noble


Managing Director D N McGuinness

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

Association's balance sheet as at 31 December 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets	11		3,188,304		3,130,961
Investments	12		50,000		50,000
Current assets					
Stocks			13,766		20,232
Debtors	13		199,377		170,796
Bank deposits			-		750,000
Cash at bank and in hand			1,352,359		467,053
			1,565,502		1,408,081
Creditors: Amounts falling due within one year	14		(443,311)		(448,664)
Net current assets			1,122,191		959,417
Total assets less current liabilities			4,360,495		4,140,378
Provisions for liabilities and charges	15		(96,089)		(89,620)
Net assets excluding net pension liability			4,264,406		4,050,758
Net Pension liability	8		(118,400)		(142,400)
Net assets including net pension liability			4,146,006		3,908,358
Reserves					
General reserve:					
Balance as at 1 January			3,467,872		4,705,008
Transfer from operating statement			327,280		(1,077,936)
Other recognised gains and losses			(76,800)		(159,200)
Balance as at 31 December	16		3,718,352		3,467,872
Specific reserves	17		427,654		440,486
			4,146,006		3,908,358

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

Association's balance sheet as at 31 December 2012 (continued)

The Accounts on pages 4 to 26 were approved by the Central Board on 20 March 2013 and are signed on their behalf by:

President  J Noble


Managing Director D N McGuinness

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

**Consolidated cash flow statement for the year ended 31 December
2012**

	Notes	2012	2011
		£	£
Net cash inflow from operating activities	18	587,298	532,761
Returns on investments and servicing of finance			
Rental income		108,192	101,326
Other interest		52,427	36,268
Taxation paid		(207,535)	(167,848)
Capital expenditure			
Payments to acquire tangible fixed assets	11	(172,904)	(30,658)
		367,478	471,849
Management of liquid resources			
Movement in current asset investment	19	1,725,241	(209,188)
Movement in cash		2,092,719	262,661
Reconciliation of net cash flow to movement in net funds			
Movement in cash		2,092,719	262,661
Movement in current asset investment		(1,725,241)	209,188
Change in net funds		367,478	471,849
Net Funds at 1 January		4,498,161	4,026,312
Net Funds at 31 December	19	4,865,639	4,498,161

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

Notes to the financial statements for the year ended 31 December 2012

1 Principal accounting policies

These accounts are prepared 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 accounts 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 under the heading Plant and Equipment is calculated as follows:-

Fixtures and fittings	10% or 20% per annum, straight line
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

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 accounts. 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 accounts 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 2012 (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 2012 (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.

	2012	2011
	£	£
Surplus / (deficit) before taxation		
Trade association	337,655	(1,079,944)
Insurance company	326,266	609,982
	663,921	(469,962)

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

2 Segmental analysis by class of business (continued)

	2012	2011
	£	£
Net assets		
Trade association	4,146,006	3,908,358
Insurance company	3,373,346	3,417,117
	7,519,352	7,325,475
Investment in subsidiary	(50,000)	(50,000)
	7,469,352	7,275,475

3 Other (expense)/income

Other (expenses)/income includes the £7,676 loss (2011: loss of £37,927) 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 2011 also includes £353,630 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 2011 is in respect of the premiums and loss experience over the previous two years.

4 Committee expenses and other direct costs

	2012	2011
	£	£
Conference, functions and meetings	142,700	157,873
Branch expenses	20,137	26,593
Marketing campaign and membership	128,369	117,723
Subscriptions	15,064	15,667
	306,270	317,856

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

5 Administrative expenses

Included in administrative expenses are the following items of expenditure:

	2012	2011
	£	£
Staff costs (see note 7)	1,541,518	1,403,277
Group audit fees of which the parent Association was £9,300 (2011: £8,961)	20,160	21,550
Group non audit fees of which the parent Association was £5,720 (2011: £5,720)		
- Tax compliance	10,220	7,878
- Other audit services	23,010	15,600
Depreciation – owned assets	115,561	94,682
Operating lease rentals	28,878	23,277

6 Exceptional Item

The exceptional item in 2011 relates to the write down in fair value of the investment property by £1,323,481 due to a revaluation carried out by GVA Grimley a firm of Chartered Surveyors. This valuation has not been updated for 2012 as the office bearers do not believe that there has been any significant movement in carrying value.

7 Employee information

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

	2012	2011
	Number	Number
Full-time	38	38

	2012	2011
	£	£
Staff costs		
Salaries	1,029,458	1,023,403
Social security costs	115,238	104,150
Pension and permanent health insurances	396,822	275,724
	1,541,518	1,403,277

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

8 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 2012 by AEGON Actuarial Services, independent consulting actuaries. The major assumptions used by the actuary were:

	2012 %	2011 %
Rate of increases in salaries	3.9	4.0
Rate of increase in pensions in payment	3.2	3.3
Rate of increase to deferred pensions	2.1	2.4
Discount Rate	4.1	4.7
Inflation assumption RPI	2.9	3.0
Inflation assumption CPI	2.1	2.4

For the 31 December 2012 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:

	2012 years	2011 years
Longevity at age 65 for current pensioners:		
- Men	22.7	22.6
- Women	25.0	24.8
Longevity at age 65 for future pensioners currently aged 45:		
- Men	24.9	24.8
- Women	27.3	27.2

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

8 Pension scheme (continued)

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

	Long term rate of return expected at 31 December 2012 %	Value at 31 December 2012 £	Long term rate of return expected at 31 December 2011 %	Value at 31 December 2011 £
Equities	6.7	1,747,000	7.8	1,459,000
Bonds	4.1	337,000	4.7	280,000
Gilts	2.7	637,000	2.8	552,000
Cash	0.5	17,000	0.5	42,000
Total market value of assets		2,738,000		2,333,000
Present value of scheme liabilities		(2,886,000)		(2,511,000)
Deficit in the scheme		(148,000)		(178,000)
Related deferred tax asset (note 15)		29,600		35,600
Net pension deficit		(118,400)		(142,400)

Reconciliation of present value of scheme liabilities

	2012 £	2011 £
1 January	2,511,000	2,270,000
Interest Cost	134,000	141,000
Current service cost - Employers	92,000	120,000
- Members	40,000	30,000
Benefits Paid	(79,000)	(122,000)
Charges paid	(10,000)	(10,000)
Actuarial loss	198,000	82,000
31 December	2,886,000	2,511,000

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

8 Pension scheme (continued)

Reconciliation of fair value of scheme assets

	2012	2011
	£	£
1 January	2,333,000	2,249,000
Expected Return on scheme assets	135,000	147,000
Actuarial gain /(loss)	102,000	(117,000)
Benefits Paid	(79,000)	(122,000)
Contributions - Employers	217,000	156,000
- Members	40,000	30,000
Charges Paid	(10,000)	(10,000)
31 December	2,738,000	2,333,000

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 loss of £96,000 (2011: loss of £199,000).

	31 December 2012	31 December 2011
	£	£
Analysis of amounts charged to consolidated operating statement are as follows:		
Current Service cost	92,000	120,000
Expected return on pension scheme assets	(135,000)	(147,000)
Interest on pension scheme liabilities	134,000	141,000
Total	91,000	114,000

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 2012 (continued)**

8 Pension scheme (continued)

Amounts for current and previous four years:	2012	2011	2010	2009	2008
	£	£	£	£	£
Defined Benefit Obligation	(2,886,000)	(2,511,000)	(2,270,000)	(1,965,000)	(1,730,000)
Plan Assets	2,738,000	2,333,000	2,249,000	1,854,000	1,705,000
Deficit	(148,000)	(178,000)	(21,000)	(111,000)	(25,000)
Experience adjustments on scheme assets					
Amount	-	(126,000)	181,000	180,000	(161,000)
Experience adjustments on scheme liabilities:					
Amount	-	(16,000)	15,000	75,000	(312,000)
Total amount recognised in statement of total recognised gains and losses:					
Amount	(96,000)	(199,000)	(99,000)	(95,000)	(244,000)

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 £77,223 (2011: £67,555). There were accrued contributions at the year end of £6,497 (2011: £2,806).

9 Property and investment income

	2012	2011
	£	£
Rental income	108,192	101,326
Other interest	52,428	41,253
	160,620	142,579

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

**Notes to the financial statements
for the year ended 31 December 2012 (continued)**

10 Taxation

	2012	2011
	£	£
United Kingdom corporation tax charge based on the surplus for the year		
Current : current year	51,378	210,167
: prior year	(2,633)	1,538
	48,745	211,705
Deferred : current year	31,669	(13,083)
	80,414	198,622

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:

	2012	2011
	£	£
Factors affecting tax charge for the period		
Surplus / (deficit) on ordinary activities before tax	351,091	(469,962)
Surplus / (deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	86,017	(124,507)
Effects of:		
Capital allowances in excess of depreciation	(13,455)	(10,379)
Expenses not deductible for tax purposes	8,392	369,167
Other timing differences	(25,335)	(11,699)
Adjustments to tax in respect of prior periods	(2,633)	1,538
Effect of other tax rates/credits	(4,241)	(7,116)
Non taxable gains	-	(5,299)
Current tax charge for the period	48,745	211,705

The standard rate of Corporation tax was reduced from 26% to 24% from 1 April 2012. A further reduction in the rate from 24% to 23% was substantively enacted in July 2012 and will be effective from 1 April 2013.

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax system were announced in the Autumn statement 2012. This includes a further reduction to the main rate to reduce the rate to 21% from 1 April 2014. This change had not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements.

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Fixed assets

Group and Association	Investment Property £	Plant and Equipment £	Freehold Office Premises £	Total £
Association and group:				
Cost at 1 January 2012	775,000	526,755	2,694,549	3,996,304
Additions	-	172,904	-	172,904
At 31 December 2012	775,000	699,659	2,694,549	4,169,208
Depreciation at 1 January 2012				
	-	379,723	485,620	865,343
Charge for the year	-	66,805	48,756	115,561
At 31 December 2012	-	446,528	534,376	980,904
Net book value				
At 31 December 2012	775,000	253,131	2,160,173	3,188,304
Net book value				
At 31 December 2011	775,000	147,032	2,208,929	3,130,961

12 Investments

	Group		Association	
	2012 £	2011 £	2012 £	2011 £
Subsidiaries				
SECI Limited				
50,000 ordinary shares (2010: 50,000) of £1 each fully paid	-	-	50,000	50,000
Others				
ESCA Estates Limited				
10,000 'C' ordinary Shares (2010: 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 accounts 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 2012 (continued)**

13 Debtors

	Group		Association	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	82,127	81,491	82,127	81,491
Other debtors – on direct insurance operations	157,750	575,329	69,992	48,567
Prepayments and accrued income	81,113	41,293	47,258	40,738
	320,990	698,113	199,377	170,796

14 Creditors: Amounts falling due within one year

	Group		Association	
	2012 £	2011 £	2012 £	2011 £
Bank overdraft	13,861	706	13,861	706
Trade creditors	99,131	30,781	99,131	30,781
Corporation tax	51,378	210,167	(18,660)	21,293
Other taxation and social security	82,591	83,803	82,591	83,803
Other creditors & accruals	468,073	508,458	266,388	312,081
	715,034	833,915	443,311	448,664

15 Provisions for liabilities and charges

	Group and Association	
	2012 £	2011 £
Deferred taxation		
Excess of capital allowances over depreciation	(100,605)	(89,620)
Short term timing differences	1,299	-
Losses	3,217	-
Deferred taxation liability excluding deferred tax on pension asset	(96,089)	(89,620)
Balance as at 1 January	(89,620)	(112,573)
Deferred tax (charge)/credit in profit and loss account	(6,469)	22,593
Balance as at 31 December	(96,089)	(89,620)

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

15 Provisions for liabilities and charges (continued)

	Group and Association	
	2012	2011
	£	£
Deferred tax asset relating to pension deficit		
Balance as at 1 January	35,600	5,670
Deferred tax credit in profit and loss account	(25,200)	(9,870)
Deferred tax charge to the statement of total recognised gains and losses:		
On actuarial losses	19,200	39,800
Balance as at 31 December	29,600	35,600

The deferred tax asset of £29,600 has been deducted (2011: £35,600) in arriving at the net pension deficit on the balance sheet.

16 General reserves

	Association	SECI Limited	Total
	£	£	£
Balance as at 1 January 2012	3,467,872	3,367,117	6,834,989
Surplus/(deficit) for the year after net transfers to specific reserves	327,280	(43,771)	283,509
Other recognised gains and losses	(76,800)	-	(76,800)
Balance at 31 December 2012	3,718,352	3,323,346	7,041,698

17 Specific reserves

	Opening Balance At 1 January 2012	Transfer to operating Statement	Transfers from operating Statement	Closing Balance At 31 December 2012
	£	£	£	£
Capital Projects Reserve (a)	391,945	(10,297)	-	381,648
Guarantee Scheme Reserve (b)	48,541	(2,535)	-	46,006
Total	440,486	(12,832)	-	427,654

- (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.

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

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

	2012 £	2011 £
Operating surplus	189,471	(618,541)
Depreciation	115,561	94,682
FRS 17 'Retirement benefits' pension charge for defined benefit scheme	92,000	120,000
Pensions contributions made to defined benefit scheme	(217,000)	(156,000)
Decrease/(increase) in stocks	6,466	(3,362)
Decrease/ (increase) in debtors	377,123	(284,707)
Increase in creditors	26,754	58,956
Decrease in outstanding claims provision	(3,077)	(1,748)
Exceptional Item (note 6)	-	1,323,481
Net cash inflow from operating activities	587,298	532,761

19 Analysis of changes in net funds

	At 1 January 2012 £	Cash Flows £	At 31 December 2012 £
Cash at bank and in hand	680,235	2,105,874	2,786,109
Bank overdraft	(706)	(13,155)	(13,861)
Net cash	679,529	2,091,719	2,772,248
Bank deposits	3,818,632	(1,725,241)	2,093,391
Total	4,498,161	367,478	4,865,639

20 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 £474,019 (2011: £448,392). Included in prepayments and accrued income are amounts due to the Association of £54,096 (2011: £52,580). Included within debtors are amounts of £92,402 (2011: £149,568) 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 £53,248 in the year (2011: £45,000). The Association also rented training space from SECTT in the year costing £12,109 (2011: £nil).

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

Notes to the financial statements for the year ended 31 December 2012 (continued)

21 Financial commitments

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

	2012	2011
	£	£
Within one year	458	-
Within two to five years	29,112	23,277