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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	Scottish Building Federation
Year ended:	31 st December 2015
List No:	141E(S)
Head or Main Office:	Crichton House, 4 Crichton's Close, Holyrood, Edinburgh, EH8 8DT
Website address (if available)	www.scottish-building.co.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	Vaughan Hart, Managing Director
Contact name for queries regarding the completion of this return:	Vaughan Hart, Managing Director
Telephone Number:	0131 556 8866
e-mail:	Vaughan@scottish-building.co.uk

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

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

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

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



SCOTTISH BUILDING FEDERATION

OFFICERS IN POST

as at

31st DECEMBER 2015

PRESIDENT:	Mike Smith
VICE PRESIDENT:	Stephen Kemp
SECRETARY:	Karen McGahan

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
396	Nil	Nil	Nil	396

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
President	Douglas Thomson	Mike Smith	27 th March 2015
Vice President	Mike Smith	Stephen Kemp	27 th March 2015
Company Secretary	Vacant	Karen McGahan	27 th March 2015
NOTE: Officers serve for a period of 2 years			

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
679,238	From Members Subscriptions, levies, etc		662,022
4,567	Investment income Interest and dividends (gross)		3,749
144	Bank interest (gross)		311
-	Other (specify)		
828	Revaluation of Fixed Assets		-
684,777	Gain on Sale of Investment		-
	Other income Rents received		666,082
	Insurance commission		
	Consultancy fees		
	Publications/Seminars		
	Miscellaneous receipts (specify)		
5,000	Other Finance Income		9,000
45,966	Rent Receivable		49,634
-	Pension Scheme Gain		59,000
735,743	TOTAL INCOME		783,716
	EXPENDITURE		
627,750	Administrative expenses		551,864
	Remuneration and expenses of staff		
	Occupancy costs		
	Printing, Stationery, Post		
	Telephones		
	Legal and Professional fees		
	Miscellaneous (specify)		
	Other charges Bank charges		
8,925	Depreciation	49,228	
	Sums written off (Settlement of VAT in respect of prior periods)		
	Affiliation fees		
	Donations		
	Conference and meeting fees		
	Expenses		
2,056	Miscellaneous (specify)		
30,434	Interest Receivable / Payable	1,068	
-	Actuarial Loss on Pension Scheme	-	
	Revaluation of Fixed Assets	160,000	
			210,296
6,045	Taxation		10,038
675,210	TOTAL EXPENDITURE		772,198
60,533	Surplus/Deficit for year		11,518
319,254	Amount of fund at beginning of year		379,787
379,787	Amount of fund at end of year		391,305

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		£	£
600,000	Fixed Assets (as at page 11)		445,211
	Investments (as per analysis on page 13)		
53,566	Quoted (Market value £ 110,374)	55,385	
	Unquoted		
	Total Investments		55,385
	Other Assets		
41,436	Sundry debtors	47,370	
152,488	Cash at bank and in hand	211,326	
	Stocks of goods		
	Others (specify)		
	Total of other		258,696
	assets		
847,490		TOTAL ASSETS	759,292
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Revaluation Reserve	
	Liabilities		
51,599	Loans	30,564	
	Bank overdraft		
23,379	Tax payable	89,265	
284,725	Sundry creditors	242,158	
	Accrued expenses		
	Provisions		
108,000	Other liabilities	6,000	
467,703		TOTAL LIABILITIES	367,987
379,787		TOTAL ASSETS	391,305

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	600,000	-	-	600,000
Additions during period	-	6,792	-	6,792
Less: Disposals during period				
Revaluation of Fixed assets	(160,000)	-	-	(160,000)
Less: DEPRECIATION:	-	(1,581)		(1,581)
Total to end of period	440,000	-	-	440,000
BOOK AMOUNT at end of period	440,000	5,211	-	445,211
Freehold	Nil	Nil	Nil	Nil
Leasehold (50 or more years unexpired)	Nil	Nil	Nil	Nil
Leasehold (less than 50 years unexpired)	Nil	Nil	Nil	Nil
AS BALANCE SHEET	440,000	5,211	-	445,211

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)	55,385
	*Market Value of Quoted Investments	110,734
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	Nil
	*Market Value of Unquoted Investments	Nil

* 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	662,022	Nil	662,022
From Investments	3,749	Nil	3,749
Other Income (including increases by revaluation of assets)	117,945	Nil	117,945
Total Income	783,716	Nil	783,716
EXPENDITURE (including decreases by revaluation of assets)	772,198	Nil	772,198
Total Expenditure	11,518	Nil	11,518
Funds at beginning of year (including reserves)	379,787	Nil	379,787
Funds at end of year (including reserves)	391,305	Nil	391,305
ASSETS			
Fixed Assets			440,000
Investment Assets			55,385
Other Assets			263,907
		Total Assets	759,292
LIABILITIES			
		Total Liabilities	367,987
NET ASSETS (Total Assets less Total Liabilities)			391,305

NOTES TO THE ACCOUNTS

(see note 36)

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

The funds of the following Associations:-

Argyll Building Trades Employers' Association
Dumbarton and District Master Wrights' and Builders' Association
Grampian Building Trades Employers' Association
Highland Building Employers' Association
Scottish Building – Ayrshire and South West Association
Scottish Building – Dundee and Angus Association
Scottish Building – Edinburgh and District Association
Scottish Building – Fife Association
Scottish Building – Forth Valley Association
Scottish Building – Glasgow and District Association
Scottish Building – Moray District Association
Scottish Building – Orkney Association
Scottish Building – Perth and District Association
Scottish Building – Renfrewshire and Inverclyde Association
Scottish Building – South East Association
Scottish Master Slaters' and Roof Tilers' Association
Western Isles Building Employers' Association

are included within the accounts for the Scottish Building Federation.

The Scottish Building Federation changed its status to a Company Limited by Guarantee (with no share capital) on the 5th February 2009.

A set of Financial Statements is attached to cover the periods from 1st January to 31st December 2015.

ACCOUNTING POLICIES

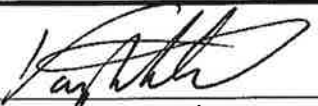
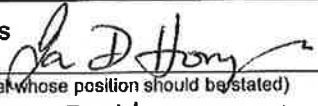
(see notes 37 and 38)

ACCOUNTING POLICIES ARE ATTACHED TO "NOTES TO THE FINANCIAL STATEMENTS"

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature:  Name: <u>VAUGHAN M HART</u> Date: <u>30th May 2016</u>	Chairman's Signature:  (or other official whose position should be stated) Name: <u>IAN D HONEYMAN</u> Date: <u>30th MAY 2016</u> COMMERCIAL DIRECTOR.
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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

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)

REFER FINANCIAL STATEMENTS IN SEPARATE DOCUMENT

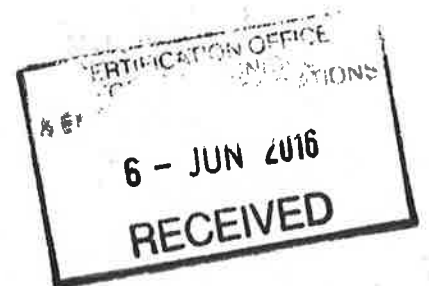
AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	<i>Johnston Carmichael LLP</i>	
Name(s):	Johnston Carmichael LLP	
Profession(s) or Calling(s):	Chartered Accountants and Statutory Auditors	
Address(es):	7-11 Melville Street Edinburgh EH3 7PE	
Date:	26 May 2016	
Contact name and telephone number:	Scott Holmes 0131 220 2203	

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

Company Registration No. SC354581 (Scotland)

SCOTTISH BUILDING FEDERATION
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



SCOTTISH BUILDING FEDERATION

COMPANY INFORMATION

Directors

V Hart
E Higgins
M C Smith
D G Taylor
F M Reid
S Kemp
J McLeish
D N Thomson
J M Pert
R C Cooke
W J Kirkwood
K A Nicoll
W J Imlach
R J More
M M Ballantyne
I Macaskill (Appointed 12 February 2015)
I Honeyman
C K Bruce (Appointed 1 June 2015)
W H Gray (Appointed 12 February 2015)

Secretary

K McGahan

Company number

SC354581

Registered office

Crichton House
4 Crichton's Close
Edinburgh
EH8 8DT

Auditors

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE



SCOTTISH BUILDING FEDERATION

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Statement of total recognised gains and losses	6
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SCOTTISH BUILDING FEDERATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and financial statements for the year ended 31 December 2015.

Directors

The following directors have held office since 1 January 2015:

V Hart	
E Higgins	
M C Smith	
D G Taylor	
F M Reid	
S Kemp	
J McLeish	
D N Thomson	
J M Pert	
R C Cooke	
W J Kirkwood	
K A Nicoll	
W J Imlach	
R J More	
M M Ballantyne	
I Macaskill	(Appointed 12 February 2015)
I Honeyman	
C K Bruce	(Appointed 1 June 2015)
I McNee	(Resigned 12 February 2015)
W H Gray	(Appointed 12 February 2015)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SCOTTISH BUILDING FEDERATION

DIRECTORS' REPORT (CONTINUED)

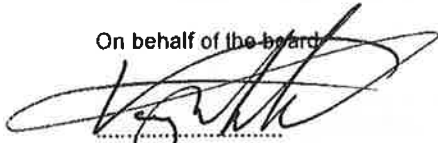
FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



V Hart

Director

26 MAY 2016

SCOTTISH BUILDING FEDERATION

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOTTISH BUILDING FEDERATION

We have audited the financial statements of Scottish Building Federation for the year ended 31 December 2015 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 set out on pages 1 - 2, the directors 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.

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

SCOTTISH BUILDING FEDERATION

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SCOTTISH BUILDING FEDERATION

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.



David Holmes (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor

30 May 2016

7-11 Melville Street
Edinburgh
EH3 7PE

SCOTTISH BUILDING FEDERATION

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover		662,022	679,238
Administrative expenses		(551,864)	(627,750)
Other operating income		49,634	45,966
Exceptional items	3	(49,228)	(8,925)
Operating profit	2	110,564	88,529
Profit on ordinary activities before interest		110,564	88,529
Investment Income	4	3,749	5,395
Other interest receivable and similar income	4	311	144
Interest payable and similar charges		(1,068)	(2,056)
Other finance income	12	9,000	5,000
Profit on ordinary activities before taxation		122,556	97,012
Tax on profit on ordinary activities	5	(10,038)	(6,045)
Profit for the year	13	112,518	90,967

SCOTTISH BUILDING FEDERATION

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Profit for the financial year		112,518	90,967
Unrealised deficit on revaluation of properties		(160,000)	-
Actuarial gain/(loss) on pension scheme		59,000	(30,434)
Total recognised gains and losses relating to the year		<u>11,518</u>	<u>60,533</u>

SCOTTISH BUILDING FEDERATION

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	6 & 7		445,211		600,000
Investments	8		55,385		53,566
			<u>500,596</u>		<u>653,566</u>
Current assets					
Debtors	9	47,370		41,436	
Cash at bank and in hand		211,326		152,488	
		<u>258,696</u>		<u>193,924</u>	
Creditors: amounts falling due within one year	10	(331,423)		(359,703)	
Net current liabilities			<u>(72,727)</u>		<u>(165,779)</u>
Total assets less current liabilities			427,869		487,787
Creditors: amounts falling due after more than one year	11		(30,564)		-
			<u>397,305</u>		<u>487,787</u>
Retirement benefit obligations	12		(6,000)		(108,000)
			<u>391,305</u>		<u>379,787</u>
Capital and reserves					
Revaluation reserve	13	250,625		410,625	
Other reserves	13	(211,280)		(211,280)	
Profit and loss account	13	351,960		180,442	
Shareholders' funds			<u>391,305</u>		<u>379,787</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 26 May 2016


V Hart
Director

Company Registration No. SC354581

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% straight line
Fixtures, fittings & equipment	25% straight line

Investment properties are included in the balance sheet at their open market value. The surplus of deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSE which unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

1.4 Leasing

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.5 Investments

Fixed asset investments are stated at cost less provision for impairment.

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.6 Pensions

The company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2011 and updated by the actuary to 31 December 2015.

The scheme was closed to further accrual on 31 July 2007. The assets of the scheme are invested and managed independently of the company's finances. The pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The expected return on the scheme's assets and the increase during the period in the present values of the scheme's liabilities arising from the passage of time are included in other finance income/charges. Scheme expenses and PPF levy are also charged to the profit and loss account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension scheme surpluses, to the extent which they are considered recoverable, or deficits are recognised in full on the face of the balance sheet.

Further information on the structure of the defined benefit scheme is contained in the notes to the accounts.

The company also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.7 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Operating profit	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,581	68
Auditors' remuneration	6,200	6,625
Directors' remuneration	130,060	95,727

During the year retirement benefits were accruing to 1 director (2014 -1) in respect of defined contribution pension schemes.

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3	Exceptional items	2015	2014
		£	£
	Net cost to the Federation of insurance claim	-	8,925
	Settlement of VAT in respect of prior periods	49,228	-
		<u>49,228</u>	<u>8,925</u>
4	Investment income	2015	2014
		£	£
	Income from fixed asset investments	3,749	5,395
	Bank interest	311	144
		<u>4,060</u>	<u>5,539</u>
5	Taxation	2015	2014
		£	£
	U.K. corporation tax	10,038	6,045
	Total current tax	<u>10,038</u>	<u>6,045</u>

Factors that may affect future tax charges

At the year end there is an un-provided deferred tax asset at 18.5% (2014 -20%) of £38,505 (2014 - £114,555) relating to unutilised taxable losses incurred and other timing differences. This asset has not been recognised in the financial statements due to uncertainty over the immediate recoverability of this balance.

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Tangible fixed assets

	Plant and machinery etc £
Cost or valuation	
At 1 January 2015	33,416
Additions	6,792
	<hr/>
At 31 December 2015	40,208
	<hr/>
Depreciation	
At 1 January 2015	33,416
Charge for the year	1,581
	<hr/>
At 31 December 2015	34,997
	<hr/>
Net book value	
At 31 December 2015	5,211
	<hr/> <hr/>
At 31 December 2014	-
	<hr/> <hr/>

7 Investment Properties

	Investment properties £
Cost or valuation	
At 1 January 2015	600,000
Revaluation	(160,000)
	<hr/>
At 31 December 2015	440,000
	<hr/>
Net book value	
At 31 December 2015	440,000
	<hr/> <hr/>
At 31 December 2014	600,000
	<hr/> <hr/>

The valuation of the investment property was made as at 2 February 2016 by Graham and Sibbald, Chartered Surveyors, on an open market basis. No depreciation is provided in respect of the property.

On an historical cost basis this would have been included at an original cost of £189,375 (2014 - £189,375).

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Fixed asset investments

	Listed Investments £
Cost	
At 1 January 2015	53,566
Movements	1,819
At 31 December 2015	<u>55,385</u>
Net book value	
At 31 December 2015	<u>55,385</u>
At 31 December 2014	<u>53,566</u>

	2015 £	2014 £
9 Debtors		
Trade debtors	14,099	10,513
Other debtors	33,271	30,923
	<u>47,370</u>	<u>41,436</u>
10 Creditors: amounts falling due within one year		
Bank loans and overdrafts	-	51,599
Trade creditors	28,305	15,776
Taxation and social security	89,265	23,379
Other creditors	213,853	268,949
	<u>331,423</u>	<u>359,703</u>

Included within other creditors is deferred income of £103,827 (2014 - £94,092).

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Creditors: amounts falling due after more than one year	2015 £	2014 £
Bank loans	30,564	-
Analysis of loans		
Wholly repayable within five years	30,564	51,599
Included in current liabilities	-	(51,599)
	<u>30,564</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	30,564	-
	<u>30,564</u>	<u>-</u>

The bank hold a standard security over the company's Investment property.

Interest is payable on the bank loan at 2% over base rate per annum. The bank loan is due to be fully repaid by the expiry date of 31 May 2017.

12 Retirement Benefits	2015 £	2014 £
Contributions payable by the company for the year	8,450	6,438
	<u>8,450</u>	<u>6,438</u>

Defined benefit scheme

The scheme was closed to further accrual on 31 July 2007. The pension cost and provision or repayment is assessed in accordance with the advice of the scheme actuary, Little & Company. The last formal actuarial valuation was carried out as at 31 July 2011.

Following the scheme being paid up, monthly contributions of £7,619 are payable which is subject to annual increases on 1 July each year in line with the consumer price index. Single contributions will be paid to the scheme as funds become available.

Under the provisions of the Financial Reporting Standard for Smaller Entities (FRSSE) disclosures are required to illustrate the impact the standard has on the balance sheet of the Company.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015 %	2014 %
Discount rate	3.68	3.41
Expected rate of return	4.27	3.99
Retail price inflation (RPI)	2.98	2.77
Consumer price inflation (CPI)	2.08	2.07
Rate of increase in pensions in payment	2.93	2.74

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Retirement Benefits (Continued)

Value of scheme assets and liabilities

	2015 £	2014 £
Market value of assets	2,063,000	40,000
Present value of scheme liabilities	(2,069,000)	(2,289,000)
Deficit in scheme	(6,000)	(108,000)
Net pension liability	(6,000)	(108,000)

Movement in the year:

	2015 £	2014 £
Opening defined benefit obligation	(108,000)	(131,000)
Administrative expenses and PPF levy	(57,000)	(40,000)
Interest cost	9,000	5,000
Employer contributions	91,000	89,000
Actuarial movements	59,000	(31,000)
Deficit in scheme at 31 December 2015	(6,000)	(108,000)

13 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2015	410,625	(211,280)	180,442
Profit for the year	-	-	112,518
Revaluation during the year	(160,000)	-	-
Actuarial gains or losses on pension scheme assets	-	-	59,000
Balance at 31 December 2015	250,625	(211,280)	351,960

Other reserves

Reserves provided for by the Articles of Association

Balance at 1 January 2015 & at 31 December 2015

(211,280)

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Financial commitments

At 31 December 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2016:

	2015	2014
	£	£
Operating leases which expire:		
Between two and five years	32,000	41,500
	<u>32,000</u>	<u>41,500</u>

15 Related party relationships and transactions

During the year the Scottish Building Federation recharged expenses and services in the amount of £79,636 (2014 - £74,107) to the Scottish Building Apprenticeship & Training Council. At the year end £1,764 was owed to the Scottish Building Apprenticeship & Training Council (2014 - £2,858).

The Scottish Building Apprenticeship & Training Council is a related party, as Vaughan Hart is a director of the Scottish Building Federation and the Employer Secretary of the Scottish Building Apprenticeship & Training Council.

Constructing Better Health is a related party through a common directorship held by Vaughan Hart.

During the year Constructing Better Health provided services to the Scottish Building Federation, the total payment by the Scottish Building Federation for these services was £13,954. This balance was paid during the year and, at year end, there was no balance outstanding.

15 Company limited by guarantee

The company is limited by guarantee. On a winding up the liability of members is limited to £1.