

DO NOT STAPLE
PRINT ON ONE SIDE ONLY

FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

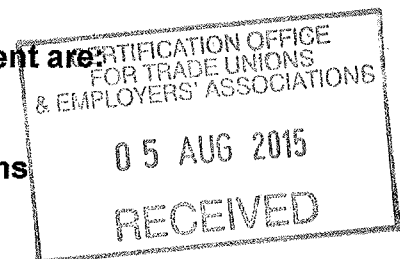
Name of Employers' Association:	The Electrical Contractors' Association of Scotland T/A SELECT
Year ended:	31 December 2014
List No:	5022E (S)
Head or Main Office:	The Walled Garden Bush Estate Midlothian EH26 0SB
Website address (if available)	www.select.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	J McGhee, ACMA
Contact name for queries regarding the completion of this return:	J Petrie
Telephone Number:	0131 445 5577
e-mail:	jenny.petrie@select.org.uk

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

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

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

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



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
1,237				1,237

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 MCKISSOCK	E RAE	4 JUNE 2014
PRESIDENT	J NOBLE	J MCKISSOCK	4 JUNE 2014
PRESIDENT	J MCKISSOCK	VACANT	26 NOVEMBER 2014

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,409,586	From Members	Subscriptions, levies, etc		1,408,787
207,229	Investment income	Interest and dividends (gross)	252,432	
		Bank interest (gross)		
		Other –Revaluation of Investment Property	100,000	
108,716	Other income	Rents received	111,067	
		Insurance commission		
268,358		Consultancy fees	306,123	
		Publications/Seminars		
82,340		Miscellaneous receipts : Sundry	84,805	
73,704		Sale of Goods	58,828	
776,905		Management fees	794,821	
2,926,838	TOTAL INCOME			3,116,863
	EXPENDITURE			
	Administrative expenses			
1,280,603		Remuneration and expenses of staff	1,274,682	
285,391		Occupancy costs	266,084	
76,237		Printing, Stationery, Post & Telephones	91,689	
86,791		Legal and Professional fees	108,922	
46,456		Miscellaneous :Publications	43,039	
74,072		In-house costs	93,009	
172,497		Admin expenses	181,972	
132,497	Other charges	Bank charges		
		Depreciation	123,430	
		Sums written off		
17,569		Affiliation fees	14,641	
102,484		Marketing Costs	121,078	
184,843		Conference and meeting fees	194,279	
152,645		Course Expenses	171,326	
		Miscellaneous (specify)		
(189)	Taxation		21,815	
2,611,896	TOTAL EXPENDITURE			2,705,966
12,196	Transfer (to) / from Reserves			10,696
327,138	Surplus/Deficit for year			421,593
3,718,352	Amount of fund at beginning of year			4,192,290
146,800	Other Recognised Gains & Losses			(467,200)
4,192,290	Amount of fund at end of year			4,146,683

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 2014

(see notes 19 and 20)

Previous Year		£	£
3,097,437	Fixed Assets (as at page 11)		3,111,927
	Investments (as per analysis on page 13)		
	Quoted (Market value £)		
50,000	Unquoted		50,000
	Total Investments		3,161,927
	Other Assets		
263,427	Sundry debtors	181,051	
1,456,203	Cash at bank and in hand	1,683,726	
27,675	Stocks of goods	19,447	
206,400	Others -Pension Asset	-	
	Total of other		1,884,224
1,953,705	assets		1,884,224
5,101,142		TOTAL ASSETS	5,046,151
415,458		Specific Reserves	404,762
		Fund (Account)	
		Fund (Account)	
4,192,290		General Reserve	4,146,683
	Liabilities		
-	Loans		
-	Bank overdraft		
-	Tax payable		
398,888	Sundry creditors		417,161
94,506	Deferred Tax Liability		77,545
-	Provisions		
-	Other liabilities		
493,394		TOTAL LIABILITIES	494,706
5,101,142		TOTAL ASSETS	5,046,151

FIXED ASSETS ACCOUNT

(see note 21)

	Freehold Office Premises	Plant & Equipment	Investment Property	Motor Vehicles	Total
	£	£	£		£
COST OR VALUATION					
At start of period	2,694,549	718,761	775,000	22,528	4,210,838
Additions during period	-	37,920	-	-	37,920
Revaluation Adjustment			100,000		100,000
Less: Disposals during period	-	-	-	-	-
Less: DEPRECIATION:	49,913	67,885	-	5,632	123,430
Total to end of period	634,201	591,166	-	11,464	1,236,831
BOOK AMOUNT at end of period	2,060,348	165,515	875,000	11,064	3,111,927
Freehold	2,060,348	-	-	-	2,060,348
Leasehold (50 or more years unexpired)					
Leasehold (less than 50 years unexpired)					
AS BALANCE SHEET	2,060,348	165,515	875,000	11,064	3,111,927

ANALYSIS OF INVESTMENTS

(see note 22)

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

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	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	1,408,787	-	1,408,787
From Investments	352,432	-	352,432
Other Income (including increases by revaluation of assets)	1,355,644		1,355,644
Total Income	3,116,863	NIL	3,116,863
EXPENDITURE (including decreases by revaluation of assets)	2,705,966	-	2,705,966
Other Gains & Losses	467,200	-	467,200
Total Expenditure	3,173,166	NIL	3,173,166
Funds at beginning of year (including reserves)	4,607,748	NIL	4,607,748
Funds at end of year (including reserves)	4,551,445	NIL	4,551,445
ASSETS			
Fixed Assets			3,111,927
Investment Assets			50,000
Other Assets			1,884,224
		Total Assets	5,046,151
LIABILITIES		Total Liabilities	494,706
NET ASSETS (Total Assets less Total Liabilities)			4,551,445

NOTES TO THE ACCOUNTS

(see note 36)

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

Please see Financial Statements for the year ended 31 December 2014.

ACCOUNTING POLICIES

(see notes 37 and 38)

Please see Financial Statements for the year ended 31 December 2014.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's
Signature: _____

Name: J MCGHEE

Date: 11 May 2015

Managing Director's
Signature: _____

(or other official whose position should be stated)

Name: D N MCGUINNESS

Date: 11 May 2015

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

If "No" please explain below.

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

YES

If "No" please explain below.

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

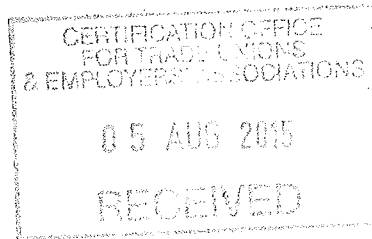
YES

If "No" please explain below.

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

See attached Financial Statements

The Electrical Contractors' Association of
Scotland (trading as SELECT)
Consolidated financial statements
for the year ended 31 December 2014



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

Contents

Report of the Central Board for the year ended 31 December 2014.....	1
Independent auditors' report to the members of The Electrical Contractors' Association of Scotland	2
Consolidated operating statement for the year ended 31 December 2014.....	4
Consolidated statement of total recognised gains and losses for the year ended 31 December 2014.....	5
Insurance general business technical account for the year ended 31 December 2014.....	6
Consolidated balance sheet as at 31 December 2014.....	7
Association's Balance sheet as at 31 December 2014.....	9
Consolidated cash flow statement for the year ended 31 December 2014.....	11
Notes to the financial statements for the year ended 31 December 2014.....	12

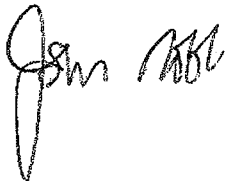
Report of the Central Board for the year ended 31 December 2014

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



John Noble
Immediate Past President
1st April 2015

Independent auditors' report to the members of The Electrical Contractors' Association of Scotland (trading as SELECT)

Report on the financial statements

Our opinion

In our opinion, The Electrical Contractors' Association of Scotland's group financial statements and parent association financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent association's affairs as at 31 December 2014 and of the group's and the parent association's profit and cash flows for the year then ended;
- have been properly prepared in accordance with the accounting policies set out on pages 12 to 14; and
- have been prepared in accordance with the with the Trade Union and Labour Relations (Consolidation) Act 1992.

What we have audited

The Electrical Contractors' Association of Scotland's financial statements comprise:

- the consolidated balance sheet as at 31 December 2014;
- the association's balance sheet as at 31 December 2014;
- the consolidated operating statement for the year then ended;
- the consolidated statement of total recognised gains and losses for the year then ended;
- the insurance general business technical account for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the accounting policies set out on pages 12 to 14.

In applying the financial reporting framework, the Central Board have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Propriety of accounting records and information and explanations received

Under the Trade Union and Labour Relations (Consolidation) Act 1992 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the parent association, or
- a satisfactory system of control over its transactions has not been maintained by the association, or
- 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(2) of the Act.

We have no exceptions to report arising from this responsibility.

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

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Central Board

As explained more fully in the Report of the Central Board set out on page 1, the Central Board is 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) ("ISAs (UK & 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 company'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.

What an audit of financial statements involves

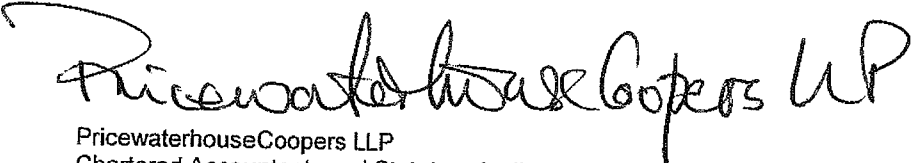
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the 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.

We primarily focus our work in these areas by assessing the Central Board's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Consolidated Financial Statements 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
1st April 2015

Consolidated operating statement for the year ended 31 December 2014

	Note	2014	2013
		£	£
Income from membership			
Subscriptions and application fees		417,054	427,942
Turnover levy		850,573	845,847
Training and development levies		141,160	135,797
		1,408,787	1,409,586
Sales of products and services		444,756	419,402
Cost of sales		(242,422)	(230,545)
		202,334	188,857
Transfer from insurance general business technical account (page 6)		746,923	574,089
Other (expense) / income	3	(70,333)	500,284
Committee expenses and other direct costs	4	(344,668)	(316,820)
Administrative expenses	5	(1,711,693)	(1,727,146)
Exceptional Item	6	100,000	-
Operating Surplus		331,350	628,850
Property and investment income	9	153,064	135,362
Other financial income		51,000	6,000
Surplus for year before taxation		535,414	770,212
Taxation charge	10	(90,039)	(151,415)
Surplus for year after taxation		445,375	618,797
Net transfer from specific reserves	17	10,696	12,196
Transfer to general reserve	16	456,071	630,993

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.

Consolidated statement of total recognised gains and losses for the year ended 31 December 2014

	Note	2014	2013
Surplus for the year		456,071	630,993
Actuarial (loss) / gain for the year on defined benefit pension scheme	8	(584,000)	228,000
Deferred taxation on defined benefit pension scheme	15	116,800	(81,200)
Total recognised gains and losses relating to the year		(11,129)	777,793

**Insurance general business technical account
for the year ended 31 December 2014**

	2014	2013
	£	£
Earned premiums		
Gross premium written		
Sickness and accident benefit scheme	1,084,411	930,906
Claims incurred		
Gross claims paid		
Sickness and accident benefit scheme	(345,567)	(352,868)
Change in the provision for claims	8,079	(3,949)
Net claims incurred	(337,488)	(356,817)
Transfer to operating statement (page 4)	746,923	574,089

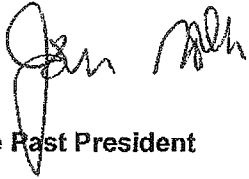
Consolidated balance sheet as at 31 December 2014

	Note	2014		2013	
		£	£	£	£
Fixed Assets	11		3,111,927		3,097,437
Investments	12		10,000		10,000
Current Assets					
Stocks		19,447		27,675	
Debtors	13	403,726		898,800	
Bank deposits		2,638,156		2,118,802	
Cash at bank and in hand		2,823,093		2,739,772	
		5,884,422		5,785,049	
Creditors: Amounts falling due within one year	14	(706,124)		(751,796)	
Net current assets			5,178,298		5,033,253
Total assets less current liabilities			8,300,225		8,140,690
Technical provisions					
Provisions for outstanding claims			(9,555)		(17,634)
Provisions for liabilities and charges	15		(77,545)		(94,506)
Net assets excluding net pension liability			8,213,125		8,028,550
Net pension asset	8		-		206,400
Net assets including net pension liability			8,213,125		8,234,950
Reserves					
General reserve:					
Balance as at 1 January			7,819,492		7,041,698
Transfer from operating statement			456,071		630,994
Other recognised gains and losses			(467,200)		146,800
Balance as at 31 December	16		7,808,363		7,819,492
Specific reserves	17		404,762		415,458
			8,213,125		8,234,950

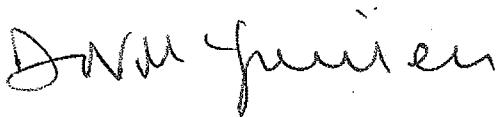
The Electrical Contractors' Association of Scotland
(trading as SELECT)

Consolidated balance sheet as at 31 December 2014 (continued)

The financial statements on pages 4 to 26 were approved by the Central Board on 1st April 2015 and are signed on their behalf by:



Immediate Past President J Noble



Managing Director D N McGuinness

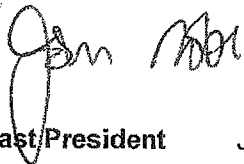
Association's balance sheet as at 31 December 2014

	Note	2014		2013	
		£	£	£	£
Fixed assets	11	3,111,927		3,097,437	
Investments	12	50,000		50,000	
Current assets					
Stocks		19,447		27,675	
Debtors	13	181,051		263,427	
Bank deposits					
Cash at bank and in hand		1,683,726		1,456,203	
		1,884,224		1,747,305	
Creditors: Amounts falling due within one year	14	(417,161)		(398,888)	
Net current assets		1,467,063		1,348,417	
Total assets less current liabilities		4,628,990		4,495,854	
Provisions for liabilities and charges	15	(77,545)		(94,506)	
Net assets excluding net pension liability		4,551,445		4,401,348	
Net Pension asset	8	-		206,400	
Net assets including net pension liability		4,551,445		4,607,748	
Reserves					
General reserve:					
Balance as at 1 January		4,192,290		3,718,352	
Transfer from operating statement		421,593		327,138	
Other recognised gains and losses		(467,200)		146,800	
Balance as at 31 December	16	4,146,683		4,192,290	
Specific reserves	17	404,762		415,458	
		4,551,445		4,607,748	

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

Association's balance sheet as at 31 December 2014 (continued)

The financial statements on pages 4 to 26 were approved by the Central Board on 1st April 2015 and are signed on their behalf by:



Immediate Past President John Noble



Managing Director D N McGuinness

Consolidated cash flow statement for the year ended 31 December 2014

	Notes	2014	2013
		£	£
Net cash inflow from operating activities	18	614,820	(30,761)
Returns on investments and servicing of finance			
Rental income		111,067	108,715
Other interest		41,997	26,648
Taxation paid		(127,289)	(70,038)
Capital expenditure			
Payments to acquire tangible fixed assets	11	(37,920)	(41,630)
		602,675	(7,066)
Management of liquid resources			
Movement in current asset investment	19	519,354	25,410
Movement in cash		1,122,029	18,344
Reconciliation of net cash flow to movement in net funds			
Movement in cash		1,122,029	18,344
Movement in current asset investment		(519,354)	(25,410)
Change in net funds		602,675	(7,066)
Net Funds at 1 January		4,858,574	4,865,639
Net Funds at 31 December	19	5,461,249	4,858,573

Notes to the financial statements for the year ended 31 December 2014

1 Principal accounting policies

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

Basis of consolidation

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

Fixed assets

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

Depreciation

Depreciation on fixed assets is calculated as follows:

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

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

Investment properties

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

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

Notes to the financial statements for the year ended 31 December 2014 (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.

Notes to the financial statements for the year ended 31 December 2014 (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.

	2014	2013
	£	£
Surplus before taxation		
Trade association	280,952	114,752
Insurance company	254,462	655,460
	535,414	770,212

Notes to the financial statements for the year ended 31 December 2014 (continued)

2 Segmental analysis by class of business (continued)

	2014	2013
	£	£
Net assets		
Trade association	4,551,445	4,607,558
Insurance company	3,711,680	3,677,202
	8,263,125	8,284,760
Investment in subsidiary	(50,000)	(50,000)
	8,213,125	8,234,760

3 Other (expense) / income

Other (expenses) /income includes the £70,333 loss (2013: gain of £30,866) made in the year on the reinsurance of life insurance with Phoenix Life and health insurance with BUPA.

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

4 Committee expenses and other direct costs

	2014	2013
	£	£
Conference, functions and meetings	159,097	152,462
Branch expenses	37,266	24,291
Marketing campaign and membership	135,442	123,880
Subscriptions	12,863	16,187
	344,668	316,820

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Administrative expenses

Included in administrative expenses are the following items of expenditure:

	2014	2013
	£	£
Staff costs (see note 7)	1,758,843	1,452,603
Group audit fees of which the parent Association was £9,745 (2013: £9,580).	19,225	18,900
Group non audit fees of which the parent Association was £6,050 (2013: £5,720)		
- Tax compliance	12,800	11,800
- Other audit services	20,695	20,350
Depreciation – owned assets	123,430	132,497
Operating lease rentals	48,200	27,111

6 Exceptional Item

The exceptional item relates to the write up in fair value of the investment property by £100,000, as shown in Note 11. The Board obtained a market valuation of the investment property as at 31 December 2014 from David Adamson & Partners, an independent firm of Chartered Surveyors. The valuation of £875,000 was arrived at using the RICS 'Red Book' method.

In line with SSAP 19, the write up has been taken to the profit and loss. The property has an occupancy rate of 90% and continues to generate revenues for the Association in excess of the deposit interest yields, expected to be £100,000 for the year to 31 December 2015.

7 Employee information

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

	2014	2013
	Number	Number
Full-time	39	38

	2014	2013
	£	£
Staff costs		
Salaries	1,088,883	1,063,042
Social security costs	108,944	106,161
Pension and permanent health insurances	561,016	283,400
	1,758,843	1,452,603

Notes to the financial statements for the year ended 31 December 2014 (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. This Scheme was closed to future accrual on the 30th September 2014 and all employees transferred over to the Group Personal Pension Scheme. 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 2014 by JLT Actuarial Services, independent consulting actuaries. The major assumptions used by the actuary were

	2014 %	2013 %
Rate of increases in salaries	n/a	4.5
Rate of increase in pensions in payment	3.6	3.5
Rate of increase to deferred pensions	2.3	2.5
Discount Rate	3.4	4.4
Inflation assumption RPI	3.1	3.5
Inflation assumption CPI	2.3	2.7

For the 31 December 2014 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:

	2014 years	2013 years
Longevity at age 65 for current pensioners:		
- Men	22.4	22.4
- Women	24.8	24.7
Longevity at age 65 for future pensioners currently aged 45:		
- Men	24.5	24.6
- Women	27.1	27.0

Notes to the financial statements for the year ended 31 December 2014 (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 2014	Value at 31 December 2014	Long term rate of return expected at 31 December 2013	Value at 31 December 2013
	%	£	%	£
Equities	6.6	2,422,000	5.7	2,337,000
Bonds	3.4	424,000	3.1	363,000
Gilts	2.6	838,000	1.7	686,000
Cash	0.5	96,000	0.5	37,000
Total market value of assets		3,780,000		3,423,000
Present value of scheme liabilities		(3,633,000)		(3,165,000)
Surplus in the scheme		147,000		258,000
Related deferred tax liability (note 15)		-		(51,600)
Unrecognised surplus		147,000		-
Net pension surplus		-		206,400

Reconciliation of present value of scheme liabilities

	2014	2013
	£	£
1 January	3,165,000	2,886,000
Interest Cost	137,000	131,000
Current service cost - Employers	89,000	108,000
- Members	22,000	27,000
Benefits Paid	(58,000)	(65,000)
Charges paid	-	20,000
Actuarial loss	604,000	58,000
Gain on curtailment	(326,000)	-
31 December	3,633,000	3,165,000

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Pension scheme (continued)

Reconciliation of fair value of scheme assets

	2014 £	2013 £
1 January	3,423,000	2,738,000
Expected Return on scheme assets	188,000	137,000
Actuarial gain	20,000	286,000
Benefits Paid	(58,000)	(65,000)
Contributions - Employers	185,000	280,000
- Members	22,000	27,000
Charges Paid	-	20,000
31 December	3,780,000	3,423,000

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 £584,000 (2013: gain of £228,000).

	31 December 2014 £	31 December 2013 £
Analysis of amounts charged to consolidated operating statement are as follows:		
Current Service cost	89,000	108,000
Expected return on pension scheme assets	(188,000)	(137,000)
Interest on pension scheme liabilities	137,000	131,000
Gain on curtailment	(326,000)	-
Total	(288,000)	102,000

Actuarial Valuation

The most recent full actuarial valuation occurred at 1 April 2014. Following the valuation the scheme was closed to future accrual.

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Pension scheme (continued)

Amounts for current and previous four years:	2014	2013	2012	2011
	£	£	£	£
Defined Benefit Obligation	(3,633,000)	(3,165,000)	(2,886,000)	(2,511,000)
Plan Assets	3,780,000	3,423,000	2,738,000	2,333,000
Surplus / (Deficit)	147,000	258,000	(148,000)	(178,000)
Experience adjustments on scheme assets				
Amount	-	-	(126,000)	181,000
Experience adjustments on scheme liabilities:				
Amount	-	-	(16,000)	15,000
Total amount recognised in statement of total recognised gains and losses:				
Amount	(584,000)	228,000	(96,000)	(199,000)

Defined contribution scheme

Since 1 August 2003, the Association has operated a defined contribution group personal pension arrangement for employees. The cost in respect of this scheme for the period is equal to the contributions paid. These amounted to £116,384 (2013: £98,430). There were no accrued contributions at the year end (2013: nil).

9 Property and investment income

	2014	2013
	£	£
Rental income	111,067	108,715
Other interest	41,997	26,647
	153,064	135,362

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Taxation

	2014 £	2013 £
United Kingdom corporation tax charge based on the surplus for the year		
Current : current year	48,711	151,604
: prior year	(6,910)	1,395
	41,799	152,999
Deferred : current year	48,240	1,584
	90,039	152,583

The difference between the tax charge on ordinary activities for the year, 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:

	2014 £	2013 £
Factors affecting tax charge for the year		
Surplus on ordinary activities before tax	535,414	770,212
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	115,084	179,048
Effects of:		
Capital allowances in excess of depreciation	(2,614)	1,707
Expenses not deductible for tax purposes	(3)	11,603
Income not taxable for tax purposes	(15,068)	-
Other timing differences	(47,008)	(39,986)
Adjustments to tax in respect of prior periods	(6,910)	1,395
Effect of other tax rates	(1,682)	(768)
Current tax charge for the year	41,799	152,999

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

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Fixed assets

Group and Association	Investment Property £	Plant and Equipment £	Freehold Office Premises £	Motor Vehicles £	Total £
Association and group:					
Cost at 1 January 2014	775,000	718,761	2,694,549	22,528	4,210,838
Additions	-	37,920	-	-	37,920
Fair Value Adjustment	100,000	-	-	-	100,000
At 31 December 2014	875,000	756,681	2,694,549	22,528	4,348,758
Accumulated Depreciation					
at 1 January 2014	-	523,281	584,288	5,832	1,113,401
Charge for the year	-	67,885	49,913	5,632	123,430
At 31 December 2014	-	591,166	634,201	11,464	1,236,831
Net book value					
At 31 December 2014	875,000	165,515	2,060,348	11,064	3,111,927
Net book value					
At 31 December 2013	775,000	195,480	2,110,261	16,696	3,097,437

The fair value adjustment to the value of the Investment Property to £875,000, as discussed in Note 6. The Board obtained a market valuation of the investment property as at 31 December 2014 from David Adamson & Partners, an independent firm of Chartered Surveyors. The valuation of £875,000 was arrived at using the RICS 'Red Book' method. The historical cost of the property is £2,098,481.

12 Investments

	Group		Association	
	2014	2013	2014	2013
Subsidiaries				
SECI Limited				
50,000 ordinary shares (2013: 50,000) of £1 each fully paid	-	-	50,000	50,000
Others				
SCA Estates Limited				
10,000 'C' ordinary shares (2013: 10,000) of £1 each fully paid	10,000	10,000	-	-
	10,000	10,000	50,000	50,000

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 Investments (continued)

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

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

13 Debtors

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	63,199	79,484	63,199	79,484
Other debtors – on direct insurance operations	308,585	782,555	85,910	147,182
CT debtor	-	17,265	-	17,265
Prepayments and accrued income	31,942	19,496	31,942	19,496
	403,726	898,800	181,051	263,427

14 Creditors: Amounts falling due within one year

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	93,594	103,055	93,594	103,055
Corporation tax	48,850	151,604	142	-
Other taxation and social security	86,475	76,869	86,475	76,869
Other creditors & accruals	477,205	420,268	236,950	218,964
	706,124	751,796	417,161	398,888

Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Provisions for liabilities and charges

	Group and Association	
	2014	2013
	£	£
Deferred taxation		
Excess of capital allowances over depreciation	99,002	96,571
Short term timing differences	29,400	-
Losses	(50,857)	(2,065)
Pensions	-	51,600
Deferred taxation liability excluding deferred tax on pension asset	77,545	146,106
Balance as at 1 January	146,106	66,489
Deferred tax credit in profit and loss account	46,174	32,933
Adjustment in respect of prior periods	2,065	1,084
Deferred Tax (charge)/credit in reserves for the period	(116,800)	45,600
Balance as at 31 December	77,545	146,106

	Group and Association	
	2014	2013
	£	£
Deferred tax asset relating to pension deficit		
Balance as at 1 January	(51,600)	29,600
Deferred tax charge to the statement of total recognised gains and losses:		
On actuarial losses	51,600	(81,200)
Balance as at 31 December	-	(51,600)

16 General reserves

	Association	SECI Limited	Total
	£	£	£
Balance as at 1 January 2014	4,192,290	3,627,202	7,819,492
Surplus for the year after net transfers to specific reserves	421,593	34,478	456,071
Other recognised gains and losses	(467,200)	-	(467,200)
Balance at 31 December 2014	4,146,683	3,661,680	7,808,363

Notes to the financial statements for the year ended 31 December 2014 (continued)

17 Specific reserves

	Opening Balance At 1 January 2014 £	Transfer to operating Statement £	Closing Balance At 31 December 2014 £
Capital Projects Reserve (a)	371,351	(10,297)	361,054
Guarantee Scheme Reserve (b)	44,107	(399)	43,708
Total	415,458	(10,696)	404,762

- (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.

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

	2014 £	2013 £
Operating surplus	331,350	628,850
Depreciation	123,430	132,497
FRS 17 'Retirement benefits' pension charge for defined benefit scheme	89,000	108,000
Pensions contributions made to defined benefit scheme	(185,000)	(280,000)
Exceptional Item	(100,000)	-
(Increase)/decrease in stocks	8,228	(13,909)
(Increase)/decrease in debtors	477,809	(577,810)
(Decrease)/increase in creditors	57,082	(32,338)
Increase/(decrease) in outstanding claims provision	(8,079)	3,949
Curtailment and de-recognition of pension asset	(179,000)	-
Net cash inflow from operating activities	614,820	(30,761)

19 Analysis of changes in net funds

	At 1 January 2014 £	Cash Flows £	At 31 December 2014 £
Cash at bank and in hand	2,739,772	83,321	2,823,093
Net cash	2,739,772	83,321	2,823,093
Bank deposits	2,118,802	519,354	2,638,156
Total	4,858,574	602,675	5,461,249

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

Notes to the financial statements for the year ended 31 December 2014 (continued)

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 £497,538 (2013: £486,454). Included in prepayments and accrued income are amounts due to the Association of £52,638 (2013: £62,892). Included within debtors are amounts of £230,355 (2013: £155,772) due to SECI Limited from the SJIB.

The Scottish Electrical Charitable Training Trust (SECTT) is a partner of the Association and through this relationship is also a related party. The Association received rental income from SECTT totalling £52,861 in the year (2013: £52,994). The Association also rented training space from SECTT in the year costing £15,651 (2013: £12,686).

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:

	2014	2013
	£	£
Within two to five years	55,237	35,147