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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during
the
year to which the return relates?

Yes

No

(Tick as appropriate)

General Secretary:

Contact name for queries
regarding
the completion of this return:

Telephone Number:

e-mail:

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

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

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

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



**ANNUAL GENERAL MEETING 16 MARCH 2017
Office Bearers and Committee Lists**

2016/2017

President Mr D McDonald
Senior Vice President Mr A Orr
Junior Vice President Mr M Johnston

Branch Representatives to National Council

Aberdeen Mr D Torry
Borders Mr G Mackison
Dundee & Perth Mr E Bannerman
Edinburgh Mr A Orr
Glasgow Mr B Keenan
Highlands & Islands Mr D MacDonald
BDF Mr A Scott

Elected to National Council

Aberdeen Mr B Milne
Mr E Rasmussen
Mr D Torry
Mr M McDonald
Borders Mr G Mackison
Dundee & Perth Mr E Bannerman
Edinburgh Mr J Mitchell
Mr D Clark
Mr B Nicolson
Mr A Orr
Mr M Stewart
Glasgow Mr B Keenan
Mr A Paterson
Mr D McDonald
Highlands & Islands Mr D MacDonald

Nominated to National Council

Glasgow Mr A Scott

Management Committee

President
Senior Vice President
Junior Vice President
Imm Past President
Honorary Treasurer
Chief Executive

Education Committee

Convenor Mr D McDonald
Mr M Stewart
Mr R Skene
ConstructionSkills Mr P Allford
Edinburgh College Mr R Taylor
South Lanarkshire College Mr B Hannigan /
Mr J McLean
Manufacturer Reps Up to 3
Nominations from N C Mr B Keenan
Mr A Orr
Chief Executive

2017/2018

President Mr D McDonald
Senior Vice President Mr M Johnston
Junior Vice President Mr M Stewart

Branch Representatives to National Council

Aberdeen TBA
Dundee & Perth Mr E Bannerman
Edinburgh & Borders Mr P. Smith
Glasgow Mr B Keenan
Highlands & Islands Mr D MacDonald
BDF Mr A Scott

Elected to National Council

Aberdeen Mr B Milne
Mr E Rasmussen
Dundee & Perth Mr E Bannerman
Edinburgh & Borders Mr J Mitchell
Mr D Clark
Mr B Nicolson
Mr P. Smith
Mr M Stewart
Glasgow Mr A Paterson
Mr D McDonald
Highlands & Islands Mr D MacDonald

Nominated to National Council

Glasgow Mr A Scott

Management Committee

President
Senior Vice President
Junior Vice President
Imm Past President
Honorary Treasurer
Chief Executive/
National Secretary

Education Committee

Convenor Mr B Nicolson
Mr M Stewart
Mr R Skene
CITB Mrs G. Harkness
Edinburgh College Mr R Taylor
South Lanarkshire College Mr B Hannigan /
Mr J McLean
Manufacturer Reps Up to 3
Nominations from N C Mr B Keenan
Chief Executive/
National Secretary



Technical and Contracts Committee

Convenor	Mr B Nicolson Mr E Rasmussen Mr R Skene Mr M Stewart
Consultant	Ms J Milligan
Consultant	Mr R Murray
Manufacturer Reps	Up to 3
Nominations from NC	Up to 2 Chief Executive

Technical and Contracts Committee

Convenor	Mr M Stewart Mr E Rasmussen Mr R Skene Mr M Stewart
Consultant	Ms J Milligan
Consultant	Mr R Murray
Manufacturer Reps	Up to 3
Nominations from NC	Up to 2 Chief Executive/ National Secretary

Representatives to the Scottish Painting Council

Convenor	
President	
Senior Vice President	
Junior Vice President	
Co-opted	Chief Executive
Nominations from NC	Up to 2

Representatives to the Scottish Painting Council

Convenor	
President	
Senior Vice President	
Junior Vice President	
Co-opted	Chief Executive
Nominations from NC	Up to 2

Good Practice Committee

Mr J Mitchell Chief Executive

Good Practice Committee

Mr J Mitchell Chief Executive/ National Secretary

SCORE

Mr R Skene Chief Executive

SCORE

Mr R Skene Chief Executive/ National Secretary
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SPADAC

Chair	Mr B Keenan Mr R Skene Mr J Mitchell Mr I Rogers
Employers' Secretary	

SPADAC

Chair	Mr B Keenan Mr R Skene Mr J Mitchell Mr I Rogers
Employers' Secretary	

Legal Secretary

Mr D Hughes

Legal Secretary

Mr D Hughes

Accountants

Macfarlane Gray

Accountants

French Duncan Stirling

Buying Group

Joint Convenor	Mr D Clark
Joint Convenor	Mr R Skene Chief Executive

Buying Group

Joint Convenor	Mr D Clark
Joint Convenor	Mr R Skene Chief Executive/ National Secretary

Publishing Group

Editor	Chief Executive Mr B Keenan
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Publishing Group

Editor	Chief Executive/ National Secretary Mr B Keenan
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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
192				

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	Barrie Nicolson	Donald McDonald	10/03/2016
Senior Vice President	Donald McDonald	Andrew Orr	10/03/2016

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
150,112	From Members	Subscriptions, levies, etc	141,381	
6,378	Investment income	Interest and dividends (gross)	7,016	
10,163		Bank interest (gross)	9,025	
20,800		Other (specify)	10,300	
				167,722
17,359	Other income	Rents received	2,078	
6,221		Publications/Seminars	1,631	
1,813		Miscellaneous receipts (specify)	3,087	
				6,796
212,846	TOTAL INCOME			174,518
	EXPENDITURE			
	Administrative expenses			
115,861		Remuneration and expenses of staff	116,900	
21,060		Occupancy costs	21,441	
8,628		Printing, Stationery, Post	8,927	
4,693		Computer costs	2,966	
12,243		Legal and Professional fees	6,811	
433		Subscriptions	397	
2,700		Training	-	
3,472		Miscellaneous (specify)	2,766	
1,075		Advertising	680	
				160,888
52	Other charges	Bank charges	-	
18,598		Depreciation	22,496	
6,882		Motor expenses	6,555	
2,661		Leasing	2,394	
1,255		Hire purchase interest	3,115	
6,458		Conference and meeting fees	2,154	
4,706		Donations	-	
-		Gain on disposal of fixed assets	(8,574)	
15,381		(Gain)/loss on fixed asset investments	(47,981)	
6,384		Taxation	2,108	
				(17,733)
232,542	TOTAL EXPENDITURE			143,155
(19,696)	Surplus/Deficit for year			31,363
1,128,735	Amount of fund at beginning of year			1,109,039
1,109,039	Amount of fund at end of year			1,140,402

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		£	£
409,101	Fixed Assets (as at page 11)		426,134
	Investments (as per analysis on page 13)		
532,070	Quoted (Market value £)	593,619	
	Unquoted		
	Total Investments		593,619
	Other Assets		
8,010	Sundry debtors	5,505	
205,364	Cash at bank and in hand	247,645	
159	Stocks of goods	79	
	Others (specify)		
	Total of other		253,229
	assets		
1,154,704		TOTAL ASSETS	1,272,982
803,786	Fund (General)		823,557
156,443	Fund (Apprenticeship registration)		162,239
123,405	Fund (Training)		126,303
25,405	Fund (Training certification)		28,303
	Liabilities		
11,329	Loans	33,504	
	Bank overdraft	-	
9,023	Tax payable	6,214	
2,769	Sundry creditors	2,265	
22,544	Accrued expenses	90,597	
	Provisions		
	Other liabilities		
45,665		TOTAL LIABILITIES	132,580
1,154,704		TOTAL ASSETS	1,272,982

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Computer equipment	Total
	£	£	£	£	£
COST OR VALUATION					
At start of period	486,945	56,032	32,056	24,527	599,560
Additions during period	-	-	46,656	800	47,456
Less: Disposals during period	-	-	(31,705)	-	(31,705)
Less: DEPRECIATION:					
At start of period	87,650	56,032	24,129	22,648	190,459
Charge for year	9,739	-	11,664	1,093	22,496
Eliminated on disposal	-	-	(23,778)	-	(23,778)
Total to end of period	97,389	56,032	12,015	23,741	189,177
Book value at end of period	389,556	-	34,992	1,586	426,134
Freehold					
Leasehold (50 or more years unexpired)					
Leasehold (less than 50 years unexpired)					
AS BALANCE SHEET	389,556	-	34,992	1,586	426,134

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	173,718
	British Municipal and County Securities	
	Other Quoted Securities:	
	Aberforth Smaller Companies	16,059
	Newton Global Higher Income	15,681
	Alliance Monthly Income	51,598
	Banker Investment Trust	16,438
	City of London	13,804
	Henderson Far East	18,694
	Murray Income Trust	26,064
	Sarasin GBL Higher Dividend	13,996
	Standard Life	69,952
	S&S Short Dated Bond	36,842
	HICL Infrastructure	14,221
	JP Morgan American IT	20,306
	Murray International	11,880
	RIT Partner	15,080
	F&C Commercial Property Trust	9,549
	Fundsmith Equity	8,753
	Standard Life Global Bond	39,398
Polar Capital Technology Trust	21,586	
	*Market Value of Quoted Investments	593,619
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
		TOTAL QUOTED (as Balance Sheet)
	*Market Value of Unquoted Investments	

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?			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
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?			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	141,381		141,381
From Investments	16,041		16,041
Other Income (including increases by revaluation of assets)	17,096		17,096
Total Income	174,518		174,518
EXPENDITURE (including decreases by revaluation of assets)	141,047		141,047
Total Expenditure	143,155		143,155
Funds at beginning of year (including reserves)	1,109,039		1,109,039
Funds at end of year (including reserves)	1,140,402		1,140,402
ASSETS			
Fixed Assets			426,134
Investment Assets			593,619
Other Assets			253,229
		Total Assets	1,272,982
LIABILITIES		Total Liabilities	132,580
NET ASSETS (Total Assets less Total Liabilities)			1,140,402

NOTES TO THE ACCOUNTS

(see note 36)

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

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The federation transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. The impact of this transition is on the disclosure in the financial statements, there was no impact or change to the federation's accounting policies or reported financial position.

The following principal accounting policies have been applied:

- **Subscriptions**
Subscription income represents total amount receivable for membership of the federation from individual members and branches excluding VAT.
- **Investments**
Listed investments are included at market value based on the closing middle market prices at the balance sheet date.

Gains and losses arising on the annual re-valuation of these listed investments is recognised in the Income and Expenditure Account.
- **Operating Leases**
The federation enters into lease arrangements for the use of plant and equipment. The classification of such leases requires the federation to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Where it is determined that the significant risks and rewards of ownership of these assets does not transfer to the federation the rental payments are allocated to the Income and Expenditure Account on a straight line basis when they fall due.
- **Hire Purchase Agreements**
Assets held under hire purchase contracts are capitalised in the balance sheet and depreciated over the assets useful lives. A corresponding liability is recognised for the lower of fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction in the lease liability and finance charges in the Income and Expenditure Account so as to achieve a constant rate of interest on the remaining balance.
- **Pensions**
The federation operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the federation pays fixed contributions into a separate entity. Once the contributions have been paid the federation has no further payment obligations.

The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the federation in independently administered funds.

- **Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Property	-2% on cost
Fixture and fittings	-20% on cost
Motor vehicles	-25% on cost
Computer equipment	-20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income and Expenditure account.

2. SUNDRY INCOME

	2016	2015
	£	£
Publications	1,631	6,221
SCORE receipts	885	513
Training income	1,500	1,300
Miscellaneous	702	-
	<u>4,718</u>	<u>8,034</u>

3. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2016	486,945	56,032	32,056	24,527	599,560
Additions	-	-	46,656	800	47,456
Disposals	-	-	(31,705)	-	(31,705)
At 31 December 2016	<u>486,945</u>	<u>56,032</u>	<u>47,007</u>	<u>25,327</u>	<u>615,311</u>
DEPRECIATION					
At 1 January 2016	87,650	56,032	24,129	22,648	190,459
Charge for year	9,739	-	11,664	1,093	22,496
Eliminated on disposal	-	-	(23,778)	-	(23,778)
At 31 December 2016	<u>97,389</u>	<u>56,032</u>	<u>12,015</u>	<u>23,741</u>	<u>189,177</u>
NET BOOK VALUE					
At 31 December 2016	<u>389,556</u>	<u>-</u>	<u>34,992</u>	<u>1,586</u>	<u>426,134</u>
At 31 December 2015	<u>399,295</u>	<u>-</u>	<u>7,927</u>	<u>1,879</u>	<u>409,101</u>

Hire Purchase agreements

Included within the net book value of £426,134 is £34,992 (2015 - £7,927) relating to assets held under hire purchase Agreements.

The depreciation charged to the financial statements in the year in respect of these assets amounted to £11,664 (2015 - £7,926).

4. MOVEMENT IN FUNDS

	At 1/1/16 £	Net movement in funds £	At 31/12/16 £
Unrestricted funds			
General Fund	803,786	19,771	823,557
Apprentice Registration Fund	156,443	5,796	162,239
Training Fund	123,405	2,898	126,303
Training Certification Fund	<u>25,405</u>	<u>2,898</u>	<u>28,303</u>
TOTAL FUNDS	<u>1,109,039</u>	<u>31,363</u>	<u>1,140,402</u>

ACCOUNTING POLICIES

(see notes 37 and 38)

5. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2016	532,070
Additions	102,255
Disposals	(88,687)
Revaluations	<u>47,981</u>
At 31 December 2016	<u>593,619</u>
 NET BOOK VALUE	
At 31 December 2016	<u>593,619</u>
At 31 December 2015	<u>532,070</u>

Investments are at market value as at 31 December 2016 as valued by Speirs and Jeffrey Stockbrokers.

6. STOCKS

	2016 £	2015 £
Stocks	<u>79</u>	<u>159</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	-	2,388
Other debtors	<u>5,505</u>	<u>5,622</u>
	<u>5,505</u>	<u>8,010</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Hire purchase	8,166	7,997
Trade creditors	2,265	2,769
Taxation and social security	6,214	9,023
Other creditors	<u>90,597</u>	<u>22,544</u>
	<u>107,242</u>	<u>42,333</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Hire purchase	<u>25,338</u>	<u>3,332</u>

10. DONATIONS

Donations totalling £Nil were made to the British Decorators Federation during the year (2015 - £1,588).

11. TAXATION: ANALYSIS OF THE TAX CHARGE

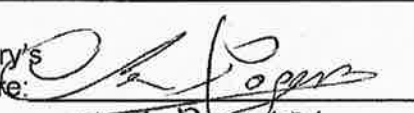
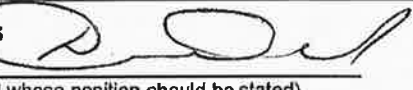
The tax charge for the year was as follows:

	2016	2015
	£	£
Current Tax:		
UK Corporation Tax	2,108	5,127
Adjustment in respect of prior years	-	<u>1,257</u>
	<u>2,108</u>	<u>6,384</u>

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>MR ROGERS</u> Date: <u>30-5-2017</u>	Chairman's Signature:  (or other official whose position should be stated) Name: <u>DONALD MCDONALD</u> Date: <u>2-6-2017</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	
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)

AUDITOR'S REPORT (continued)

REPORT OF THE INDEPENDENT AUDITORS TO THE MANAGEMENT COMMITTEE OF SCOTTISH DECORATORS' FEDERATION

We have audited the financial statements of Scottish Decorators' Federation for the year ended 31 December 2016 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the members of the association, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004. Our audit work has been undertaken so that we might state to the association'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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the National Council and auditors

The management committee's responsibilities for preparing the Report of the National Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004. We also report to you if, in our opinion, the information given in the Report of the National Council is not consistent with those financial statements, if the association has not kept proper accounting records, if the financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Report of the National Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

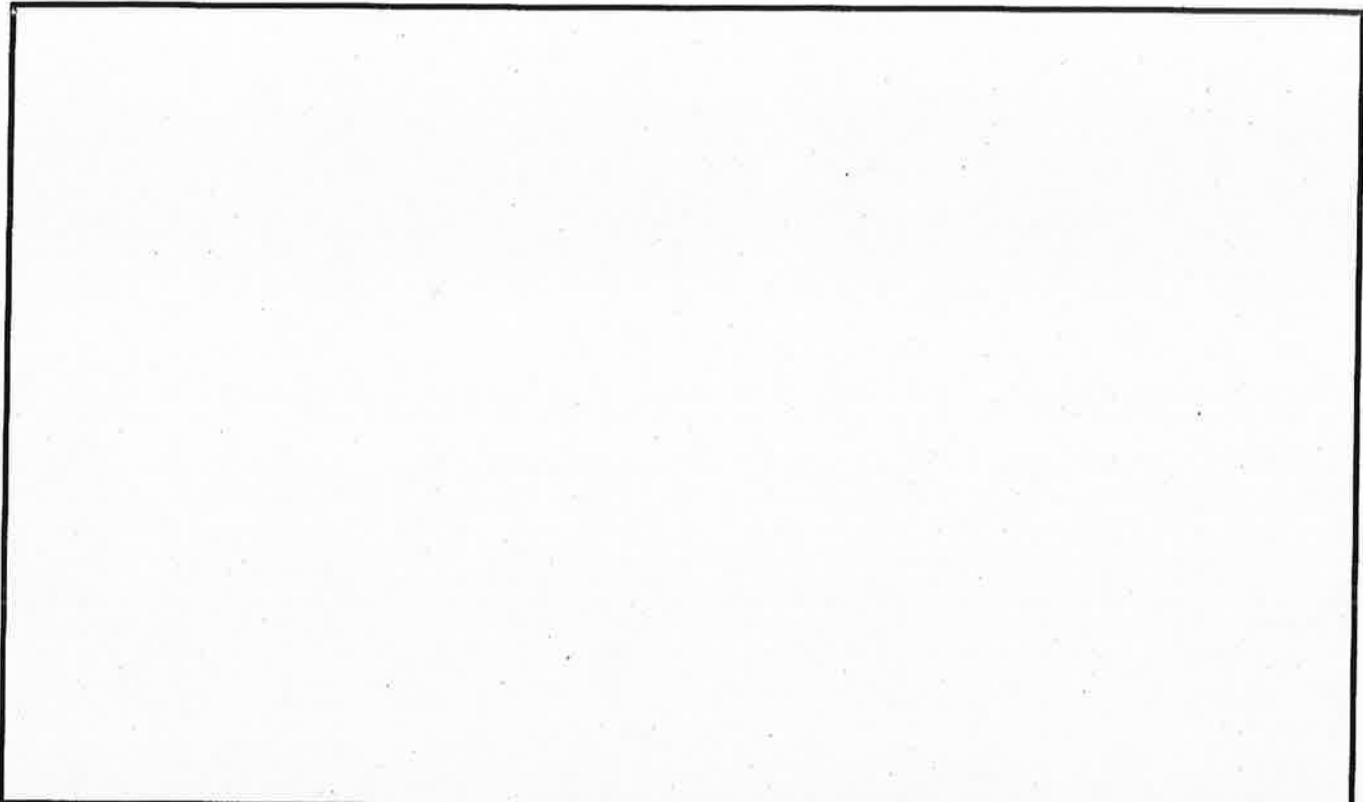
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the association in the preparation of the financial statements, and of whether the accounting policies are appropriate to the association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the association's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004.



Signature(s) of auditor or auditors:	<i>French Duncan</i>	
Name(s):	French Duncan	
Profession(s) or Calling(s):	Chartered Accountants & Statutory Auditors	
Address(es):	Macfarlane Gray House Castle Craig Business Park Springbank Road, Stirling FK7 7WT	
Date:	14 March 2017	
Contact name and telephone number:	01786 451745	

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

EVERY EMPLOYERS' ASSOCIATION IS REQUIRED BY LAW TO COMPLETE THIS RETURN. THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.

THERE IS NO LEGAL REQUIREMENT FOR THIS RETURN TO BE "APPROVED" BY THE GOVERNING BODY OF THE ASSOCIATION BEFORE SUBMISSION TO THE CERTIFICATION OFFICE