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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

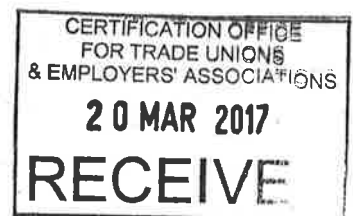
Name of Employers' Association:	Employers in Voluntary Housing
Year ended:	31 December 2016
List No:	5035E
Head or Main Office:	137 Sauchiehall Street 5 th Floor Glasgow G2 3EW
Website address (if available)	www.evh.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	Eamonn Connolly
Contact name for queries regarding the completion of this return:	Eamonn Connolly
Telephone Number:	0141 352 7435
e-mail:	Eamonn:@evh.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





supporting
social
employers

EVH Board of Directors – at 31 December 2016

B D Chaplin
M M D Alcorn
J Ferguson JP MBE
J Michael
N J Reid BEM
C A Newton
G H McGuinness MBE
J R Weir
G R Mason
P A McGinlay MBE
A Ramsay
D W Rose
H Cameron
A S A'Hara
N R Finlayson
C F R Holyer

Company Secretary – at 31 December 2016

E Connolly

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
149				149

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Director		Brian Chaplin	03.04.2016
Director	Lorna Paterson		03.04.2016

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
519,808	From Members	Subscriptions, levies, etc	499,979	
2,469	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)	1,839	
	Other income	Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify) Recruitment and advertising Pension re-measurement		501,818
65,923			166,965	
201,441			240,732	
219,343			163,267	
33,658			399,000	
				969,964
1,042,642		TOTAL INCOME		1,471,782
	EXPENDITURE			
	Administrative expenses			
466,103		Remuneration and expenses of staff	508,283	
76,835		Occupancy costs	67,296	
21,661		Printing, Stationery, Post	20,952	
5,807		Telephones	3,622	
38,083		Legal and Professional fees	49,491	
6,183		Miscellaneous – Committee costs	950	
21,404		Publication and advertising costs	5,415	
4,434		JNC Costs	28,770	
			1,205	
976	Other charges	Bank charges	1,545	685,984
14,304		Depreciation	13,942	
-		Sums written off	-	
3,059		Affiliation fees	2,417	
-		Donations	-	
145,585		Conference and meeting fees	154,827	
18,245		Expenses	21,907	
37,384		Miscellaneous (specify)		
26,939		Irrecoverable VAT	41,668	
		Bank interest and similar charges	25,001	
				261,307
4,387	Taxation			3,417
891,389		TOTAL EXPENDITURE		950,708
151,253		Surplus/Deficit for year		521,074
(70,680)		Amount of fund at beginning of year		80,573
80,573		Amount of fund at end of year		601,647

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 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)		

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)		

BALANCE SHEET AS AT 31 December 2016

(see notes 19 and 20)

Previous Year		£	£
464,397	Fixed Assets (as at page 11)		452,657
	Investments (as per analysis on page 13)		
	Quoted (Market value £)		
88,694	Unquoted		189,498
	Total Investments		
31,905	Other Assets		64,718
488,665	Sundry debtors		401,612
	Cash at bank and in hand		
	Stocks of goods		
	Others (specify)		
	Total of other		466,330
	assets		
1,073,661	TOTAL ASSETS		1,108,485
80,573	Fund (Account)		601,647
	Fund (Account)		
	Fund (Account)		
	Revaluation Reserve		
	Liabilities		
92,773	Loans	44,965	
-	Bank overdraft	-	
10,644	Tax payable	16,934	
-	Sundry creditors	-	
11,671	Accrued expenses	17,939	
878,000	Provisions	427,000	
	Other liabilities	-	
115,088	TOTAL LIABILITIES		506,838
1,073,661	TOTAL ASSETS		1,108,485

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	520,376	112,074		632,450
Additions during period		2,202		2,202
Less: Disposals during period				
Less: DEPRECIATION:	(10,408)	(3,534)		(13,942)
Total to end of period				
BOOK AMOUNT at end of period	447,520	5,137		452,657
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	447,520	5,137		452,657

ANALYSIS OF INVESTMENTS

(see note 22)

QUOTED		Other Funds £
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	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	499,979		
From Investments	1,839		
Other Income (including increases by revaluation of assets)	969,964		
Total Income	1,471,782		
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	950,708 947,291		
Funds at beginning of year (including reserves)	80,573		
Funds at end of year (including reserves)	601,647		
ASSETS			
Fixed Assets			452,657
Investment Assets			189,498
Other Assets			466,330
Total Assets			1,108,485
LIABILITIES			
Total Liabilities			506,838
NET ASSETS (Total Assets less Total Liabilities)			601,647

NOTES TO THE ACCOUNTS

(see note 36)

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

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>1,070,943</u>	<u>1,040,173</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	13,942	14,304
Defined contribution plans expense	<u>40,956</u>	<u>36,824</u>

6. Staff numbers and directors' remuneration

The average number of staff employed in the year was 14 (2015: 10).

The directors received £nil (2015: £nil) remuneration in respect of qualifying services in the year.

7. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>5,330</u>	<u>4,330</u>

8. Interest payable and similar charges

	2016	2015
	£	£
Interest on banks loans and overdrafts	2,001	3,939
Net finance costs in respect of defined benefit pension plans	<u>23,000</u>	<u>23,000</u>
	<u>25,001</u>	<u>26,939</u>

9. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	3,547	4,387
Adjustments in respect of prior periods	<u>(130)</u>	<u>—</u>
Total current tax	<u>3,417</u>	<u>4,387</u>

Tax on profit on ordinary activities	3,417	4,387
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The company's taxable income for the year ended 31 December 2015 is bank interest received and profit arising on room hire to non members.

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	125,491	155,640
Profit on ordinary activities by rate of tax	25,098	31,128
Adjustment to tax charge in respect of prior periods	(130)	—
Effect of expenses not deductible for tax purposes	108,400	186,538
Effect of revenue exempt from tax	(129,951)	(213,279)
Tax on profit on ordinary activities	3,417	4,387

A reduction in the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. A further reduction from 20% to 19% was enacted in November 2015 and will take effect from 1 April 2017. In addition, a further reduction from 19% to 17% will take effect from 1 April 2020.

10. Tangible assets

	Heritable Property £	Computers & Printers £	Furniture & Fittings £	Office Improvements £	Total £
Cost					
At 1 Jan 2016	520,376	19,733	28,870	63,471	632,450
Additions	—	—	2,202	—	2,202
At 31 Dec 2016	520,376	19,733	31,072	63,471	634,652
Depreciation					
At 1 Jan 2016	62,448	13,915	28,219	63,471	168,053
Charge for the year	10,408	2,327	1,207	—	13,942
At 31 Dec 2016	72,856	16,242	29,426	63,471	181,995
Carrying amount					
At 31 Dec 2016	447,520	3,491	1,646	—	452,657
At 31 Dec 2015	457,928	5,818	651	—	464,397

11. Debtors

	2016	2015
	£	£
Trade debtors	49,900	17,010
Prepayments and accrued income	14,818	13,314
Other debtors	—	1,581
	64,718	31,905

12. Investments

	2016	2015
	£	£
Investment deposit with Pollok Credit Union	189,498	88,694

13. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	4,956	8,930

Accruals and deferred income	17,939	11,671
Corporation tax	3,549	4,387
Social security and other taxes	13,385	6,257
	<u>39,829</u>	<u>31,245</u>

14. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	<u>40,009</u>	<u>83,843</u>

Included within creditors: amounts falling due after more than one year is an amount of £18,346 (2015: £44,865) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan is secured by standard security over the company's heritable property. In addition, Triodos Bank holds a right of set-off for any other accounts held with them by the company.

15. Pension scheme

The Company operates both a defined benefit pension scheme and a defined contribution scheme for its employees

The amount recognised in the income and expenditure account is as follows:

	2016 £	2015 £
Defined benefit scheme		
- Current service cost	-	-
Defined contribution scheme	<u>40,956</u>	<u>36,824</u>
Total charge in operating profit	<u>40,956</u>	<u>36,824</u>
Defined benefit scheme		
- Net interest expense	<u>23,000</u>	<u>23,000</u>
Total charge	<u>63,956</u>	<u>59,824</u>

Defined benefit scheme - Scottish Housing Associations' Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to over 150 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2012. This actuarial valuation showed assets of £394m, liabilities of £698m and a deficit of £304m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2014 to 30 September 2027:	£26,304,000 per annum (payable monthly, increasing by 3% each 1st April)
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A full actuarial valuation for the scheme was carried out at 30 September 2015. This actuarial valuation showed assets of £616m, liabilities of £814m and a deficit of £198m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as

follows:

Deficit contributions

From 1 April 2017 to 28 February 2022: £25,735,092 per annum (payable monthly, increasing by 3% each 1st April)

From 1 April 2017 to 30 June 2025: £727,217 per annum (payable monthly, increasing by 3% each 1st April)

From 1 April 2017 to 31 October 2026: £1,239,033 per annum (payable monthly, increasing by 3% each 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Defined benefit scheme - Scottish Housing Associations' Pension Scheme

PRESENT VALUES OF PROVISION

	31 December 2016 (£000s)	31 December 2015 (£000s)	31 December 2014 (£000s)
Provision at start of period	427	878	938

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 December 2016 (£000s)	Period Ending 31 December 2015 (£000s)
Provision at start of period	878	938
Unwinding of the discount factor (interest expense)	23	23
Deficit contribution paid	(75)	(72)
Re-measurements - impact of any change in assumptions	17	(11)
Re-measurements - amendments to the contribution schedule	(416)	-
Provision at end of period	427	878

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 December 2016 (£000s)	Period Ending 31 December 2015 (£000s)
Interest expense	23	23
Re-measurements - impact of any change in assumptions	17	(11)
Re-measurements - amendments to the contribution schedule	(416)	-

ASSUMPTIONS

	31 December 2016 % per annum	31 December 2015 % per annum	31 December 2014 % per annum
Rate of discount	1.11	2.72	2.51

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

16. Reserves

The profit and loss account reserve comprises the retained earnings of the Company.

17. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Later than 1 year and not later than 5 years	12,719	11,454
Later than 5 years	—	4,873
	<u>12,719</u>	<u>16,327</u>

18. Related party transactions

The directors of the company are also Board Members of member Housing Associations with which the company transacts. All transactions with the Housing Associations are made on a commercial basis.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1a.

19. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

Reconciliation of equity

	1 January 2015			31 December 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	471,719	—	471,719	464,397	—	464,397
Current assets	550,241	—	550,241	609,264	—	609,264
Creditors: amounts falling due within one year	(33,362)	—	(33,362)	(31,245)	—	(31,245)
Net current assets	<u>516,879</u>	—	<u>516,879</u>	<u>578,019</u>	—	<u>578,019</u>
Total assets less current liabilities	988,598	—	988,598	1,042,416	—	1,042,416
Creditors: amounts falling due after more than one year	(132,278)	—	(132,278)	(83,843)	—	(83,843)
Pension scheme	—	(938,000)	(938,000)	—	(878,000)	(878,000)
Net assets	<u>856,320</u>	<u>(938,000)</u>	<u>(81,680)</u>	<u>958,573</u>	<u>(878,000)</u>	<u>80,573</u>

Capital and reserves	<u>856,320</u>	<u>(938,000)</u>	<u>(81,680)</u>	<u>958,573</u>	<u>(878,000)</u>	<u>80,573</u>
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Reconciliation of profit or loss for the year

	Year ended 31 December 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	1,040,173	—	1,040,173
Administrative expenses	<u>(932,063)</u>	<u>72,000</u>	<u>(860,063)</u>
Operating profit	108,110	72,000	180,110
Other interest receivable and similar income	2,469	—	2,469
Interest payable and similar charges	<u>(3,939)</u>	<u>(23,000)</u>	<u>(26,939)</u>
Tax on profit on ordinary activities	<u>(4,387)</u>	<u>—</u>	<u>(4,387)</u>
Profit for the financial year	<u>102,253</u>	<u>49,000</u>	<u>151,253</u>

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net profit/(loss) for the year is provided with the net profit/(loss) and liabilities under previous GAAP adjusted for the recognition of agreed payments to fund past service deficits on the company's pension scheme. Further detail in relation to this is set out in note 15.

ACCOUNTING POLICIES

(see notes 37 and 38)

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's

Signature: E. Connolly

Name: E. CONNOLLY

Date: 17/2/17

Chairman's

Signature: G. Mason

(or other official whose position should be stated)

Name: G. MASON

Date: 17/2/17

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 ☐ NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:

- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

☒ YES ☐ NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
- (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

☒ YES ☐ NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this 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)

We have audited the financial statements of Employers in Voluntary Housing Limited for the year ended 31 December 2016 which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A (Small 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 auditor's 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 auditor

As explained more fully in the directors' responsibilities statement, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; and
- 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

Signature(s) of auditor or auditors:	Malcolm Beveridge	
Name(s):	Chiene + Tait LLP	
Profession(s) or Calling(s):	ICAS	
Address(es):	61 Dublin Street Edinburgh EH3 6NL	
Date:	22 FEBRUARY 2017	
Contact name and telephone number:	Malcolm Beveridge 0131 558 5800	

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**

GUIDANCE ON COMPLETION

GENERAL

1. Unless the Employers' Association has been authorised to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, **and at any event before 1 June.**
2. The accounts must, in accordance with the Act, give a true and fair view of the matters to which they relate.
3. The accounts and balance sheet in the annual return of an association working through branches (i.e. not a federation of autonomous bodies) should include the transactions, assets and liabilities of all the branches.
4. Any negative values should be clearly indicated by placing the entry in brackets.
5. Where the space in any account of analysis is insufficient a separate sheet of paper should be attached to the appropriate page to provide the additional space.
6. The summary sheet on page 11 **must** be completed.
7. A copy of the rules in force at the end of the year to which this return relates must be submitted with this form even if the rules have not been altered since the previous rule book was submitted. This is a statutory requirement and the Certification Officer has no authority to waive it.