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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  
22<sup>nd</sup> 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

Assistant Certification  
Office  
for Scotland  
18 FEB 2016

Received

(Revised February 2011)



**LIST OF OFFICERS**  
**AS AT 30 NOVEMBER 2015**

**President: T Sreeves**

**Vice President: J Howie**

**Past President: J A Campbell**

**Chief Executive: B Buchan**

## 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
324				324

## 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	J A Campbell	T Sreeves	1 <sup>st</sup> January 2015
Vice-President	T Sreeves	J Howie	1 <sup>st</sup> January 2015
Past President	A Wills	J A Campbell	1 <sup>st</sup> January 2015

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	<b>INCOME</b>		
	From Members                      Subscriptions, levies, etc		983,107
	Investment income    Interest and dividends (gross)	43,109	
	Bank interest (gross)	637	
	Other (specify)	-	
			43,746
	Other income            Rents received	32,027	
	Insurance commission	-	
	Consultancy fees	29,756	
	Publications/Seminars	-	
	Miscellaneous receipts (specify)	-	
			61,783
	<b>TOTAL INCOME</b>		1,088,636
	<b>EXPENDITURE</b>		
	Administrative expenses		
	Remuneration and expenses of staff	758,670	
	Occupancy costs	76,100	
	Printing, Stationery, Post	60,169	
	Telephones	-	
	Legal and Professional fees	35,533	
	Miscellaneous - Motor Expenses	58,437	
	Meeting & Travel	8,152	
	General Expenses	7,259	
			1,004,320
	Other charges            Bank charges	-	
	Depreciation	10,000	
	Sums written off	-	
	Affiliation fees	-	
	Donations	-	
	Conference and meeting fees	-	
	Expenses	-	
	Miscellaneous—Loss on sale of investments	1,253	
			11,253
	Taxation		3,965
	<b>TOTAL EXPENDITURE</b>		1,019,538
	Surplus/Deficit for year		69,098
	Amount of fund at beginning of year		755,284
	Amount of fund at end of year		824,382

## ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 2</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
		<b>Total Expenditure</b>	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

<b>ACCOUNT 3</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
		<b>Total Expenditure</b>	
		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:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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 30 NOVEMBER 2015

(see notes 19 and 20)

Previous Year		£	£
	<b>Fixed Assets</b> (as at page 11)		24,167
	<b>Investments</b> (as per analysis on page 13)		
	Quoted (Market value £1,115,945)	722,355	
	Unquoted	7,500	
	<b>Total Investments</b>		729,855
	<b>Other Assets</b>		
	Sundry debtors	16,143	
	Cash at bank and in hand	135,016	
	Stocks of goods	-	
	Others – Prepayments	15,039	
	Accrued Income	4,792	
	<b>Total of other assets</b>		170,990
	<b>TOTAL ASSETS</b>		<b>925,012</b>
	Capital Reserve Fund (Account)	7,500	
	Income & Expenditure Fund (Account)	816,882	
	Fund (Account)	-	
	Revaluation Reserve	-	
	<b>Liabilities</b>		
	Loans	-	
	Bank overdraft	-	
	Tax payable	4,433	
	Sundry creditors	59,000	
	Accrued expenses	33,750	
	Prepaid Income	3,447	
	Other liabilities	-	
	<b>TOTAL LIABILITIES</b>		<b>925,012</b>
	<b>TOTAL ASSETS</b>		<b>925,012</b>



## FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period			34,167	34,167
Additions during period			-	-
Less: Disposals during period			-	-
Less: DEPRECIATION:			10,000	10,000
Total to end of period			10,000	10,000
<b>BOOK AMOUNT</b> at end of period			24,167	24,167
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>			24,167	24,167

## ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
<b>QUOTED</b>	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	722,355
	*Market Value of Quoted Investments	1,115,945
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	7,500
	TOTAL QUOTED (as Balance Sheet)	7,500
	*Market Value of Unquoted Investments	Not quantifiable

\* 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)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>INCORPORATED EMPLOYERS' ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		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		
<b>UNINCORPORATED EMPLOYERS ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		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 £
<b>INCOME</b>			
From Members	983,107		983,107
From Investments	43,746		43,746
Other Income (including increases by revaluation of assets)	61,783		61,783
<b>Total Income</b>	1,088,636		1,088,636
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	1,019,538		1,019,538
<b>Funds at beginning of year</b> (including reserves)	755,284		755,284
<b>Funds at end of year</b> (including reserves)	824,382		824,382
<b>ASSETS</b>			
Fixed Assets			24,167
Investment Assets			729,855
Other Assets			170,990
		<b>Total Assets</b>	925,012
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	100,630
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			824,382

# NOTES TO THE ACCOUNTS

(see note 36)

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

## 1. Investments

### a. Property investment at cost

	2015	2014
	£	£
Fyfe Chambers (First Floor) Limited 351,312 ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>

The investment of 7,500 ordinary shares of £1 each in Fyfe Chambers (Glasgow) Ltd was exchanged on demerger for 351,312 ordinary shares of £1 each in Fyfe Chambers (First Floor) Limited.

This investment represents Scottish Engineering's 100% holding in the ordinary share capital of that latter company which owns the premises rented by the Association at 105 West George Street, Glasgow. In the opinion of the Finance Committee, the value of this investment is materially greater than the amount of £7,500 incorporated in the financial statements.

### b. Investments in quoted shares and securities

	Market value as at 30.11.15 £	Cost £	2015 £	Interest and dividends received 2014 £
27,500 Treasury 4¼ % Stock 2015	-	-	1,306	1,306
European Inv Bank 245,000 4.125% Notes 2017	270,274	249,233	10,106	10,106
10,500 Treasury 0.125% index linked 2029	12,902	12,924	14	-
3,750 Treasury 2.5% Index-Linked 2020	-	-	-	285
Provident Financial 23,000 7.5% MTN 2016	24,012	24,701	1,725	1,725
Primary Health 22,200 5.375% Bonds 2019	23,522	24,030	1,194	1,194
International PF 24,000 6.125% Notes 2020	23,489	25,787	1,470	735
Tesco Personal Finance 25,500 5% Notes 2020	26,488	25,902	1,275	1,275
Dunedin Income Growth Investment Trust 8,300 25p ordinary shares	19,360	12,066	934	921
Greencoat UK Wind 14,000 ordinary shares	15,295	15,252	1,090	-
Alliance Trust Plc 26,000 2.5p ordinary stock units	132,990	3,424	3,257	2,853

JP Morgan Overseas IT 900 25p ordinary shares	9,378	7,266	135	-
JP Morgan American IT 10,375 25p ordinary shares	28,936	12,905	389	280
Murray International Trust Plc 1,500 25p ordinary shares	12,585	10,451	690	660
Sarasin International Equity 18,160 income fund – P inc	22,773	19,489	1,160	987
HSBC Holdings Plc 1,230 USD \$0.50 ordinary shares	6,513	10,231	401	362
Land Securities Group Plc 2,075 10p ordinary shares	25,543	14,916	541	515
Prudential Plc 4,200 5p ordinary shares	64,659	14,365	1,598	1,471
Standard Chartered Plc 340 USD \$0.50 ordinary shares	-	-	158	176
British American Tobacco Plc 1,250 25p ordinary shares	48,350	4,093	1,875	1,811
Diageo Plc 1,425 28.935p ordinary shares	27,218	12,111	804	737
Unilever Plc 1,012 3 1/9p ordinary shares	28,680	12,750	882	920
Glaxosmithkline Plc 3,000 25p ordinary shares	40,665	5,160	2,400	2,944
Greene King 2,850 ordinary shares	24,225	25,358	622	-
Marks And Spencer Group Plc 2,350 25p ordinary shares	11,809	9,945	423	400
Next 200 ordinary shares	15,835	14,781	440	-
BT Group 4,950 Ordinary shares	24,574	19,900	525	-
Vodafone Group Plc 8,400 \$0.11478571 ordinary shares	18,837	15,612	793	590
Centrica 4,275 ordinary shares	9,324	13,394	512	734
Scottish And Southern Energy Plc 835 50p ordinary shares	11,974	11,940	738	724
Electrocomponents Plc 4,300 10p ordinary shares	10,397	11,501	505	505
Experian Plc 1,330 ordinary shares	16,372	1,166	338	295
Rexam Plc 1,899 64.3p ordinary shares	-	-	226	360

Rolls-Royce Holdings 2,525 Ordinary shares	15,308	21,162	-	-
Travis Perkins 450 ordinary shares	9,149	10,339	67	-
BG Group Plc 1,100 10p ordinary shares	11,347	11,370	206	198
Royal Dutch Shell Plc 2,000 B shares	33,040	1,228	2,462	2,230
Blackrock World Mining Trust 1,800 ordinary shares	3,524	9,264	379	126
Rio Tinto Plc 1,000 10p ordinary shares	22,085	13,325	1,469	1,227
Victrex 750 ordinary shares	14,513	15,014	-	-
Experian Finance 24,000 5.625% Notes 2013	-	-	-	1,350
Marks & Spencer 23,000 5.625% Bonds 2014	-	-	-	1,294
Kraft Foods Group Inc 108 ordinary shares	-	-	-	71
J Sainsbury Plc 2,275 28 1/7p ordinary shares	-	-	-	394
Mondelez International 324 income A fund	-	-	-	79
<b>Total</b>	<b>1,115,945</b>	<b>722,355</b>	<b>43,109</b>	<b>41,840</b>

**c) Other interest received**

	<u>637</u>	<u>587</u>
	<u>43,746</u>	<u>42,427</u>

For the purpose of comparison, income received from investments includes the associated tax credit.

**d) Cash on deposit at bank**

	2015	2014
	£	£
Business Bank Accounts	97,453	148,171
Speirs & Jeffrey Deposit Accounts	<u>37,371</u>	<u>7,834</u>
	<u>134,824</u>	<u>156,005</u>

**2. Taxation**

The charge is made up as follows: -

	2015	2014
	£	£
Corporation Tax due for the year	3,682	6,364
Adjustment for prior year	<u>283</u>	<u>-</u>
	<u>3,965</u>	<u>6,364</u>

<b>3. Sundry Creditors and Provisions</b>		<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
Accruals and Deferred Income		37,197	40,872
EEF Pension Scheme Deferred Settlement Account		59,000	79,000
VAT and Corporation Tax		<u>4,433</u>	<u>7,458</u>
		<u>100,630</u>	<u>127,330</u>
<b>4. Income and expenditure account</b>		<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
Balance at 1 December 2014		747,784	648,426
Surplus/(Deficit) for the year after tax		<u>69,098</u>	<u>99,358</u>
<b>Balance at 30 November 2015</b>		<u>816,882</u>	<u>747,784</u>



# ACCOUNTING POLICIES

(see notes 37 and 38)

**Income**

The income has been collected on the basis of information given by member firms and accepted by Scottish Engineering.

No accrual has been made for fees unpaid by certain member firms in receivership or liquidation or those considered to be doubtful by the members' representatives.

Income received in advance is deferred and released to the Income and Expenditure statement against the related cost.


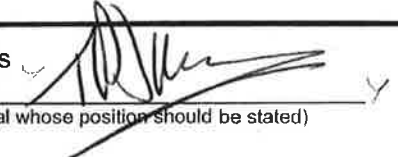
**Investments**

For the purpose of comparisons, income received from investments includes the associated tax credit.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: 	Chairman's Signature:  (or other official whose position should be stated)
Name: E J P Smith	Name: T P Sreeves
Date: 17/2/2016	Date: 15 FEBRUARY 2016

## 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)

## Independent Auditor's Report to the Members of Scottish Engineering

We have audited the financial statements of Scottish Engineering for the year ended 30 November 2015 on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law.

This report is made solely to the Association's representatives as a body. Our work has been undertaken so that we might state to the Association's representatives those matters we are required to state to them in the 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 Association and the Association's representatives as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of members' representatives and auditors

As described on page 1, the Association's representatives 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 in Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the association's circumstances and have been consistently applied; the reasonableness of significant accounting estimates made by the Association's representatives; and the overall presentation of the financial statements.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of Scottish Engineering's affairs at 30 November 2015 and of its results for the year then ended;

3

## Matters on which we are required to report by exception



We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept in accordance with section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992;
- the Association has maintained a satisfactory system of control over its transactions in accordance with section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992
- the financial statements are not in agreement with the accounting records;
- we have not received all the information and explanations we require for our audit.

**J Wallace**  
**Senior Statutory Auditor**  
For and on behalf of  
William Duncan & Co  
Chartered Accountants &  
Registered Auditor  
Ayr  
22<sup>nd</sup> December 2015

**P Nelson**  
**Employer Auditor**  
Glasgow

22<sup>nd</sup> December 2015

Signature(s) of auditor or auditors:		
Name(s):	John Wallace	Paul Nelson
Profession(s) or Calling(s):	Chartered Accountant	(EMPLOYER REPRESENTATIVE) COMPANY DIRECTOR.
Address(es):	Partner William Duncan & Co 30 Miller Road Ayr KA7 2AY	ALLIAD VEHICLES LTD 230, BALMORL RD GLASGOW, G22 6LJ.
Date:	07/01/2016	20/1/16
Contact name and telephone number:	01292 265071	01413363211

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