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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	SCOTTISH & NORTHERN IRELAND PLUMBING EMPLOYERS FEDERATION
Year ended:	31 <sup>ST</sup> DECEMBER 2016
List No:	5016E
Head or Main Office:	BELLEVUE HOUSE 22 HOPETOUN STREET EDINBURGH EH7 4GH
Website address (if available)	www.snipef.org
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:	FIONA HODGSON
Contact name for queries regarding the completion of this return:	LAUREN SMITH
Telephone Number:	0131 556 0600
e-mail:	lauren.smith@snipef.org

**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



# 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
<b>688</b>	<b>69</b>			<b>757</b>

## 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	JOHN LEONARD	BRIAN WARRENDER	27/05/2016
VICE PRESIDENT	BRIAN WARRENDER	GERRY WOODS	27/05/2016
JUNIOR VICE-PRESIDENT	GERRY WOODS	GORDON MATHESON	27/05/2016
PAST PRESIDENT	ALWYN WEBSTER	JOHN LEONARD	27/05/2016

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
463,324	From Members	Subscriptions, levies, etc	469,748	
105,500	Investment income	Interest and dividends (gross)	65,500	
4,968		Bank interest (gross)	4,080	
0		Other (specify)	0	
0	Other income	Rents received	0	539,328
10,825		Insurance commission	8,285	
0		Consultancy fees	0	
0		Duradiamond Commission	25	
0		Sponsorship Income	1,000	
261,138		Management Fees	250,679	
59,144		Service Charges	61,354	
8,103		Plumbheat Commission	4,893	
				326,236
913,002	<b>TOTAL INCOME</b>			865,564
	<b>EXPENDITURE</b>			
	Administrative expenses			
524,795		Remuneration and expenses of staff	592,422	
76,102		Occupancy costs	87,392	
		Printing, Stationery, Post		
77,561		Telephones	65,141	
9,527		Legal and Professional fees	8,672	
5,988		Miscellaneous	6,008	
4,810		Advertising	6,610	
				766,245
2,455	Other charges	Bank charges	2,500	
27,634		Depreciation	26,534	
0		Sums written off	0	
8,290		Affiliation fees	12,380	
0		Donations	0	
6,124		Conference and meeting fees	8,140	
35,927		Expenses	43,370	
92,207		Miscellaneous (specify) – See Attached	112,440	
				205,364
0	Taxation			0
871,420	<b>TOTAL EXPENDITURE</b>			971,609
41,582	Surplus/Deficit for year			(106,045)
34,355	Transfer from/(to) Reserves			43,714
1,480,944	Amount of fund at beginning of year			1,556,881
1,556,881	Amount of fund at end of year			1,494,550

Scottish & Northern Ireland Plumbing Employers' Federation  
 Revenue Account ( Page 4)  
 Attachment

<u>Miscellaneous (specify)</u>		<u>2016</u>	<u>2015</u>
Staff Training & Recruitment	£	827 £	368
Guarantee of work	£	3,711 £	190
Inspection Costs	£	2,005 £	4,128
Apprentice Prize & Sport	-£	343 -£	240
Local Association Funding	£	57,254 £	56,805
Trophies	£	1,313 £	238
Photography	£	285 £	330
Data Storage	£	2,282 £	2,272
Computer Consultancy	£	15,263 £	13,264
Plumbing & Health Reserve	£	1,481 £	1,048
SNIPeF Ties	£	- £	800
Course technical materials	£	2,313 £	7,952
Vehicle Leasing	£	8,011 £	5,052
Gain disposal of assets	-£	8,969 £	-
Professional Fees S75	£	26,395 £	-
British Standards Manuals	£	612 £	-
	£	<b>112,440 £</b>	<b>92,207</b>

# 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)

<b>ACCOUNT 4</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 5</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)

<b>ACCOUNT 6</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 7</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)		

## BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2016

(see notes 19 and 20)

Previous Year		£	£
884,505	<b>Fixed Assets</b> (as at page 11)		867,068
	<b>Investments</b> (as per analysis on page 13)		
0	Quoted (Market value £ )	0	
2,351	Unquoted	2,351	
	<b>Total Investments</b>		869,419
	<b>Other Assets</b>		
85,119	Sundry debtors	96,435	
950,163	Cash at bank and in hand	836,960	
0	Stocks of goods	0	
123,014	Others – Amounts owed by subsidiaries	132,001	
	<b>Total of other</b>		1,065,396
	<b>assets</b>		
2,045,152		<b>TOTAL ASSETS</b>	1,934,815
1,556,881	Profit & Loss Account		1,494,550
100	General Reserve		100
0	Capital Reserve		0
282,336	Other Reserves		238,622
	<b>Liabilities</b>		
0	Loans	0	
0	Bank overdraft	0	
0	Tax payable	0	
90,817	Sundry creditors	105,323	
115,018	Accrued expenses	96,220	
	Provisions		
	Other liabilities		
205,835		<b>TOTAL LIABILITIES</b>	201,543
2,045,152		<b>TOTAL ASSETS</b>	1,934,815



# FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period	994,215	190,128	27,000	1,211,343
Additions during period	0	9,097	0	9,097
Less: Disposals during period	0	(12,108)	(27,000)	(39,108)
Less: DEPRECIATION:	(138,984)	(175,280)	0	(314,264)
Total to end of period	855,231	11,837	0	867,068
<b>BOOK AMOUNT at end of period</b>				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>	855,231	11,837	0	867,068

# 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)	
	<b>TOTAL QUOTED (as Balance Sheet)</b>	
	<b>*Market Value of Quoted Investments</b>	
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Plutos Holidays (1972) Ltd – Ord A Shares	51
	SNIPEF Securities Ltd	100
	SNIPEF Training Services Ltd	100
	Plumbing Pensions (UK) Admin Ltd	50
	BPEC Services Ltd	50
	Plumbing & Heating Contractor's Alliance Ltd	2,000
	Other unquoted securities (to be specified)	
<b>TOTAL QUOTED (as Balance Sheet)</b>	<b>2,351</b>	
<b>*Market Value of Unquoted Investments</b>		

\* 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:			
<b>COMPANY NAME</b>  Plutos Holidays (1972)Ltd SNIPEF Securities Ltd SNIPEF Training Services Ltd Plumbing Pensions (UK) Administration Ltd BPEC Services Ltd Plumbing & Heating Contractor's Alliance	<b>COMPANY REGISTRATION NUMBER (if not registered in England &amp; Wales, state where registered)</b>  SC051975 SC038331 SC082700 SC055959 2978578 7639690		
<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.			
<b>COMPANY NAME</b>	<b>NAMES OF SHAREHOLDERS</b>		
<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.			
<b>COMPANY NAME</b>	<b>NAMES OF SHAREHOLDERS</b>		

# SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	469,748	0	469,748
From Investments	69,580	0	69,580
Other Income (including increases by revaluation of assets)	326,236	0	326,236
<b>Total Income</b>	865,564	0	865,564
<b>EXPENDITURE</b> (including decreases by revaluation of assets)	971,609	0	971,609
<b>Total Expenditure</b>	971,609	0	971,609
<b>Funds at beginning of year</b> (including reserves)	1,839,317	0	1,839,317
<b>Funds at end of year</b> (including reserves)	1,733,272	0	1,733,272
<b>ASSETS</b>			
Fixed Assets			867,068
Investment Assets			2,351
Other Assets			1,065,396
		<b>Total Assets</b>	1,934,815
<b>LIABILITIES</b>		<b>Total Liabilities</b>	201,543
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			1,733,272

# 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 is the total amount of subscriptions, sponsorship income and management fees and service charges due to the Company for the year as follows:

	2016 £	2015 £
Annual subscriptions	423,234	417,606
Associate fees	5,550	5,200
Approved Certifier of Construction Fees	28,242	17,730
Legionella Registration Fees	-	1,200
Course Fees	12,722	21,588
Sponsorship income	1,000	-
Management fees	134,887	145,045
Salary recharges	115,792	116,093
Service charges	61,354	59,144
Warranty and insurance schemes	7,655	10,160
Medical insurance	630	665
Plumbheat commission	4,893	8,103
Duradiamond commission	25	-
	=====	=====
	795,984	802,534
	=====	=====

## 5. (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

	2016 £	2015 £
Depreciation	26,534	27,634
Gain on disposal of fixed assets	(8,969)	-
Auditor's remuneration		
– audit services	4,175	4,000
– other services	1,570	3,021
– payroll fees	940	940
	=====	=====

## 6. Income from shares in group companies

### Subsidiary Companies

	2016 £	2015 £
Plutos Holidays (1972) Limited	25,500	25,500
SNIFE Securities Ltd	20,000	10,000
SNIFE Training Services Ltd	20,000	35,000
BPEC Services Limited	-	35,000
	=====	=====
	65,500	105,500
	=====	=====

## 7. Directors

Aggregate emoluments for the directors – in respect of qualifying services were:

	2016 £	2015 £
	-	-
	=====	=====

## 8. Employees

The average number of employees during the year was 20 (2015: 19).

9. Tangible assets	Property £	Office Equipment & Furniture £	Vehicles £	Total £
<b>Cost</b>				
At 1 January 2016	994,215	190,128	27,000	1,211,343
Additions	-	9,097	-	9,097
Disposals	-	(12,108)	(27,000)	(39,108)
At 31 December 2016	994,215	187,117	-	1,181,332
<b>Depreciation</b>				
At 1 January 2016	119,100	180,738	27,000	326,838
Charge for the year	19,884	6,650	-	26,534
Disposals	-	(12,108)	(27,000)	(39,108)
At 31 December 2016	138,984	175,280	-	314,264
<b>Net book value</b>				
At 31 December 2016	855,231	11,837	-	867,068
At 31 December 2015	875,115	9,390	-	884,505

10. Investments	Investment £	Year Ended	Capital and reserves 2016 £	Profit/(loss) after tax 2016 £	Holding %
<b>Subsidiary company</b>					
Plutos Holidays (1972) Limited, Ord A shares	51	31.12.16	74,638	53,752	51
SNIPEF Securities Ltd	100	31.12.16	413,678	7,417	100
SNIPEF Training Services Ltd	100	31.12.16	438,418	(113,846)	100
Plumbing Pensions (UK) Admin Limited	50	05.04.16	10,100	-	50
BPEC Services Limited	50	31.12.16	226,909	28,308	100
Plumbing and Heating Contractors' Alliance Ltd	2,000	31.05.16	4,253	(988)	50
At 1 January 2016	2,351				
At 31 December 2016	2,351				

All of the above entities are incorporated in the United Kingdom. The principal activity of the above subsidiary undertakings are as follows:

Plutos Holidays (1972) Limited operates an annual and public holidays with pay credit scheme for the Plumbing and Mechanical Services Industry in Scotland and Northern Ireland.

SNIPEF Securities Ltd holds and administers investments on behalf of the Scottish and Northern Ireland Plumbing Employers' Federation.

SNIPEF Training Services Ltd administers the Modern Apprenticeship and Adult Training Schemes on behalf of members of the Scottish and Northern Ireland Plumbing Employers' Federation and the payment of grants under that Scheme on behalf of Skills Development Scotland.

Plumbing Pensions (UK) Administration Limited administers and manages the Pension Scheme on behalf of the Plumbing and Mechanical Services (UK) Industry Pension Scheme.

BPEC Services Limited promotes and sells training and assessment materials to assist in meeting the needs of operatives in the UK Plumbing and Heating Industry.

Plumbing and Heating Contractors' Alliance Ltd is an employers' organisation for the Plumbing and Heating Industry.

**11. Debtors****2016**  
£**2015**  
£

Amounts owed by subsidiary undertakings:

- SNIPEF Welfare	11,207	7,848
- SNIJIB	12,729	13,350
- SNIPEF Education & Training Trust	488	281
- SNIPEF Securities Ltd	548	2,001
- SNIPEF Training Services Ltd	35,006	22,510
- Plumbing Pensions (UK) Admin Limited	29,089	11,794
- Plutos Holidays (1972) Limited	12,934	90
- BPEC Services Limited	15,000	50,000
- BPEC Certification Limited	15,000	15,140
Other debtors	96,435	85,119

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228,436-----  
208,133

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**12. Sundry Creditors****2016**  
£**2015**  
£

Amounts owed to subsidiary undertakings

- SNIPEF Training Services Ltd	863	-
- Plumbing Pensions (UK) Admin Limited	8,626	6,819
Other taxes and social security costs	11,822	10,661
Other creditors	84,012	73,337

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105,323-----  
90,817

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**13. Taxation****Factors affecting future tax charges**

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. A further reduction from 19% to 17% will take effect from 1 April 2020.

The Company has unused trade losses of £590,597. There is no expiry date on these losses. The company has unrecognised deferred tax asset mainly in respect of these tax losses of £85,239. SNIPEF Management Limited is resident in the UK for tax purposes.

**14. Contingent liability**

SNIPEF operates a Guarantee of Work Scheme which covers the cost of claims by domestic (or commercial) customers for faulty workmanship carried out on their premises by a SNIPEF business up to a maximum of £10,000 in respect of any one domestic customer, £25,000 in respect of any one SNIPEF member firm and £100,000 in respect of any one calendar year.

**15. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

**2016**  
£**2015**  
£**Financial assets that are debt instruments measured at amortised cost**

Financial assets that are debt instruments measured at amortised cost	207,249	191,284
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**Financial liabilities measured at amortised cost**

Financial liabilities measured at amortised cost	158,088	151,503
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<b>16. Called up share capital</b>	<b>2016</b>	<b>2015</b>
	£	£
Authorised, issued and fully paid 100 ordinary shares of £1 each	100	100
	=====	=====

### **17. Operating lease commitments**

The total operating lease commitments are set out below:

	<b>2016</b>	<b>2015</b>
	£	£
Motor Vehicle Due not later than five years	26,939	11,250
	=====	=====

A total of £8,011 was recognised as an operating lease expense in the period (2015: £5,052).

### **18. Pension costs**

Certain of the Company's employees are members of the Plumbing and Mechanical Services (UK) Industry Pension Scheme. This is an industry-wide multi-employer defined benefit pension scheme. As at 5 April 2016, the date of the Scheme's latest formal accounts, 432 employers were actively contributing to the Scheme. Pension obligations in the Industry Scheme are accounted for on a "defined contribution" basis because the Industry Scheme is not able to calculate individual assets or liabilities for individual employers. The Scheme's experience is pooled. As a result, all participating employers and their employees pay the same contribution rates regardless of their experience.

To date, the scheme has never had a funding shortfall measured on an ongoing "Technical Provisions" basis at a formal valuation date therefore it does not need a Recovery Plan. The only contributions required from employers and employees are contributions to cover the cost of new future service benefit accrual.

The Industry Scheme does not have an agreed methodology to allocate deficit or surplus between individual employers. It is possible that an individual employer could become liable for other entities' obligations under the terms and conditions of the multi-employer Industry Scheme (namely the Scheme's Rules and legislative requirements). This is because participating employers are exposed to actuarial risks associated with current and former employees of other organisations, some of which have ceased to participate in the Scheme and therefore cannot be called upon should additional funding be required. In addition, when an employer ceases to participate in the Industry Scheme, they become liable under legislation to pay a "Section 75" employer debt.

The pension cost charged to the Statement of Comprehensive Income represents the amount of contributions payable in the year, which amounted to £58,153 (2015: £51,903). £4,828 of pension contributions were outstanding at the year-end (2015: £4,185).

This cost is incurred at the contribution rate advised by the Scheme Actuary in the valuation as at April 2014.

Based upon the current contribution rates, the scheme was assessed as likely to meet in full the liabilities of the scheme as they fall due.

### **19. Ultimate parent undertaking**

The Company is a subsidiary of Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF), a body registered under the Trade Union and Labour Relations (Consolidation) Act 1992. SNIPEF own 100% of the shares of SNIPEF Management Ltd.

The financial statements of the Scottish and Northern Ireland Plumbing Employers' Federation can be obtained from Bellevue House, 22 Hopetoun Street, Edinburgh.



## **20. Related party transactions**

The Trustees of SNIPEF Welfare are directors of SNIPEF Management Ltd.

The Trustees of SNIPEF Education and Training Trust are directors of SNIPEF Management Ltd.

All relevant transactions in the year and the year end balances are shown in the notes to the financial statements.

A further related party is British Plumbing Employers' Council (Training) Limited. BPEC Services Ltd, a subsidiary company of SNIPEF Management Ltd, is related to British Plumbing Employers' Council (Training) Limited by virtue of common control as exercised by a common board of directors.

# ACCOUNTING POLICIES

(see notes 37 and 38)

## 1. General Information

SNIPEF Management Ltd is incorporated and domiciled in Scotland with registered company number SC056633. The registered office is Bellevue House, 22 Hopetoun Street, Edinburgh, EH7 4GH.

## 2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

## 3. Accounting policies

### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

### Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have reviewed budgets and forecasts for the forthcoming year and are satisfied that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

### Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for carrying amounts of tangible assets.

### Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated to write off the cost of an asset, less estimated residual value, over the useful economic life of that asset as follows:

Computer hardware	- 33 1/3% per annum straight line
Office equipment & furniture	- 20% per annum straight line
Motor vehicles	- 25% per annum straight line
Office renovations	- 10% per annum straight line
Property	- 2% per annum straight line

Computer software upgrades are expensed in the year of acquisition.

### Investment in subsidiaries

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Investment income is recognised on a due and receivable basis.

**Impairment of assets**

At each reporting date the Company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of the fair value less costs to sell, and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.

**Group financial statements**

Consolidated financial statements have not been presented to include the subsidiary members of the group identified in note 9 to the financial statements because the group claims exemption from this requirement by virtue of section 398 of the Companies Act 2006. Consequently, the financial statements cover the Company as a stand alone undertaking and not as a group.

The Company's interests in the capital and reserves of the subsidiary and associated companies as at the date of their last audited financial statements are detailed in note 10.

**Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents subscriptions, fees, recharges and services provided, net of value added tax, and is recognised in the period in which the service is made.

**Pension costs**

The Company makes contributions in respect of employees to the Plumbing and Mechanical Services (UK) Industry Pension Scheme, a defined benefit multi-employer scheme. Pension costs, which have been determined in accordance with actuarial advice, are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. Contributions are payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Operating leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments, which include trade and other receivables and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Basic financial liabilities, which include trade and other payables, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

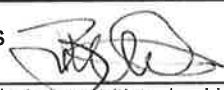
Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised through profit or loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u><i>Diana L. Hodgson</i></u> Name: <u>F. HODGSON</u> Date: <u>26/5/17</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>B. WARKNOCKER</u> Date: <u>26/5/17</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	
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# 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)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### SNIPEF MANAGEMENT LTD



We have audited the financial statements of SNIPEF Management Ltd for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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](http://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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report or from the requirement to prepare a strategic report.

*Malcolm Beveridge*

**Malcolm Beveridge BA CA (Senior Statutory Auditor)**

**For and on behalf of**

**CHIENE + TAIT LLP**

**Chartered Accountants and Statutory Auditor**

**61 Dublin Street**

**Edinburgh, EH3 6NL**

Signature(s) of auditor or auditors:	Malcolm Beveridge	
Name(s):	Malcolm Beveridge BA CA (Chiene + Tait LLP)	
Profession(s) or Calling(s):	Senior Statutory Auditor	
Address(es):	61 Dublin Street Edinburgh EH3 6NL	
Date:	30 May 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**