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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 Building Federation
Year ended:	31 st December 2016
List No:	141E(S)
Head or Main Office:	Crichton House, 4 Crichton's Close, Holyrood, Edinburgh, EH8 8DT
Website address (if available)	www.scottish-building.co.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:	Vaughan Hart, Managing Director
Contact name for queries regarding the completion of this return:	Vaughan Hart, Managing Director
Telephone Number:	0131 556 8866
e-mail:	vaughan@scottish-building.co.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



SCOTTISH BUILDING FEDERATION

COMPANY INFORMATION

Directors	V Hart M C Smith D G Taylor F M Reid S Kemp D N Thomson R C Cooke W J Kirkwood K A Nicoll M M Ballantyne I Macaskill I Honeyman C K Bruce W H Gray Mr G T Kelly (Appointed 9 June 2016) Mr A G Morris (Appointed 9 June 2016) Ms D Read (Appointed 9 June 2016)
Secretary	K McGahan
Company number	SC354581
Registered office	Crichton House 4 Crichton's Close Edinburgh EH8 8DT
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
Solicitors	Harper Macleod LLP The Ca'd'oro 45 Gordon Street GLASGOW G1 3PE

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
402	Nil	Nil	Nil	402

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	Douglas Thomson	Mike Smith	27 th March 2015
Vice President	Mike Smith	Stephen Kemp	27 th March 2015
Company Secretary	Vacant	Karen McGahan	27 th March 2015
NOTE: Officers serve for a period of 2 years			
NO CHANGE FROM LAST YEAR			

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
662,022	From Members	Subscriptions, levies, etc		554,319
1,060	Investment income	Interest and dividends (gross)		3,621
		Bank interest (gross)		
		Other (specify)		6,229
		Gain on Investments		
49,634	Other income	Rents received		53,288
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
71,000	Pension Scheme Gain	Miscellaneous receipts (specify)		
783,716				617,457
		TOTAL INCOME		
	EXPENDITURE			
551,864	Administrative expenses	Remuneration and expenses of staff		569,175
		Occupancy costs		
		Printing, Stationery, Post		
		Telephones		
		Legal and Professional fees		
3,273	Fair Value Loss on Investments	Miscellaneous (specify)		
	Other charges	Bank charges		
		Depreciation		
49,228		Sums written off		
		Affiliation fees		
		Donations		
		Conference and meeting fees		
		Expenses		
1,068		Miscellaneous (specify)	3,225	
		Interest Payable	53,000	
160,000	Fair Value Loss on Investment Property	Actuarial Loss on Pension Scheme		
(22,224)	Taxation			56,225
				(4,950)
743,209		TOTAL EXPENDITURE		620,450
40,507		Surplus/Deficit for year		(2,993)
368,162		Amount of fund at beginning of year		408,669
408,669		Amount of fund at end of year		405,676

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		£	£
445,211	Fixed Assets (as at page 11)		443,832
	Investments (as per analysis on page 13)		
99,144	Quoted (Market value £ 110,904)	110,904	
	Unquoted		
99,144	Total Investments		110,904
	Other Assets		
47,370	Sundry debtors	32,378	
222,916	Cash at bank and in hand	244,810	
	Stocks of goods		
	Others (specify)		
	Total of other		277,188
	assets		
814,641		TOTAL ASSETS	831,924
	Liabilities		
30,564	Loans	8,988	
	Bank overdraft		
	Tax payable		
331,423	Sundry creditors	381,540	
	Accrued expenses		
43,985	Provisions (Tax Liability on Gain on Investments)	35,720	
	Other liabilities		
405,972		TOTAL LIABILITIES	426,248
408,669		TOTAL ASSETS	405,676

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	440,000	40,208	-	445,211
Additions during period		382		382
Less: Disposals during period				
Less: DEPRECIATION:	-	(34,997)	-	(34,997)
Total to end of period		(1,761)		(1,761)
BOOK AMOUNT at end of period	440,000	3,832	-	443,832
Freehold	Nil	Nil	Nil	Nil
Leasehold (50 or more years unexpired)	Nil	Nil	Nil	Nil
Leasehold (less than 50 years unexpired)	Nil	Nil	Nil	Nil
AS BALANCE SHEET	440,000	3,832	-	443,832

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	<i>UK Fixed Interest</i>	10,672
	<i>Overseas Fixed interest</i>	11,496
	<i>UK Equities</i>	46,670
	<i>International Equities</i>	24,114
	<i>UK Property</i>	5,843
	<i>Alternative Assets</i>	12,109
	TOTAL QUOTED (as Balance Sheet)	110,904
*Market Value of Quoted Investments	110,904	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	110,904
	*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	554,319	Nil	554,319
From Investments	9,850	Nil	9,850
Other Income (including increases by revaluation of assets)	53,288	Nil	53,288
Total Income	617,457	Nil	617,457
EXPENDITURE (including decreases by revaluation of assets)	620,450	Nil	620,450
Total Expenditure	(2,993)	Nil	(2,993)
Funds at beginning of year (including reserves)	408,669	Nil	408,669
Funds at end of year (including reserves)	405,676	Nil	405,676
ASSETS			
Fixed Assets			443,832
Investment Assets			110,904
Other Assets			281,020
		Total Assets	831,924
LIABILITIES		Total Liabilities	426,248
NET ASSETS (Total Assets less Total Liabilities)			405,676

NOTES TO THE ACCOUNTS

(see note 36)

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

The funds of the following Associations:-

Argyll Building Trades Employers' Association
Dumbarton and District Master Wrights' and Builders' Association
Grampian Building Trades Employers' Association
Highland Building Employers' Association
Scottish Building – Ayrshire and South West Association
Scottish Building – Dundee and Angus Association
Scottish Building – Edinburgh and District Association
Scottish Building – Fife Association
Scottish Building – Forth Valley Association
Scottish Building – Glasgow and District Association
Scottish Building – Moray District Association
Scottish Building – Orkney Association
Scottish Building – Perth and District Association
Scottish Building – Renfrewshire and Inverclyde Association
Scottish Building – South East Association
Scottish Master Slaters' and Roof Tilers' Association
Western Isles Building Employers' Association

are included within the accounts for the Scottish Building Federation.

The Scottish Building Federation changed its status to a Company Limited by Guarantee (with no share capital) on the 5th February 2009.

A set of Financial Statements is attached to cover the periods from 1st January to 31st December 2016.

ACCOUNTING POLICIES


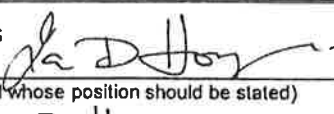
(see notes 37 and 38)

ACCOUNTING POLICIES ARE ATTACHED TO "NOTES TO THE FINANCIAL STATEMENTS"

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>VAUGHAN M HART</u> Date: <u>18th May 2017</u>	Chairman's Signature:  (or other official whose position should be stated) Name: <u>IAN D. HANEYMAN</u> Date: <u>18th MAY 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	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	<input checked="" type="checkbox"/>	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	<input checked="" type="checkbox"/>	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)

REFER FINANCIAL STATEMENTS IN SEPARATE DOCUMENT

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	<i>Johnston Carmichael LLP</i>	
Name(s):	Johnston Carmichael LLP	
Profession(s) or Calling(s):	Chartered Accountants and Statutory Auditors	
Address(es):	7-11 Melville Street Edinburgh EH3 7PE	
Date:	24 MAY 2017	
Contact name and telephone number:	Scott Holmes 0131 220 2203	

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

SCOTTISH BUILDING FEDERATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTTISH BUILDING FEDERATION

We have audited the financial statements of Scottish Building Federation for the year ended 31 December 2016 set out on pages 5 to 19. 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".

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 pages 1 - 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

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

SCOTTISH BUILDING FEDERATION

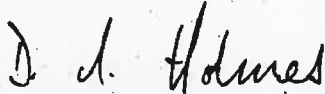
INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SCOTTISH BUILDING FEDERATION

Matters on which we are required to report by exception

In the light of the 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.

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 and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



David Holmes (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor

24 May 2017

7-11 Melville Street
Edinburgh
EH3 7PE

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was David Holmes.
The auditor was Johnston Carmichael LLP.

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016 £	2015 £
	128,000	160,000

14 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP		379,787	391,305
Adjustments arising from transition to FRS 102:			
Tax adjustment	2	(70,247)	(37,985)
Fixed asset investments	3	58,622	55,349
Equity reported under FRS 102		368,162	408,669

Reconciliation of profit/(loss) for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		112,518
Adjustments arising from transition to FRS 102:		
Investment property	1	(160,000)
Tax adjustment	2	32,262
Fixed asset investments	3	(3,273)
Pension scheme	4	(12,000)
Loss reported under FRS 102		(30,493)

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

1 Investment property

Changes to the fair value of investment property must now be shown through the profit and loss account, as opposed to other comprehensive income.

2 Tax adjustment

Represents the tax effect of adjustments, including the recognition of deferred tax on unrealised gains in the value of investment property.

3 Fixed asset investments

Fixed asset investments must now be valued at market value, with movements being allocated to the profit and loss account.

4 Pension scheme

Amounts charged to profit and loss account in respect of the defined benefit pension scheme are based on a net interest charge calculated using the discount rate. The difference affects figures previously reported directly in equity, resulting in nil difference to net pension liability.

Company Registration No. SC354581 (Scotland)

**SCOTTISH BUILDING FEDERATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR**

SCOTTISH BUILDING FEDERATION

CONTENTS

	Page
Statement of comprehensive income	1
Balance sheet	2
Notes to the financial statements	4 - 14

SCOTTISH BUILDING FEDERATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Profit/(loss) for the year	50,007	(30,493)
Other comprehensive income		
Actuarial (loss)/gain on defined benefit pension schemes	(53,000)	71,000
Total comprehensive income for the year	<u>(2,993)</u>	<u>40,507</u>

SCOTTISH BUILDING FEDERATION

BALANCE SHEET

AS AT 31 DECEMBER 2016

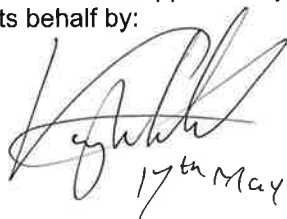
	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	3		3,832		5,211
Investment properties	4		440,000		440,000
Investments	5		110,904		99,144
			<u>554,736</u>		<u>544,355</u>
Current assets					
Debtors	6	32,378		47,370	
Cash at bank and in hand		244,810		222,916	
		<u>277,188</u>		<u>270,286</u>	
Creditors: amounts falling due within one year	7	(381,540)		(331,423)	
Net current liabilities			(104,352)		(61,137)
Total assets less current liabilities			450,384		483,218
Creditors: amounts falling due after more than one year	8		(8,988)		(30,564)
Provisions for liabilities	9		(35,720)		(43,985)
Net assets			<u>405,676</u>		<u>408,669</u>
Capital and reserves					
Fair value reserve	11		276,483		267,989
Other reserves			(211,280)		(211,280)
Profit and loss reserves			340,473		351,960
Total equity			<u>405,676</u>		<u>408,669</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

.....
V Hart
Director


17th May 2017

Company Registration No. SC354581

SCOTTISH BUILDING FEDERATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Fair value reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2015	399,000	(211,280)	180,442	368,162
Year ended 31 December 2015:				
Loss for the year	-	-	(30,493)	(30,493)
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	71,000	71,000
Total comprehensive income for the year	-	-	40,507	40,507
Transfer of fair value movements	(131,011)	-	131,011	-
Balance at 31 December 2015	267,989	(211,280)	351,960	408,669
Year ended 31 December 2016:				
Profit for the year	-	-	50,007	50,007
Other comprehensive income:				
Actuarial losses on defined benefit plans	-	-	(53,000)	(53,000)
Total comprehensive income for the year	-	-	(2,993)	(2,993)
Transfer of fair value movements	8,494	-	(8,494)	-
Balance at 31 December 2016	276,483	(211,280)	340,473	405,676

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Scottish Building Federation is a private company limited by guarantee incorporated in Scotland. The registered office is Crichton House, 4 Crichton's Close, Edinburgh, EH8 8DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Scottish Building Federation prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

1.2 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Interests are initially measured at transaction price excluding transaction costs, and are subsequently measured at market value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.11 Retirement benefits

The company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2011 and updated by the actuary to 31 December 2016.

The cost of providing benefits under defined benefit plans is determined using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

The company also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.12 Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 7 (2015 - 7).

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2016	40,208
Additions	382
	<hr/>
At 31 December 2016	40,590
	<hr/>
Depreciation	
At 1 January 2016	34,997
Depreciation charged in the year	1,761
	<hr/>
At 31 December 2016	36,758
	<hr/>
Carrying amount	
At 31 December 2016	3,832
	<hr/> <hr/>
At 31 December 2015	5,211
	<hr/> <hr/>

4 Investment property

	2016 £
Fair value	
At 1 January 2016 and 31 December 2016	440,000
	<hr/> <hr/>

Investment property comprises one property. The fair value of the investment property has been arrived at on the basis of a valuation carried out on 2 February 2016 by Graham and Sibbald Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The directors are satisfied that there are no factors indicating that the market value has changed from the date of this valuation to the balance sheet date.

5 Fixed asset investments

	2016 £	2015 £
Investments	110,904	99,144
	<hr/> <hr/>	<hr/> <hr/>

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		Investments other than loans £
	Cost or valuation		
	At 1 January 2016		99,144
	Additions		43,945
	Valuation changes		6,229
	Disposals		(38,414)
	At 31 December 2016		<u>110,904</u>
	Carrying amount		
	At 31 December 2016		<u>110,904</u>
	At 31 December 2015		<u>99,144</u>
6	Debtors	2016	2015
	Amounts falling due within one year:	£	£
	Trade debtors	8,059	14,099
	Corporation tax recoverable	2,685	-
	Other debtors	21,634	33,271
		<u>32,378</u>	<u>47,370</u>
7	Creditors: amounts falling due within one year	2016	2015
		£	£
	Trade creditors	37,416	14,423
	Corporation tax	-	9,989
	Other taxation and social security	43,665	79,276
	Other creditors	300,459	227,735
		<u>381,540</u>	<u>331,423</u>
8	Creditors: amounts falling due after more than one year	2016	2015
		£	£
	Bank loans and overdrafts	8,988	30,564

The bank hold a standard security over the company's investment property.

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9	Provisions for liabilities		2016	2015
			£	£
	Deferred tax liabilities		35,720	37,985
	Retirement benefit obligations	10	-	6,000
			<u>35,720</u>	<u>43,985</u>
			<u><u>35,720</u></u>	<u><u>43,985</u></u>
10	Retirement benefit schemes		2016	2015
			£	£
	Defined contribution schemes			
	Charge to profit or loss in respect of defined contribution schemes		<u>9,341</u>	<u>8,450</u>
			<u><u>9,341</u></u>	<u><u>8,450</u></u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined benefit schemes

The scheme was closed to further accrual on 31 July 2007. The pension cost and provision is assessed in accordance with the advice of the scheme actuary, Little & Company. The last formal actuarial valuation was carried out as at 31 July 2014.

Following the scheme being paid up, monthly contributions of £7,702 are payable which is subject to annual increases on 1 July each year in line with the consumer price index. Single contributions will be paid to the scheme as funds become available.

		2016	2015
<i>Key assumptions</i>		%	%
Discount rate		2.60	3.68
Expected rate of increase of pensions in payment		3.12	2.93
Expected rate of salary increases		3.19	2.96
		<u>3.19</u>	<u>2.96</u>
		<u><u>3.19</u></u>	<u><u>2.96</u></u>
<i>Mortality assumptions</i>		2016	2015
Assumed life expectations on retirement at age 65:		Years	Years
Retiring today			
- Males		86.1	86.3
- Females		88.4	88.6
		<u>88.4</u>	<u>88.6</u>
		<u><u>88.4</u></u>	<u><u>88.6</u></u>
Retiring in 20 years			
- Males		87.4	87.6
- Females		89.9	90.1
		<u>89.9</u>	<u>90.1</u>
		<u><u>89.9</u></u>	<u><u>90.1</u></u>

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Retirement benefit schemes	(Continued)	
	2016	2015
	£	£
<i>Amounts recognised in the profit and loss account</i>		
Net interest on defined benefit liability/(asset)	-	3,000
Other costs and income	33,000	57,000
	<u>33,000</u>	<u>60,000</u>
Total costs	<u><u>33,000</u></u>	<u><u>60,000</u></u>
	2016	2015
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(397,000)	(15,000)
Less: calculated interest element	74,000	72,000
	<u>(323,000)</u>	<u>57,000</u>
Return on scheme assets excluding interest income	(323,000)	57,000
Actuarial changes related to obligations	289,000	(128,000)
Movement in unrecognised plan surplus	87,000	-
	<u>53,000</u>	<u>(71,000)</u>
Total costs/(income)	<u><u>53,000</u></u>	<u><u>(71,000)</u></u>
The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:		
	2016	2015
	£	£
Present value of defined benefit obligations	2,320,000	2,069,000
Fair value of plan assets	(2,407,000)	(2,063,000)
	<u>(87,000)</u>	<u>6,000</u>
(Surplus)/deficit in scheme	(87,000)	6,000
Asset not recognised due to asset ceiling	87,000	-
	<u>-</u>	<u>6,000</u>
Total liability recognised	<u><u>-</u></u>	<u><u>6,000</u></u>

SCOTTISH BUILDING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Retirement benefit schemes	(Continued)	
	2016	
	£	
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 January 2016		2,069,000
Benefits paid		(112,000)
Actuarial gains and losses		289,000
Interest cost		74,000
		<u>2,320,000</u>
At 31 December 2016		<u>2,320,000</u>
	2016	
	£	
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 January 2016		2,063,000
Interest income		74,000
Return on plan assets (excluding amounts included in net interest)		323,000
Benefits paid		(112,000)
Contributions by the employer		92,000
Other		(33,000)
		<u>2,407,000</u>
At 31 December 2016		<u>2,407,000</u>
	2016	2015
	£	£
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	962,000	825,000
Debt instruments	1,397,000	1,223,000
Cash	48,000	15,000
	<u>2,407,000</u>	<u>2,063,000</u>
	<u>2,407,000</u>	<u>2,063,000</u>
11 Fair value reserve	2016	2015
	£	£
At beginning of year	267,989	399,000
Transfer to retained earnings	8,494	(131,011)
	<u>276,483</u>	<u>267,989</u>
At end of year	<u>276,483</u>	<u>267,989</u>

The fair value reserve represents the unrealised gains or losses arising upon measuring investment property and other investments at fair value through profit and loss, net of any related deferred tax