

DO NOT STAPLE
PRINT ON ONE SIDE ONLY

FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	<input type="text" value="The Scottish Motor Trade Association Limited"/>
Year ended:	<input type="text" value="31 March 2017"/>
List No:	<input type="text" value="5174E"/>
Head or Main Office:	<input type="text" value="Palmerston House
10 The Loan
South Queensferry
EH30 9NS"/>
Website address (if available)	<input type="text" value="www.smta.co.uk"/>
Has the address changed during the year to which the return relates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> x (Tick as appropriate)
General Secretary:	<input type="text" value="Sandy Burgess"/>
Contact name for queries regarding the completion of this return:	<input type="text" value="Sandy Burgess"/>
Telephone Number:	<input type="text" value="0131 331 5510"/>
e-mail:	<input type="text" value="sandy.burgess@smta.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: 0330 109 3602

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
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

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



SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

COMPANY INFORMATION

Directors	Mr A Smith Mr S Burgess Mr I Grieve Mr S Kinghorn Mr D Robertson Mr C McGeoch Mr A Campbell Mr G Greenwood Mrs H Graham Mr A Wood Mr A McGarva	(Appointed 29 June 2016) (Appointed 29 June 2016)
Secretary	Ms M Gaynor	
Company number	SC005898	
Registered office	Palmerston House 10 The Loan South Queensferry Edinburgh EH30 9NS	
Auditors	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB	
Bankers	The Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB Bank of Scotland 20/22 Shandwick Place Edinburgh EH2 4RN The co-operative bank PO Box 250 Delf House Skelmersdale WN8 6WT	
Solicitors	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY	

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
1106				1106

OFFICERS IN POST

(see note 10)

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

CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Director	Mr C Ramsay	Mr A Wood	29/06/2016
Director	Mr G Gall	Mr A McGarva	29/06/2016

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc		
	Investment income Interest and dividends (gross) Bank interest (gross) Other (specify)		
	Other income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)		
	TOTAL INCOME		
	EXPENDITURE		
	Administrative expenses Remuneration and expenses of staff Occupancy costs Printing, Stationery, Post Telephones Legal and Professional fees Miscellaneous (specify)		
	Other charges Bank charges Depreciation Sums written off Affiliation fees Donations Conference and meeting fees Expenses Miscellaneous (specify)		
	Taxation		
	TOTAL EXPENDITURE		
	Surplus/Deficit for year		
	Amount of fund at beginning of year		
	Amount of fund at end of year		

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)		

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
BOOK AMOUNT at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				

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

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME Scotsure Insurance Company Limited Andstrat (No. 288) Limited The Scottish Motor Show Limited SMTA (Trading Partners) Limited Scotsure MBI Limited	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) SC127665 SC077926 SC121085 SC342972 SC352229		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
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 <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
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	321,066		321,066
From Investments	7,227		7,227
Other Income (including increases by revaluation of assets)	2,235,084		2,235,084
Total Income	2,563,377		2,563,377
EXPENDITURE (including decreases by revaluation of assets)	2,371,414		2,371,414
Total Expenditure			
Funds at beginning of year (including reserves)	2,198,323		2,198,323
Funds at end of year (including reserves)	2,390,286		2,390,286
ASSETS			
Fixed Assets			547,112
Investment Assets			438,027
Other Assets			1,913,446
		Total Assets	2,898,585
LIABILITIES		Total Liabilities	508,299
NET ASSETS (Total Assets less Total Liabilities)			2,390,286

NOTES TO THE ACCOUNTS

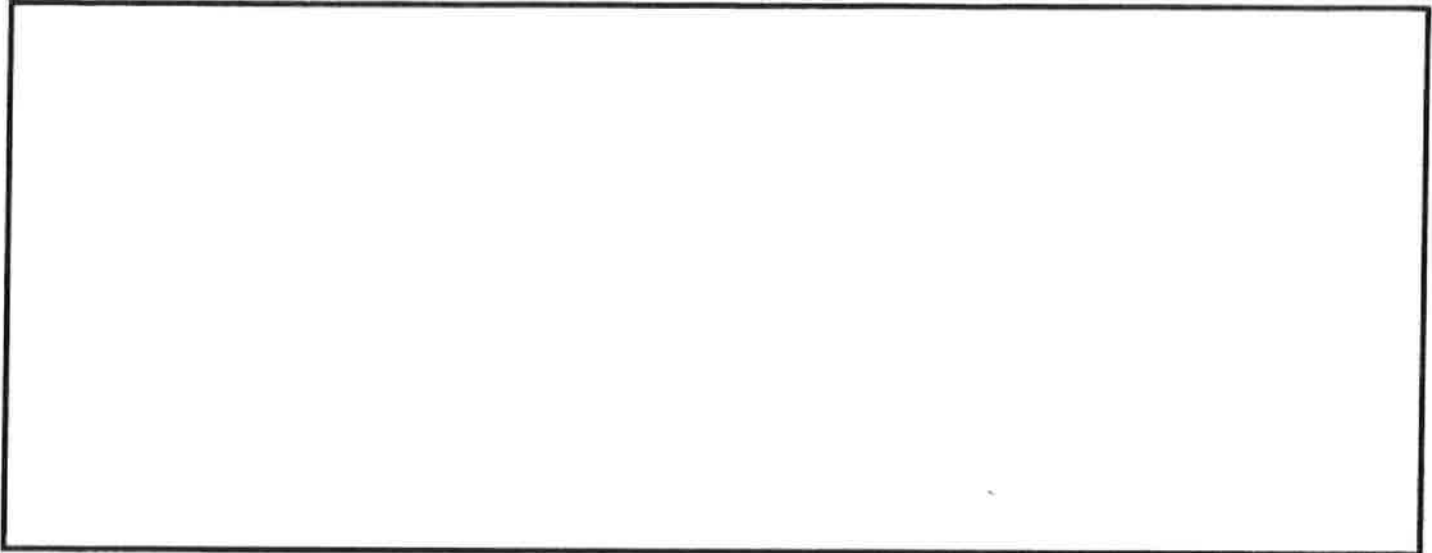
(see note 36)

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

A large, empty rectangular box with a black border, intended for the user to enter or attach notes to the accounts. The box occupies most of the page below the instruction text.

ACCOUNTING POLICIES

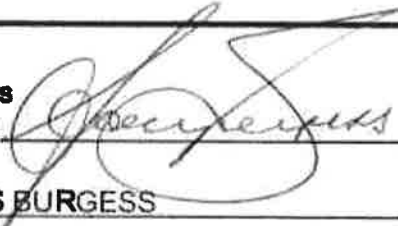

(see notes 37 and 38)



SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature:  Name: <u>S BURGESS</u> Date: <u>5/12/17</u>	President's Signature:  Name: <u>G Greenwood</u> Date: <u>5/12/17</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	<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		NO	<input checked="" type="checkbox"/>
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)

SEE ATTACHED

AUDITOR'S REPORT (continued)

See attached accounts

Signature(s) of auditor or auditors:

Andrew Croxford

Name(s):

Andrew Croxford

Profession(s) or Calling(s):

CA

Address(es):

Thomson Cooper
3 Castle Court
Carnegie Campus
Dunfermline
Fife, KY11 8PB

Date:

6 December 2017

Contact name and telephone number:

01383 628800

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



SMTA

Scottish Motor Trade Association

Annual Report 2017



**SCOTSURE
WARRANTY**

Scottish Motor Trade Association



**TRADING
PARTNERS**

Scottish Motor Trade Association



**SKILLS
SOLUTIONS**

Scottish Motor Trade Association



MOT QMS

Scottish Motor Trade Association



ISUZU

IVECO



Jeep



McLaren



smart



SUZUKI



NOTICE OF MEETING

Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Scottish Motor Trade Association Limited, will be held in Palmerston House, 10 The Loan, South Queensferry on WEDNESDAY 28 JUNE 2017 at 12 noon.

By Order of the Board of Directors

M.A Gaynor
Secretary

South Queensferry, 7 June 2017

Agenda

1. To receive the Report from the Board of Directors
2. To receive the Accounts presented by the Board of Directors and the Auditors' Report thereon
3. To reappoint the Auditors and to authorise the Directors to agree their remuneration for the ensuing year
4. To elect one Office Bearer
5. To elect three persons to the Board of Directors

After the conclusion of the formal business of the meeting, it is intended that a short period be available for members' questions and discussions on any subject relating to the Association and not covered in the formal agenda items.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

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SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

Encourage, Promote and Protect

It was true in 1903 and it is true in today's dynamic and fast changing motor industry!

There can be no doubt that a lot has changed since 1903 when the Scottish Motor Trade Association was formed in Edinburgh, it is certainly true that the sector has experienced an ongoing process of change over the preceding 114 years of our existence and that the momentum for such is now firmly embedded into the automotive industry for decades to come! Uncertainty exists with the scale and pace of such changes, aligned with the political and economic impacts of Brexit and the potential for another independence referendum in Scotland, the SMTA is ready and willing and more importantly able to serve our membership on these business-critical issues without interference or influence of party politics.

Review of the business

The year end to 31st March 2017 has produced a SMTA consolidated pre tax surplus of £199,916. This is a dramatic improvement on the previous year which recorded a deficit of £63,037. The Board have reviewed these results and are satisfied with the operational and financial factors that have created this outcome. Within this report, we will provide an overview of SMTA activity and an update on the four operational divisions of the business.

SMTA

The core business of the SMTA is its membership and we are pleased to confirm that this continues to grow at an acceptable level. We continue to raise awareness and the profile of the industry across various media channels and enjoy a strong relationship with both BBC Scotland TV and BBC Radio Scotland. Further success has been experienced with the recognised national motor trade media titles Mototrader and Automotive Management as well as the continued relationship with Scots Auto Scene. These platforms ensure that the SMTA has a voice that is heard and recognised across Scotland and beyond. We have now started to work with additional trade titles, Car Dealer, Car & Accessory Trader and Autotechnician which will only serve to heighten our consumer and trade recognition levels on a wider basis going forward.

We have maintained our lobbying activities in Holyrood with interaction at Minister level on Apprentice funding, Rates revaluation and Cybercrime. On Cybercrime, we have also had involvement with Police Scotland's Organised Crime Unit at their headquarters in Gartcosh. We have continued to meet with senior people within the Department for Transport and the Driver and Vehicle Standards Agency in London and Bristol respectively on the subject of the on-going 4-1-1 debate, amazingly at the time of writing this continues to be work in progress, we will maintain our pressure on this for our membership.

The previously introduced membership support packages for employment law and pension planning have been well received by those who have used them and we have seen a significant number of our members using these important programmes for their business. The insurance arrangement with A J Gallagher continues to deliver significant savings for an increasing number of members of all sizes and locations. Gallagher's continue to offer a review of any members' current insurance arrangements on a "free of charge" basis.

MOT QMS

This business stream continues to grow with our MOT Quality Management System inspections being very well received by new members to the SMTA, the current situation will see us deliver over 500 inspections this year. To enable this schedule to be met, we have now enlisted a full-time Support Services Consultant to our staff at Palmerston House. Last year we committed to deliver the mandatory Annual Assessment and CPD programme on behalf of the IMI, this has also been very successful in providing our members with a "one stop shop" option for their MOT needs. We actually delivered over 2,500 individuals onto the programme for the IMI and also recorded a 100% CPD take up as well.

In addition to this we launched our very own Web portal tool for use by the MOT community called MOT MAX, the offer is free of charge to all our MOT QMS users and available to all non-users on a nominal additional cost basis. Access to this industry leading product is restricted to SMTA members only.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Scotsure Warranty

We continued to promote the Scotsure brand as "you can judge a car by its cover", this has proved to be well accepted across the industry and we recorded significant growth in volumes and income for Scotsure. Our new products have been well received and the claims process within our South Queensferry Head Office continues to offer us a unique selling proposition in a very competitive market.

The arrangement with Car Care Plan for the delivery of our renewal process as well as offering insured products such as GAP via their UK based outbound centre has not yet produced the numbers we had hoped for; however, Car Care are optimistic at this time. All products offered are branded as Scotsure.

Skills Solutions

Our retention of over 300 apprentices across Scotland and on many of the islands continues to deliver us an excellent return at this time, our working relationship with GTG has strengthened over the last year and we now use them for full delivery with a number of students.

We have agreed terms with the IMI to deliver a fantastic value for money offering to all employees of our membership allowing them entry level membership to the IMI and a full year's unlimited access to the IMI's Virtual Learning product, which they will then be able to apply to their own business requirements. Each applicant will save in excess of 50% against the published offering via the conventional channels.

Grampian Motor Training Trust continue to offer support for members seeking to hire an apprentice or develop their staff within the Grampian area.

The George Pettigrew Trust has delivered significant levels of support to over 15 apprentices to date and continues to grow. They have also agreed to continue to offer the George Pettigrew Trust Award for 2017-18 which will be given to a college or training provider offering outstanding opportunities to someone entering the automotive sector. Last year saw Borders College picking up the award at our Annual Dinner in Glasgow along with a cheque for £500.

Trading Partners

We have invested heavily in the recruitment of three experienced automotive sales people along with a manager. We now have people on the road visiting our membership, talking over the challenges and offering what we believe to be valuable products and solutions at group buying terms to all. Growth in numbers signing up to Trading Partners has been significant, however the utilisation of the programme depends on our membership buying the goods and services offered, it would be fair to suggest that there is still some distance to travel in this regard.

Summary

In conclusion although we have had an excellent year, we still have many challenges ahead, no different to our membership. Politics will play an ever increasing role in our industry as we take the fight to Holyrood for apprentices, rates revaluations, MOT 4-1-1 and the demonisation of diesel to name a few.

We will continue to deliver value to our membership by ensuring that we are pro-active in all areas of our business model.

On behalf of the board



Mr S Burgess

Chief Executive

7 June 2017

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company and of the group continued to be that of a member body which exists to represent all aspects of the retail motor trade in Scotland. Details of the activities of the group's subsidiaries are set out in the accounts and in the Strategic Report.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Smith	
Mr S Burgess	
Mr I Grieve	
Mr S Kinghorn	
Mr D Robertson	
Mr C Ramsay	(Resigned 29 June 2016)
Mr C McGeoch	
Mr A Campbell	
Mr G Greenwood	
Mr G Gall	(Resigned 29 June 2016)
Mrs H Graham	
Mr A Wood	(Appointed 29 June 2016)
Mr A McGarva	(Appointed 29 June 2016)

Results and dividends

The results for the year are set out on page 6. The directors do not recommend the payment of a dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the group will be put to the Annual General Meeting.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

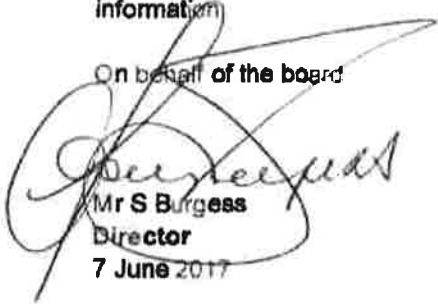
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



Mr S Burgess
Director

7 June 2017

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

We have audited the financial statements of Scottish Motor Trade Association Limited for the year ended 31 March 2017 which comprise the Consolidated Profit And Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, Section 1A.

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 Statement of directors' responsibilities set out on page 4, 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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 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 matter prescribed by the Companies Act 2006

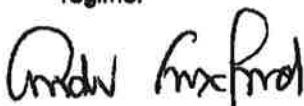
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 Strategic Report or 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.



Andrew Croxford (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditor
Dunfermline
7 June 2017

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	2	2,487,499	2,193,977
Cost of sales		(1,265,313)	(1,141,883)
Gross profit		1,222,186	1,052,094
Administrative expenses		(1,098,148)	(1,094,820)
(Losses)/gains on investments		68,651	(41,866)
Operating profit/(loss)	3	192,689	(84,692)
Interest receivable and similar income	7	7,227	21,655
Profit/(loss) before taxation		199,916	(63,037)
Taxation	8	(7,953)	-
Profit/(loss) for the financial year	16	191,963	(63,037)

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

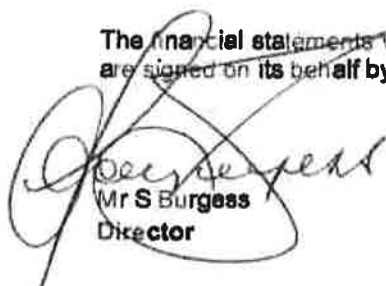
GROUP BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	9		547,112		575,891
Current assets					
Debtors	12	501,810		541,204	
Investments	13	438,027		357,041	
Cash at bank and in hand		1,411,536		1,280,349	
		<u>2,351,473</u>		<u>2,178,594</u>	
Creditors: amounts falling due within one year	14	<u>(508,299)</u>		<u>(555,862)</u>	
Net current assets			<u>1,843,174</u>		<u>1,622,632</u>
Total assets less current liabilities			<u>2,390,286</u>		<u>2,198,323</u>
Capital and reserves					
Profit and loss reserves	16		<u>2,390,286</u>		<u>2,198,323</u>

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

The financial statements were approved by the board of directors and authorised for issue on 7 June 2017 and are signed on its behalf by:



Mr S Burgess
Director

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

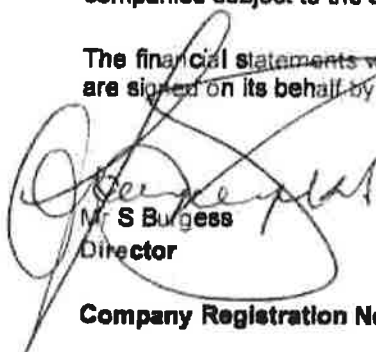
COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	9		547,112		575,891
Investments	10		797,556		797,556
			<u>1,344,668</u>		<u>1,373,247</u>
Current assets					
Debtors	12	342,953		357,459	
Cash at bank and in hand		626,421		511,891	
		<u>969,374</u>		<u>869,350</u>	
Creditors: amounts falling due within one year	14	(1,422,449)		(1,439,989)	
Net current liabilities			(453,075)		(570,639)
Total assets less current liabilities			<u>891,593</u>		<u>802,608</u>
Capital and reserves					
Profit and loss reserves	16		891,593		802,608

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 7 June 2017 and are signed on its behalf by:



Mr S Burgess
Director

Company Registration No. SC005898

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Scottish Motor Trade Association Limited ("the Company") is a company limited by Guarantee and not having share capital. The liability of the members who constitute the Association is limited to £1 per member. The company is domiciled and incorporated in Scotland. The registered office is Palmerston House, 10 The Loan, South Queensferry, Edinburgh, EH30 9NS.

The Group consists of Scottish Motor Trade Association Limited and all of its subsidiaries.

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. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £88,985 (2016 - £56,614 loss).

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Scottish Motor Trade Association Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from annual membership is deferred over the membership period and training income is recognised when the appropriate milestone has been reached.

1.4 Tangible fixed assets

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

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

Freehold land and buildings	No depreciation charge
Computer equipment	33 1/3% straight line
Fixtures and fittings	10-20% straight line
Motor vehicles	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 recognised in the profit and loss account.

No depreciation is charged on the Freehold land and buildings as the directors have assessed the current residual value of the buildings are such that any depreciation charge required would not be material.

1.5 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.7 Financial Instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.8 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 group'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 liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover		
Annual subscriptions	321,086	297,419
Training and seminars	640,820	446,935
Administration fees	211,593	187,815
Commissions	94,589	94,777
Members services	1,176,241	1,141,883
Other income	43,210	25,148
	<u>2,487,499</u>	<u>2,193,977</u>

3 Operating (loss)/profit

	2017 £	2016 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of tangible fixed assets	44,241	45,051
Gain on disposal of fixed assets	(5,075)	(6,491)
	<u>39,166</u>	<u>38,560</u>

4 Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	7,700	7,500
Audit of the company's subsidiaries	6,650	6,550
	<u>14,350</u>	<u>14,050</u>

5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2017 Number	2016 Number
Total	<u>12</u>	<u>12</u>

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Employees (Continued)

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	454,802	437,612
Social security costs	49,456	47,789
Pension costs	44,830	45,367
	<u>549,088</u>	<u>530,768</u>

6 Directors' remuneration

	2017	2016
	£	£
Remuneration paid to directors	<u>87,014</u>	<u>123,389</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

7 Interest receivable and similar income

	2017	2016
	£	£
Other interest receivable and similar income	<u>7,227</u>	<u>21,655</u>

8 Taxation

	2017	2016
	£	£
UK corporation tax on profits for the current period	<u>7,953</u>	<u>-</u>

The tax charge for the year is low due to the availability of losses brought forward from the previous year of £95,505.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Tangible fixed assets

Group	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2016	479,218	203,547	682,765
Additions	-	16,291	16,291
Disposals	-	(15,007)	(15,007)
At 31 March 2017	479,218	204,831	684,049
Depreciation and Impairment			
At 1 April 2016	-	107,078	107,078
Depreciation charged in the year	-	44,241	44,241
Eliminated in respect of disposals	-	(14,382)	(14,382)
At 31 March 2017	-	136,937	136,937
Carrying amount			
At 31 March 2017	479,218	67,894	547,112
At 31 March 2016	479,218	96,473	575,691
Company			
	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2016	479,218	190,255	669,473
Additions	-	16,291	16,291
Disposals	-	(15,007)	(15,007)
At 31 March 2017	479,218	191,539	670,757
Depreciation and Impairment			
At 1 April 2016	-	93,786	93,786
Depreciation charged in the year	-	44,241	44,241
Eliminated in respect of disposals	-	(14,382)	(14,382)
At 31 March 2017	-	123,645	123,645
Carrying amount			
At 31 March 2017	479,218	67,894	547,112
At 31 March 2016	479,218	96,473	575,691

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Fixed asset investments	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments	-	-	797,556	797,556
Details of subsidiaries are shown at note 17				
Movements in fixed asset investments				
Company				Shares in group undertakings £
Cost or valuation				
At 1 April 2016 and 31 March 2017				797,556
Carrying amount				
At 31 March 2017				797,556
At 31 March 2016				797,556
11 Financial instruments	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss				
	438,027	357,041	-	-
12 Debtors	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	251,187	207,903	48,080	28,009
Amounts due from related parties	-	-	56,351	24,204
Other debtors	250,723	333,301	238,522	307,246
	501,910	541,204	342,953	357,459

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 Current asset investments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Listed Investments	438,027	357,041	-	-

Listed investments are valued by reference to quoted market prices. The historical cost of investments is £318,908 (2016 - £306,573).

14 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	253,455	327,632	56,754	97,878
Amounts due to group undertakings	-	-	1,230,552	1,210,552
Corporation tax payable	7,953	-	2,774	-
Other taxation and social security	17,786	13,266	12,795	8,719
Other creditors	229,105	215,064	119,574	122,840
	<u>508,299</u>	<u>555,962</u>	<u>1,422,449</u>	<u>1,439,989</u>

15 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>44,830</u>	<u>45,367</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

16 Reserves

	Group 2017 £	2016 £	Company 2017 £	2016 £
At the beginning of the year	2,198,323	2,261,360	802,608	859,222
Profit for the year	191,963	(63,037)	88,985	(56,814)
At the end of the year	<u>2,390,286</u>	<u>2,198,323</u>	<u>891,593</u>	<u>802,608</u>

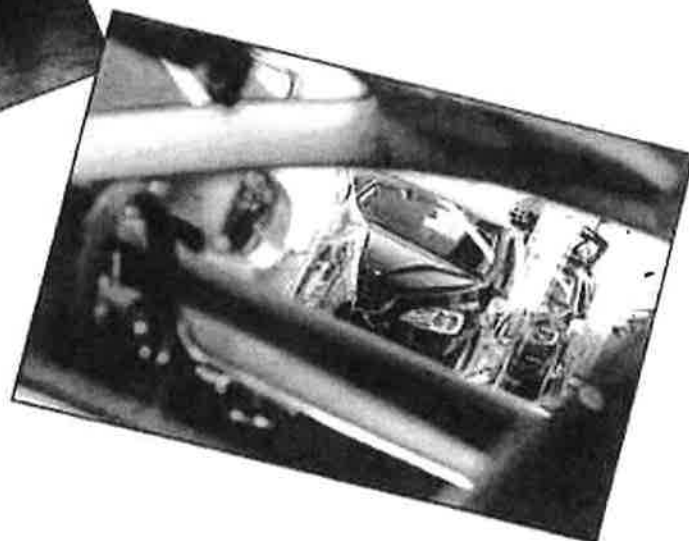
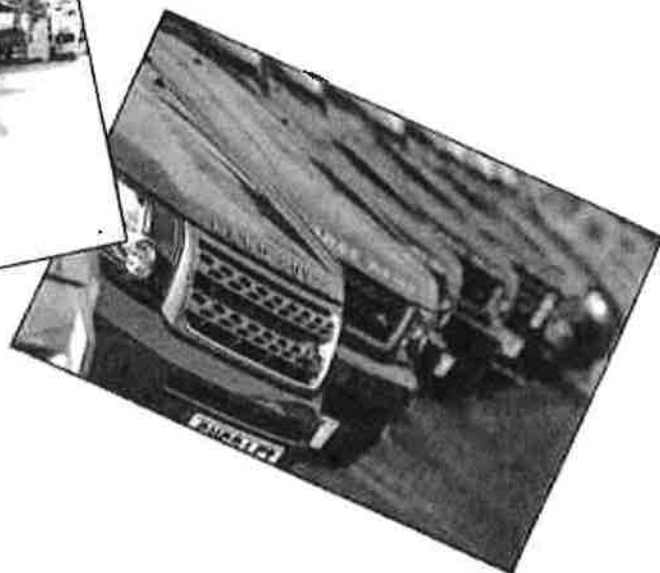
SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

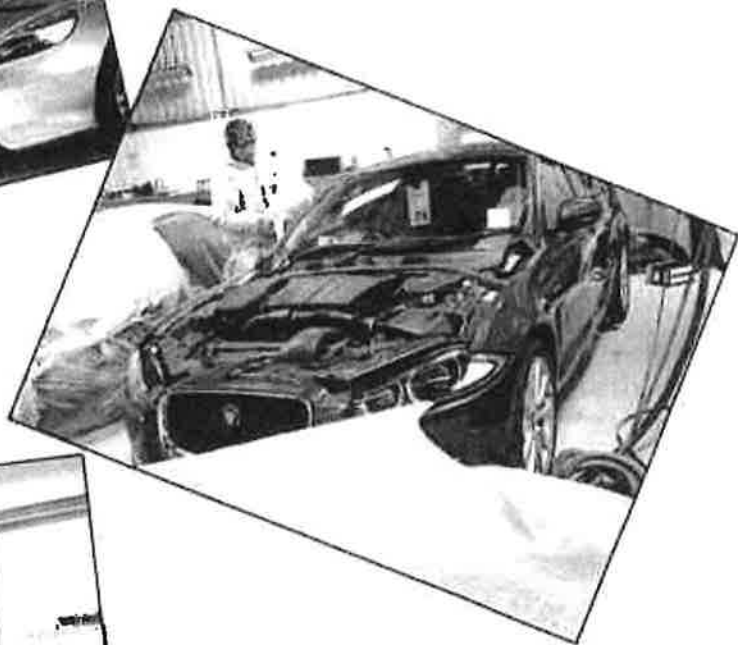
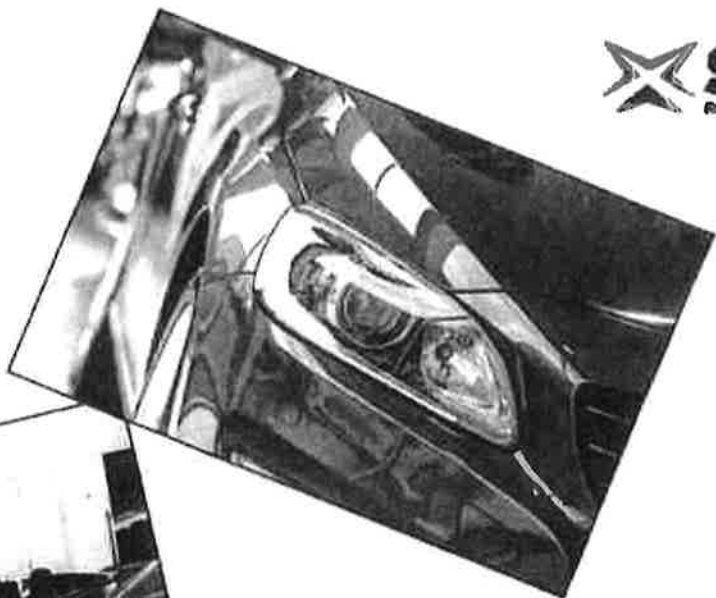
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

17 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
Scotsure Insurance Company Limited	Scotland Investment Company	Ordinary	100.00
Scotsure MBI Limited	Scotland Administration of mechanical breakdown insurance policies	Ordinary	100.00
SMTA (Trading Partners) Limited	Scotland Buying group for members of SMTA	Ordinary	100.00
The Scottish Motor Show Limited	Scotland Organisation of motor shows	Ordinary	100.00







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Established 1968

This business is a member of the Scottish Motor Trade Association and as such have committed to operate at all times to the SMTA Code of Conduct ensuring that clients interacting with us will be protected by this Code, this is in addition to your statutory rights, full details of the SMTA are provided on www.smta.co.uk

We subscribe to the following principles:

- To provide competent trained personnel to ensure an efficient, consistent high quality customer experience at all times.
- To be open, fair and transparent in all our business dealings.
- To, upon request, provide written estimates and details for all services to be performed or products provided, these will show Value Added Tax where relevant.
- To obtain prior consent before undertaking additional works.
- To attend to our customers' needs in a professional manner.
- To operate our business in accordance with the highest standards of ethical and moral conduct.
- To advertise our products in a positive, factual and informative manner.
- To undertake to resolve customer complaints in a prompt and courteous manner.
- To introduce, if appropriate, the SMTA's Conciliation Service and when required provide access to the Alternative Dispute Resolution service used by the Association.

We recognise and accept our responsibility to maintain high standards of business ethics and integrity as members of the Scottish Motor Trade Association.



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