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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

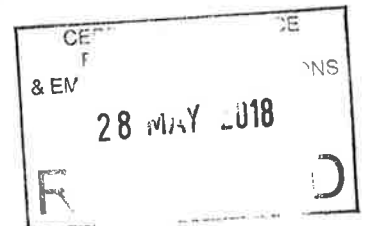
Name of Employers' Association:	<input type="text" value="The Electrical Contractors' Association of Scotland"/>
	<input type="text" value="T/A SELECT"/>
Year ended:	<input type="text" value="31 December 2017"/>
List No:	<input type="text" value="022E (S)"/>
Head or Main Office:	<input type="text" value="The Walled Garden
Bush Estate
Midlothian
EH26 0SB"/>
Website address (if available)	<input type="text" value="www.select.org.uk"/>
Has the address changed during the year to which the return relates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Tick as appropriate)
General Secretary:	<input type="text" value="J McGhee, ACMA"/>
Contact name for queries regarding the completion of this return:	<input type="text" value="J Petrie"/>
Telephone Number:	<input type="text" value="0131 445 5577"/>
e-mail:	<input type="text" value="jenny.petrie@select.org.uk"/>

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

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



Appointments 2017-2018

Central Board: Wednesday, 7 June 2017

Agenda Item: 4.01

CENTRAL BOARD

President - K Griffin

Vice President - K Duncan

Immediate Past President- E Rae

M Bailey – Observer

Managing Director

Association Secretary

Aberdeen - G Craib
- S Anderson
- A J Smith

Ayrshire - J Lappin
- J Cooper

Dumfries &
Galloway - G Paterson
- tbc.

Edinburgh - K Groom
- G Anderson
- A Noble

Glasgow - D Harris
- A Guyan
- DWH Smith
- W Shaw

Inverness - S Warren
- A Grant

Lanarkshire - D Orr
- J Brown

Tayside - D Crockett
- S Carruthers
- T Harvey

ECA Observer: representative from ECA

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
1,232				1,232

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
VICE PRESIDENT	K GRIFFIN	K DUNCAN	7 June 2017
PRESIDENT	E RAE	K GRIFFIN	7 June 2017

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,439,924	From Members	Subscriptions, levies, etc		1,461,403
1,002,068	Investment income	Interest and dividends (gross)	750,459	
-		Bank interest (gross)		
1,002,068		Other –Revaluation of Investment	-	750,459
105,650	Other income	Rents received	104,896	
457,600		Insurance commission		
132,825		Consultancy fees	383,591	
79,388		Publications/Seminars		
836,402		Miscellaneous receipts : Sundry	189,186	
1,611,865		Sale of Goods	54,931	
		Management	860,503	
				1,593,107
4,053,857		TOTAL INCOME		3,804,969
	EXPENDITURE			
	Administrative expenses			
1,674,416		Remuneration and expenses of staff	1,913,039	
288,222		Occupancy costs	297,225	
75,064		Printing, Stationery, Post & Telephones	77,176	
129,910		Legal and Professional fees	226,395	
58,091		Miscellaneous :Publications	37,395	
58,377		In-house costs	117,479	
141,978		Admin expenses	2,729	
	Other charges	Bank charges	-	
97,661		Depreciation	88,918	
		Sums written off	-	
17,784		Affiliation fees	18,562	
150,312		Marketing Costs	201,147	
156,682		Conference and meeting fees	173,571	
207,509		Course Expenses	232,070	
		Miscellaneous (specify)		
	Taxation			
3,056,006		TOTAL EXPENDITURE		3,385,706
15,351		Transfer (to) / from Reserves		13,402
1,013,202		Surplus/Deficit for year		432,665
4,327,385		Amount of fund at beginning of year		5,152,383
(188,198)	Other Recognised Gains & Losses -incl'd in Admin exp above			(212,000)
5,152,389		Amount of fund at end of year		5,373,048

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 31 December 2015

(see notes 19 and 20)

Previous Year		£	£
2,914,898	Fixed Assets (as at page 11)		2,892,282
	Investments (as per analysis on page 11)		
	Quoted (Market value £)		
50,000	Unquoted		50,000
2,964,898	Total Investments		2,942,282
	Other Assets		
295,348	Sundry debtors	604,514	
2,866,927	Cash at bank and in hand	3,644,115	
14,765	Stocks of goods	12,530	
-	Others -Pension Asset	-	
3,177,040	Total of other assets		4,261,159
6,141,938	TOTAL ASSETS		7,203,441
378,626	Specific Reserves		365,225
	Fund (Account)		-
	Fund (Account)		-
5,152,383	General Reserve		5,373,048
	Liabilities		
-	Loans	-	
-	Bank overdraft	-	
-	Tax payable	-	
548,793	Sundry creditors	1,388,931	
62,136	Deferred Tax Liability	76,237	
-	Provisions	-	
-	Other liabilities	-	
610,929	TOTAL LIABILITIES		1,465,168
6,141,938	TOTAL ASSETS		7,203,441

FIXED ASSETS ACCOUNT

(see note 21)

	Freehold Office Premises	Plant & Equipment	Investment Property	Motor Vehicles	Total
	£	£	£		£
COST OR VALUATION					
At start of period	2,694,549	791,791	875,000	-	4,361,340
Additions during period	-	66,302	-	-	66,302
Less: Disposals during period	-	-	-	-	-
Less: DEPRECIATION: Disposals	781,625	753,735	-	-	1,535,360
Total to end of period	781,625	753,735	-	-	1,535,360
BOOK AMOUNT at end of period	1,912,924	104,358	875,000	-	2,892,282
Freehold	1,912,924	-	-	-	1,912,924
Leasehold (50 or more years unexpired)					
Leasehold (less than 50 years unexpired)					
AS BALANCE SHEET	1,912,924	104,358	875,000		2,892,282

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): 50,000 ordinary shares of £1.00 each fully paid up Scottish Electrical Contractors' Insurance Ltd	50,000
	TOTAL QUOTED (as Balance Sheet)	50,000
	*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
If YES name the relevant companies:				
COMPANY NAME Scottish Electrical Contractors' Insurance Limited	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) SCO42408 (Registered in Scotland)			
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	<input checked="" type="checkbox"/>	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-	1,461,403	-	1,461,403
From Investments	750,459	-	750,459
Other Income (including increases by revaluation of assets)	1,593,107		1,593,107
Total Income	3,804,969	NIL	3,804,969
EXPENDITURE (including decreases by revaluation of assets)	3,385,705	-	3,385,705
Other Gains & Losses -included in Admin Expenditure	212,000	-	212,000
Total Expenditure	3,597,705	NIL	3,597,705
Funds at beginning of year (including reserves)	5,531,009	NIL	5,531,009
Funds at end of year (including reserves)	5,738,273	NIL	5,738,273
ASSETS			
Fixed Assets			2,892,282
Investment Assets			50,000
Other Assets			4,261,159
		Total Assets	7,203,441
LIABILITIES			
		Total Liabilities	1,465,168
NET ASSETS (Total Assets less Total Liabilities)			5,738,273

NOTES TO THE ACCOUNTS

(see note 36)

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

Please see Financial Statements for the year ended 31 December 2017.

ACCOUNTING POLICIES

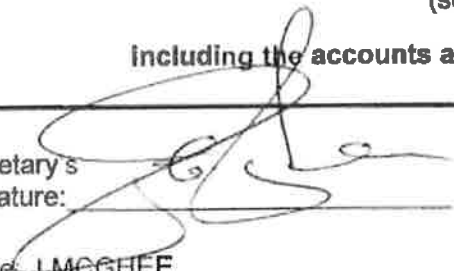
(see notes 37 and 38)

Please see Financial Statements for the year ended 31 December 2017.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

Including the accounts and balance sheet contained in the return.

<p>Secretary's Signature: </p> <p>Name: J MCGHEE</p> <p>Date: 22 May 2018</p>	<p>Managing Director's Signature:  (or other official whose position should be stated)</p> <p>Name: D N MCGUINNESS</p> <p>Date: 22 May 2018</p>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	✓	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	✓	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	✓	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	✓	NO	
IS A RULE BOOK ENCLOSED? (see Note 40) <i>CONSTITUTION & RULES</i>	YES	✓	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	✓	NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

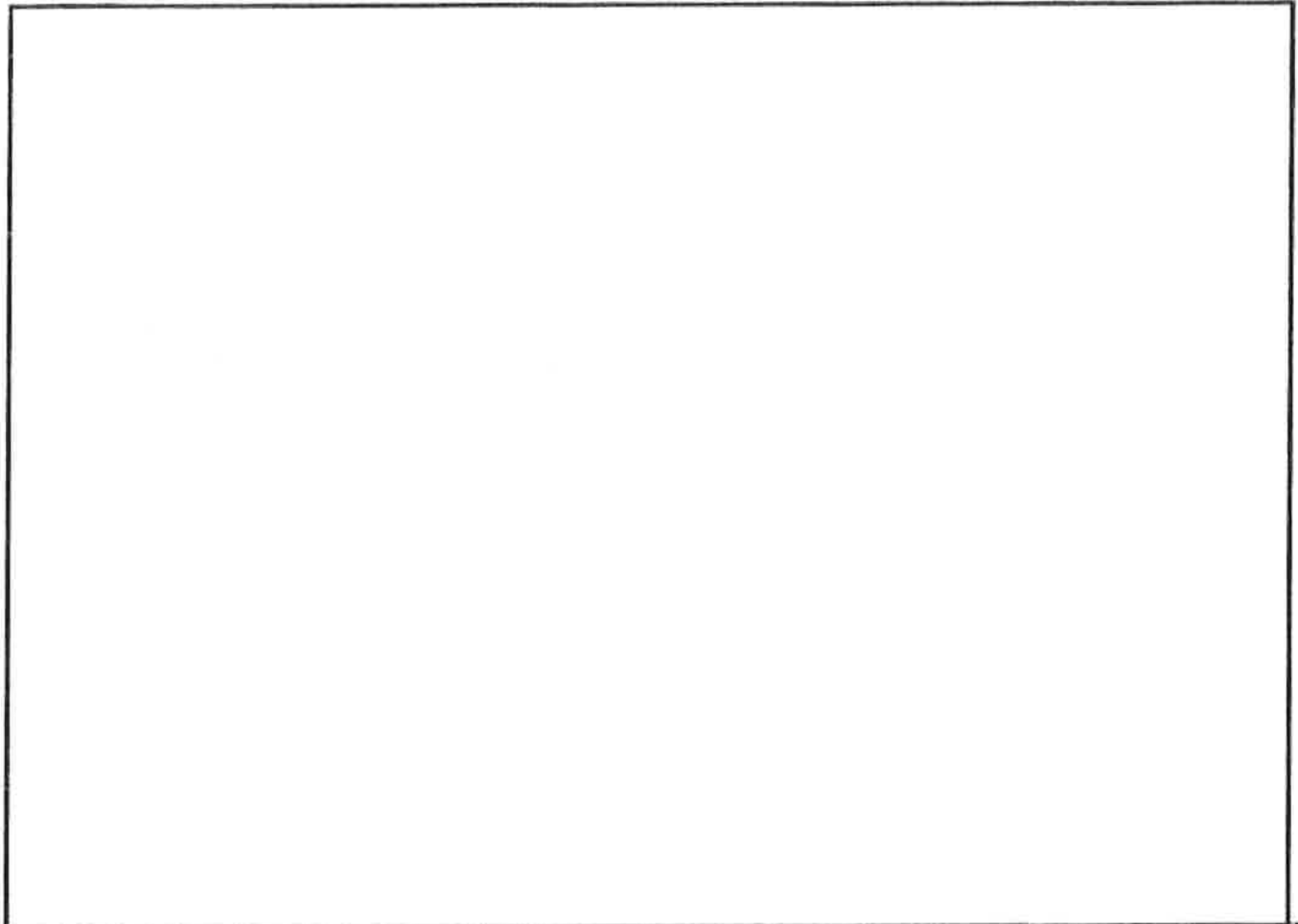
YES


If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 45)

See attached Financial Statements

AUDITOR'S REPORT (continued)



Signature(s) of auditor or auditors:		
Name(s):	Martin Gill	
Profession(s) or Calling(s):	ACA	
Address(es):	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh, EH12 5HD	
Date:	May 2018	
Contact name and telephone number:	0131 347 0347	

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

22/12/2017

The Electrical Contractors' Association of
Scotland (trading as SELECT)
Consolidated financial statements
for the year ended 31 December 2017

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

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The Electrical Contractors' Association of Scotland
(trading as SELECT)

Report of the Central Board for the year ended 31 December 2017

The rules of The Electrical Contractors' Association of Scotland (Trading as SELECT) ('the Association') require the Central Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and the Group (the Association and the insurance subsidiary) and of the surplus or deficit of the Group for that year. In preparing those financial statements, the Central Board is required to ensure that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- a statement is made whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Association and Group will continue in business.

The Central Board is responsible for ensuring that proper accounting records are kept which are sufficient to show and explain the Association and Group's transactions and which disclose with reasonable accuracy at any time the financial position of the Association and Group. The Central Board is also responsible for safeguarding the assets of the Association and Group and hence for ensuring that reasonable steps are taken for the prevention and detection of fraud and other irregularities.

Members of the Central Board statement as to the Disclosure of Information to Auditors

"All of the current members of the Central board have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members of the Central Board are not aware of any relevant audit information of which the auditors are unaware."

On behalf of the Central Board


K Griffin
President
March 2018

The Electrical Contractors' Association of Scotland
(trading as SELECT)

INDEPENDENT AUDITOR'S REPORT TO THE CENTRAL BOARD OF THE ELECTRICAL CONTRACTORS' ASSOCIATION OF SCOTLAND (trading as SELECT)

Opinion

We have audited the financial statements of SELECT (the 'Association') for the year ended 31 December 2017 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated insurance general business technical account, the consolidated balance sheet, the parent association's balance sheet, the consolidated and the parent Association's statement of changes in equity, the consolidated cash flow statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 102 and 103, The Financial Reporting Standards applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Association's affairs as at 31 December 2017 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Central Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Central Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Central Board are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Electrical Contractors' Association of Scotland
(trading as SELECT)

INDEPENDENT AUDITOR'S REPORT TO THE CENTRAL BOARD OF THE ELECTRICAL CONTRACTORS' ASSOCIATION OF SCOTLAND (trading as SELECT) (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information, including the report of the Central Board and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Central Board

As explained more fully in the Central Board's responsibilities statement set out on page 1, the Central Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Central Board are responsible for assessing the Group and Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Central Board either intend to liquidate the Group or Association, or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Association's Central Board, as a body. Our audit work has been undertaken so that we might state to the Association's Central Board 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 Association and the Association's Central Board as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Bao LP

5 APRIL 2018

Martin Gill
For and on behalf of BDO LLP
Chartered Accountants
Edinburgh
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Consolidated Income statement for the year ended 31 December 2017

	Note	2017	2016
		£	£
Income from membership:			
Subscriptions and application fees		435,759	422,136
Turnover levy		857,612	869,864
Training and development levies		168,032	147,924
		<u>1,461,403</u>	<u>1,439,924</u>
Sales of products and services		585,519	658,662
Cost of sales		<u>(325,656)</u>	<u>(334,417)</u>
		259,863	324,245
Transfer from insurance general business technical account (page 6)		561,674	641,304
Other income / (expense)	3	1,044,109	404,648
Committee expenses and other direct costs	4	(360,871)	(297,622)
Administrative expenses	5	(2,821,185)	(2,561,551)
Operating Surplus / (Loss)		<u>144,993</u>	<u>(49,052)</u>
Property and investment income	8	289,101	826,418
Loss on write down of investment	8	(909,960)	(684,030)
(Loss) / Surplus for year before taxation		<u>(475,866)</u>	<u>93,336</u>
Taxation charge	9	(351,934)	(37,658)
(Loss) / Surplus for year after taxation		<u>(827,800)</u>	<u>55,638</u>

Results are attributable to continuing operations.

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Consolidated statement of other comprehensive income for the year ended 31 December 2017

	Note	2017 £	2016 £
Other comprehensive income			
(Loss)/Surplus for the year		(827,800)	55,638
Actuarial (loss) for the year on defined benefit pension scheme	7	(212,000)	(111,000)
Deferred tax on defined benefit pension scheme		-	(77,198)
Total comprehensive loss for the year		(1,039,800)	(132,560)

The Electrical Contractors' Association of Scotland
(trading as SELECT)

**Consolidated insurance general business technical account
for the year ended 31 December 2017**

	2017	2016
	£	£
Earned premiums		
Gross premium written		
Sickness and accident benefit scheme	883,663	998,703
Claims Incurred		
Gross claims paid		
Sickness and accident benefit scheme	(322,070)	(364,122)
Change in the provision for claims	81	6,723)
Net claims incurred	(321,989)	(357,399)
Transfer to the consolidated income statement (page 4)	561,674	641,304

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Consolidated balance sheet as at 31 December 2017

		2017		2016	
	Note	£	£	£	£
Fixed Assets	10		2,892,282		2,914,898
Investments	11		1,720,000		2,629,960
Current Assets					
Stocks		12,530		14,766	
Debtors	12	686,660		464,610	
Cash at bank and in hand		7,292,373		6,641,827	
			8,191,563		7,121,203
Creditors: Amounts falling due within one year	13	(1,591,241)		(747,827)	
Net current assets			6,600,322		6,373,376
Total assets less current liabilities			11,212,604		11,918,234
Technical provisions					
Provisions for outstanding claims			(5,654)		(5,735)
Provisions for liabilities and charges	14		(396,385)		(62,136)
Net assets			10,810,565		11,850,363
Reserves					
General reserve:					
Balance as at 1 January			11,471,737		11,588,946
(Loss) / Surplus for the year after taxation			(827,800)		55,638
Transfer from specific reserves			13,402		15,351
Other recognised gains and losses			(212,000)		(188,198)
Balance as at 31 December	15		10,445,339		11,471,737
Specific reserves	16		365,226		378,626
			10,810,565		11,850,363

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Consolidated balance sheet as at 31 December 2017 (continued)

The financial statements on pages 4 to 31 were approved by the Central Board and are signed on their behalf by:



President

K Griffin



Managing Director

D N McGuinness

30th March 2018

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Association's balance sheet as at 31 December 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets	10		2,892,282		2,914,898
Investments	11		50,000		50,000
Current assets					
Stocks			12,530		14,765
Debtors	12		604,514		295,348
Cash at bank and in hand			3,644,115		2,866,927
			4,261,159		3,177,040
Creditors: Amounts falling due within one year	13		(1,388,931)		(548,793)
Net current assets			2,872,228		2,628,247
Total assets less current liabilities			5,814,510		5,593,145
Provisions for liabilities and charges	14		(76,237)		(62,136)
Net assets			5,738,273		5,531,009
Reserves					
General reserve:					
Balance as at 1 January			5,152,383		4,327,385
Surplus for the year after taxation			419,263		997,845
Transfer from specific reserves			13,402		15,351
Other comprehensive income			(212,000)		(188,198)
Balance as at 31 December	15		5,373,048		5,152,383
Specific reserves	16		365,225		378,626
			5,738,273		5,531,009

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Association's balance sheet as at 31 December 2017 (continued)

The financial statements on pages 4 to 31 were approved by the Central Board and are signed on their behalf by:



President

K Griffin



Managing Director

D N McGuinness

30th
March 2018

Consolidated and Association's statements of changes in equity for the year ended 31 December 2017

Group	Notes	Specific reserves			Total
		General reserves	Capital projects reserve(a)	Guarantee scheme reserve(b)	
		£	£	£	
Balance as at 1 January 2016	15, 16	11,588,946	350,757	43,220	11,982,923
Surplus for the year		70,989	(10,297)	(5,054)	55,638
Other comprehensive income & other transfers for the year		(188,198)	-	-	(188,198)
Total comprehensive income for the year		(117,209)	(10,297)	(5,054)	(132,560)
Balance as at 31 December 2016	15, 16	11,471,737	340,460	38,166	11,850,363
Loss for the year		(814,398)	(10,297)	(3,103)	(827,798)
Other comprehensive income for the year		(212,000)	-	-	(212,000)
Total comprehensive income for the year		(1,026,398)	(10,297)	(3,103)	(1,039,798)
Balance as at 31 December 2017	15, 16	10,445,339	330,163	35,063	10,810,565

Association	Notes	Specific reserves			Total
		General reserves	Capital projects reserve	Guarantee scheme reserve	
		£	£	£	
Balance as at 1 January 2016	15, 16	4,327,385	350,757	43,220	4,721,362
Surplus for the year		1,013,196	(10,297)	(5,054)	997,845
Other comprehensive income & other transfers for the year		(188,198)	-	-	(188,198)
Total comprehensive income for the year		824,998	(10,297)	(5,054)	809,647
Balance as at 31 December 2016	15, 16	5,152,383	340,460	38,166	5,531,009
Surplus for the year		432,665	(10,297)	(3,104)	419,264
Other comprehensive income for the year		(212,000)	-	-	(212,000)
Total comprehensive income for the year		220,665	(10,297)	(3,104)	207,264
Balance as at 31 December 2017	15, 16	5,373,048	330,163	35,062	5,738,273

Consolidated cash flow statement for the year ended 31 December 2017

	2017	2016
	£	£
Cash flows from operating activities:		
(Loss) / Surplus for the financial year	(827,800)	55,638
Adjustments for:		
Impairment of investment	909,960	684,030
Depreciation	88,918	97,661
Gain on disposal of fixed asset	-	(5,310)
Interest receivable	(14,205)	(20,768)
Dividends receivable on fixed asset investments	(170,000)	(700,000)
Pension contributions made to defined benefit scheme	(212,000)	(111,000)
Taxation expense	351,934	37,698
Decrease in stock	2,236	6,924
(Increase)/decrease in trade and other debtors	(422,050)	1,052,036
Increase/(decrease) in trade and other creditors	825,731	(51,775)
(Increase) in outstanding claims	(81)	(6,723)
Taxation (paid)	-	(86,489)
Net cash from operating activities	532,643	951,922
Cash flows from investing activities:		
Interest received	14,205	20,763
Proceeds on disposal of tangible fixed asset	-	10,750
Payments to acquire tangible fixed assets	(66,302)	(24,669)
Dividends received	170,000	700,000
Net cash from investing activities	117,903	706,849
Net increase in cash and cash equivalents	650,546	1,658,771
Cash and cash equivalents at beginning of year	6,641,827	4,983,056
Cash and cash equivalents at end of year	7,292,373	6,641,827
Cash and cash equivalents comprise:		
Cash at bank and in hand	6,201,448	5,552,490
Bank deposits	1,090,925	1,089,337
Cash and cash equivalents	7,292,373	6,641,827

The Electrical Contractors' Association of Scotland
(trading as SELECT)

1 Principal accounting policies

General information

The principal activities of SELECT are to be the trade association and employers' organisation for the electrical engineering and contracting industry in Scotland. Its main objectives can be summarised as representing Members' interests, providing services to Members and developing industry skills.

The Association is incorporated in the United Kingdom. The address of its registered office is The Walled Garden, Bush Estate, Midlothian, EH26 0SB.

SELECT meets the definition of a public benefit entity under FRS102.

Statement of compliance

The Group and the individual financial statements of The Electrical Contractors' Association of Scotland (trading as SELECT) have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and Financial Reporting Standard 103 'Insurance contracts'.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting

These financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable UK accounting standards, as considered appropriate for a trade association and an insurance company. The insurance company results are prepared using the annual basis of accounting.

b) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Association and its wholly owned subsidiary, the Scottish Electrical Contractors' Insurance Limited (SECI Limited). The insurance general business technical account represents the results of SECI Limited on technical account and the net surplus arising for the year, taking into account the elimination of inter-company transactions, is transferred to the consolidated income statement. The assets and liabilities of SECI Limited have been fully consolidated with those of the Association.

c) Going concern

On the basis of their assessment of the Group's financial position and resources, the Central Board believe that the Group is well placed to manage its business risks. Therefore the Central Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Principal accounting policies (continued)

d) Functional and presentation currency

i) Functional and presentation currency

The Group's financial statements are presented in pound sterling. The Association's functional and presentation currency is pound sterling. The level of rounding is to the nearest pound sterling.

ii) Transactions and balances

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction.

e) Rebate income

Rebate income represents rebates of premiums paid to Phoenix Life Limited by the Association in their role as agents for the insurance of death risks. The rebates which reflect claims history are calculated on a bi-annual basis and are recognised once they become virtually certain.

f) Sales of products and services

Sales of products and services represents the invoiced value of course fees, services and publications, net of VAT where appropriate.

g) Subscriptions and turnover levy

Subscriptions and turnover levy are recognised in the year when they fall due and only when payment is received.

h) Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution plans

The Association operates a defined contribution pension scheme. Contributions to the scheme are expensed as they occur.

iii) Defined benefit plans

The Association operates a defined benefit pension scheme which is now closed to future accrual. In accordance with FRS 102 the operating and financing costs of pensions are charged to the consolidated income statement in the period in which they arise and are recognised separately. The costs of past service benefits enhancements, settlements and curtailments are also recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, are recognised in other comprehensive income. Pension costs are assessed in accordance with the advice of qualified actuaries.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Principal accounting policies (continued)

i) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

i) Current taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ii) Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference. Deferred tax is measured on a non-discounted basis.

j) Fixed assets

The cost of fixed assets is the purchase cost together with any incidental cost of acquisition.

k) Depreciation

Depreciation on fixed assets is calculated as follows:

Plant and Equipment - Fixtures and fittings	10% or 20% per annum, straight line
Plant and Equipment - Office and computer equipment	15% to 25% per annum, straight line
Plant and machinery	10% per annum, straight line
Freehold Office premises	2% per annum, straight line
Motor Vehicles	25% per annum, straight line

It is considered that the use of these rates will write off the costs of the assets over their effective working lives.

l) Investment properties

The investment properties are valued every 5 years using the RICS 'red book' method by an independent firm of Chartered Surveyors. The last valuation took place in December 2014. At the balance sheet date, the investment property valuation is considered by the Central Board. The Central Board consider this valuation is appropriate given their knowledge of the state of the market. Movements in valuation are recognised in the consolidated income statement. Any valuation impairment beneath historic cost is recorded in the consolidated income statement.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Principal accounting policies (continued)

l) Investment properties (continued)

Depreciation is not provided on investment properties as these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. This accounting policy is therefore necessary to give the financial statements a true and fair view.

m) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Operating leases as a lessee

Payments under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the lease.

ii) Operating leases as a lessor

The leases are for vehicle contract hire and printers. Income in respect of operating leases are credited on a straight line basis over the lease term.

n) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the consolidated income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the consolidated income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the consolidated income statement.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Principal accounting policies (continued)

o) Investments

Investments are held at fair value at the balance sheet date, with changes in fair value recognised through the income statement. Investments consist of shares in ESCA Estates Limited, and cash balances placed on deposit with financial institutions. The investment in ESCA Estates is valued at the agreed selling price - £1.89 million less dividends received - £170,000. The sales transaction took place on 14 February 2018. Other investments are cash balances held by financial institutions which are valued by the Directors at cost having prudent regard to their likely realisable value on an annual basis.

p) Investment income

Income from investments is included on an accruals basis.

q) Stock

Stock of publications and stationery is valued at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first-in, first-out (FIFO) method.

r) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other current asset investments with original maturities of three months or less.

s) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the consolidated income statement.

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 the consolidated income statement.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Principal accounting policies (continued)

s) Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, 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.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Group does not hold or issue derivative financial instruments.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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 to liability simultaneously.

t) Annual basis of accounting for the insurance company

The technical result for accident and health is determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

i) Premiums written relate to business accepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the SECI Limited.

ii) Claims are recognised in the accounting period in which the loss is made. Provision is made at the year-end for:

- (a) Illnesses arising in the year but not yet reported at the balance sheet date.
- (b) Illnesses arising in the year and unpaid at the year end.
- (c) Illnesses in the following year which are a continuation of illnesses first started during the year.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Principal accounting policies (continued)

u) Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The valuation of the defined benefit pension scheme is undertaken by an independent third party actuary.

The valuation of the investment property is carried out in line with 1(l) above.

2 Segmental analysis by class of business

The analysis by class of business of the Group's (loss)/surplus before taxation and net assets is set out below. All activities relate to the UK.

	2017	2016
	£	£
(Loss)/surplus before taxation		
Trade association	(690,513)	(11,708)
Insurance company	214,647	105,044
	<u>(475,866)</u>	<u>93,336</u>
	2017	2016
	£	£
Net assets		
Trade association	5,738,273	5,531,009
Insurance company	5,122,292	6,369,354
	<u>10,860,565</u>	<u>11,900,363</u>
Investment in subsidiary	(50,000)	(50,000)
	<u>10,810,565</u>	<u>11,850,363</u>

Notes to the financial statements for the year ended 31 December 2017 (continued)

3 Other Income / (expense)

Other income/(expenses) includes the £5,467 loss (2016: £73,115) made in the year on the reinsurance of life insurance with BUPA, and a rebate from BUPA relating to 2016 of £43,714 (2016: £nil), £491,105 (2016: £47,563) in respect of management charges to the Scottish Joint Industry Board, and the bi-annual profit share from Phoenix Life £514,757 (2016: £nil).

4 Committee expenses and other direct costs

	2017	2016
	£	£
Conference, functions and meetings	148,750	185,848
Branch expenses	43,251	23,484
Marketing campaign and membership	153,836	74,585
Subscriptions	15,040	13,705
	360,877	297,622

5 Administrative expenses

Included in administrative expenses are the following items of expenditure:

	2017	2016
	£	£
Staff costs (see note 6)	1,913,039	1,563,416
Group audit fees of which the parent Association was £9,200 (2016: £9,000).	17,950	17,500
Group non audit fees of which the parent Association was £10,250 (2016: £5,860)		
- Tax compliance	8,700	3,450
- Other audit services	1,550	1,350
- Payroll services	1,350	-
Depreciation – owned assets	88,918	97,661
Operating lease rentals	75,314	72,670

£39,630 of stock (2016: £58,091) was recognised within cost of sales during the period.

Notes to the financial statements for the year ended 31 December 2017 (continued)

6 Employee information

The number of persons employed by the Association at 31 December were as follows:

	2017	2016
	Number	Number
Full-time equivalents	40	41
	2017	2016
	£	£
Staff costs		
Salaries	1,311,622	1,236,159
Social security costs	127,828	122,676
Pension and permanent health insurances	473,589	204,581
	<u>1,913,039</u>	<u>1,563,416</u>

Included within the pension and permanent health insurances is £137,041 (2016: £nil) in respect of settlement costs for members transferring out of the defined benefit pension scheme and £91,000 (2016: £10,000 credit) in relation to the valuation of the defined benefit pension scheme at the balance sheet date.

7 Pension scheme

Defined benefit scheme

The Association operates a contributory funded pension Scheme for certain of its employees, providing benefits based on final pensionable pay. This Scheme was closed to future accrual on the 30th September 2014 and all employees transferred over to the Group Personal Pension Scheme.

The assets of the scheme are held separately from those of the Association, being invested with an insurance company.

An actuarial valuation of the Scheme using the projected unit basis was carried out at 31 December 2017 by JLT Actuarial Services, independent consulting actuaries. The major assumptions used by the actuary were:

	2017	2016
	%	%
Rate of increases in salaries	n/a	n/a
Rate of increase in pensions in payment	3.7	3.7
Rate of increase to deferred pensions	2.4	2.5
Discount Rate	2.5	2.7
Inflation assumption RPI	3.2	3.4
Inflation assumption CPI	2.4	2.6

For the 31 December 2017 valuation the CPI inflation assumption has been utilised for deriving deferred pension revaluation with the RPI inflation assumption being utilised for deriving the pensions in payment increase.

Notes to the financial statements for the year ended 31 December 2017 (continued)

7 Pension scheme (continued)

The mortality assumptions used were as follows:

	2017 Years	2016 years
Longevity at age 65 for current pensioners:		
- Men	22.2	22.3
- Women	24.1	24.7
Longevity at age 65 for future pensioners currently aged 45:		
- Men	23.9	24.5
- Women	25.9	27.0

Reconciliation of present value of scheme liabilities

	2017 £	2016 £
1 January	4,027,000	3,301,000
Interest cost	103,000	124,000
Current service cost - Employers	-	-
- Members	-	-
Benefits paid	(57,000)	(75,000)
Charges paid	8,000	10,000
Liabilities extinguished on settlements	(662,000)	-
Gains due to benefit changes	(31,000)	-
Actuarial (gain)/loss	(36,000)	667,000
31 December	3,352,000	4,027,000

Reconciliation of fair value of scheme assets

	2017 £	2016 £
1 January	4,229,000	3,812,000
Expected return on scheme assets	113,000	146,000
Actuarial (loss) / gain	(70,000)	225,000
Benefits paid	(57,000)	(75,000)
Contributions - Employers	121,000	121,000
- Members	-	-
Assets distributed on settlements	(594,000)	-
31 December	3,742,000	4,229,000

Notes to the financial statements for the year ended 31 December 2017 (continued)

7 Pension scheme (continued)

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The scheme is closed to future accrual.

The actual return on scheme assets in the year was a gain of £43,000 (2016: £371,000).

	2017	2016
	£	£
Analysis of amounts charged to consolidated operating statement are as follows:		
Current service cost	8,000	10,000
(Gains) / losses on settlements	(68,000)	-
Interest on pension scheme liabilities	-	-
(Gains) / losses due to benefit changes	(31,000)	-
Total	(91,000)	10,000

Actuarial Valuation

The most recent full actuarial valuation occurred at 1 April 2016. Following the valuation in 2014 the scheme was closed to future accrual.

Amounts for current and previous years:	2017	2016
	£	£
Defined Benefit Obligation	(3,352,000)	(4,027,000)
Plan Assets	3,742,000	4,229,000
Gain	390,000	202,000
Experience adjustments on scheme assets		
Amount	-	-
Experience adjustments on scheme liabilities:		
Amount	-	-
Total amount recognised in the consolidated statement of comprehensive income:	212,000	111,000

Defined contribution scheme

Since 1 August 2003, the Association has operated a defined contribution group personal pension arrangement for employees. The cost in respect of this scheme for the period is equal to the contributions paid. These amounted to £134,845 (2016: £131,454).

There were no accrued contributions at the year-end (2016: £nil).

Notes to the financial statements for the year ended 31 December 2017 (continued)

8 Property and investment income

	2017	2016
	£	£
Rental income	104,896	105,650
Dividend Income	170,000	700,000
Other interest	14,205	20,768
	<u>289,101</u>	<u>826,418</u>
Loss on fair value of investment	<u>(909,960)</u>	<u>(684,030)</u>

9 Taxation

	2017	2016
	£	£
United Kingdom corporation tax charge based on the surplus for the year		
UK current tax @ 19.25% (2016: 20.00%)	28,605	17,815
Adjustment in respect of prior year	<u>(10,921)</u>	<u>29,437</u>
	17,684	47,252
Deferred tax:		
- Fixed asset timing differences	3,044	(9,554)
- Losses	8,663	-
- Adjustment in respect of prior period	2,395	-
- Chargeable gains	<u>320,148</u>	<u>-</u>
	334,250	(9,554)
Tax on (loss)/surplus on ordinary activities	<u>351,934</u>	<u>37,698</u>

The tax assessed for the year is higher (2016: lower) than the standard rate of corporation tax in the UK (19.25%).

Notes to the financial statements for the year ended 31 December 2017 (continued)

9 Taxation (continued)

The difference between the tax charge on ordinary activities for the year, reported in the consolidated income statement, and the total charge for the year which would result from applying a relevant standard rate of tax to the surplus for the year before tax, is explained as follows:

	2017	2016
	£	£
Factors affecting tax charge for the year:		
(Loss)/surplus on ordinary activities before tax	(475,866)	93,336
(Loss)/surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(91,593)	18,667
Effects of:		
Adjustments to tax charges in respect of previous periods	(10,921)	29,437
Fixed asset timing differences	9,384	9,781
Income not taxable for tax purposes	(32,719)	(142,059)
Other permanent differences	(17,525)	15,950
Expenses not deductible	180,639	114,606
Chargeable gains	324,303	-
Effect of other tax rates	-	(8,684)
Adjust closing deferred tax to average rate of 19.25%	(22,992)	-
Adjust opening deferred tax to average rate of 19.25%	13,358	-
Total tax charge for the year	351,934	37,698

The standard rate of UK corporation tax in the year changed from 20% to 19% with effect from 1 April 2017 and will reduce to 17.00% from 1 April 2020. UK deferred tax is therefore recognised at the reduced rate of 19.00%.

Notes to the financial statements for the year ended 31 December 2017 (continued)

10 Fixed assets

Group and Association	Investment property £	Plant and equipment £	Freehold office premises £	Total £
Association and group:				
Cost at 1 January 2017	875,000	791,791	2,694,549	4,361,340
Additions	-	66,302	-	66,302
At 31 December 2017	875,000	858,093	2,694,549	4,427,642
Accumulated Depreciation at 1 January 2017	-	713,573	732,869	1,446,442
Charge for the year	-	40,162	48,756	88,918
At 31 December 2017	-	753,735	781,625	1,535,360
Net book value				
At 31 December 2017	875,000	104,358	1,912,924	2,892,282
Net book value At 31 December 2016	875,000	78,218	1,961,680	2,914,898

The investment property is held at valuation and was valued by David Adamson & Partners in December 2014 on an open market basis. The Central Board have reviewed this valuation and do not consider there to be a material movement in the property valuation.

Included in freehold office premises is land of £257,049 (2016: £257,049) which is not depreciated.

Notes to the financial statements for the year ended 31 December 2017 (continued)

11 Investments

	Group		Association	
	2017	2016	2017	2016
	£	£	£	£
Subsidiaries				
SECI Limited				
50,000 ordinary shares (2016)				
50,000) of £1 each fully paid	-	-	50,000	50,000
Others				
ESCA Estates Limited	1,720,000	2,629,960	-	-
	1,720,000	2,629,960	50,000	50,000

The Association owns 100% of the share capital of SECI Limited. SECI Limited owns one seventh (2016: one seventh) of the equity share capital of ESCA Estates Limited.

During the year SECI Limited received dividends of £170,000 (2016: £700,000) from ESCA Estates Limited. The investment in ESCA Estates has been valued at the agreed selling price of £1.89 million less dividends received of £170,000. The share sale transaction took place on 14 February 2018.

The Association controls the Electrical Engineering Training Foundation which is a company limited by guarantee and not having a share capital. The EETF is not included in the group financial statements as it is a charitable organisation and in the event of a winding up or dissolution; any surplus will be transferred to some other charitable institution or institutions having objectives similar to the objectives of the company.

12 Debtors

	Group		Association	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	83,462	120,879	83,462	120,879
Other debtors – on direct insurance operations	803,198	298,296	521,052	129,034
Prepayments and accrued income	-	45,435	-	45,435
	886,660	464,610	604,514	295,348

Notes to the financial statements for the year ended 31 December 2017 (continued)

13 Creditors: Amounts falling due within one year

	Group		Association	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	99,135	83,391	99,135	83,391
Corporation tax	17,684	17,815	-	-
Other taxation and social security	113,483	120,149	113,482	120,149
Other creditors & accruals	1,360,939	526,472	1,176,314	345,253
	1,591,241	747,827	1,388,931	548,793

14 Provisions for liabilities and charges

	Group		Association	
	2017	2016	2017	2016
	£	£	£	£
Deferred taxation				
Excess of capital allowances over depreciation	79,607	74,168	79,607	74,168
Chargeable gains	320,148	-	-	-
Losses	(3,370)	(12,032)	(3,370)	(12,032)
Deferred taxation liability	396,385	62,136	76,237	62,136
Balance as at 1 January	62,135	71,689	62,135	71,689
Deferred tax credit in profit and loss account	331,855	(9,554)	11,707	(9,554)
Adjustment in respect of prior periods	2,395	-	2,395	-
Balance as at 31 December	396,385	62,135	76,237	62,135

15 General reserves

	Association	SECI Limited	Total
	£	£	£
Balance as at 1 January 2017	5,152,384	6,319,353	11,471,737
Surplus/(loss) for the year	419,262	(1,247,062)	(827,800)
Transfers from specific reserves	13,402	-	13,402
Other comprehensive income	(212,000)	-	(212,000)
Balance at 31 December 2017	5,373,048	5,072,291	10,445,339

Notes to the financial statements for the year ended 31 December 2017 (continued)

16 Specific reserves

	Opening Balance At 1 January 2017 £	Transfer to General reserves £	Closing Balance At 31 December 2017 £
Capital Projects Reserve (a)	340,460	(10,296)	330,164
Guarantee Scheme Reserve (b)	38,166	(3,104)	35,062
Total	378,626	(13,400)	365,226

- (a) Exceptional maintenance and depreciation of the building.
(b) Potential claims under existing guarantee scheme; re-launch of contracts completion guarantee scheme and the Scottish Government's Building Standards Division (BSD) Certification Scheme.

17 Related party transactions

Transactions between the Association and SECI Limited, have been eliminated on consolidation and therefore as permitted by Section 33.1A of FRS 102 'Related party disclosures' are not included in this note.

The Association is a joint partner in the Scottish Joint Industry Board for the Electrical Contracting Industry ('SJIB'), members of which are also members of the Association. The Association provides management and other services for the SJIB and the fees charged in respect of these services amounted to £569,914 (2016: £523,043). Included in prepayments and accrued income are amounts due to the Association of £250,267 (2016: £68,581) at the balance sheet date.

Included within creditors are amounts of £23,640 (2016: £169,265 debtors) due to SJIB by SECI Limited.

The Scottish Electrical Charitable Training Trust (SECTT) is a partner of the Association and through this relationship is also a related party. The Association received rental income from SECTT totalling £52,835 in the year (2016: £52,535). The Association also rented training space from SECTT in the year costing £15,609 (2016: £14,638).

All transactions between the Association and any related party are at an arm's length.

Key management personnel:

The total amount paid in respect of compensation to key management personnel was £382,741 (2016: £412,812).

18 Post balance sheet events

The investment in ESCA Estates Limited was sold on 14 February 2018 for a selling price of £1,890,000 less dividends received of £170,000.

Notes to the financial statements for the year ended 31 December 2017 (continued)

19 Financial commitments

At 31 December the Association had the following future minimum lease payments under non-cancellable operating leases in respect of vehicles and equipment:

	2017	2016
	£	£
Not later than one year	62,476	64,531
After one year but not more than five years	51,815	74,258
More than 5 years	-	-

Operating lease agreements where the Group is lessor:

The leases are for rental properties in the South Building. The future minimum lease rentals receivable under the operating leases are:

	2017	2016
	£	£
Not later than one year	93,848	92,198
After one year but not more than five years	90,011	83,411
More than 5 years	8,937	12,375

20 Financial instruments

	Group		Association	
	2017	2016	2017	2016
	£	£	£	£
Financial assets				
Financial assets carried at fair value	1,720,000	2,629,960	-	-
Cash and fixed term deposits	7,292,373	6,641,827	3,644,115	2,866,927
Financial assets that are debt instruments measured at amortised cost	886,660	464,610	604,514	295,348
Financial liabilities				
Financial liabilities measured at amortised cost	1,460,074	609,863	1,275,449	428,644

Financial assets carried at fair value relate to the investment in ESCA Estates Limited.

Financial assets measured at amortised cost comprise trade debtors of £83,462 (2016: £120,879), other debtors of £803,198 (2016: £298,296) and accrued income of £Nil (2016: £45,435).

Financial liabilities at measured at amortised cost comprise trade creditors of £99,135 (2016: £83,391) and other creditors of £1,360,939 (2016: £526,472).

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Notes to the financial statements for the year ended 31 December 2017 (continued)

21 Management & Risk

The Association is governed and managed by a Central Board who are elected through a Branch network and are responsible for all decision making within the Association. The Central Board considers the type and scale of risk that the Association is prepared to accept in its ordinary course of activity and this is used to develop strategy and decision making.

The Association is focused on the identification and management of potential risks and has identified the following key risks:

Insurance risk

Liquidity risk

Insurance Risk

The Association's exposure to insurance risk is limited to a potential increase in the amount of sick pay claimed and a reduction in premium income received by its subsidiary – SECI Limited.

The amount of sickness claims is monitored on an annual basis and an adjustment will be made to the premium charged to reflect any major changes. All member firms are actively encouraged to participate in the various schemes available.

Liquidity Risk

The Association through its subsidiary – SECI Limited is currently required to hold £2million in cash to satisfy PRA requirements, this is well in excess of the actual general insurance capital requirement amount required of £180,000 per the PRA return.