

Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

Employers' Association's details

Name of Employers' Association:

Scottish Decorators Federation

Year ended:

31 December 2018

List number:

5010E

Head or Main Office:

Pavilion 2
Castlecraig Business Park
Stirling
FK7 7SH

Has the address changed during the year to which the return relates?

Yes

No

(Tick as appropriate)

Website address (if available)

www.scottishdecorators.co.uk

General Secretary:

Contact name for queries regarding the completion of this return:

Neil Rogers

Telephone Number:

01786 448838

E-mail:

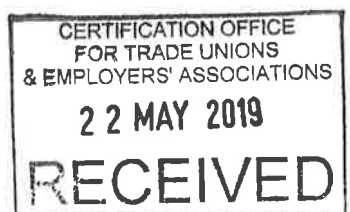
info@scottishdecorators.co.uk

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.



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
250	0	0	0	250

Change of officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change

Officers In post

(see note 10)

Please insert a complete list of all officers in post at the end of the year to which this form relates.

Name of Officer

Position held

The officers who served during the year were:

I Rogers – Chief Executive
N Rogers – Deputy chief Executive
M Johnston – President
M Stewart – Senior Vice President
R Skene – Honorary Treasurer

Committee Members:

B Nicolson	P Smith	A Munro
B Milne	M Stewart	E Rasmussen
D Clark	C Cochrane	B J Keenan
E Bannerman	J Mitchell	D MacDonald
M Johnston	D McDonald	

Revenue account/General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
176,415	From Members	Subscriptions, levies, etc	142,649	
6,275	Investment income	Interest and dividends (gross)	5,894	
7,424		Bank interest (gross)	6,893	
23,243		Other (grant)	29,000	184,436
2,100	Other income	Rents received	2,443	
4,423		Publications/Seminars	6,473	
1,933		Miscellaneous receipts (specify)	2,170	11,086
221,813	Total Income			195,522
	Expenditure			
	Administrative expenses			
116,230		Remuneration and expenses of staff	117,415	
17,141		Occupancy costs	12,489	
11,901		Printing, Stationery, Post	9,707	
4,692		Computer costs	3,009	
6,494		Legal and Professional fees	8,789	
2,152		Miscellaneous (specify)	2,536	
23		Advertising	-	
25	Other charges	Bank charges	19	
22,445		Depreciation	22,767	
8,709		Motor Expenses	9,005	
2,924		Leasing	2,930	
1,852		Hire purchase interest	1,297	
2,477		Donations	195	
7,306		Conference and meeting fees	3,666	
(25,852)		(Gain)/loss on fixed asset investments	19,515	
				213,339
5,261	Taxation			1,895
183,780	Total expenditure			215,234
38,033	Surplus/Deficit for year			(19,712)
		Amount of fund at beginning of year		1,206,540
		Amount of fund at end of year		1,186,828

Accounts other than the revenue account/general fund

(See notes 11 to 16)

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 11 to 16)

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 2018

(see notes 19 and 20)

Previous Year		£	£
408,577	Fixed Assets (as at page 8)		385,810
632,516	Investments (as per analysis on page 9)		
	Quoted (Market value £)	624,866	
	Unquoted		
	Total Investments		624,866
	Other Assets		
6,892	Trade debtors	3,302	
4,289	Taxation payable	-	
7,921	Sundry debtors	11,045	
211,149	Cash at bank and In hand	196,013	
-	Others (specify)	-	
230,251	Total of other assets		210,360
1,271,344		Total assets	1,221,036
1,206,540	Fund (General)		1,186,828
	Fund (Apprenticeship registration)		
	Fund (Training)		
	Revaluation Reserve		
	Liabilities		
25,337	Loans	16,615	
-	Bank overdraft	-	
7,203	Tax payable	4,093	
3,629	Sundry creditors	3,007	
28,635	Accrued expenses	10,493	
	Provisions		
	Other liabilities		
64,804	Total liabilities		34,208
1,271,344		Total assets	1,221,036

Fixed Assets Account

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
Cost or valuation				
At start of period	486,945	56,032	56,176	599,153
Additions during period				
Less: Disposals during period			(264)	
Less: DEPRECIATION:				
At start of period	107,128	56,032	27,416	190,576
Charge for the year	9,739	-	13,028	22,767
Eliminated on disposal	-	-	(264)	(264)
Total to end of period	116,867	56,032	40,180	213,079
Book amount at end of period	370,078	-	15,732	385,810
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
As balance sheet	370,078		15,732	385,810

Analysis of investments

(see note 22)

		Other Funds £
Quoted	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities:	
	59,483 Standard Life Global IL Bond	69,254
	80,347 Treasury index-Linked 2029	82,706
	99,895 Treasury 1.25% Index-Linked 2032	102,191
	50,343 S&W Short Dated Corporate Bond Z Inc	48,553
	71,221 Standard Life	67,247
	56,663 Threadneedle UK Corp Bond 2 Inc	53,963
	19,227 Aberforth smaller companies	16,501
	14,926 City of London	13,090
	14,289 HICL Infrastructure Co	14,243
	20,324 Murray Income trust	18,564
	20,692 Banker Investment trust	18,424
	10,592 Fundsmith Equity Inc	10,767
	9,854 Henderson far east income	8,970
	22,297 JP Morgan American IT	21,945
	12,670 Murrey International	11,320
	16,379 Newton Global Higher Income W Inc	15,743
	15,696 RIT Capital Partner	15,280
	14,878 Sarasin Gbl Higher Dividend P Inc	14,005
	22,740 Polar Capital technology Trust	22,100
	632,516	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)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
Company name	Company registration number (if not registered in England & Wales, state where registered)		
Incorporated Employers' Associations			
Are the shares which are controlled by the association registered in the association's name		YES <input 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 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 24 to 33)

	All funds except Political Funds £	Political Funds £	Total Funds £
Income			
From Members	142,649		142,649
From Investments	12,787		12,787
Other Income (including increases by revaluation of assets)	40,086		40,086
Total Income	195,522		195,522
Expenditure (including decreases by revaluation of assets)	213,338		213,338
Total Expenditure	215,234		215,234
Funds at beginning of year (including reserves)	1,206,540		1,206,540
Funds at end of year (including reserves)	1,186,828		1,186,828
Assets			
Fixed Assets			385,810
Investment Assets			624,866
Other Assets			210,360
		Total Assets	1,221,036
Liabilities		Total Liabilities	34,208
Net assets (Total Assets less Total Liabilities)			1,186,828

Notes to the accounts

(see note 34)

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

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The following principal accounting policies have been applied:

- **Subscriptions**
Subscription income represents total amount receivable for membership of the Federation from individual members and branches excluding VAT.

- **Investments**
Listed investments are included at market value based on the closing middle market prices at the balance sheet date.

Gains and losses arising on the annual re-valuation of these listed investments is recognised in the Income and Expenditure Account.

- **Operating Leases**
The Federation enters into lease arrangements for the use of plant and equipment. The classification of such leases requires the Federation to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Where it is determined that the significant risks and rewards of ownership of these assets does not transfer to the Federation the rental payments are allocated to the Income and Expenditure Account on a straight line basis when they fall due.

- **Hire Purchase Agreements**
Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the payment is charged to the Income and Expenditure Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

- **Pensions**
The Federation operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Federation pays fixed contributions into a separate entity. Once the contributions have been paid the Federation has no further payment obligations.

The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Federation in independently administered funds.

1. ACCOUNTING POLICIES (CONTINUED)

- Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Property	-2% on cost
Fixture and fittings	-20% on cost
Motor vehicles	-25% on cost
Computer equipment	-20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income and Expenditure account.

2. SUNDRY INCOME

	2018	2017
	£	£
Publications	6,473	4,423
SCORE receipts	1,330	1,700
Training income	-	18
Miscellaneous	-	215
Social events	402	-
Competition costs	438	-
	<u>8,643</u>	<u>6,356</u>

3. EMPLOYEES

The average monthly number of employees during the year was 4 (2017 -- 4).

4. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2018	486,945	56,032	47,007	9,169	599,153
Additions	-	-	-	-	-
Disposals	-	-	-	(264)	(264)
At 31 December 2018	<u>486,945</u>	<u>56,032</u>	<u>47,007</u>	<u>8,905</u>	<u>598,889</u>
DEPRECIATION					
At 1 January 2018	107,128	56,032	23,679	3,737	190,576
Charge for year	9,739	-	11,664	1,364	22,767
Eliminated on disposal	-	-	-	(264)	(264)
At 31 December 2018	<u>116,867</u>	<u>56,032</u>	<u>35,343</u>	<u>4,837</u>	<u>213,079</u>
NET BOOK VALUE					
At 31 December 2018	<u>370,078</u>	<u>-</u>	<u>11,664</u>	<u>4,068</u>	<u>385,810</u>
At 31 December 2017	<u>379,817</u>	<u>-</u>	<u>23,328</u>	<u>5,432</u>	<u>408,577</u>

Hire Purchase agreements

Included within the net book value of £385,810 is £11,664 (2017 - £23,328) relating to assets held under hire purchase agreements.

The depreciation charged to the financial statements in the year in respect of these assets amounted to £11,664 (2017 - £11,664).

5. FIXED ASSET INVESTMENTS

	Listed Investments £
MARKET VALUE	
At 1 January 2018	632,516
Additions	11,865
Revaluations	(19,515)
At 31 December 2018	<u>624,866</u>
HISTORICAL COST	
	<u>551,480</u>

Accounting policies

(see notes 35 and 36)

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	3,302	6,892
VAT debtor	-	4,289
Other debtors	<u>11,045</u>	<u>7,921</u>
	<u>14,347</u>	<u>19,102</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Hire purchase	9,278	8,722
Trade creditors	3,007	3,629
Taxation and social security	4,093	7,203
Other creditors	<u>10,493</u>	<u>28,635</u>
	<u>26,871</u>	<u>48,189</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR



	2018	2017
	£	£
Hire purchase	<u>7,337</u>	<u>16,615</u>

9. TAXATION: ANALYSIS OF THE TAX CHANGE

The tax charge for the year was as follows:

	2018	2017
	£	£
Current Tax:		
UK Corporation Tax	1,897	5,261
Adjustment in respect of prior years	<u>(2)</u>	<u>-</u>
	<u>1,895</u>	<u>5,261</u>

Signatures to the annual return
Including the accounts and balance sheet contained in the return.
 (see notes 37 and 38)

<p>Secretary's Signature: </p> <p>Name: NEIL ROGERS</p> <p>Date: 26-04-2019.</p>	<p>Chairman's Signature: (or other official whose position should be stated)</p> <p></p> <p>Name: IAN ROGERS</p> <p>Date: 26-04-2019.</p>
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Checklist
 (see note 39)
 (please tick as appropriate)

Has the return of change of officers been completed? (see Page 2)	Yes		No	
Has the list of officers been completed? (see page 2a)	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 the rule book enclosed? (see Note 40)	Yes		No	
Has the summary sheet been completed? (see Notes 6 and 25 to 34)	Yes		No	

Checklist for auditor's report

(see notes 40 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - 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

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- **give a true and fair view of the matters to which they relate to.**
- **have been prepared in accordance with the requirements of the section 28 to 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

Auditor's report (continued)

REPORT OF THE INDEPENDENT AUDITORS TO THE MANAGEMENT COMMITTEE OF SCOTTISH DECORATORS' FEDERATION

Opinion

We have audited the financial statements of Scottish Decorators' Federation for the year ended 31 December 2018, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard 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 Federation's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 management committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the management committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Federation'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 management committee are responsible for the other information. The other information comprises the information included in the Report of the National Council, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

Opinion on other matters prescribed by the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004

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

- the information given in the Report of the National Council for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the National Council has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Federation and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the National Council.

We have nothing to report in respect of the following matters in relation to which the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of the National Council

The management committee are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view, and for such internal control as the management committee 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 management committee are responsible for assessing the Federation'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 directors either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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 Auditors' Report.

Use of our report

This report is made solely to members of the Federation, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004. Our audit work has been undertaken so that we might state to the Federation's members those matters we are required to state to them in an Auditors' 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 Federation and the Federation's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signature(s) of auditor or auditors:		
Name(s):	French Duncan	
Profession(s) or Calling(s):	Chartered Accountants & Statutory Auditors	
Address(es):	Macfarlane Gray House Castlecraig Business Park Springbank Road Stirling FK7 7WT	
Date:	06/05/2019	
Contact name for enquiries and telephone number:	01786 451745	

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