

# Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

## Employers' Association's details

Name of Employers' Association:

Scottish Building Federation

Year ended:

31<sup>st</sup> December 2018

List number:

141E(S)

Head or Main Office:

1<sup>st</sup> Floor, Unit 8, Callendar Business Park,  
Callendar Road, Falkirk,  
FK1 1XR

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

Yes



No

(Tick as appropriate)

Website address (if available)

[www.scottish-building.co.uk](http://www.scottish-building.co.uk)

General Secretary:

Vaughan Michael Hart

Contact name for queries regarding the completion of this return:

Vaughan Michael Hart

Telephone Number:

0131 556 8866

E-mail:

[vaughan@scottish-building.co.uk](mailto:vaughan@scottish-building.co.uk)

**Please follow the guidance notes in the completion of this return. Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 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
428	Nil	Nil	Nil	428

## 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
<b>NOTE:</b> Officers serve for a period of 2 years	No changes in 2018		

## 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
Stephen Kemp	President
Alan Morris	Vice President
Karen McGahan	Company Secretary

## Revenue account/General Fund

(see notes 11 to 16)

Previous Year		£	£
	<b>Income</b>		
612,955	From Members                      Subscriptions, levies, etc		548,597
4,426	Investment income    Interest and dividends (gross)		4,136
	Bank interest (gross)		
12,405	Other (specify)		806
	Fair value Gain on Investments		(3,338)
50,000	Other income                      Rents received		50,000
	Insurance commission		
	Consultancy fees		
	Publications/Seminars		
	Miscellaneous receipts (specify)		
	Gain on Investment Property		35,000
679,786	<b>Total income</b>		635,201
	<b>Expenditure</b>		
635,664	Administrative expenses		575,958
	Remuneration and expenses of staff		
	Occupancy costs		
	Printing, Stationery, Post		
	Telephones		
	Legal and Professional fees		
	Miscellaneous (specify)		
	Other charges                      Bank charges		
	Depreciation		
	Sums written off		
	Affiliation fees		
	Donations		
	Conference and meeting fees		
	Expenses		
	Miscellaneous (specify)		
314	Interest Payable	2,796	
46,000	Actuarial Loss on Pension Scheme	24,000	
			26,796
(5,448)	Taxation		6,648
676,530	<b>Total expenditure</b>		609,402
3,256	Surplus/Deficit for year		25,799
405,676	Amount of fund at beginning of year		408,932
408,932	Amount of fund at end of year		434,731

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

<b>Account 2</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

<b>Account 3</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

Account 4		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 5		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

## Accounts other than the revenue account/general fund

(see notes 17 to 18)

Account 6		Fund Account	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

Account 7		Fund Account	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		





## Fixed Assets Account

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At start of period	440,000	40,815	Nil	480,815
Additions during period	35,000	28,211	Nil	63,211
Less: Disposals during period				
Less: DEPRECIATION:		(38,587)	Nil	(38,587)
Total to end of period		(6,476)	Nil	(6,476)
<b>Book amount at end of period</b>	475,000	23,963	Nil	498,963
Freehold	Nil	Nil	Nil	Nil
Leasehold (50 or more years unexpired)	Nil	Nil	Nil	Nil
Leasehold (less than 50 years unexpired)	Nil	Nil	Nil	Nil
As balance sheet	475,000	23,963	Nil	498,963

## Analysis of investments

(see note 22)

		Other Funds £
<b>Quoted</b>	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified) UK Fixed Interest, Overseas Fixed Interest UK Equities, International Equities UK Property, Alternative Assets	
	Total quoted (as Balance Sheet)	125,466
	*Market Value of Quoted Investments	125,466
<b>Unquoted</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	Total quoted (as Balance Sheet)	125,466
	*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)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
Company name	Company registration number (if not registered in England & Wales, state where registered)		
<b>Incorporated Employers' Associations</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		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		
<b>Unincorporated Employers' Associations</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		YES <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 £
<b>Income</b>			
From Members	548,597	Nil	548,597
From Investments	1,604	Nil	1,604
Other Income (including increases by revaluation of assets)	85,000	Nil	85,000
<b>Total Income</b>	635,201	Nil	635,201
<b>Expenditure</b> (including decreases by revaluation of assets)	609,402	Nil	609,402
<b>Total Expenditure</b>	25,799	Nil	25,799
<b>Funds at beginning of year</b> (including reserves)	408,932	Nil	408,932
<b>Funds at end of year</b> (including reserves)	434,731	Nil	434,731
<b>Assets</b>			
Fixed Assets			498,963
Investment Assets			125,466
Other Assets			262,422
		<b>Total Assets</b>	886,851
<b>Liabilities</b>		<b>Total Liabilities</b>	452,120
<b>Net assets (Total Assets less Total Liabilities)</b>			434,731

## Notes to the accounts

(see note 34)

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

The funds of the following Associations:-

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

are included within the accounts for the Scottish Building Federation.

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

**A set of Financial Statements is attached to cover the periods from 1<sup>st</sup> January to 31<sup>st</sup> December 2018**

## Accounting policies

(see notes 35 and 36)


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

## Signatures to the annual return

including the accounts and balance sheet contained in the return.

(see notes 37 and 38)

Secretary's Signature:



Name: Vaughan M Hart (Managing Director)

Date: 27/05/19

Chairman's Signature:

(or other official whose position should be stated)



Name: Ian D Honeyman (Commercial Director)

Date: 27/05/19

## Checklist

(see note 39)

(please tick as appropriate)

Has the return of change of officers been completed? (see Page 2)	Yes	<input checked="" type="checkbox"/>	No	
Has the list of officers been completed? (see page 2a)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Note 38)	Yes	<input checked="" type="checkbox"/>	No	
Has the auditor's report been completed? (see Note 39)	Yes	<input checked="" type="checkbox"/>	No	
Is the rule book enclosed? (see Note 40)	Yes	<input checked="" type="checkbox"/>	No	
Has the summary sheet been completed? (see Notes 6 and 25 to 34)	Yes	<input checked="" type="checkbox"/>	No	

## 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)

Please explain in your report overleaf or attached. **Refer to attached financial statement and report on page 15.**

2. 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)

Please explain in your report overleaf or attached. **Refer to attached financial statement and report on page 15.**

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

**In our opinion the financial statements:**


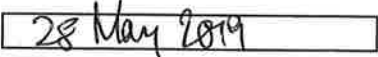
- **give a true and fair view of the matters to which they relate to.**
- **have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

## Auditor's report (continued)

### REFER FINANCIAL STATEMENTS IN SEPARATE DOCUMENT

As permitted by Guidance on Completion note 43, we submit our audit report in respect of the statutory accounts of Scottish Building Federation for the year ended 31 December 2018. Furthermore, we can confirm that our audit was performed in such a manner which satisfies the requirements of section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992, and we are able to conclude that in our opinion:

- the accounts give a true and fair view of the matters to which they relate to.
- Scottish Building Federation has kept proper accounting records in accordance with the requirements of section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992.
- the accounts have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.
- Scottish Building Federation has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section, and
- the accounts to which the report relates agree with the accounting records.

Signature(s) of auditor or auditors:		
Name(s):	Johnston Carmichael LLP	
Profession(s) or Calling(s):	Chartered Accountants and Statutory Auditors	
Address(es):	7-11 Melville Street Edinburgh EH3 7PE	
Date:		
Contact name for enquiries and telephone number:	Barry Masson 0131 220 2203	

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



**SCOTTISH BUILDING FEDERATION**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# SCOTTISH BUILDING FEDERATION

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# SCOTTISH BUILDING FEDERATION

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### Statement of disclosure to auditor

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



V Hart

Director

Date: 27/05/19

# SCOTTISH BUILDING FEDERATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SCOTTISH BUILDING FEDERATION

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#### Opinion

We have audited the financial statements of Scottish Building Federation (the 'company') for the year ended 31 December 2018 which comprise the Profit and Loss account, the Statement of Comprehensive Income, the Balance Sheet and 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 FRS 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 company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# SCOTTISH BUILDING FEDERATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SCOTTISH BUILDING FEDERATION

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#### **Auditor's responsibilities for the audit of the financial statements (continued)**


As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Barry Masson (Senior Statutory Auditor)**  
for and on behalf of Johnston Carmichael LLP

*28 May 2019*

**Chartered Accountants**  
**Statutory Auditor**

7-11 Melville Street  
Edinburgh  
EH3 7PE

# SCOTTISH BUILDING FEDERATION

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

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	Notes	2018 £	2017 £
<b>Profit for the year</b>		49,799	49,256
<b>Other comprehensive income</b>			
Actuarial loss on defined benefit pension schemes	10	(24,000)	(46,000)
<b>Total comprehensive income for the year</b>		<u>25,799</u>	<u>3,256</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

# SCOTTISH BUILDING FEDERATION

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Fair value reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2017</b>	276,483	(211,280)	340,473	405,676
<b>Year ended 31 December 2017:</b>				
Profit for the year	-	-	49,256	49,256
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(46,000)	(46,000)
Total comprehensive income for the year	-	-	3,256	3,256
Transfers	(5,996)	-	5,996	-
<b>Balance at 31 December 2017</b>	270,487	(211,280)	349,725	408,932
<b>Year ended 31 December 2018:</b>				
Profit for the year	-	-	49,799	49,799
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(24,000)	(24,000)
Total comprehensive income for the year	-	-	25,799	25,799
Transfers	(30,641)	-	30,641	-
<b>Balance at 31 December 2018</b>	239,846	(211,280)	406,165	434,731

# SCOTTISH BUILDING FEDERATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.6 Fixed asset investments

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

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, cash held as part of the investment portfolio and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

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

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

##### **Basic financial assets**

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

##### **Impairment of financial assets**

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

##### **Basic financial liabilities**

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

#### 1.10 Taxation

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

##### **Current tax**

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



# SCOTTISH BUILDING FEDERATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 7 (2017 - 7).

### 3 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2018	40,815
Additions	28,211
At 31 December 2018	<u>69,026</u>
<b>Depreciation and impairment</b>	
At 1 January 2018	38,587
Depreciation charged in the year	6,476
At 31 December 2018	<u>45,063</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>23,963</u>
At 31 December 2017	<u>2,228</u>

### 4 Investment property

	2018 £
<b>Fair value</b>	
At 1 January 2018	440,000
Revaluations	35,000
At 31 December 2018	<u>475,000</u>

Investment property comprises one property. The fair value of the investment property has been arrived at on the basis of a valuation carried out on 25 January 2019 by Graham & Sibbald Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

### 5 Fixed asset investments

	2018 £	2017 £
Investments	<u>125,466</u>	<u>125,263</u>

# SCOTTISH BUILDING FEDERATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

<b>8</b>	<b>Creditors: amounts falling due after more than one year</b>		
		<b>2018</b>	<b>2017</b>
		£	£
	Bank loans	36,840	48,263
		<u>          </u>	<u>          </u>

The bank loan is secured by a standard security over the company's investment property. Bank loans have a fixed interest rate of 5.1%.

<b>9</b>	<b>Provisions for liabilities</b>		
		<b>2018</b>	<b>2017</b>
		£	£
	Deferred tax liabilities	36,920	30,272
		<u>          </u>	<u>          </u>

<b>10</b>	<b>Retirement benefit schemes</b>		
	<b>Defined contribution schemes</b>		
		<b>2018</b>	<b>2017</b>
		£	£
	Charge to profit or loss in respect of defined contribution schemes	13,152	12,333
		<u>          </u>	<u>          </u>

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

### Defined benefit schemes

The scheme was closed to further accrual on 31 July 2007. The pension cost and provision is assessed in accordance with the advice of the scheme actuary, Little & Company. The last formal actuarial valuation was carried out as at 31 July 2017.

Following the scheme being paid up, monthly contributions of £4,110 are payable. Single contributions will be paid to the scheme as funds become available.

	<i>Key assumptions</i>	<b>2018</b>	<b>2017</b>
		%	%
	Discount rate	2.76	2.44
	Expected rate of increase of pensions in payment	3.11	3.08
	Expected rate of salary increases	3.18	3.14
		<u>          </u>	<u>          </u>

# SCOTTISH BUILDING FEDERATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

<b>10</b>	<b>Retirement benefit schemes</b>	<b>(Continued)</b>	
		<b>2018</b>	
	<i>Movements in the present value of defined benefit obligations</i>	<b>£</b>	
	Liabilities at 1 January 2018	2,344,000	
	Benefits paid	(94,000)	
	Actuarial gains and losses	(121,000)	
	Interest cost	56,000	
	At 31 December 2018	<u>2,185,000</u>	
		<b>2018</b>	
	<i>The defined benefit obligations arise from plans funded as follows:</i>	<b>£</b>	
	Wholly unfunded obligations	-	
	Wholly or partly funded obligations	2,185,000	
		<u>2,185,000</u>	
		<b>2018</b>	
	<i>Movements in the fair value of plan assets</i>	<b>£</b>	
	Fair value of assets at 1 January 2018	2,587,000	
	Interest income	56,000	
	Return on plan assets (excluding amounts included in net interest)	(110,000)	
	Benefits paid	(94,000)	
	Contributions by the employer	76,000	
	Other	(52,000)	
	At 31 December 2018	<u>2,463,000</u>	
		<b>2018</b>	<b>2017</b>
	<i>Fair value of plan assets at the reporting period end</i>	<b>£</b>	<b>£</b>
	Equity instruments	120,000	1,057,000
	Debt instruments	2,309,000	1,495,000
	Net current assets	34,000	35,000
		<u>2,463,000</u>	<u>2,587,000</u>