

## Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

### Employers' Association's details

Name of Employers' Association:

SCOTTISH ASSOCIATION OF MASTER BAKERS

Year ended:

31<sup>st</sup> MARCH 2019

List number:

CO/5095E

Head or Main Office:

UNIT 2 HALBEATH INTERCHANGE BUSINESS PARK  
KINGSEAT ROAD  
DUNFERMLINE  
KY11 8RY

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

Yes

No

(Tick as appropriate)

Website address (if available)

www.scottishbakers.org

Company Secretary:

Susan Whyte

Contact name for queries regarding the completion of this return:

Susan Whyte

Telephone Number:

01383 661555

E-mail:

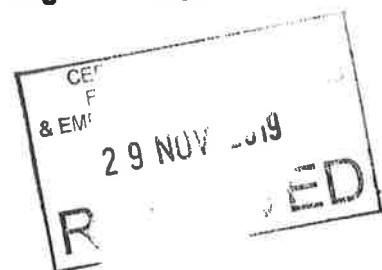
susan@scottishbakers.org

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
185	2			187

## 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.**

<b>Name of Officer</b>	<b>Position held</b>
<b>Ronald Miles</b>	<b>President</b>
<b>Linda Hill</b>	<b>Vice President</b>
<b>Craig Mcphie</b>	<b>Immediate Past President</b>
<b>Susan Whyte</b>	<b>Company Secretary</b>
<b>Alasdair Smith</b>	<b>Chief Executive</b>

## Revenue account/General Fund

(see notes 11 to 16)

Previous Year			£	£
	<b>Income</b>			
97,212	From Members	Subscriptions, levies, etc		106,388
856	Investment income	Interest and dividends (gross)		912
303		Bank interest (gross)		590
22,573		Loss/gain on movement of		26,394
1,000		Gain on disposal of fixed asset		0
	Other income	Rents received		
6,180		Insurance commission		7,175
		Consultancy fees		
52,682		Publications/Seminars		
179,283		Miscellaneous receipts (specify)		3,522
		Conference & Events		177,514
360,089		<b>Total Income</b>		<b>322,495</b>
	<b>Expenditure</b>			
	Administrative expenses			
194,482		Remuneration and expenses of staff		239,021
45,763		Occupancy costs		35,850
75,550		Printing, Stationery, Post		30,195
		Telephones		
61,072		Legal and Professional fees		28,986
0		Office expenses		97,385
		Travel & Meetings		14,763
	Other charges	Bank charges		7,277
7,204		Depreciation		2,438
313		Sums written off		0
0		Affiliation fees		5,368
6,735		Donations		0
0		Conference and meeting fees		201,500
240,678		Expenses		0
0		Miscellaneous (specify)		11,581
20,428		Irrecoverable VAT		19,286
28,674				
	Taxation			
681,899		<b>Total expenditure</b>		<b>693,650</b>
(321,810)		Surplus/Deficit for year		(371,155)
(824,126)		Amount of fund at beginning of year		(1,145,936)
(1,145,936)		Amount of fund at end of year		(1,517,091)

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

<b>Account 2</b>		<b>Fund Account</b>	
<b>Name of account:</b>	<b>SAMB – Training Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
1,172	From members		
1,096,884	Investment income	1,958	
26	Other income (specify)	830,243	
11,594		251	
		3,005	
1,109,676		<b>Total Income</b>	<b>835,457</b>
<b>Expenditure</b>			
833,381	Administrative expenses		
	Other expenditure (specify)	597,803	
833,381		597,803	
276,295			
2,918,016			
3,194,311			
			<b>Surplus (Deficit) for the year</b>
			<b>237,654</b>
			<b>Amount of fund at beginning of year</b>
			<b>3,194,311</b>
			<b>Amount of fund at the end of year (as Balance Sheet)</b>
			<b>3,431,965</b>

<b>Account 3</b>		<b>Fund Account</b>	
<b>Name of account:</b>	<b>SAMB – Benevolent Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
16,593	From members		
4,735	Investment income		17,439
(23,821)	Other income (specify)		5,420
	Gain on Investments		19,545
(2,493)			
		<b>Total Income</b>	<b>42,404</b>
<b>Expenditure</b>			
6,697	Administrative expenses		7,730
13,576	Other expenditure (specify)		12,125
20,273			
(22,766)			
614,742			
591,976			
			<b>Total Expenditure</b>
			<b>19,855</b>
			<b>Surplus (Deficit) for the year</b>
			<b>22,549</b>
			<b>Amount of fund at beginning of year</b>
			<b>591,976</b>
			<b>Amount of fund at the end of year (as Balance Sheet)</b>
			<b>614,525</b>

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

<b>Account 4</b>		<b>Fund Account</b>	
<b>Name of account:</b>		<b>£</b>	<b>£</b>
<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>		
	<b>Surplus (Deficit) for the year</b>		
		<b>Amount of fund at beginning of year</b>	
		<b>Amount of fund at the end of year (as Balance Sheet)</b>	

<b>Account 5</b>		<b>Fund Account</b>	
<b>Name of account:</b>		<b>£</b>	<b>£</b>
<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>		
	<b>Surplus (Deficit) for the year</b>		
		<b>Amount of fund at beginning of year</b>	
		<b>Amount of fund at the end of year (as Balance Sheet)</b>	

## Accounts other than the revenue account/general fund

(see notes 17 to 18)

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

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

## Balance sheet as at 31<sup>st</sup> March 2019

(see notes 19 and 20)

Previous Year		£	£
280,016	<b>Fixed Assets</b> (as at page 8)		258,339
	<b>Investments</b> (as per analysis on page 9)		
1,547,971	Quoted (Market value £)		1,600,278
	Unquoted		
1,827,987	<b>Total Investments</b>		1,858,617
	<b>Other Assets</b>		
378,480	Sundry debtors	121,645	
667,279	Cash at bank and in hand	695,554	
7,311	Stocks of goods	7,500	
	Others (specify)		
1,053,070	<b>Total of other assets</b>		824,699
2,881,057		<b>Total assets</b>	2,683,316
(1,145,936)	Fund (Account)		(1,517,091)
3,194,311	Fund (Account)		3,431,965
591,976	Fund (Account)		614,525
	Revaluation Reserve		
	<b>Liabilities</b>		
	Loans		
	Bank overdraft		
21,328	Tax payable		
35,718	Sundry creditors		
110,130	Accrued expenses	23,582	
	Provisions	33,101	
75,530	Other liabilities	97,234	
240,706	<b>Total liabilities</b>		153,917
2,881,057		<b>Total assets</b>	2,683,316



## Fixed Assets Account

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At start of period	299,375	105,850	65,995	471,220
Additions during period		8,100	33,439	41,539
Less: Disposals during period		(9,346)	(11,950)	(20,296)
Less: DEPRECIATION:	122,374	105,024	13,101	240,499
Total to end of period	7,180	1,479	19,695	9,303
<b>Book amount at end of period</b>	<b>169,821</b>	<b>7,447</b>	<b>65,393</b>	<b>242,661</b>
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>As balance sheet</b>	<b>169,821</b>	<b>7,447</b>	<b>65,393</b>	<b>242,661</b>

## Analysis of investments

(see note 22)

		Other Funds £	
<b>Quoted</b>	<b>British Government &amp; British Government Guaranteed Securities</b>		
	<b>British Municipal and County Securities</b>		
	966,975	<b>Other quoted securities Old Mutual Wealth General Fund</b>	987,005
	580,996	Old Mutual Wealth Benevolent Fund	613,273
	1,547,971	<b>Total quoted (as Balance Sheet)</b>	1,600,278
	1,547,971	<b>*Market Value of Quoted Investments</b>	1,600,278
	<b>Unquoted</b>	<b>British Government Securities</b>	
<b>British Municipal and County Securities</b>			
<b>Mortgages</b>			
<b>Other unquoted securities (to be specified)</b>			
1,547,971		<b>Total quoted (as Balance Sheet)</b>	1,600,278
1,547,971		<b>*Market Value of Unquoted Investments</b>	1,600,278

\* 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 checked="" 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	106,388		106,388
From Investments	20,899		20,899
Other Income (including increases by revaluation of assets)	1,073,069		1,073,069
<b>Total Income</b>	1,200,356		1,200,356
<b>Expenditure</b> (including decreases by revaluation of assets)	1,311,308		1,311,308
<b>Total Expenditure</b>	(110,952)		(110,952)
<b>Funds at beginning of year</b> (including reserves)	2,640,351		2,640,351
<b>Funds at end of year</b> (including reserves)	2,529,399		2,529,399
<b>Assets</b>			
Fixed Assets			258,339
Investment Assets			1,600,278
Other Assets			824,699
		<b>Total Assets</b>	2,683,316
<b>Liabilities</b>		<b>Total Liabilities</b>	153,917
<b>Net assets (Total Assets less Total Liabilities)</b>			2,529,399

**S.A.M.B.**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 MARCH 2019**

**1. ACCOUNTING POLICIES (continued)**

**Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Going concern**

The company has made a loss for the period of £133,501 (2018: loss of £45,515). The company has net current assets of £669,530 (2018: £801,384) and net assets of £1,914,874 (2018: £2,048,375). S.A.M.B. receive training and awarding body funding each year as well as income from subscriptions, membership and events. The directors consider it appropriate to adopt the going concern basis as there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

**Stock**

Stock is stated at the lower of cost or net realisable value after considering any obsolescence.

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

S.A.M.B.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2019**

**1. ACCOUNTING POLICIES (continued)**

**Creditors**

Short term creditors are measured at the transaction price.

**Financial Instruments**

Under FRS 102 financial assets and liabilities are given the technical term "financial instruments", and the directors are required to indicate how these are recognised and measured in the financial statements. All financial instruments held by the company are considered basic and as such are treated in line with well established accounting convention.

**Pension costs**

The company makes payments into a defined contribution personal pension scheme providing benefits for one employee additional to those from the State. The pensions cost charge represents contributions payable by the company to the scheme in respect of the year.

**Profit and loss account**

The profit and loss account represents accumulated profits and losses of the company.

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability, market conditions, the remaining life of the asset and projected disposal values.
- The directors assess each individual receivable balance as at 31 March 2019 to consider whether they are recoverable. If specific debts are identified where there is a fundamental uncertainty as to the recoverability of this debt based upon information received and payment history, a provision is created against these debts.

**3. ANALYSIS OF TURNOVER**

	2019	2018
	£	£
Analysis of turnover by country of destination:		
United Kingdom	1,125,093	1,402,432
Republic of Ireland	-	29,834
	<u>1,125,093</u>	<u>1,432,266</u>

**S.A.M.B.****NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 MARCH 2019****4. OPERATING (LOSS)/PROFIT**

	<b>2019</b>	2018
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation	<b>28,354</b>	35,752
Amortisation	<b>33,617</b>	41,875
(Gain) on disposal of fixed assets	<b>(3,005)</b>	(12,594)
Auditor's remuneration: audit	<b>5,500</b>	5,000
tax compliance	<b>1,735</b>	1,750

**5. STAFF COSTS**

	<b>2019</b>	2018
	£	£
Gross salary costs	<b>517,941</b>	509,313
Employer's national insurance	<b>47,493</b>	50,394
Employer's pension contributions	<b>13,820</b>	5,582
	<b><u>579,254</u></b>	<u>565,439</u>

No director (2018 – none) received any remuneration during the period.

The average number of employees, including directors, in the year was 34 (2018: 37).

<b>Employee numbers</b>	<b>2019</b>	2018
Employees	<b>16</b>	18
Directors	<b>18</b>	19
Total	<b><u>34</u></b>	<u>37</u>

**6. TAXATION**

	<b>2019</b>	2018
	£	£
Current tax	-	-
Deferred tax	-	-
Taxation (credit)/charge on profit	<b><u>-</u></b>	<u>-</u>

**S.A.M.B.****NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 MARCH 2019****6. TAXATION (continued)**

The tax assessed for the year is higher than (2018 – higher than) standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	2019	2018
	£	£
(Loss)/profit on ordinary activities before tax	(133,601)	(45,515)
Tax on loss on ordinary activities	(25,364)	(8,648)
<i>Effects of:</i>		
Fixed asset differences	4,924	4,822
Expenses not deductible for tax purposes	207	-
Income not taxable for tax purposes	(10,112)	(11,022)
Training fund profit not taxable	(45,155)	(52,497)
Adjustments to brought forward values	372	223
Amounts credited directly to equity or otherwise transferred	-	-
Chargeable gains	-	-
Adjust closing deferred tax to average rate of 19%	53,096	45,171
Adjust opening deferred tax to average rate of 19%	(45,188)	(38,105)
Deferred tax not recognised	67,220	60,056
Tax charges for the period	-	-

Deferred tax asset not recognised relating to fixed asset timing differences and available losses is £451,318 (2018: £383,953) due to uncertainty over future probability and the resulting recoverability of the asset in the foreseeable future.



S.A.M.B.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2019**

**7. TANGIBLE FIXED ASSETS**

	Heritable Property and Tenant's Improvements	President Badges	Fixtures & Equipment and computer equipment	Motor Vehicles	Total
	£	£	£	£	£
<b>COST</b>					
At 1 April 2018	299,375	4,034	101,816	65,995	471,220
Additions	-	-	8,100	33,439	41,539
Disposals	-	-	(8,346)	(11,950)	(20,296)
<b>At 31 March 2019</b>	<b>299,375</b>	<b>4,034</b>	<b>101,570</b>	<b>87,484</b>	<b>492,463</b>
<b>DEPRECIATION</b>					
At 1 April 2018	122,374	3,440	101,584	13,101	240,499
Charge for the year	7,180	335	1,144	19,695	28,354
On Disposals	-	-	(8,346)	(10,705)	(19,051)
<b>At 31 March 2019</b>	<b>129,564</b>	<b>3,775</b>	<b>94,382</b>	<b>22,091</b>	<b>249,802</b>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2019</b>	<b>169,821</b>	<b>259</b>	<b>7,188</b>	<b>65,393</b>	<b>242,661</b>
At 31 March 2018	177,001	594	232	52,894	230,721

**8. INTANGIBLE FIXED ASSETS**

	Online learning portal	Total
	£	£
<b>COST</b>		
At 1 April 2018	169,861	169,861
<b>At 31 March 2019</b>	<b>169,861</b>	<b>169,861</b>
<b>AMORTISATION</b>		
At 1 April 2018	120,566	120,566
Charge for the year	33,617	33,617
<b>At 31 March 2019</b>	<b>154,183</b>	<b>154,183</b>
<b>NET BOOK VALUE</b>		
<b>At 31 March 2019</b>	<b>15,678</b>	<b>15,678</b>
At 31 March 2018	49,295	49,295

**S.A.M.B.****NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 MARCH 2019****9. INVESTMENTS**

	2019	2018
	£	£
Listed investments	<u>987,005</u>	<u>966,975</u>
<b>Movement in market value</b>		
Market value at 1 April	966,975	950,751
Acquisitions at cost	912	856
Disposals at opening carrying value	(7,276)	(7,205)
Unrealised gain in year	26,394	22,573
Market value at 31 March	<u>987,005</u>	<u>966,975</u>
Historical cost at 31 March	<u>815,278</u>	<u>821,641</u>

**10. DEBTORS**

	2019	2018
	£	£
Trade debtors	82,766	267,263
Prepayments and accrued income	27,915	108,394
Other taxation and social security	5,569	-
Amounts due from related parties	5,184	2,823
	<u>121,434</u>	<u>378,480</u>

**11. CASH AND CASH EQUIVALENTS**

	2019	2018
	£	£
Cash at bank and in hand	<u>692,023</u>	<u>654,789</u>
	<u>692,023</u>	<u>654,789</u>

**12. CREDITORS: Amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	20,796	32,978
Other taxation and social security	-	21,328
Subscriptions in advance	97,234	73,530
Accruals and deferred income	30,611	108,620
Other creditors	2,786	2,740
	<u>151,427</u>	<u>239,196</u>

## **S.A.M.B.**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2019**

#### **13. MEMBERS' FUNDS**

This is a company limited by guarantee and does not have a share capital. Each member of the company has agreed to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

#### **14. RELATED PARTY TRANSACTIONS**

The following directors are also directors of The Scottish Bakery Training Council, and are nominated to represent S.A.M.B. during The Scottish Bakery Training Council's board meetings:

G McGhee (resigned 26 February 2019)  
J Gall  
C McPhie

The following director is also a director of The Scottish Bakery Training Council who is not nominated to represent S.A.M.B. during The Scottish Bakery Training Council's board meetings:

B Saraflovic

The Scottish Bakery Training Council is a company limited by guarantee and a Scottish Charity and is an independent organisation under separate control.

At 31 March 2019, The Scottish Bakery Training Council owed S.A.M.B. £5,184 (2018: £2,823). During the year payments of £2,361 (2018: £8,677) were made.

During the year payments of £5,420 (2018: £4,735) were made in respect of donations to Scottish Association of Master Bakers Benevolent Fund.

#### **15. PENSION**

The company makes payments to a defined contribution personal pension scheme for one employee. The pension cost charge has been charged to the profit and loss account and represents the contributions payable by the company to the scheme of £13,820 (2018: £5,592). Contributions outstanding at the year-end amounted to £546 (2018: £Nil). The assets of the scheme are held separately from those of the company in an independently administered fund.

**SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 MARCH 2019**

**9. CREDITORS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Accruals	<b>2,490</b>	<b>1,510</b>
	<b><u>2,490</u></b>	<b><u>1,510</u></b>

**10. RELATED PARTY TRANSACTIONS**

No trustee received any remuneration or reimbursement of any expenses, during the year. The trustees of the charity are all office bearers of S.A.M.B. The current year donations balance of £5,320 (2018 - £4,735) relates to the donation from S.A.M.B. for amounts received at the Glasgow Presidential Dance.

## **SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019**

#### **1. ACCOUNTING POLICIES**

##### **General information**

Scottish Association of Master Bakers Benevolent Fund is an unincorporated charity registered in Scotland, UK.

The charity's registered office and charity number are disclosed on the title page. The activities of the charity are set out in the trustees' report.

##### **Basis of accounting**

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, Charities SORP (FRS 102).

The preparation of the financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires the trustees to exercise judgement in applying the charities accounting policies, as shown in note 2 below.

Scottish Association of Master Bakers Benevolent Fund constitutes a public benefit entity as defined by FRS 102. The charity's functional and presentational currency is GBP. The level of rounding applied is to the nearest pound.

##### **Going concern**

The charity has net assets of £614,525 (2018: £591,976) and net current assets of £1,252 (2018: £10,890). The charity had net income for the year of £22,549 (2018: net expenditure of £22,766). This is driven by market value movement on investments which can be volatile. The charity has sufficient liquid reserves to meet all liabilities as they fall due. The trustees consider it appropriate to adopt the going concern basis as there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the charity to continue as a going concern.

##### **Income**

All income is included in the statement of financial activities when the charity is entitled to the income, when there is sufficient probability of receipt and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Grants receivable and donations are credited to the Statement of Financial Activities (SOFA) at the point when the charity is entitled to the income, when there is sufficient probability of receipt and the monetary value or amount of the income can be measured reliably.
- Income from investments is included in the SOFA in the year in which it is receivable.

##### **Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributable to one of the functional categories of resources expended in the SOFA:

- Charitable expenditure includes grants made and overheads and support costs as shown in note 7. Grants authorised to be paid in respect of the accounting year or future years are provided for in the accounts.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

## **SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2019**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Fund Accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

##### **Investments**

Investments are included at market value at the year-end. They are valued at bid price in accordance with the SORP.

Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

##### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

##### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash deposits with a notice period of greater than three months are included in cash equivalents where the deposit has no significant risk of change in value as a result of early withdrawal.

##### **VAT**

The company is not registered for VAT and accordingly costs are stated inclusive of applicable VAT.

##### **Creditors**

Short term creditors are measured at the transaction price.

##### **Financial Instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, such as listed investments, trade and other debtors and creditors.

#### **2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTIANTY**

In preparing these financial statements the trustees have not made any significant judgements.

**SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 MARCH 2019**

**3. INVESTMENT INCOME**

	2019	2018
	£	£
Dividend income	17,439	16,593
	<u>17,439</u>	<u>16,593</u>

**4. RAISING FUNDS**

	2019	2018
	£	£
Investment manager fees	4,470	4,417
Support costs (note 6)	3,260	2,280
	<u>7,730</u>	<u>6,697</u>

**5. CHARITABLE EXPENDITURE**

	2019	2018
	£	£
Grants paid to individuals	12,125	13,576
	<u>12,125</u>	<u>13,576</u>

**6. SUPPORT COSTS**

	2019	2018
	£	£
Governance costs – auditor's remuneration	3,260	2,280
	<u>3,260</u>	<u>2,280</u>

**7. NET INCOME/(EXPENDITURE)**

The net income/(expenditure) is stated after charging:

	2019	2018
	£	£
Auditor's remuneration – audit fee	2,460	2,280
	<u>2,460</u>	<u>2,280</u>

The number of employees in the year was nil (2018: Nil).

**SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2019**

**8. INVESTMENTS**

	2019	2018
	£	£
Listed investments	<u>613,273</u>	<u>580,996</u>
<b>Movement in market value</b>		£
Market value at 1 April	580,996	592,666
Acquisitions at cost	17,553	16,917
Disposals at carrying value	(4,470)	(4,418)
Unrealised gain/(loss) in year	<u>19,194</u>	<u>(24,169)</u>
Market value at 31 March	<u>613,273</u>	<u>580,996</u>
Historical cost at 31 March	<u>510,192</u>	<u>497,109</u>

By the Trust Deed, the investments are not subject to the limitations of the Trustee Investments Act.

Ten (2018: ten) investments individually exceed 5% of the portfolio:

Artemis Income – U - valued at £68,230 (2018: £66,673);

Axa Distribution – U - valued at £41,295 (2018: £39,589);

LF Woodford Equity Income – U - valued at £47,961 (2018: £51,089);

Invesco Perpetual Global Opportunities – U2 - valued at £39,532 (2018: £41,283);

M&G Global Dividend (share class I) – U - valued at £103,541 (2018: £93,354);

Neptune Income – U - valued at £82,299 (2018: £57,804);

Newtown Global Income – U - valued at £91,529 (2018: £80,771);

River + Mercantile UK Equity High Alpha – U valued at £42,513 (2018: £41,549);

Troy Trojan Income – U - valued at £38,158 (2018: £36,825);

Troy Trojan Income – U value at £78,213 (2018: £72,158).

All investments are held to provide an investment return.



**Notes to the accounts**

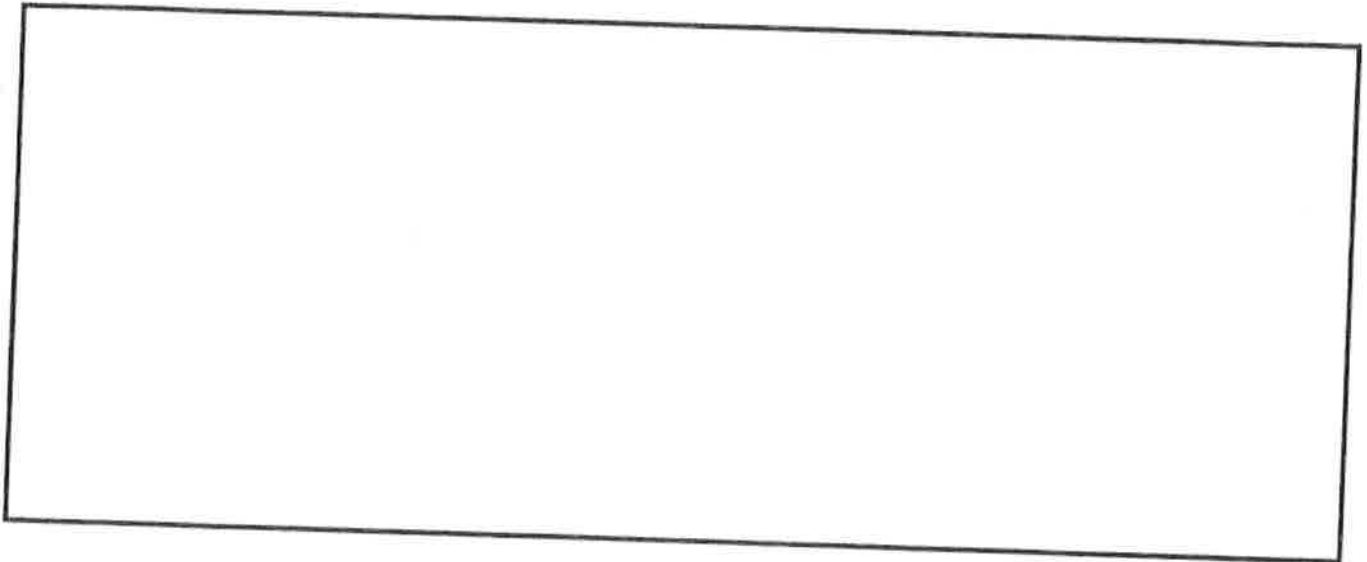
(see note 34)

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

A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for the user to enter or attach their notes to the accounts.

# ACCOUNTING POLICIES

(see notes 37 and 38)



## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

Including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>Susan Whyte</u>  Name: <u>SUSAN WHYTE</u>  Date: <u>10/09/19</u>	Chief Executive's Signature: <u>ASmith</u> (or other official whose position should be stated)  Name: <u>ALASDAIR SMITH</u>  Date: <u>10/9/19</u>
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## CHECK LIST

(see note 41)

(please tick as appropriate)

QUESTION	YES	NO		
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)	YES	NO	√	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	NO	√	

**S.A.M.B**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF S.A.M.B**

**Opinion**

We have audited the financial statements of S.A.M.B ("the Company") for the year ended 31 March 2019 which comprise Statement of Income and Retained Earnings and Balance Sheet, and the 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 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 Company's affairs as at 31 March 2019 and of its loss 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; and
- have been prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

**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 Directors' 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

**S.A.M.B**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF S.A.M.B (CONTINUED)**

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 the 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.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities, the Directors 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 Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

**S.A.M.B**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF S.A.M.B (CONTINUED)**

**Auditor's 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 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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.



Martin Gill (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Edinburgh, UK

Date: 17 SEPTEMBER 2019

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

# AUDITOR'S REPORT

(see notes 42 to 47)

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

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 ABOVE 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/ NO

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/ NO

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/ NO

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)

## **SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

### **INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

#### **Opinion**

We have audited the financial statements of Scottish Association of Master Bakers Benevolent Fund ("the Charity") for the year ended 31 March 2019 which comprise the statement of financial activities, 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 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 Charity's affairs as at 31 March 2019 and of its incoming resources and application of resources 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010; and
- have been prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

#### **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 Charity in accordance with the ethical requirements 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 related 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The other information comprises: trustees' annual report. The Trustees are responsible for the other information.

## **SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

### **INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND (CONTINUED)**

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.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities and Trustee Investment (Scotland) Act 2005 require us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper and adequate accounting records have not been kept; 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 Trustees**

As explained more fully in the statement of trustees' responsibilities, the Trustees 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 Trustees determines 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 Trustees are responsible for assessing the Charity'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 Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

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.



**SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND**

**INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND (CONTINUED)**

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

**Use of our report**

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

BDO LLP, statutory auditor  
Edinburgh, UK

Date: *17 SEPTEMBER 2019*

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

# AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	Boo Lw Martin Gill	
Name(s):	Boo Lw Martin Gill	
Profession(s) or Calling(s):	ACA	
Address(es):	Boo Lw 65 HAMMERSLEY TERRACE EDINBURGH EH12 5ND	
Date:	17 JANUARY 2019	
Contact name and telephone number:	MARTIN GILL 0131 247 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.