

Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

Employers' Association's details

Name of Employers' Association:

The Scottish Motor Trade Association Limited

Year ended:

31 March 2019

List number:

5174E

Head or Main Office:

Palmerston House
10 The Loan
South Queensferry
EH30 9NS

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

Yes

No

(Tick as appropriate)

Website address (if available)

www.smta.co.uk

General Secretary:

Moira Gaynor

Contact name for queries regarding the completion of this return:

Moira Gaynor

Telephone Number:

0131 331 5510

E-mail:

Moira.gaynor@smta.co.uk

Please follow the guidance notes in the completion of this return. Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 109 3602.

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

-For Employers' Associations based in England and Wales: Certification Office for Trade Unions and Employers' Associations, Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8JX.

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



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
1324	-	-	-	1324

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
Director	Douglas Robertson		16 th April 2019
Director	Heather Graham		27 th June 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
Maira Gaynor	Company Secretary
William Alexander Burgess	Director
Alexander Campbell	Director
Graham Greenwood	Director
Ian Grieve	Director
Stuart Kinghorn	Director
Alexander McGarva	Director
Colin McGeoch	Director
Adrian Smith	Director
Anthony Wood	Director

Revenue account/General Fund

(see notes 11 to 16)

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

Accounts other than the revenue account/general fund

(See notes 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)		

Fixed Assets Account

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
Cost or valuation				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
Book amount at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
As balance sheet				

Analysis of Investments

(see note 22)

		Other Funds £
Quoted	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total quoted (as Balance Sheet)	
	*Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	Total quoted (as Balance Sheet)	
	*Market Value of Unquoted Investments	

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

Analysis of Investment Income (controlling interests)

(see notes 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO
If YES name the relevant companies:			
Company name Scotsure Insurance Company Limited Andstrat (No. 288) limited The Scottish Motor Show Limited SMTA (Trading Partners) Limited Scotsure MBI Limited	Company registration number (if not registered in England & Wales, state where registered) SC 127665 (Scotland) SC 077926 (Scotland) SC 121085 (Scotland) SC 342972 (Scotland) SC 352229 (Scotland)		
Incorporated Employers' Associations			
Are the shares which are controlled by the association registered in the association's name		YES <input checked="" type="checkbox"/>	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
Company name	Names of shareholders		
Unincorporated Employers' Associations			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
Company name	Names of shareholders		

Summary sheet

(see notes 24 to 33)

	All funds except Political Funds £	Political Funds £	Total Funds £
Income			
From Members	435,578		435,578
From Investments	15,906		15,906
Other Income (including increases by revaluation of assets)	3,156,726		3,156,726
Total Income	3,608,210		3,608,210
Expenditure (including decreases by revaluation of assets)	3,437,815		3,437,815
Total Expenditure	3,437,815		3,437,815
Funds at beginning of year (including reserves)	2,551,620		2,551,620
Funds at end of year (including reserves)	2,722,015		2,722,015
Assets			
Fixed Assets			498,437
Investment Assets			466,030
Other Assets			2,704,318
		Total Assets	3,668,785
Liabilities			
		Total Liabilities	946,770
Net assets (Total Assets less Total Liabilities)			2,722,015

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 black border, intended for the user to enter or attach notes to the accounts. The box occupies most of the page below the instructions.

Accounting policies

(see notes 35 and 36)

Signatures to the annual return

including the accounts and balance sheet contained in the return.

(see notes 37 and 38)

<p>Company Secretary's Signature:</p> <p style="text-align: center;"><i>Maira A Gaynor</i></p> <p>Name: Moira Gaynor</p> <p>Date: 1/10/19</p>	<p>Chairman's Signature: (or other official whose position should be stated)</p> <p style="text-align: center;"><i>Sandy Burgess</i></p> <p>Name: Sandy Burgess</p> <p>Date: 1.10.19</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	x	No	
Has the list of officers been completed? (see page 2a)	Yes	X	No	
Has the return been signed? (see Note 38)	Yes	X	No	
Has the auditor's report been completed? (see Note 39)	Yes	X	No	
Is the rule book enclosed? (see Note 40)	Yes		No	X
Has the summary sheet been completed? (see Notes 6 and 25 to 34)	Yes	X	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

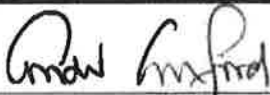
2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
 - a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - b. established and maintained a satisfactory system of control of its accounting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

YES

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)

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Signature(s) of auditor or auditors:		
Name(s):	Andrew Croxford	
Profession(s) or Calling(s):	CA	
Address(es):	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife, KY11 8PB	
Date:	September 2019	
Contact name for enquiries and telephone number:	01383 628800	

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

Company Registration No. SC005898 (Scotland)

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

COMPANY INFORMATION

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

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Encourage, Promote and Protect

Same old, same old! It was true in 1903 and it is true today!

Much has indeed changed since 1903 when the Scottish Motor Trade Association was formed in Edinburgh, in fact much has changed since 2003!

It is certainly true that the sector has experienced an ongoing process of change over the preceding 116 years of our existence and that the momentum for such is now firmly imbedded into the automotive industry for decades to come! Uncertainty exists with the scale and pace of such changes, aligned with the political and economic impacts around the continuing uncertainty of Brexit and the growing potential for another independence referendum in Scotland, the SMTA is ready and willing and more importantly able to serve our membership on these business-critical issues without interference or influence of party politics.

Review of the business

The year end to 31st March 2019 has produced a SMTA consolidated surplus before tax of £206,184. This is an improvement on previous year, with satisfactory growth in most revenue streams as we provide more services and products to our growing membership base. The Board have reviewed these results and are satisfied with the operational and financial factors that have created this outcome. Within this report, we will provide an overview of SMTA activity and an update on current operational divisions of the business.

SMTA

The core business of the SMTA is its membership and we are pleased to confirm that this continues to grow at an acceptable level. We continue to raise awareness and the profile of the industry across various media channels and enjoy a strong relationship with both BBC Scotland TV and BBC Radio Scotland. Further success has been experienced with the recognised national motor trade media titles Motortrader and Automotive Management as well as the continued relationship with Scots Auto Scene. These platforms ensure that the SMTA has a voice that is heard and recognised across Scotland and beyond. We developed our relationship with Car Dealer, Car & Accessory Trader and Autotechnician which have helped to build consumer and trade recognition levels on a wider basis going forward. For 2019 we have continued our support deal with the Scottish Motor Racing Club with the all new SMTA Citroen C1 Racing Championship! This continues to provide the SMTA with increased levels of motoring consumer awareness.

We have, once again increased our lobbying activities in Holyrood with interaction at Minister level on Apprentice funding, rates revaluation, Cybercrime and now on the issue of the Scottish Governments 2032 ambitions for the demise of fossil fuelled vehicles in our towns and cities. We are active with TRANSPORT Scotland on the soon to be applied Ultra Low Emission Zones ensuring they are aware of the potential impacts of these on several of our members. We have continued to meet with senior people within the Department for Transport and the Driver and Vehicle Standards Agency in London and Bristol.

The previously introduced membership support packages for employment law and pension planning have been well received by those who have used them, and we have seen a significant number of our members using these important programmes for their business. We have further enhanced this offer with the introduction of an on-line HR portal which is free to all members. We launched a new insurance product for our members via an all new arrangement with JELF Clark Thomson which has been well received and they are seeing many more members take advantage of the new product that is exclusive to members of the SMTA.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

MOT QMS

This business stream continues to grow with our MOT Quality Management System inspections being very well received by new members to the SMTA. The current situation will see us deliver over 675 inspections this year.

We continue to work with the IMI to deliver the mandatory Annual Assessment and CPD programme and we continue to deliver a "one stop shop" option for our members' MOT needs. In partnership with Dingbro we delivered over 2,500 individuals onto the programme and once again achieved a 100% CPD take up as well.

MOT MAX, is still available on a free of charge to all our MOT QMS users and available to all non-users on a nominal additional cost basis. Access to this industry leading product is restricted to SMTA members only.

Scotsure Warranty

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

The arrangement with Car Care Plan for the delivery of our renewal process as well as offering insured products such as GAP via their UK based outbound centre has now started to contribute benefits to our membership with additional income coming into the SMTA as a result. The option to extend a warranty has been well received by the consumers who have been approached and we are hopeful that this trend will continue over the next few years. All products offered are branded as Scotsure.

Skills Solutions

We continue to manage just short of 300 apprentices across Scotland and on many of the Islands. This continues to deliver us an excellent return currently, our working relationship with GTG has been very positive for both parties and is very stable at this time.

Last year we agreed terms with the IMI to deliver a fantastic value for money offering to all employees of our membership allowing them entry level membership to the IMI and a full year's unlimited access to the IMI's Virtual Learning product, which they will then be able to apply to their own business requirements. Each applicant will save more than 50% against the published offering via the conventional channels. We are now ready to launch the VLE only offering at a real value for money price that can only be accessed by a member of the SMTA.

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

The Pettigrew Charitable Trust has continued to deliver significant levels of support to apprentices. They have also agreed to continue to offer the Pettigrew Charitable Trust Award for 2019-20 which last year supported the Scottish Automotive Skills competition. This is being expanded to take in additional streams and once again the winners will receive their award at the SMTA Annual Dinner in Glasgow on the evening of the 7th November 2019.

Trading Partners

We are now seeing the benefit of the staff investment paying dividends with increased business coming in via Trading Partners but also with the comfort that the SMTA is now out there providing the support that our membership has a right to expect. Growth in numbers signing up to Trading Partners has been significant. We continue to explore opportunities to enhance our offerings to our membership.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

SMTA Digital

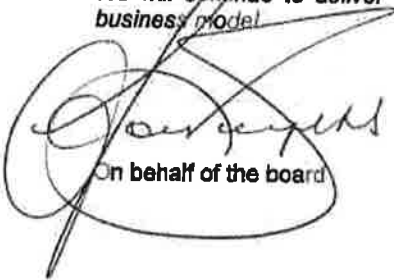
We launched an all new website for the SMTA to bringing significant improvements to our communications both internal and external. This new website can promote to the consumers and encourage to visit and seek out their local membership business. This also forms a central role in how we promote the SMTA going forward, for the express benefit of our membership.

We have also formed a joint venture with the company providing the website, Glasgow based Lateral Line a marketing and communication company. The joint venture is called SMTA Digital and provides a "one stop shop" for digital marketing as well as hard copy at a price competitive level. This product is aimed at SME members who would not have the time to explore these opportunities to grow their business without significant levels of investment in time.

Summary

In conclusion, a very satisfactory year. We still, however have many challenges ahead, no different to our membership. Politics will play an ever increasing role in our industry as we take the fight to Holyrood for apprentices, rates revaluations, the apprentice levy, the 2032 fossil fuel ambition and the introduction of the Ultra-Low Emission Zones across Glasgow, Edinburgh, Aberdeen and Dundee.

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



On behalf of the board

Mr S Burgess
Chief Executive
5 June 2019

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

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

Directors

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

Mr A Smith
Mr S Burgess
Mr I Grieve
Mr S Kinghorn
Mr D Robertson (Deceased 16 April 2019)
Mr C McGeoch
Mr A Campbell
Mr G Greenwood (Resigned 27 June 2018)
Mrs H Graham
Mr A McGarva
Mr A Wood

Results and dividends

The results for the year are set out on page 8. The directors do not recommend the payment of a dividend.

Auditor

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

Statement of directors' responsibilities

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

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

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

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

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Statement of disclosure to auditor

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

On behalf of the board



Mr S Burgess
Director

5 June 2019

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Scottish Motor Trade Association Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group profit and loss account, the group balance sheet, the company 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 group's and the parent company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- 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.

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 group's or the parent 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 and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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



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

5 June 2019

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	2	3,586,920	3,032,853
Cost of sales		(2,106,825)	(1,654,009)
Gross profit		1,480,095	1,378,844
Administrative expenses		(1,295,201)	(1,178,970)
Other operating Income/(expenses)		21,027	(1,371)
Operating profit	3	205,921	198,503
Interest receivable and similar income	7	263	262
Profit before taxation		206,184	198,765
Tax on profit	9	(35,789)	(37,431)
Profit for the financial year	16	170,395	161,334

Profit for the financial year is all attributable to the owners of the parent company

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

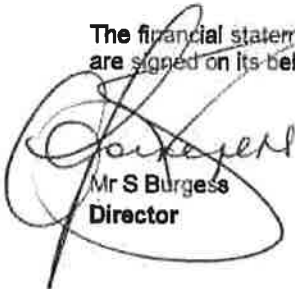
GROUP BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	8		498,437		515,434
Current assets					
Stocks		5,629		6,701	
Debtors	12	752,893		620,889	
Investments	13	488,030		442,004	
Cash at bank and in hand		1,945,996		1,866,951	
		<u>3,170,348</u>		<u>2,936,545</u>	
Creditors: amounts falling due within one year	14	<u>(946,770)</u>		<u>(900,359)</u>	
Net current assets			<u>2,223,578</u>		<u>2,036,186</u>
Total assets less current liabilities			<u>2,722,015</u>		<u>2,551,620</u>
Capital and reserves					
Profit and loss reserves	16		<u>2,722,015</u>		<u>2,551,620</u>

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

The financial statements were approved by the board of directors and authorised for issue on 5 June 2019 and are signed on its behalf by:


Mr S Burgess
Director

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

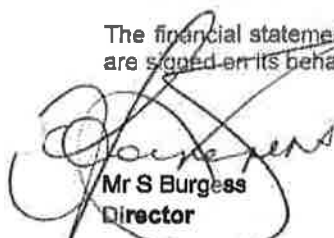
COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	8		498,437		515,434
Investments	10		797,556		797,556
			<u>1,295,993</u>		<u>1,312,990</u>
Current assets					
Debtors	12	582,300		424,894	
Cash at bank and in hand		821,662		892,211	
		<u>1,403,962</u>		<u>1,317,105</u>	
Creditors: amounts falling due within one year	14	<u>(1,574,905)</u>		<u>(1,596,433)</u>	
Net current liabilities			<u>(170,943)</u>		<u>(279,328)</u>
Total assets less current liabilities			<u>1,125,050</u>		<u>1,033,662</u>
Capital and reserves					
Profit and loss reserves	16		<u>1,125,050</u>		<u>1,033,662</u>

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

The financial statements were approved by the board of directors and authorised for issue on 5 June 2019 and are signed on its behalf by:


Mr S Burgess
Director

Company Registration No. SC005898

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

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

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £91,388 (2018 - £142,070).

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Scottish Motor Trade Association Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2019.

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

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

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

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Classification of financial liabilities

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

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

1.3 Turnover

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

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

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

1.4 Tangible fixed assets

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

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

Freehold land and buildings	No depreciation charge
Computer equipment	33 1/3% straight line
Fixtures and fittings	10-20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

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

1.5 Impairment of fixed assets

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

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

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.9 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

1.11 Retirement benefits

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

2 Turnover and other revenue

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

	2019	2018
	£	£
Turnover		
Annual subscriptions	435,578	390,349
Training and seminars	668,914	699,694
Administration fees	273,727	226,587
Commissions	138,462	113,280
Members services	2,037,825	1,565,925
Other income	32,414	37,018
	<u>3,586,920</u>	<u>3,032,853</u>

3 Operating profit

Operating profit for the year is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	19,750	22,247
Gain on disposal of fixed assets	105	(7,874)
	<u>19,855</u>	<u>14,373</u>

4 Auditors' remuneration

Fees payable to the company's auditor and its associates:

For audit services

	2019	2018
	£	£
Audit of the financial statements of the group and company	8,000	7,900
Audit of the company's subsidiaries	6,800	6,860
	<u>14,800</u>	<u>14,760</u>

5 Employees

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

	2019	2018
	Number	Number
Total	<u>13</u>	<u>12</u>

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Employees (Continued)

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	568,397	533,422
Social security costs	67,254	60,538
Pension costs	52,761	49,637
	<u>688,412</u>	<u>643,597</u>

6 Directors' remuneration

	2019	2018
	£	£
Remuneration paid to directors	<u>95,591</u>	<u>90,915</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

7 Interest receivable and similar income

	2019	2018
	£	£
Other interest receivable and similar income	<u>263</u>	<u>262</u>

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Tangible fixed assets

Group	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2018	479,218	149,883	628,901
Additions	-	2,858	2,858
Disposals	-	(4,471)	(4,471)
At 31 March 2019	479,218	148,070	627,288
Depreciation and impairment			
At 1 April 2018	-	113,467	113,467
Depreciation charged in the year	-	19,750	19,750
Eliminated in respect of disposals	-	(4,366)	(4,366)
At 31 March 2019	-	128,851	128,851
Carrying amount			
At 31 March 2019	479,218	19,219	498,437
At 31 March 2018	479,218	36,216	515,434
Company			
	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2018	479,218	136,391	615,609
Additions	-	2,858	2,858
Disposals	-	(4,471)	(4,471)
At 31 March 2019	479,218	134,778	613,996
Depreciation and impairment			
At 1 April 2018	-	100,175	100,175
Depreciation charged in the year	-	19,750	19,750
Eliminated in respect of disposals	-	(4,366)	(4,366)
At 31 March 2019	-	115,559	115,559
Carrying amount			
At 31 March 2019	479,218	19,219	498,437
At 31 March 2018	479,218	36,216	515,434

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Taxation

	2019 £	2018 £
UK corporation tax on profits for the current period	35,789	37,431

10 Fixed asset investments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments	-	-	797,556	797,556

Details of subsidiaries are shown at note 17.

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation At 1 April 2018 and 31 March 2019	797,556
Carrying amount At 31 March 2019	797,556
At 31 March 2018	797,556

11 Financial Instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets Instruments measured at fair value through profit or loss	466,030	442,004	-	-

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Debtors	Group		Company	
	2019	2018	2019	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	419,047	341,186	77,632	62,708
Amounts owed by group undertakings	-	-	184,345	95,381
Other debtors	333,646	279,703	320,323	266,805
	<u>752,693</u>	<u>620,889</u>	<u>582,300</u>	<u>424,894</u>

13 Current asset investments	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Listed Investments	<u>486,030</u>	<u>442,004</u>	-	-

Listed investments are valued by reference to quoted market prices. The historical cost of investments is £334,432 (2018 - £318,908).

14 Creditors: amounts falling due within one year	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	448,759	455,232	91,784	111,735
Amounts owed to group undertakings	-	-	1,230,526	1,230,539
Corporation tax payable	35,789	37,431	19,995	29,636
Other taxation and social security	29,034	20,841	22,176	15,347
Other creditors	435,188	386,755	210,424	209,176
	<u>946,770</u>	<u>900,359</u>	<u>1,574,905</u>	<u>1,596,433</u>

15 Retirement benefit schemes		
	2019	2018
Defined contribution schemes	£	£
Charge to profit and loss in respect of defined contribution schemes	<u>52,761</u>	<u>49,637</u>

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

16 Reserves

SCOTTISH MOTOR TRADE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Reserves (Continued)

	Group 2019 £	2018 £	Company 2019 £	2018 £
At the beginning of the year	2,551,620	2,390,283	1,033,662	891,592
Profit for the year	170,395	161,334	91,388	142,070
At the end of the year	<u>2,722,015</u>	<u>2,551,617</u>	<u>1,125,050</u>	<u>1,033,662</u>

17 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

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