

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:

Scottish Decorators Federation

Year ended:

31 December 2019

List No:

5010E

Head or Main Office:

Pavilion 2

Castlecraig Business Park

Stirling

Postcode

FK7 7SH

Website address (if available)

www.scottishdecorators.co.uk

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

Yes

No

X

('X' in appropriate box)

General Secretary:

Contact name for queries regarding the completion of this return:

Neil Rogers

Telephone Number:

01786 448838

E-mail:

info@scottishdecorators.co.uk

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 1093602

You should send the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

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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
152				152

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
Committee Member	B Milne		14 March 2019
Committee Member	E Rasmussen		14 March 2019
Committee Member		D Reid	14 March 2019
Committee Member		W Dickie	14 March 2019
Committee Member		M Nevin	14 March 2019

Officers in post

(see note 10)

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

Name of Officer	Position held
I Rogers	Chairman
N Rogers	Chief Executive
M Stewart	President
C Cochrane	Senior Vice President
D McDonald	Treasurer
B Nicolson	Committee Member
D Clark	Committee Member
E Bannerman	Committee Member
M Johnston	Committee Member
P Smith	Committee Member
A Munro	Committee Member
B J Keenan	Committee Member
D MacDonald	Committee Member
J Mitchell	Committee Member
D Reid	Committee Member
W Dickie	Committee Member
M Nevin	Committee Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
142,649	From Members	Subscriptions, levies, etc	132,582	132,582
5,894	Investment income	Interest and dividends (gross)	9,544	9,544
6,893		Bank interest (gross)	4,164	4,164
		Other (specify)		
		Total Investment Income	13,708	13,708
2,443	Other Income	Rents received	1,393	1,393
		Insurance commission		
		Consultancy fees		
6,473		Publications/Seminars	6,837	6,837
		Miscellaneous receipts (specify)		
		Retail sales	133	133
2,170		Miscellaneous	1,373	1,373
29,000		Grant	21,080	21,080
		Total of other income		30,816
		Total Income		177,106
		Interfund Transfers IN		
	Expenditure			
117,415	Administrative expenses	Remuneration and expenses of staff	95,053	95,053
12,489		Occupancy costs	12,961	12,961
9,707		Printing, Stationery, Post	10,920	10,920
		Telephones		
8,789		Legal and Professional fees	7,356	7,356
		Miscellaneous (specify)		
2,536		Sundries	2,715	2,715
3,009		Computer costs	2,968	2,968
		Total of Admin expenses		131,973
19	Other Charges	Bank charges		
22,767		Depreciation	26,716	26,716
		Sums written off		
		Affiliation fees		
195		Donations	1,604	1,604
3,666		Conference and meeting fees	5,357	5,357
9,005		Expenses	3,691	3,691
		Miscellaneous (specify)		
2,930		Leasing	2,168	2,168
1,297		HP interest	2,832	2,832
		Gain on tangible fixed assets	-5,362	-5,362
19,515	gain on fixed asset investments	-63,728	-63,728	
		Total of other charges		-26,722
		Taxation	22,211	22,211
		Total expenditure		127,462
		Interfund Transfers OUT		
		Surplus/Deficit for year		49,644
		Amount of fund at beginning of year		1,186,828
		Amount of fund at end of year		1,236,472

Accounts other than Revenue Account/General Fund
(see notes 17 to 18)

Account 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment Income		
	Other Income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
	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		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
	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 Revenue Account/General Fund

(see notes 17 to 18)

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

Balance Sheet as at [31 December 2019]

(see notes 19 and 20)

Previous Year		£	£
385,810	Fixed Assets (as at Page 8)	390,956	390,956
	Investments (as per analysis on page 9)		
624,866	Quoted (Market value £) as at Page 9		704,031
	Unquoted (Market value £) as at Page 9		
	Total Investments	704,031	704,031
	Other Assets		
11,045	Sundry debtors	23,762	23,762
196,013	Cash at bank and in hand	174,046	174,046
	Stocks of goods		
	Others (specify)		
3,302	Trade debtors	4,548	
	VAT debtor	2,613	
210,360	Total of other assets	204,969	204,969
	Total Assets		1,299,956
1,186,828	Revenue Account/ General Fund	1,236,472	
	Revaluation Reserve		
	Liabilities		
16,815	HP Loan	29,136	
3,007	Sundry Creditors	1,749	
4,093	Tax payable	2,849	
10,493	Accrued expenses	8,750	
	Deferred tax	21,000	
	Total Liabilities		63,484
	Total Assets		1,299,956

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	486,945	56,032	55,912	598,889
Additions during period			36,000	36,000
Less: Disposals			-18,707	-18,707
Less: Depreciation	-126,606	-56,032	-42,588	-225,226
Total to end of period	360,339		30,617	390,956
Book Amount at end of period	360,339		30,617	390,956
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	360,339		30,617	390,956

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	See attached page 9A for full list	704,031
	Total Quoted (as Balance Sheet)	704,031
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Total Unquoted (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

other quoted securities (to be specified):

Previous Year

69,254	Standard Life Global IL Bond/Aberdeen Standard Fund	72,891
82,706	Treasury index-Linked 2029	86,080
102,191	Treasury 1.25% Index-Linked 2032	106,559
48,553	S&W Short Dated Corporate Bond Z Inc	48,979
67,247	Standard Life/Aberdeen Standard Fund	71,856
53,963	Threadneedle UK Corp Bond 2 Inc	63,885
16,501	Aberforth smaller companies	22,330
13,090	City of London	15,079
14,243	HICL Infrastructure Co	15,409
18,564	Murray Income trust	22,848
18,424	Banker Investment trust	23,359
10,767	Fundsmith Equity Inc	23,048
8,970	Henderson far east income	9,503
21,945	JP Morgan American IT	26,565
11,320	Murrey International	12,600
15,743	BNY Mellon Asset MGT	18,584
15,280	RIT Capital Partner	16,920
14,005	Sarasin Gbl Higher Dividend P Inc	15,815
22,100	Polar Capital technology Trust	31,720
		<hr/>
		704,030

Analysis of investment income (Controlling interests)

(see note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes		No	X
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If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes		No	
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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	
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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	Total Funds
	£	£
Income		
From Members	132,582	132,582
From Investments	13,708	13,708
Other Income (including increases by revaluation of assets)	30,816	30,816
Total Income	177,106	177,106
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	127,462	127,462
Funds at beginning of year (including reserves)	1,186,828	1,186,828
Funds at end of year (including reserves)	1,236,472	1,236,472
ASSETS		
Fixed Assets		390,956
Investment Assets		704,031
Other Assets		204,969
Total Assets		1,299,956
Liabilities		
Total Liabilities		63,484
Net Assets (Total Assets less Total Liabilities)		1,236,472

Notes to the accounts

(see note 34)

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

See attached P12A - P12E

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

- **Subscriptions**
Subscription income represents total amount receivable for membership of the Federation from individual members and branches excluding VAT.
- **Investments**
Listed investments are included at market value based on the closing middle market prices at the balance sheet date.

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

Where it is determined that the significant risks and rewards of ownership of these assets does not transfer to the Federation the rental payments are allocated to the Income and Expenditure Account on a straight line basis when they fall due.
- **Hire Purchase Agreements**
Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the payment is charged to the Income and Expenditure Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
- **Pensions**
The Federation operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Federation pays fixed contributions into a separate entity. Once the contributions have been paid the Federation has no further payment obligations.

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

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

- **Tangible fixed assets**

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

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

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

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

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

2. SUNDRY INCOME

	2019	2018
	£	£
Publications	6,837	6,473
SCORE receipts	-	1,330
Retail sales	133	-
Miscellaneous	60	-
Social events	-	402
Competition costs	<u>1,313</u>	<u>438</u>
	<u>8,343</u>	<u>8,643</u>

3. EMPLOYEES

The average monthly number of employees during the year was 4 (2018 – 4).

SCOTTISH DECORATORS' FEDERATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	486,945	56,032	47,007	8,905	598,889
Additions	-	-	36,000	-	36,000
Disposals	-	-	(18,055)	(652)	(18,707)
At 31 December 2019	<u>486,945</u>	<u>56,032</u>	<u>64,952</u>	<u>8,253</u>	<u>616,182</u>
DEPRECIATION					
At 1 January 2019	116,867	56,032	35,343	4,837	213,079
Charge for year	9,739	-	15,776	1,201	26,716
Eliminated on disposal	-	-	(13,917)	(652)	(14,569)
At 31 December 2019	<u>126,606</u>	<u>56,032</u>	<u>37,202</u>	<u>5,386</u>	<u>225,226</u>
NET BOOK VALUE					
At 31 December 2019	<u>360,339</u>	<u>-</u>	<u>27,750</u>	<u>2,867</u>	<u>390,956</u>
At 31 December 2018	<u>370,078</u>	<u>-</u>	<u>11,664</u>	<u>4,068</u>	<u>385,810</u>

Hire Purchase agreements

Included within the net book value of £390,956 is £27,750 (2018 - £11,664) relating to assets held under hire purchase agreements.

The depreciation charged to the financial statements in the year in respect of these assets amounted to £15,400 (2018 - £11,664).

SCOTTISH DECORATORS' FEDERATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2019	624,866
Additions	15,437
Revaluations	<u>63,728</u>
At 31 December 2019	<u>704,031</u>
HISTORICAL COST	<u>567,006</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	4,548	3,302
VAT debtor	2,613	-
Other debtors	<u>23,762</u>	<u>11,045</u>
	<u>30,923</u>	<u>14,347</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Hire purchase	8,300	9,278
Trade creditors	1,749	3,007
Taxation and social security	2,849	4,093
Other creditors	<u>8,750</u>	<u>10,493</u>
	<u>21,648</u>	<u>26,871</u>

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019	2018
	£	£
Hire purchase	<u>20,836</u>	<u>7,337</u>

9. TAXATION: ANALYSIS OF THE TAX CHARGE

The tax charge for the year was as follows:

	2019	2018
	£	£
Current Tax:		
UK Corporation Tax	1,211	1,897
Adjustment in respect of prior years	-	(2)
	<u>1,211</u>	<u>1,895</u>
Deferred Tax:		
Charged to income and expenditure	<u>21,000</u>	-
Total tax charged to income and expenditure	<u>22,211</u>	<u>1,895</u>


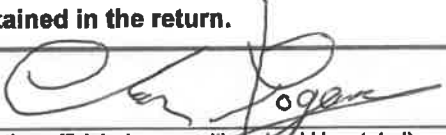
Accounting policies

(see notes 35 & 36)

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Secretary's Signature:		Chairman's Signature:	
			<small>(or other official whose position should be stated)</small>
Name:	NEIL ROGERS	Name:	IAN ROGERS
Date:	24-07-2020	Date:	24-07-2020

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	<input checked="" type="checkbox"/>	No	
Has the list of officers been completed? (see Page 2A)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Note 37)	Yes	<input checked="" type="checkbox"/>	No	
Has the auditor's report been completed? (see Note 41)	Yes	<input checked="" type="checkbox"/>	No	
Is the rule book enclosed? (see Note 39)	Yes	<input type="checkbox"/>	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	<input type="checkbox"/>	No	

Checklist for auditor's report

(see notes 41 to 44)

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

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

Please explain in your report overleaf or attached.

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)

Please explain in your report overleaf or attached.

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)

See attached P15A - P15B

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

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

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

Opinion

We have audited the financial statements of Scottish Decorators' Federation for the year ended 31 December 2019, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The management committee are responsible for the other information. The other information comprises the information included in the Report of the National Council, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the National Council

The management committee are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view, and for such internal control as the management committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to members of the Federation, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004. Our audit work has been undertaken so that we might state to the Federation's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Federation and the Federation's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2019
FOR
SCOTTISH DECORATORS' FEDERATION**

**French Duncan LLP
Chartered Accountants & Statutory Auditors
Macfarlane Gray House
Castlecraig Business Park
Springbank Road
Stirling
FK7 7WT**

SCOTTISH DECORATORS' FEDERATION

**NATIONAL COUNCIL'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The National Council present their report with the financial statements for the year ended 31 December 2019.

OFFICERS IN POST

The officers who served during the year were:

I Rogers – Chairman
N Rogers – Chief Executive
M Stewart – President
C Cochrane – Senior Vice President
D McDonald - Treasurer

Committee Members:

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

Appointed:

D Reid 14.3.19
W Dickie 14.3.19
M Nevin 14.3.19

Resigned:

B Milne 14.3.19
E Rasmussen 14.3.19

SCOTTISH DECORATORS' FEDERATION

**REPORT OF THE NATIONAL COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF THE MANAGEMENT COMMITTEE'S RESPONSIBILITIES

The Federation's Constitution requires the National Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Federation and of its surplus or deficit for that period. In preparing those financial statements, the National Council is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Federation will continue in business.

The National Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Federation. They are also responsible for safeguarding the assets of the Federation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE COMMITTEE:


.....
N Rogers

Date: 05-MARCH-2020 .

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

Opinion

We have audited the financial statements of Scottish Decorators' Federation for the year ended 31 December 2019, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The management committee are responsible for the other information. The other information comprises the information included in the Report of the National Council, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the National Council

The management committee are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view, and for such internal control as the management committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Use of our report

This report is made solely to members of the Federation, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004. Our audit work has been undertaken so that we might state to the Federation's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Federation and the Federation's members, as a body, for our audit work, for this report, or for the opinions we have formed.



French Duncan LLP
Chartered Accountants & Statutory Auditors
Macfarlane Gray House
Castlecraig Business Park
Springbank Road
Stirling
FK7 7WT

Date: 10/03/2020.

French Duncan LLP are eligible to act as auditors in terms of Section 1212 of the Companies Act 2006

SCOTTISH DECORATORS' FEDERATION

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
INCOME			
Members Subscriptions			
- Total received	135,332		
- less 2020 subscriptions paid in advance	<u>(2,750)</u>	132,582	142,649
Rental Income		1,393	2,443
Investment interest		4,164	6,893
Investment dividends – net		9,544	5,894
Grant income		21,080	29,000
Sundry	2	<u>8,343</u>	<u>8,643</u>
		177,106	195,522
Expenditure			
Wages		72,524	93,420
Pensions and healthcare		22,529	23,995
Rates, water and insurance		5,023	3,699
Light and heat		2,009	2,214
Postage and telephone		3,811	3,989
Printing and stationery		7,109	5,718
Sundries		2,715	2,536
Legal and professional fees		1,356	3,864
Computer costs		2,968	3,009
Annual conference and seminars		1,091	3,060
Office repairs and renewals		5,929	6,576
Motor expenses		3,691	9,005
Leasing		2,168	2,930
Bank charges		-	19
Hire purchase interest		2,832	1,297
Depreciation	4	26,716	22,767
Auditor's remuneration		6,000	4,925
Donations		1,604	195
Officials expenses		4,266	606
(Gain) / loss on tangible fixed assets		(5,362)	-
(Gain) / loss on fixed asset investments		<u>(63,728)</u>	<u>19,515</u>
		<u>105,251</u>	<u>213,339</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAXATION		71,855	(17,817)
Taxation	9	<u>(22,211)</u>	<u>(1,895)</u>
NET SURPLUS/(DEFICIT) FOR YEAR AFTER TAX		<u>49,644</u>	<u>(19,712)</u>

SCOTTISH DECORATORS' FEDERATION

BALANCE SHEET
AT 31 DECEMBER 2019

	Notes	2019 Total funds £	2018 Total funds £
FIXED ASSETS			
Tangible assets	4	390,956	385,810
Investments	5	<u>704,031</u>	<u>624,866</u>
		1,094,987	1,010,676
CURRENT ASSETS			
Debtors	6	30,923	14,347
Cash at bank		<u>174,046</u>	<u>196,013</u>
		204,969	210,360
CREDITORS			
Amounts falling due within one year	7	(21,648)	(26,871)
		<u>183,321</u>	<u>183,489</u>
NET CURRENT ASSETS			
		1,278,308	1,194,165
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,278,308	1,194,165
CREDITORS			
Amounts falling due after more than one year	8	(20,836)	(7,337)
PROVISIONS FOR LIABILITIES			
Deferred tax	9	(21,000)	-
		<u>1,236,472</u>	<u>1,186,828</u>
NET ASSETS			
		1,236,472	1,186,828
TOTAL FUNDS		1,236,472	1,186,828

The financial statements were approved by the Management Committee on
were signed on its behalf by:

and


N Rogers

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

- **Subscriptions**
Subscription income represents total amount receivable for membership of the Federation from individual members and branches excluding VAT.
- **Investments**
Listed investments are included at market value based on the closing middle market prices at the balance sheet date.

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

Where it is determined that the significant risks and rewards of ownership of these assets does not transfer to the Federation the rental payments are allocated to the Income and Expenditure Account on a straight line basis when they fall due.
- **Hire Purchase Agreements**
Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the payment is charged to the Income and Expenditure Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
- **Pensions**
The Federation operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Federation pays fixed contributions into a separate entity. Once the contributions have been paid the Federation has no further payment obligations.

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

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

- **Tangible fixed assets**

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

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

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

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

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

2. SUNDRY INCOME

	2019	2018
	£	£
Publications	6,837	6,473
SCORE receipts	-	1,330
Retail sales	133	-
Miscellaneous	60	-
Social events	-	402
Competition costs	<u>1,313</u>	<u>438</u>
	<u>8,343</u>	<u>8,643</u>

3. EMPLOYEES

The average monthly number of employees during the year was 4 (2018 – 4).

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

4. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	486,945	56,032	47,007	8,905	598,889
Additions	-	-	36,000	-	36,000
Disposals	-	-	(18,055)	(652)	(18,707)
At 31 December 2019	<u>486,945</u>	<u>56,032</u>	<u>64,952</u>	<u>8,253</u>	<u>616,182</u>
DEPRECIATION					
At 1 January 2019	116,867	56,032	35,343	4,837	213,079
Charge for year	9,739	-	15,776	1,201	26,716
Eliminated on disposal	-	-	(13,917)	(652)	(14,569)
At 31 December 2019	<u>126,606</u>	<u>56,032</u>	<u>37,202</u>	<u>5,386</u>	<u>225,226</u>
NET BOOK VALUE					
At 31 December 2019	<u>360,339</u>	<u>-</u>	<u>27,750</u>	<u>2,867</u>	<u>390,956</u>
At 31 December 2018	<u>370,078</u>	<u>-</u>	<u>11,664</u>	<u>4,068</u>	<u>385,810</u>

Hire Purchase agreements

Included within the net book value of £390,956 is £27,750 (2018 - £11,664) relating to assets held under hire purchase agreements.

The depreciation charged to the financial statements in the year in respect of these assets amounted to £15,400 (2018 - £11,664).

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

5. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2019	624,866
Additions	15,437
Revaluations	<u>63,728</u>
At 31 December 2019	<u>704,031</u>
HISTORICAL COST	<u>567,006</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	4,548	3,302
VAT debtor	2,613	-
Other debtors	<u>23,762</u>	<u>11,045</u>
	<u>30,923</u>	<u>14,347</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Hire purchase	8,300	9,278
Trade creditors	1,749	3,007
Taxation and social security	2,849	4,093
Other creditors	<u>8,750</u>	<u>10,493</u>
	<u>21,648</u>	<u>26,871</u>

SCOTTISH DECORATORS' FEDERATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

	2019	2018
	£	£
Hire purchase	<u>20,836</u>	<u>7,337</u>

9. TAXATION: ANALYSIS OF THE TAX CHARGE

The tax charge for the year was as follows:

	2019	2018
	£	£
Current Tax:		
UK Corporation Tax	1,211	1,897
Adjustment in respect of prior years	<u>-</u>	<u>(2)</u>
	<u>1,211</u>	<u>1,895</u>
Deferred Tax:		
Charged to income and expenditure	<u>21,000</u>	<u>-</u>
Total tax charged to income and expenditure	<u>22,211</u>	<u>1,895</u>