

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	Scottish Association of Master Bakers				
Year ended:	31 March 2020				
List No:	CO/5095E				
Head or Main Office:	UNIT 2 HALBEATH INTERCHANGE BUS PARK				
	KINGSEAT ROAD				
	DUNFERMLINE				
Postcode	KY11 8RY				
Website address (if available)	www.scottishbakers.org				
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	SUSAN WHYTE				
Contact name for queries regarding the completion of this return:	SUSAN WHYTE				
Telephone Number:	01383 661722				
E-mail:	susan@scottishbakers.org				

Please follow the guidance notes in the completion of this return

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

You should sent 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: ywm@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
244	2			246

Change of Officers

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

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

Officers in post

(see note 10)

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

Name of Officer	Position held
Ronnie Miles	President
Linda Hill	Vice President
Craig McPhie	Immediate Past President
Alasdair Smith	Chief Executive
Susan Whyte	Company Secretary
John Gall	Director
David Gow	Director
Don Henderson	Director
Alan Marr	Director
Suzanne Matheson	Director
Craig McPhie	Director
Ian McGhee	Director
Michelle Phillips	Director
Gary Reid	Director
Andre Sarafilovic	Director
Brian Sarafilovic	Director
Keith Stuart	Director
John Whalen	Director

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
106,388	From Members	Subscriptions, levies, etc	126,293	126,293
	Investment income	Interest and dividends (gross)		
590		Bank interest (gross)	1,020	1,020
912		Other (specify)		
26,394		Income from Investments	-88,944	-88,944
		Total Investment Income	-87,924	-87,924
	Other Income	Rents received		
7,175		Insurance commission	6,172	6,172
		Consultancy fees		
		Publications/Seminars		
177,514		Miscellaneous receipts (specify)		
3,522		Conference and Events	215,296	215,296
		Other Income	9,255	9,255
		Government Grant	105,816	105,816
		Total of other income		336,539
322,495		Total income		374,908
		Interfund Transfers IN		
	Expenditure			
239,021	Administrative expenses	Remuneration and expenses of staff	213,930	213,930
35,850		Occupancy costs	37,801	37,801
30,195		Printing, Stationery, Post	30,425	30,425
		Telephones		
28,986		Legal and Professional fees	9,778	9,778
		Miscellaneous (specify)		
14,763		Travel and Meetings	14,213	14,213
97,385		Office Expenditure	88,058	88,058
		Total of Admin expenses		394,205
	Other Charges	Bank charges	7,508	7,508
7,277		Depreciation	6,756	6,756
2,438		Sums written off		
		Affiliation fees	8,890	8,890
5,368		Donations		
201,500		Conference and meeting fees	175,235	175,235
		Expenses		
		Miscellaneous (specify)		
19,286		Irrecoverable VAT	15,168	15,168
11,581		Sundry Expenses	9,141	9,141
		Government Grants Paid	95,816	95,816
		Total of other charges		318,514
		Taxation		
693,650		Total expenditure		712,719
		Interfund Transfers OUT		
-371,155		Surplus/Deficit for year		-337,811
-1,145,936		Amount of fund at beginning of year		-1,517,091
-1,517,091		Amount of fund at end of year		-1,854,902

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:	SAMB TRAINING FUND	£	£
Income			
	From members		
	Investment income	2,978	2,978
	Other Income (specify)		
	Training Grants	833,559	
	Other Income	78	
		833,637	833,637
		Total Income	836,615
	Interfund Transfers IN		
Expenditure			
	Administrative expenses	631,198	631,198
	Other expenditure (specify)		
	Beneficiary Grants Paid		
		Total Expenditure	631,198
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	205,417
		Amount of fund at beginning of year	3,431,965
		Amount of fund at the end of year (as Balance Sheet)	3,637,382

Account 3		Fund Account	
Name of account:	SAMBBEENEVOLENT FUND	£	£
Income			
	From members		
	Investment income	-63,601	-63,601
	Other income (specify)		
	Donations	3,615	
		3,615	3,615
		Total Income	-59,986
	Interfund Transfers IN		
Expenditure			
	Administrative expenses	6,550	6,550
	Other expenditure (specify)		
	Beneficiary Grants Paid	16,875	
		16,875	16,875
		Total Expenditure	23,425
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	-83,411
		Amount of fund at beginning of year	614,525
		Amount of fund at the end of year (as Balance Sheet)	531,114

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 [31st March 2020]

(see notes 19 and 20)

Previous Year		£	£
258,339	Fixed Assets (as at Page 8)	247,556	247,556
1,600,278	Investments (as per analysis on page 9)		
	Quoted (Market value £ 1,409,428) as at Page 9		1,409,428
	Unquoted (Market value £) as at Page 9		
	Total Investments	1,409,428	1,409,428
	Other Assets		
121,645	Sundry debtors	142,037	142,037
695,554	Cash at bank and in hand	851,663	851,663
7,500	Stocks of goods	4,997	4,997
	Others (specify)		
824,699	Total of other assets	998,697	998,697
	Total Assets		2,655,681
-1,517,091	Revenue Account/ General Fund	-1,854,902	
3,431,965	SAMB TRAINING FUND	3,637,382	
614,525	SAMB BEENEVOLENT FUND	531,114	
	Revaluation Reserve		
	Liabilities		
23,582	Sundry Creditors	43,010	
33,101	Accrued Expenses	130,844	
97,234	Subscriptions in Advance	96,669	
	Other Taxation and Social Security	37,376	
	Amounts due to related parties	34,188	
	Total Liabilities		342,087
	Total Assets		2,655,681

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	169,821	7,447	65,393	242,661
Additions during period		5,766	30,713	36,479
Less: Disposals				
Less: Depreciation	-3,889	-2,867	-24,828	-31,584
Total to end of period	165,932	10,346	71,278	247,556
Book Amount at end of period	165,932	10,346	71,278	247,556
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	165,932	10,346	71,278	247,556

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	Old Mutual Wealth General Fund	890,467
	Old Mutual Wealth Benevolent Fund	518,961
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total Quoted (as Balance Sheet)	1,409,428
	Market Value of Quoted Investments	1,409,428
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

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)
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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
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Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes	X	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
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Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	126,293	126,293
From Investments	-148,547	-148,547
Other Income (including increases by revaluation of assets)	1,173,791	1,173,791
Total Income	1,151,537	1,151,537
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	1,367,342	1,367,342
Funds at beginning of year (including reserves)	2,529,399	2,529,399
Funds at end of year (including reserves)	2,313,594	2,313,594
ASSETS		
Fixed Assets		247,556
Investment Assets		1,409,428
Other Assets		998,697
Total Assets		2,655,681
Liabilities		
Total Liabilities		342,087
Net Assets (Total Assets less Total Liabilities)		2,313,594

Notes to the accounts

(see note 34)

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



SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

General information

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

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

Basis of accounting

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

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

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

Going concern

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of countries. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global securities markets.

The charity has net assets of £531,114 (2019: £614,525) and net current assets of £12,153 (2019: £1,252). The charity had net expenditure for the year of £83,411 (2019: net income of £22,549). This is driven by market value movement on investments which can be volatile. The level of cash and investments is sufficient to allow the charity to meet all liabilities as they fall due. The charity makes grant payments to beneficiaries, which are entirely discretionary. The trustees have assessed the level of expenditure which could be sustained if there was no donation or investment income. While this is considered unlikely, the current level of cash and investments would allow the charity to make grant payments to beneficiaries for over 30 years.

Therefore, the trustees consider it appropriate to adopt the going concern basis as there are no identified events or conditions that may cast material uncertainty about the ability of the charity to continue as a going concern.

Income

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

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

SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (continued)

Expenditure

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

- Charitable expenditure includes grants made and overheads and support costs as shown in note 6. Grants authorised to be paid in respect of the accounting year or future years are provided for in the accounts.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Fund Accounting

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

Investments

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

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

Debtors

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

Cash and cash equivalents

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

VAT

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

Creditors

Short term creditors are measured at the transaction price.

Financial Instruments

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

SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

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

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

3. INCOME

	2020	2019
	£	£
Donations	3,615	5,420
Dividend income	20,262	17,439
	<u>23,877</u>	<u>22,859</u>

4. RAISING FUNDS

	2020	2019
	£	£
Investment manager fees	4,540	4,470
Support costs (note 6)	2,010	3,260
	<u>6,550</u>	<u>7,730</u>

5. CHARITABLE EXPENDITURE

	2020	2019
	£	£
Grants paid to individuals	16,875	12,125
	<u>16,875</u>	<u>12,125</u>

6. SUPPORT COSTS

	2020	2019
	£	£
Governance costs – auditor's remuneration	2,010	3,260
	<u>2,010</u>	<u>3,260</u>

7. NET (EXPENDITURE)/INCOME

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

	2020	2019
	£	£
Auditor's remuneration – audit fee	2,010	2,460

The number of employees in the year was nil (2019: Nil).

SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2020

8. INVESTMENTS

	2020	2019
	£	£
Listed investments	<u>518,961</u>	<u>613,273</u>
Movement in market value		£
Market value at 1 April	613,273	580,996
Acquisitions at cost	263,393	17,553
Disposals at carrying value	(273,842)	(4,470)
Unrealised (loss)/gain in year	<u>(83,863)</u>	<u>19,194</u>
Market value at 31 March	<u>518,961</u>	<u>613,273</u>
Historical cost at 31 March	<u>572,023</u>	<u>510,192</u>

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

Thirteen (2019: ten) investments individually exceed 5% of the portfolio:

Artemis Income – U - valued at £nil (2019: £68,230);

Axa Distribution – U - valued at £nil (2019: £41,295);

LF Woodford Equity Income – U - valued at £nil (2019: £47,961);

Invesco Perpetual Global Opportunities – U2 - valued at £28,026 (2019: £39,532);

M&G Global Dividend (share class I) – U - valued at £46,434 (2019: £103,541);

Liontrust Income – U - valued at £43,047 (2019: £62,299);

BNY Mellon Global Income – U - valued at £62,641 (2019: £91,529);

River + Mercantile UK Equity High Alpha – U valued at £30,720 (2019: £42,513);

Troy Trojan – U - valued at £39,740 (2019: £38,158);

Troy Trojan Income – U value at £48,888 (2019: £78,213);

BlackRock Sterling Strategic Bond – U valued at £29,938 (2019: £nil);

BNY Mellon Multi-Asset Diversified Return –U valued at £38,270 (2019: £nil);

Fidelity Strategic Bond – U valued at £31,759 (2019: £nil);

Fundsmith Equity –U valued at £30,626 (2019: £nil);

SCOTTISH ASSOCIATION OF MASTER BAKERS BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

8. INVESTMENTS (continued)

Janus Henderson Strategic Bond – U valued at £31,555 (2019: £nil);

Overstone Global Equity Income valued at £32,990 (2019: £nil).

All investments are held to provide an investment return.

9. CREDITORS

	2020	2019
	£	£
Accruals	2,040	2,490
	<u>2,040</u>	<u>2,490</u>

10. RELATED PARTY TRANSACTIONS

No trustee received any remuneration or reimbursement of any expenses, during the year. The trustees of the charity are all office bearers of S.A.M.B. The current year donations balance of £3,615 (2019 - £5,420) relates to the donation from S.A.M.B. for amounts received at the Glasgow Presidential Dance.

S.A.M.B.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES

Basis of accounting

S.A.M.B. is a company limited by guarantee, incorporated in Scotland, UK, registered number SC181670. The address of the registered office is given on the title page and then nature of the company's operations and its principal activity are set out in the directors' report.

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investments 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 and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2). The company's functional and presentational currency is GBP. The level of rounding applied is to the nearest pound.

Going concern

The company has made a loss for the period of £132,394 (2019: loss of £133,501). The company has net current assets of £644,457 (2019: £669,530) and net assets of £1,782,480 (2019: £1,914,874). S.A.M.B. receive training and awarding body funding each year as well as income from subscriptions, membership and events.

COVID-19 has resulted in a significant impact on training income, as no training has been able to take place during the period of lockdown. Furthermore, the annual conference has been cancelled and rescheduled for 2021. Forecasts have been prepared which cover the period ended 31 March 2022. These forecast the expected position on income and expenditure based on discussions with training partners and funders.

In addition to these forecasts, a reverse stress test has been performed which considers the impact on liquid resources should no income other than membership income be received in the years ending 31 March 2021 or 31 March 2022 but with no reduction in overhead expenditure. Due to the level of cash and investments, this demonstrates that there are sufficient liquid resources to allow the company to continue to meet all liabilities as they fall due in the required period of assessment.

Therefore, the directors do not consider there to be a material uncertainty over the going concern basis of preparation of the financial statements.

Turnover

The turnover shown in the Statement of Income and Retained Earnings represents amounts invoiced during the year for member's subscriptions, conference income, project management and training, exclusive of Value Added Tax. Turnover is recognised on an accruals basis in the year to which it relates.

Government Grants

Other income represents income from the Scottish Government grant, which has been recognised gross, and on an accruals basis in the year to which it relates. Corresponding grant expenditure has been recognised on an accruals basis in the year to which it relates.

Tangible fixed assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Heritable Property	- 2% straight line
Tenant's Improvements	- 20% straight line

S.A.M.B.

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

President Badges	- 25% straight line
Fixtures & Equipment	- ranging between 12.5% - 25% straight line
Motor Vehicles	- 25% straight line
Computer Equipment	- 50% in first year, then three years straight line

There is no land included within Heritable Property.

Intangible fixed assets

Development costs are capitalised within intangible assets where they can be directly identified with a specific product or project anticipated to produce future benefits, and are amortised on a straight line basis over the anticipated life of benefits arising from the completed product or project as follows:

Online learning portal	- 25% straight line
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Capitalised development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related development expenditure is written off to the profit and loss account.

Investments

Investments are held at market value which is derived from the bid price. Gains and losses on disposal are charged to the Statement of Income and Retained Earnings in the year they incur.

Current and deferred taxation

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

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

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

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

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

Stock

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

Debtors

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

S.A.M.B.

1. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

Creditors

Short term creditors are measured at the transaction price.

Financial instruments

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

Pension costs

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

Profit and loss account

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

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

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

- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability, market conditions, the remaining life of the asset and projected disposal values.
- The directors assess each individual receivable balance as at 31 March 2020 to consider whether they are recoverable. If specific debts are identified where there is a fundamental uncertainty as to the recoverability of this debt based upon information received and payment history, a provision is created against these debts.

3. ANALYSIS OF TURNOVER

	2020	2019
	£	£
Analysis of turnover by country of destination:		
United Kingdom	1,190,653	1,125,093
	1,190,653	1,125,093

S.A.M.B.**4. OTHER INCOME**

	2020	2019
	£	£
Government grant	<u>105,816</u>	-
	<u>105,816</u>	-

5. OPERATING (LOSS)

	2020	2019
	£	£
Operating loss is stated after charging/(crediting):		
Depreciation	31,584	28,354
Amortisation	15,678	33,617
(Gain) on disposal of fixed assets	-	(3,005)
Auditor's remuneration: audit	7,035	5,500
tax compliance	1,850	1,735

6. STAFF COSTS

	2020	2019
	£	£
Gross salary costs	525,596	517,941
Employer's national insurance	71,070	47,493
Employer's pension contributions	8,975	13,820
	<u>605,641</u>	<u>579,254</u>

No director (2019 – none) received any remuneration during the period.

The average number of employees, including directors, in the year was 32 (2019: 34).

Employee numbers	2020	2019
Employees	16	16
Directors	16	18
Total	<u>32</u>	<u>34</u>

S.A.M.B.**7. TAXATION**

	2020	2019
	£	£
Current tax	-	-
Deferred tax	-	-
Taxation (credit)/charge on profit	<u>-</u>	<u>-</u>

The tax assessed for the year is higher than (2019 – higher than) standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	2019	2019
	£	£
(Loss)/profit on ordinary activities before tax	(132,394)	(133,501)
Tax on loss on ordinary activities	(25,155)	(25,364)
<i>Effects of:</i>		
Fixed asset differences	5,547	4,924
Expenses not deductible for tax purposes	17,117	207
Income not taxable for tax purposes	(5,000)	(10,112)
Training fund profit not taxable	(38,849)	(45,155)
Adjustments to brought forward values	566	372
Other permanent differences	148	-
Chargeable gains	10,792	-
Remeasurement of deferred tax for changes in tax rates	(53,118)	7,908
Deferred tax not recognised	87,952	67,220
Tax charges for the period	<u>-</u>	<u>-</u>

Deferred tax asset not recognised relating to fixed asset timing differences and available losses is £539,455 (2019: £451,318) due to uncertainty over future probability and the resulting recoverability of the asset in the foreseeable future.

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8. TANGIBLE FIXED ASSETS

	Heritable Property and Tenant's Improvements	President Badges	Fixtures & Equipment and computer equipment	Motor Vehicles	Total
	£	£	£	£	£
COST					
At 1 April 2019	299,375	4,034	101,570	87,484	492,463
Additions	-	-	5,766	30,713	36,479
Disposals	-	-	-	-	-
At 31 March 2020	299,375	4,034	107,336	118,197	528,942
DEPRECIATION					
At 1 April 2019	129,554	3,775	94,382	22,091	249,802
Charge for the year	3,889	259	2,608	24,828	31,584
On disposals	-	-	-	-	-
At 31 March 2020	133,443	4,034	96,990	46,919	281,386
NET BOOK VALUE					
At 31 March 2020	165,932	-	10,346	71,278	247,556
At 31 March 2019	169,821	259	7,188	65,393	242,661

S.A.M.B.**9. INTANGIBLE FIXED ASSETS**

	Online learning portal £	Total £
COST		
At 1 April 2019	169,861	169,861
At 31 March 2020	169,861	169,861
AMORTISATION		
At 1 April 2019	154,183	154,183
Charge for the year	15,678	15,678
At 31 March 2020	169,861	169,861
NET BOOK VALUE		
At 31 March 2020	-	-
At 31 March 2019	15,678	15,678

10. INVESTMENTS

	2020 £	2019 £
Listed investments	890,467	987,005
Movement in market value		
Market value at 1 April	987,005	966,975
Acquisitions at cost	499,287	912
Disposals at opening carrying value	(505,873)	(7,276)
Unrealised (loss)/ gain in year	(89,952)	26,394
Market value at 31 March	890,467	987,005
Historical cost at 31 March	890,791	815,278

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11. DEBTORS

	2020	2019
	£	£
Trade debtors	92,387	82,766
Prepayments and accrued income	47,318	27,915
Other taxation and social security	-	5,569
Amounts due from related parties	-	5,184
	<u>139,705</u>	<u>121,434</u>

12. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	839,802	692,023
	<u>839,802</u>	<u>692,023</u>

13. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	32,112	20,796
Other taxation and social security	37,376	-
Subscriptions in advance	96,669	97,234
Accruals and deferred income	130,844	30,611
Amounts due to related parties	34,188	-
Other creditors	8,858	2,786
	<u>340,047</u>	<u>151,427</u>

14. MEMBERS' FUNDS

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

S.A.M.B.

15. RELATED PARTY TRANSACTIONS

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

J Gall
G McGhee
C McPhie

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

B Sarafilovic

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

At 31 March 2020, S.A.M.B. owed The Scottish Bakery Training Council £34,188 (2019: The Scottish Bakery Training Council owed S.A.M.B. £5,184). During the year payments of £41,500 (2019: £2,361) were made by The Scottish Bakery Training Council, including repayment of £2,128 (2019: £2,361) of payments made by S.A.M.B. on behalf of The Scottish Bakery Training Council. It is the intentions of the directors to transfer the remaining cash balance to S.A.M.B. upon winding up of the company. The amount transferred during the year ended 31 March 2020 will be converted to a donation for education and training grants, when SBTC is wound up.

During the year payments of £3,615 (2019: £5,420) were made in respect of donations to Scottish Association of Master Bakers Benevolent Fund.

16. PENSION

The company makes payments to a defined contribution personal pension scheme for one employee. The pension cost charge has been charged to the profit and loss account and represents the contributions payable by the company to the scheme of £8,975 (2019: £13,820). Contributions outstanding at the year-end amounted to £2,077 (2019: £546). The assets of the scheme are held separately from those of the company in an independently administered fund.

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.

Please copy and paste your electronic signature here

Secretary's Signature:		Chief Executive's Signature:	
			<small>(or other official whose position should be stated)</small>
Name:	Susan Whyte	Name:	Alasdair Smith
Date:	15 September 2020	Date:	15 September 2020

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (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 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	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.

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.

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)

Signature(s) of auditor or auditors:	BDO LLP	
Name(s):	BDO LLP, Martin Gill	
Profession(s) or Calling(s):	ACA	
Address(es)	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD	
Date:	01 October 2020	
Contact name for enquiries and telephone number:	Martin Gill 0131 347 0347	

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

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

Opinion

We have audited the financial statements of S.A.M.B ("the company") for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings and Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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 properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease, 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

A handwritten signature in black ink, appearing to read 'Bao LP'.

Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh, UK
Date: 1 October 2020

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