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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 2021

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: ywm@tctyoung.co.uk

Contents

Employers' Association's details.....	1
Return of members.....	2
Change of officers.....	2
Officers in post.....	2a
Revenue Account/General Fund.....	3
Accounts other than the revenue account/general fund.....	4-6
Balance sheet.....	7
Fixed Assets Account.....	8
Analysis of investments.....	9
Analysis of investments income (Controlling interests).....	10
Summary sheet.....	11
Summary Sheet (Only for Incorporated Bodies).....	11a
Notes to the accounts.....	12
Accounting policies.....	13
Signatures to the annual return.....	13
Checklist.....	13
Checklist for auditor's report.....	14
Auditor's report (continued).....	15
Guidance on completion.....	16

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

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
A Munro	President
M Nevin	Senior Vice President
J Mitchell	Treasurer
B Nicolson	Committee Member
C Cochrane	Committee Member
P Smith	Committee Member
M Stewart	Committee Member
D Clark	Committee Member
E Bannerman	Committee Member
B J Keenan	Committee Member
M Johnston	Committee Member
D McDonald	Committee Member
D MacDonald	Committee Member
D Reid	Committee Member
W Dickie	Committee Member
C Findlay	Committee Member
A Patterson	Committee Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
146,348	From Members	Subscriptions, levies, etc	127,981	127,981
11,733	Investment income	Interest and dividends (gross)	11,863	11,863
789		Bank interest (gross)	698	698
		Other (specify)		
		Total Investment Income	12,561	12,561
597	Other Income	Rents received	17,963	17,963
		Insurance commission		
		Consultancy fees		
3,518		Publications/Seminars		
		Miscellaneous receipts (specify)		
		Retail sales		
742		Miscellaneous	2,412	2,412
3,253		Social events		
6,335	Coronavirus job retention scheme			
10,000	CITB refund			
29,100	Grant	27,000	27,000	
		Total of other income		47,375
		Total Income		187,917
		Interfund Transfers IN		
	Expenditure			
92,730	Administrative expenses	Remuneration and expenses of staff	86,187	86,187
21,192		Occupancy costs	16,119	16,119
6,987		Printing, Stationery, Post	10,738	10,738
		Telephones		
23,886		Legal and Professional fees	14,770	14,770
		Miscellaneous (specify)		
4,055		Sundries	6,292	6,292
2,490		Computer costs	2,560	2,560
			Total of Admin expenses	
36	Other Charges	Bank charges	90	90
18,660		Depreciation	15,324	15,324
		Sums written off		
		Affiliation fees		
-3		Donations	-29	-29
2,289		Conference and meeting fees	4,918	4,918
6,354		Motor Expenses	2,574	2,574
		Miscellaneous (specify)		
2,711		Leasing	1,337	1,337
2,119		HP interest	1,847	1,847
		Gain on tangible fixed assets	-8,000	-8,000
50,088		Loss on investment property		
-37,028		Gain on fixed asset investments	-44,200	-44,200
		Total of other charges		-26,139
-313	Taxation	-313	13,761	
		Total expenditure		124,288
		Interfund Transfers OUT		
		Surplus/Deficit for year		63,629
		Amount of fund at beginning of year		1,252,638
		Amount of fund at end of year		1,316,265

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)			
[Redacted]			
	Total Income		
Expenditure			
Interfund Transfers IN			
Administrative expenses			
Other expenditure (specify)			
[Redacted]			
	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)			
[Redacted]			
	Total Income		
Expenditure			
Interfund Transfers IN			
Administrative expenses			
Other expenditure (specify)			
[Redacted]			
	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 2021]

(see notes 19 and 20)

Previous Year		£	£
192,210	Fixed Assets (as at Page 8)	205,885	205,885
130,000	Investment property		130,000
741,050	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		794,386
	Unquoted (Market value £) as at Page 9		
	Total Investments	924,386	924,386
	Other Assets		
13,590	Sundry debtors	25,737	25,737
212,999	Cash at bank and in hand	218,424	218,424
	Stocks of goods		
	Others (specify)		
44,888	Trade debtors	26,203	26,203
	VAT debtor		
271,477	Total of other assets	270,364	270,364
	Total Assets		1,400,635
1,252,636	Revenue Account/ General Fund	1,316,265	
	Revaluation Reserve		
	Liabilities		
20,836	HP Loan	31,921	
9,843	Sundry Creditors	4,716	
13,313	Tax payable	14,640	
19,123	Accrued expenses	12,342	
18,986	Deferred tax	20,751	
	Total Liabilities		84,370
	Total Assets		1,400,635

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	243,585	56,032	73,205	372,822
Additions during period			41,000	41,000
Less: Disposals			-64,601	-64,601
Less: Depreciation	-76,726	-56,032	-10,578	-143,336
Total to end of period	166,859		39,026	205,885
Book Amount at end of period	166,859		39,026	205,885
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	166,859		39,026	205,885

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	
	Total Quoted (as Balance Sheet)	794,386
	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

78,455	Standard Life Global IL Bond/Aberdeen Standard Fund	80,922
89,149	Treasury index-Linked 2029	-
112,011	Treasury 1.25% Index-Linked 2032	77,331
48,769	S&W Short Dated Corporate Bond Z Inc	-
75,662	Aberdeen Standard Fund	72,074
67,794	Threadneedle UK Corp Bond 2 Inc	65,171
18,096	Aberforth smaller companies	21,228
12,597	City of London	-
15,716	HICL Infrastructure Co	15,951
21,216	Murray Income trust	23,409
25,944	Banker Investment trust	28,905
27,158	Fundsmith Equity Inc	33,093
8,489	Henderson far east income	12,095
31,735	JP Morgan American IT	29,913
11,300	Murrey International	11,553
18,349	BNY Mellon Asset MGT	20,664
16,520	RIT Capital Partner	22,000
15,990	Sarasin Gbl Higher Dividend P Inc	19,093
46,100	Polar Capital technology Trust	35,464
-	ISHARES II PLC USD TIPS UCITS ETF (GBP)	44,635
-	Treasury 1/8% I/L Gilt 10/08/2031	44,663
-	Greencoat UK Wind PLC	11,529
-	Artemis Fund MGRS	16,172
-	Smithson Investment Trst PLC	16,362
-	Worldwide Healthcare Trust	10,815
-	Fidelity Investment Services	11,543
-	JP Morgan Asset MGRS (UK)	10,063
-	ISHARES PLC	15,789
-	M&G Securities Ltd	10,557
-	Personal asset trust	17,570
-	Ruffer investment	15,822
		<hr/> 794,386 <hr/>

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	
-----	--	----	--

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	127,981	127,981
From Investments	12,561	12,561
Other Income (including increases by revaluation of assets)	47,375	47,375
Total Income	187,917	187,917
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	124,288	124,288
Funds at beginning of year (including reserves)	1,252,636	1,252,636
Funds at end of year (including reserves)	1,316,265	1,316,265
ASSETS		
Fixed Assets		205,885
Investment Assets		924,386
Other Assets		270,364
Total Assets		1,400,635
Liabilities		
Total Liabilities		84,370
Net Assets (Total Assets less Total Liabilities)		1,316,265

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members		
From Investments		
Other Income (including increases by revaluation of assets)		
Total Income		
Expenditure (including decreases by revaluation of assets)		
Total Expenditure		
Funds at beginning of year (including reserves)		
Funds at end of year (including reserves)		
ASSETS		
	Fixed Assets	
	Investment Assets	
	Other Assets	
	Total Assets	
Liabilities	Total Liabilities	
Net Assets (Total Assets less Total Liabilities)		

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 - P12F

Accounting policies


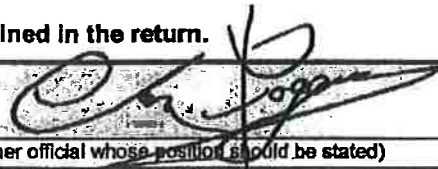
(see notes 35 & 36)

See P12 attachments

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 B ROGERS	Name:	IAN. H. ROGERS
Date:	03-05-2022	Date:	04-05-2022

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.

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 - P15D

Signature(s) of auditor or auditors:		
Name(s):	French Duncan LLP	
Profession(s) or Calling(s):	Chartered Accountants & Statutory Auditors	
Address(es)	Macfarlane Gray House Castlecraig Business Park Springbank Road Stirling FK7 7WT	
Date:	29 April 2022	
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.

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2021

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:

- **Going concern**

The Scottish Decorators' Federation Trustees consider that there are no material uncertainties about the Federation's ability to continue as a going concern. The Federation also has a strong balance sheet with significant bank balances and investment portfolio. With member subscriptions and other investment income at current levels a surplus is expected in future years. For these reasons the Scottish Decorators' Federation Trustees are satisfied that the Scottish Decorators' Federation will have adequate resources to continue as a going concern for the foreseeable future.

- **Subscriptions**

Subscription income represents total amount receivable for membership of the Federation from individual members and branches excluding VAT.

- **Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature, including in relation to the Coronavirus Job Retention Scheme, are recognised in the Income and Expenditure Account in the same period as the related expenditure.

- **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.

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

- **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.

- **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.

- **Investment property**

Investment property is property owned by the Federation and held for long term rental or for capital appreciation or both. Investment property is initially recognised at cost and is revalued at the Balance Sheet date to fair value based on a valuation by an independent valuer in accordance with the RICS Valuation Standards.

SCOTTISH DECORATORS' FEDERATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. SUNDRY INCOME

	2021 £	2020 £
Publications	-	3,518
SCORE receipts	833	575
Miscellaneous	1,054	167
Social events	-	3,253
Competition costs	525	-
Corona Virus Job retention scheme	-	6,335
Refund from CITB	-	10,000
	<u>2,412</u>	<u>23,848</u>

3. EMPLOYEES

The average monthly number of employees during the year was 3 (2020 - 3).

4. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2021	243,585	56,032	64,952	8,253	372,822
Additions	-	-	41,000	-	41,000
Disposals	-	-	(64,601)	-	(64,601)
At 31 December 2021	<u>243,585</u>	<u>56,032</u>	<u>41,351</u>	<u>8,253</u>	<u>349,221</u>
DEPRECIATION					
At 1 January 2021	71,854	56,032	46,202	6,525	180,612
Charge for year	4,872	-	9,314	1,138	15,324
Eliminated on disposal	-	-	(52,600)	-	(52,600)
At 31 December 2021	<u>76,726</u>	<u>56,032</u>	<u>2,915</u>	<u>7,663</u>	<u>143,335</u>
NET BOOK VALUE					
At 31 December 2021	<u>166,859</u>	<u>-</u>	<u>38,436</u>	<u>590</u>	<u>205,885</u>
At 31 December 2020	<u>171,731</u>	<u>-</u>	<u>18,750</u>	<u>1,728</u>	<u>192,210</u>

Hire Purchase agreements

Included within the net book value of £205,886 is £38,438 (2020 - £18,750) 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 £9,313 (2020 - £9,000).

5. INVESTMENT PROPERTY

SCOTTISH DECORATORS' FEDERATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Land and buildings Freehold £
Valuation	
At 1 January 2021 and 31 December 2021	<u>130,000</u>

During the prior year a separately identifiable part of the freehold property was leased to a third party. Under accounting standards this part of the property was reclassified as investment property and shown at fair value at the prior year end. The property was professionally valued in February 2021 by J&E Shepherd, Chartered Surveyors, resulting in a loss on valuation of £50,089 being recorded in the Income and Expenditure Statement.

Based on information from the surveyors, the Trustees have retained the same value at 31 December 2021.

6. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2021	741,050
Additions	224,451
Disposals	(215,315)
Revaluations	<u>44,200</u>
At 31 December 2021	<u>794,386</u>
HISTORICAL COST	<u>610,381</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	26,203	44,888
Prepayments and Accrued income	3,774	1,028
Other debtors	<u>21,963</u>	<u>12,562</u>
	<u>51,940</u>	<u>58,478</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Hire purchase	5,316	6,160
Trade creditors	1,966	7,093
Taxation and social security	14,640	13,313
Accruals and deferred income	<u>12,342</u>	<u>19,123</u>
	<u>34,264</u>	<u>45,689</u>

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

SCOTTISH DECORATORS' FEDERATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Hire purchase	26,605	14,676
Other creditors	<u>2,750</u>	<u>2,750</u>
	<u>29,355</u>	<u>17,426</u>

10. TAXATION: ANALYSIS OF THE TAX CHARGE

The tax charge for the year was as follows:

	2021	2020
	£	£
Current Tax:		
UK Corporation Tax	<u>11,996</u>	<u>1,701</u>
Deferred Tax:	<u>11,996</u>	<u>1,701</u>
(Credited)/charged to income and expenditure	<u>1,765</u>	<u>(2,014)</u>
Total tax charged/(credited) to income and expenditure	<u>13,761</u>	<u>(313)</u>

11. DEFERRED TAX PROVISION

	2021	2020
	£	£
Balance at 1 January 2021	18,986	21,000
Charged/(credited) to income and expenditure	<u>1,765</u>	<u>(2,014)</u>
Balance at 31 December 2021	<u>20,751</u>	<u>18,986</u>

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

Opinion

We have audited the financial statements of Scottish Decorators' Federation (the 'Federation') for the year ended 31 December 2021, set out on pages 7 to 13. 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 2021 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 United Kingdom Generally Accepted Accounting Practice and 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

In auditing the financial statements, we have concluded that the management committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Federation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the management committee with respect to going concern are described in the relevant sections of this report.

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 and proper 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Federation through discussions with management, and from our commercial knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Federation, including the Trade Union and Labour Relations

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

(Consolidation) Act 1992 as amended by the Employment Relations Act 2004, FRS 102, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Federation's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed the laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of management and the inspections of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



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Date: 21/04/2022

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

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