

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	The Electrical Contractors' Association of Scotland				
Year ended:	31 December 2023				
List No:	022E (S)				
Head or Main Office:	The Walled Garden				
	Bush Estate				
	Penicuik				
	MIDLOTHIAN				
Postcode	EH26 0SB				
Website address (if available)	www.select.org.uk				
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:	John McGhee ACMA				
Contact name for queries regarding the completion of this return:	Jenny Petrie				
Telephone Number:	0131 445 9220				
E-mail:	jenny.petrie@select.org.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:

returns@certoffice.org

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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
1,263				1,263

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
A Grant	President
M Stark	Vice President
D W Orr	Immediate Past President
D Crockett	Depute Vice-President
S Anderson	Central Board member
A J Smith	Central Board member
E Rae	Central Board member
J Cooper	Central Board member
G Paterson	Central Board member
P Erasmuson	Central Board member
A Noble	Central Board member
D Harris	Central Board member
D W H Smith	Central Board member
D Calder	Central Board member
C Dobbie	Central Board member
T Harvey	Central Board member
C Liddell	Central Board member
G Anderson	Central Board member
C McGowan	Central Board member
G Lyall	Central Board member
C Neish	Central Board member
K Smith	Central Board member
P Smith	Central Board member
J Wilson	Central Board member
S Harkins	Central Board member
A Watt	Central Board member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
1,477,688	From Members	Subscriptions, levies, etc	1,540,285	1,540,285
	Investment income	Interest and dividends (gross)		
1,602		Bank interest (gross)	20,992	20,992
		Other (specify)		
-297,412		realised & Unrealised (loss) on investment	-94,280	-94,280
85,629		Investment income	92,591	92,591
-210,181		Total Investment Income	19,303	19,303
108,896	Other Income	Rents received	100,190	100,190
		Insurance commission		
321,405		Consultancy fees	407,698	407,698
		Publications/Seminars		
		Miscellaneous receipts (specify)		
147,356		Sundry	154,937	154,937
89,737		Sale of goods	81,767	81,767
845,970		Management fees	853,367	853,367
1,513,364		Total of other income		1,597,959
2,780,871		Total income		3,157,547
		Interfund Transfers IN		
	Expenditure			
1,844,492	Administrative expenses	Remuneration and expenses of staff	1,931,344	1,931,344
246,357		Occupancy costs	341,202	341,202
32,603		Printing, Stationery, Post	24,349	24,349
18,682		Telephones	22,008	22,008
136,570		Legal and Professional fees	105,361	105,361
		Miscellaneous (specify)		
73,505		Publications	49,955	49,955
201,245		In-house costs	222,763	222,763
200,327		Admin expenses	232,919	232,919
2,753,781		Total of Admin expenses		2,929,901
	Other Charges	Bank charges		
128,070		Depreciation	145,118	145,118
		Sums written off		
38,185		Affiliation fees	14,182	14,182
		Donations		
70,920		Conference and meeting fees	81,674	81,674
		Expenses		
		Miscellaneous (specify)		
130,609		Marketing costs	126,905	126,905
92,027		Course expenses	143,693	143,693
-10,297		Release of capital projects	-10,297	-10,297
		Impairment on revaluation of property	43,244	43,244
449,514		Total of other charges		544,519
	Taxation			
3,203,295		Total expenditure		3,474,420
		Interfund Transfers OUT		
-422,424		Surplus/Deficit for year		-316,873
6,104,022		Amount of fund at beginning of year		5,681,598
5,681,598		Amount of fund at end of year		5,364,725

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account: Capital projects reserve		£	£
Income	From members		
	Investment income		
	Other Income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses	10,297	10,297
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		-10,297
	Amount of fund at beginning of year		297,340
	Amount of fund at the end of year (as Balance Sheet)		287,043

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 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 2023]

(see notes 19 and 20)

Previous Year		£	£
3,045,369	Fixed Assets (as at Page 8)	2,926,072	2,926,072
	Investments (as per analysis on page 9)		
2,020,270	Quoted (Market value £) as at Page 9		992,145
50,000	Unquoted (Market value £) as at Page 9		50,000
2,070,270	Total Investments	1,042,145	1,042,145
	Other Assets		
570,479	Sundry debtors	625,234	625,234
974,134	Cash at bank and in hand	1,763,055	1,763,055
26,007	Stocks of goods	25,524	25,524
	Others (specify)		
1,570,620	Total of other assets	2,413,813	2,413,813
	Total Assets		6,382,030
5,681,598	Revenue Account/ General Fund	5,364,725	
297,340	Capital projects reserve	287,043	
	Revaluation Reserve		
	Liabilities		
707,321	Sundry creditors	730,262	
	Total Liabilities		730,262
	Total Assets		6,382,030

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	3,719,549	833,259		4,552,808
Additions during period		69,065		69,065
Less: Disposals		-48,627		-48,627
Less: Depreciation	-1,117,369	-529,805		-1,647,174
Total to end of period	2,602,180	323,892		2,926,072
Book Amount at end of period	2,602,180	323,892		2,926,072
Freehold	2,602,180			2,602,180
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	2,602,180	323,892		2,926,072

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) Investment portfolio with Heartwood (valuation at 31 December 2022)	992,145
	Total Quoted (as Balance Sheet)	992,145
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified) 50,000 ordinary shares at £1.00 each fully paid up Scottish Electrical Contractors' Insurance Ltd	50,000
	Total Unquoted (as Balance Sheet)	50,000
	Market Value of Unquoted Investments	

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

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	1,540,285	1,540,285
From Investments	19,303	19,303
Other Income (including increases by revaluation of assets)	1,597,959	1,597,959
Total Income	3,157,547	3,157,547
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	3,484,717	3,484,717
Funds at beginning of year (including reserves)	5,978,938	5,978,938
Funds at end of year (including reserves)	5,651,768	5,651,768
ASSETS		
Fixed Assets		2,926,072
Investment Assets		1,042,145
Other Assets		2,413,813
Total Assets		6,382,030
Liabilities		
Total Liabilities		730,262
Net Assets (Total Assets less Total Liabilities)		5,651,768

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

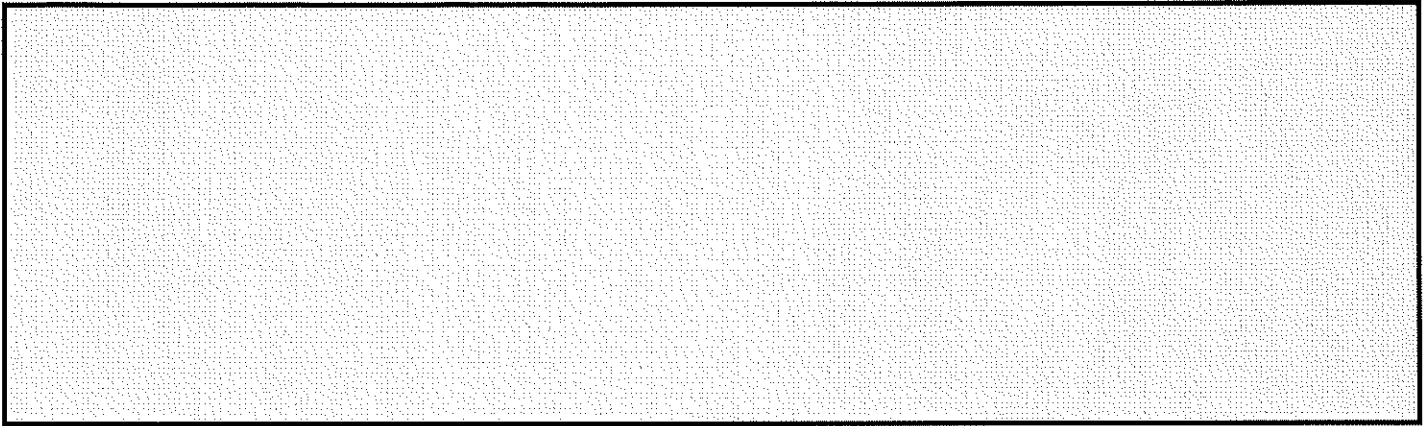
(see note 34)

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

A large rectangular area with a fine grid pattern, intended for entering notes to the accounts. The grid is composed of small, evenly spaced dots or lines, creating a textured background for text entry.

Accounting policies

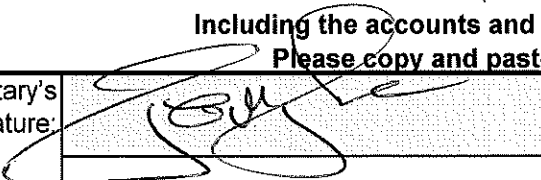
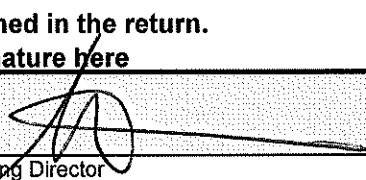
(see notes 35 & 36)



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:  <hr/> Name: John McGhee <hr/> Date: 30/5/2024	Chairman's Signature:  Managing Director <hr/> Name: Alan Wilson <hr/> Date: 30/5/2024
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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 type="checkbox"/>	No	
Is the rule book enclosed? (see Note 39)	Yes	<input checked="" type="checkbox"/>	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	<input checked="" 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.

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.

The Electrical Contractors' Association of
Scotland (trading as SELECT)
Consolidated financial statements
for the year ended 31 December 2023

**The Electrical Contractors' Association of Scotland
(trading as SELECT)**

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Report of the Central Board for the year ended 31 December 2023

The rules of The Electrical Contractors' Association of Scotland (Trading as SELECT) ('the Association') require the Central Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and the Group (the Association and the insurance subsidiary) and of the surplus or deficit of the Group for that year. In preparing those financial statements, the Central Board is required to ensure that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- a statement is made whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Association and Group will continue in business.

The Central Board is responsible for ensuring that proper accounting records are kept which are sufficient to show and explain the Association and Group's transactions and which disclose with reasonable accuracy at any time the financial position of the Association and Group. The Central Board is also responsible for safeguarding the assets of the Association and Group and hence for ensuring that reasonable steps are taken for the prevention and detection of fraud and other irregularities.

Cost of Living Crisis

The Board have continually been monitoring the current increases in costs and services both directly on the Group and Association's business and indirectly through government policy and advice. The main considerations the Board have identified are as follows.

Market

The major risk to the Association is a drop in the income received from subscriptions, however collection of subscription income is in line with pre-pandemic years and Membership numbers are higher than pre-pandemic levels. During 2020 the decision was made to introduce online training courses for the majority of our training courses, these have proven to be extremely popular and have helped safeguard income from the training delivery, both on-line and classroom courses are being delivered and classroom sizes are now back to pre-pandemic levels and this will increase the income received from training.

Finance

The Group does not run any overdrafts, nor does it have any outstanding bank loans in place, and as at the Balance Sheet date it had cash reserves of £3,459,911 (2022: £3,596,089). The Board took the decision to withdraw £1,000,000 from the Investment Portfolio with Handelsbanken Group during 2023 to reduce the exposure to market volatility and deposited the monies in a 120 day notice account with Virgin Money – the balance in the account at 31 December 2023 was £1,013,005. The monies still held in the Investment Portfolio with Handelsbanken Group can be accessed giving five days' notice. As this portfolio is held within a range of investment options it will be subject to the effects of any

The Electrical Contractors' Association of Scotland
(trading as SELECT)

market volatility and due to fluctuations in the marketplace –after taking into account investment income and investment manager costs withdrawn, the loss for the year to 31 December was £94,280, of which £42,115 was realised and £52,164 unrealised. The value of the portfolio at 31 December was £992,145 (2022: £2,020,270). There are no outstanding pension liabilities.

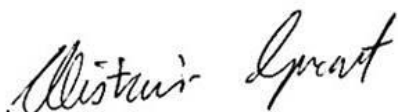
The Board have prepared budgets and projections through to May 2024 which have factored in how the change in restrictions and a return to more normal operations will have on the Association. Stress testing have also been performed on these budgets and projections. The Board are also of the opinion that due to all operations being solely in Scotland the current crisis in the Ukraine will have no impact on the workings of the Association.

On the basis of their assessment of the Group's financial position and resources, the Central Board believe that the Group is well placed to manage its business risks. Therefore, the Central Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Members of the Central Board statement as to the Disclosure of Information to the Auditor

All of the current members of the Central board have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members of the Central Board are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Central Board



A Grant
President
30 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE CENTRAL BOARD OF THE ELECTRICAL CONTRACTORS' ASSOCIATION OF SCOTLAND (trading as SELECT)

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Association's affairs as at 31 December 2023 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

We have audited the financial statements of SELECT (the 'Association') for the year ended 31 December 2023 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the insurance general business technical account, the consolidated balance sheet, the Association's balance sheet, the consolidated and the parent Association's statement of changes in equity, the consolidated cash flow statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that have been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and FRS 103, Insurance Contracts, consolidated accounting and reporting requirements for entities in the UK and Republic of Ireland issuing insurance contracts, ("United Kingdom Generally Accepted Accounting Practice").

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 Association 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.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Central Board'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 Group or Association'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 Central Board with respect to going concern are described in the relevant sections of this report.

Other information

The Central Board are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Association as required by Section 28 of the Act; or
- a satisfactory system of control over its transactions has not been maintained by the Association; or
- the Association's financial statements are not in agreement with the accounting records of the Association; or
- we have not received all information and explanations we require for our audit.

Responsibilities of Central Board

As explained more fully in the Central Board's responsibilities statement, the Central Board 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 Central Board 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 Central Board are responsible for assessing the Group and Association'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 Central Board either intend to liquidate the Group or Association, or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Association and the industry in which it operates;
- Discussion with management and those charged with governance
- Obtaining and understanding of the Association's policies and procedures regarding compliance with laws and regulations; and
- We considered the significant laws and regulations to be the Financial Reporting Standard 102, UK tax legislation, and the Companies Act 2006.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation.

Our procedures in respect of the above included:

- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and manipulation of timing of revenue recognition surrounding year-end.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, this included the bad debt and outstanding claims provisions;
- Testing a sample of revenue transactions surrounding the year end to determine that the revenue was recognised in the correct financial year;
- Testing a sample of deferred revenue balances at year end to ensure that it was recognised in the correct financial year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Use of our report

This report is made solely to the Electrical Contractors' Association of Scotland as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Association's Central Board 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 Association and the Association's Central Board as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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Martin Gill

BDO LLP, statutory auditor

Edinburgh

United Kingdom

Date: 30 May 2024

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

Consolidated income statement for the year ended 31 December 2023

	Note	2023		2022	
		£	£	£	£
Income from membership:					
Subscriptions and application fees			479,025		468,024
Turnover levy			924,413		860,837
Training and development levies			136,848		147,827
			1,540,286		1,477,688
Sales of products and services		599,394		537,586	
Cost of sales		(296,462)		(227,343)	
			302,932		310,243
Transfer from insurance general business technical account (page 9)			586,578		532,323
Other income	3		484,113		466,113
Committee expenses and other direct costs	4		(208,462)		(220,677)
Administrative expenses	5		(3,192,107)		(2,960,032)
Operating Loss			(486,660)		(394,342)
Property and investment income	7		262,249		201,884
Loss for year before taxation			(224,411)		(192,458)
Taxation (charge) / credit	8		-		(2,747)
Loss for year after taxation			(224,411)		(195,205)

Results are attributable to continuing operations.

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Consolidated statement of other comprehensive income for the year ended 31 December 2023

	Note	2023 £	2022 £
Other comprehensive income			
Loss for the year		(224,411)	(195,205)
Net Realised Loss on Investment	10	(42,115)	-
Net Unrealised Loss on Investment	10	(52,165)	(297,412)
Total comprehensive (loss) / surplus for the year		(318,691)	(492,617)

Insurance general business technical account for the year ended 31 December 2023

	2023	2022
	£	£
Earned premiums		
Gross premium written		
Sickness and accident benefit scheme	847,285	758,927
Claims incurred		
Gross claims paid		
Sickness and accident benefit scheme	(260,482)	(227,361)
Change in the provision for claims	(225)	757
Net claims incurred	(260,707)	(226,604)
Transfer to the consolidated income statement (page 7)	586,578	532,323

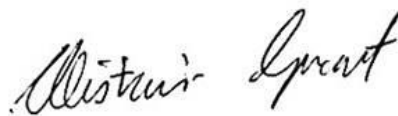
Consolidated balance sheet as at 31 December 2023

		2023		2022	
	Note	£	£	£	£
Fixed Assets	9		2,926,072		3,045,369
Investments	10		992,145		2,020,270
Current Assets					
Stocks		25,524		26,007	
Debtors	11	607,345		615,303	
Deferred taxation	13	-		-	
Short term investment		1,013,005		-	
Cash at bank and in hand		3,459,911		3,596,089	
			5,105,785		4,237,399
Creditors: Amounts falling due within one year	12	(810,363)		(770,913)	
Net current assets			4,295,422		3,466,486
Total assets less current liabilities			8,213,639		8,532,125
Technical provisions and provisions for liabilities and charges					
Provisions for outstanding claims			(5,901)		(5,696)
Deferred tax	13		-		-
Net assets			8,207,738		8,526,429
Reserves					
General reserve:					
Balance as at 1 January			8,229,089		8,711,409
(Loss) for the year after taxation			(224,411)		(195,205)
Transfer from specific reserves			10,297		10,297
Other recognised gains and losses	10		(94,280)		(297,412)
Balance as at 31 December	14		7,920,695		8,229,089
Specific reserves	15		287,043		297,340
			8,207,738		8,526,429

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Consolidated balance sheet as at 31 December 2023 (continued)

The financial statements on pages 5 to 34 were approved by the Central Board and are signed on their behalf by:



President

A Grant



Managing Director

A Wilson

30 May 2024

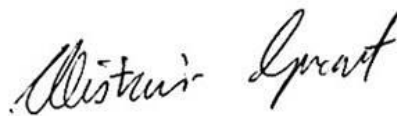
Association's balance sheet as at 31 December 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets	9		2,926,072		3,045,369
Investments	10		1,042,145		2,020,270
Current assets					
Stocks		25,524		26,007	
Debtors	11	625,234		570,479	
Short term investment		1,013,005		-	
Cash at bank and in hand		750,050		974,134	
			2,413,813		1,570,620
Creditors: Amounts falling due within one year	12	(730,262)		(707,321)	
Net current assets			1,683,551		863,299
Total assets less current liabilities			5,651,768		5,978,938
Provisions for liabilities and charges					
Deferred tax	13		-		-
Net assets			5,651,768		5,978,938
Reserves					
General reserve:					
Balance as at 1 January			5,681,598		6,104,022
(Deficit)/surplus for the year after taxation	14		(232,890)		(135,309)
Transfer from specific reserves	14		10,297		10,297
Other comprehensive (loss) /income	10		(94,280)		(297,412)
Balance as at 31 December	14		5,364,725		5,681,598
Specific reserves	15		287,043		297,340
			5,651,768		5,978,938

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Association's balance sheet as at 31 December 2022 (continued)

The financial statements on pages 7 to 36 were approved by the Central Board and are signed on their behalf by:



President

A Grant



Managing Director

A Wilson

30 May 2024

Consolidated and Association's statements of changes in equity for the year ended 31 December 2023

Group	Notes	Specific reserves			Total
		General reserves	Capital projects reserve(a)	Guarantee scheme reserve(b)	
		£	£	£	
Balance as at 1 January 2022		8,711,409	288,975	18,662	9,019,046
Deficit for the year		(184,908)	(10,297)	-	(195,205)
Other comprehensive income for the year		(297,412)	-	-	(297,412)
Total comprehensive income for the year		(482,320)	(10,297)	-	(492,617)
Balance as at 31 December 2022	14, 15	8,229,089	278,678	18,662	8,526,429
Deficit for the year		(214,114)	(10,297)	-	(224,411)
Other comprehensive income for the year		(94,280)	-	-	(94,280)
Total comprehensive income for the year		(308,394)	(10,297)	-	(318,691)
Balance as at 31 December 2023	14, 15	7,920,695	268,381	18,662	8,207,738

Association	Notes	Specific reserves			Total
		General reserves	Capital projects reserve	Guarantee scheme reserve	
		£	£	£	
Balance as at 1 January 2022		6,104,022	288,975	18,662	6,411,659
(Deficit) for the year		(125,012)	(10,297)	-	(135,309)
Other comprehensive income for the year		(297,412)	-	-	(297,412)
Total comprehensive income for the year		(422,424)	(10,297)	-	(432,721)
Balance as at 31 December 2022	14, 15	5,681,598	278,678	18,662	5,978,938
Deficit for the year		(222,593)	(10,297)	-	(232,890)
Other comprehensive income for the year		(94,280)	-	-	(94,280)
Total comprehensive income for the year		(316,873)	(10,297)	-	(327,170)
Balance as at 31 December 2023	14, 15	5,364,725	268,381	18,662	5,651,768

Consolidated cash flow statement for the year ended 31 December 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Loss for the financial year	(224,411)	(195,205)
Adjustments for:		
Depreciation	145,118	129,049
Interest receivable	69,469	(92,987)
Investment fees settled from investment income	25,683	43,615
Revaluation of investment property	43,244	-
Taxation charge/(credit)	-	2,747
Decrease / (increase) in stock	483	(11,242)
Decrease / (increase) in trade and other debtors	7,958	(113,562)
Increase / (decrease) in trade and other creditors	39,451	119,002
Increase / (decrease) in outstanding claims	205	(737)
Net cash flow from operating activities	107,200	(119,323)
Cash flows from investing activities:		
Interest received	-	7,358
Payments to acquire tangible fixed assets	(69,065)	(160,539)
Investment income re-invested in Handelsbanken fund	(92,590)	-
Purchase of short term Investments	(1,013,005)	-
Proceeds from sale of investments	1,000,750	-
Net cash from investing activities	(243,379)	(153,181)
Net (decrease) /increase in cash and cash equivalents	(136,178)	(272,504)
Cash and cash equivalents at beginning of year	3,596,089	3,868,593
Cash and cash equivalents at end of year	3,459,911	3,596,089
Cash and cash equivalents comprise:		
Cash at bank and in hand	3,459,911	3,596,089
Bank deposits	-	-
Cash and cash equivalents	3,459,911	3,596,089

The Electrical Contractors' Association of Scotland
(trading as SELECT)

Net Debt Reconciliation

	01 January 2023	Cash flows	31 December 2023
Group			
Cash at bank	3,596,089	(136,178)	3,459,911
Total	<u>3,596,089</u>	<u>(136,178)</u>	<u>3,459,911</u>

Association

Cash at bank	974,134	(224,084)	750,050
Total	<u>974,134</u>	<u>(224,084)</u>	<u>750,050</u>

Net Debt Reconciliation

	01 January 2022	Cash flows	31 December 2022
Group			
Cash at bank	3,868,593	(272,504)	3,596,089
Total	<u>3,868,593</u>	<u>(272,504)</u>	<u>3,596,089</u>

Association

Cash at bank	1,113,981	(139,847)	974,134
Total	<u>1,113,981</u>	<u>(139,847)</u>	<u>974,134</u>

Notes to the financial statements for the year ended 31 December 2023

1 Principal accounting policies

General information

The principal activities of SELECT are to be the trade association and employers' organisation for the electrical engineering and contracting industry in Scotland. Its main objectives can be summarised as representing Members' interests, providing services to Members and developing industry skills.

The Association is incorporated in the United Kingdom. The address of its registered office is The Walled Garden, Bush Estate, Midlothian, EH26 0SB.

SELECT meets the definition of a public benefit entity under FRS102.

Statement of compliance

The Group and the individual financial statements of The Electrical Contractors' Association of Scotland (trading as SELECT) have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and Financial Reporting Standard 103 'Insurance contracts'.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting

These financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable UK accounting standards, as considered appropriate for a trade association and an insurance company. The insurance company results are prepared using the annual basis of accounting.

b) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Association and its wholly owned subsidiary, the Scottish Electrical Contractors' Insurance Limited (SECI Limited). The insurance general business technical account represents the results of SECI Limited on technical account and the net surplus arising for the year, taking into account the elimination of inter-company transactions, is transferred to the consolidated income statement. The assets and liabilities of SECI Limited have been fully consolidated with those of the Association.

Notes to the financial statements for the year ended 31 December 2023

c) Going concern

The major risk to the Association is a drop in the income received from subscriptions and sales of products and services due a drop in the number of companies in Membership both of which will affect the Association in 2024. Membership numbers continue to be strong with Member numbers currently sitting at 1,263. In 2020 the Board introduced a range of on-line courses and this allied to a return to full capacity will see an increase in income in the coming year.

The Group does not run any overdrafts nor does it have any outstanding bank loans in place, as at the Balance Sheet date it had cash reserves of £3,459,911 and an Investment Portfolio with the Handelsbanken Group which can be accessed giving five days' notice. As this portfolio is held within a range of investment options it will be subject to the effects of any market volatility and the fluctuations in the market place have seen the value of the portfolio decrease from the 31 December 2022 valuation of £1,020,270 (after withdrawal of £1,000,000 during 2023) to the current valuation on 31 December of £992,144 a net decrease of £28,156 in value. There are no outstanding pension liabilities.

The Board have prepared budgets and projections through to May 2025 which have factored in how the change in restrictions and a return to more normal operations will have on the Association. Stress testing have also been performed on these budgets and projections. The Board are also of the opinion that due to all operations being solely in Scotland the current crisis in the Ukraine will have no impact on the workings of the Association.

On the basis of their assessment of the Group's financial position and resources, the Central Board believe that the Group is well placed to manage its business risks. Therefore the Central Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d) Functional and presentation currency

i) Functional and presentation currency

The Group's financial statements are presented in pound sterling. The Association's functional and presentation currency is pound sterling. The level of rounding is to the nearest pound sterling.

ii) Transactions and balances

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction.

e) Sales of products and services

Sales of products and services represents the invoiced value of course fees, services and publications, net of VAT where appropriate.

Notes to the financial statements for the year ended 31 December 2023

f) Subscriptions and turnover levy

Subscriptions and turnover levy are recognised in the year when they fall due and only when payment is received.

g) Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution plans

The Association operates a defined contribution pension scheme. Contributions to the scheme are expensed as they occur.

h) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

i) Current taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ii) Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

i) Fixed assets

The cost of fixed assets is the purchase cost together with any incidental cost of acquisition.

j) Depreciation

Depreciation on fixed assets is calculated as follows:

Plant and Equipment - Fixtures and fittings	10% or 20% per annum, straight line
Plant and Equipment - Office and computer equipment	15% to 25% per annum, straight line
Plant and machinery	10% per annum, straight line
Freehold Office premises	2% per annum, straight line

It is considered that the use of these rates will write off the costs of the assets over their effective working lives.

k) Investment properties

The investment properties are valued every 5 years using the RICS 'red book' method by an independent firm of Chartered Surveyors. The last valuation took place on 31 December 2019. Movements in valuation are recognised in the consolidated income statement.

Depreciation is not provided on investment properties as these properties are not held for consumption but for investment and the Board consider that systematic annual depreciation would be inappropriate. This accounting policy is therefore necessary to give the financial statements a true and fair view.

l) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Operating leases as a lessee

Payments under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the lease.

ii) Operating leases as a lessor

The leases are for vehicle contract hire and printers. Income in respect of operating leases are credited on a straight line basis over the lease term.

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

m) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the consolidated income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the consolidated income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the consolidated income statement.

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

n) Investments

Investments are held at fair value at the balance sheet date, with changes in fair value recognised through the income statement. Revalued gains and losses are recognised in other recognised gains and losses unless the losses exceed the previously recognised gains or effect a clear consumption of economic wealth, in which case excess losses are recognised in the income statement.

Investments in subsidiaries are valued at cost less provision for impairment.

o) Investment income

Income from investments is included on an accruals basis.

p) Stock

Stock of publications and stationery is valued at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first-in, first-out (FIFO) method.

q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other current asset investments with original maturities of three months or less.

r) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the consolidated income statement.

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

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

r) Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Group does not hold or issue derivative financial instruments.

iii) Offsetting

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

s) Annual basis of accounting for the insurance company

The technical result for accident and health is determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

i) Premiums written relate to business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the SECI Limited.

ii) Claims are recognised in the accounting period in which the loss is made. Provision is made at the year-end for:

- (a) Illnesses arising in the year but not yet reported at the balance sheet date.
- (b) Illnesses arising in the year and unpaid at the year end.
- (c) Illnesses in the following year which are a continuation of illnesses first started during the year.

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

t) Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The valuation of the investment property is carried out in line with 1(l) above.

2 Segmental analysis by class of business

The analysis by class of business of the Group's (loss)/surplus before taxation and net assets is set out below. All activities relate to the UK.

	2023	2022
	£	£
Profit / (Loss) before taxation		
Trade association	(232,890)	(135,309)
Insurance company	8,479	(57,149)
	<u>(224,411)</u>	<u>(192,458)</u>
	2023	2022
	£	£
Net assets		
Trade association	5,651,768	5,978,938
Insurance company	2,605,970	2,597,491
	<u>8,257,738</u>	<u>8,576,429</u>
Investment in subsidiary	(50,000)	(50,000)
	<u>8,207,738</u>	<u>8,526,429</u>

Notes to the financial statements for the year ended 31 December 2023 (continued)

3 Other income / (expense)

Other income/(expenses) includes the £463,913 (2022: £445,913) in respect of management charges to the Scottish Joint Industry Board.

4 Committee expenses and other direct costs

	2023	2022
	£	£
Conference, functions and meetings	80,468	92,655
Branch expenses	46,824	28,152
Marketing campaign and membership	72,492	90,722
Subscriptions	8,678	9,148
	208,462	220,677

5 Administrative expenses

Included in administrative expenses are the following items of expenditure:

	2023	2022
	£	£
Staff costs (see note 6)	1,936,844	1,850,492
Group audit fees of which the parent Association was £20,000 (2022: £18,600).	43,000	32,000
Group non audit fees of which the parent Association was £11,525 (2022: £10,657)		
- Tax compliance	9,525	8,757
- Other audit services	2,000	1,900
- Payroll services	2,677	2,284
Depreciation – owned assets	145,118	129,049
Operating lease rentals	119,052	101,476
Impairment of Fixed assets	43,244	-

Notes to the financial statements for the year ended 31 December 2023 (continued)

6 Employee information

The number of persons employed by the Association at 31 December were as follows:

	2023	2022
	Number	Number
Full-time equivalents	43	42
	2023	2022
	£	£
Staff costs		
Salaries	1,521,488	1,462,865
Social security costs	151,481	159,937
Pension and permanent health insurances	263,875	227,690
	1,936,844	1,850,492

7 Property and investment income

	2023	2022
	£	£
Rental income	100,190	108,897
Investment income	92,590	85,629
Other interest	69,469	7,358
	262,249	201,884

Notes to the financial statements for the year ended 31 December 2023 (continued)

8 Taxation

	2023	2022
	£	£
United Kingdom corporation tax charge based on the surplus for the year		
UK current tax @ 23.52% (2022: 19.00%)	-	-
Adjustment in respect of prior year	-	(8,701)
	-	(8,701)
Deferred tax:		
- Origination & reverse of timing differences	-	11,448
	-	11,448
Tax on (loss)/surplus on ordinary activities	-	2,747

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK (23.52%), (2022: 19.00%).

The difference between the tax charge on ordinary activities for the year, reported in the consolidated income statement, and the total charge for the year which would result from applying a relevant standard rate of tax to the surplus for the year before tax, is explained as follows:

	2023	2022
	£	£
Factors affecting tax charge for the year:		
(Loss)/surplus on ordinary activities before tax	(318,691)	(192,458)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(74,958)	(36,567)
Effects of:		
Losses carried back	-	-
Adjustments to tax charges in respect of previous periods	-	(8,701)
Fixed asset timing differences	21,661	9,960
Income not taxable for tax purposes	(2,422)	(1,956)
Other permanent differences -Exempt ABGH distributions	-	-
Deferred tax not recognised	54,030	28,574
Expenses not deductible	15,175	8,690
Chargeable gains	(10,171)	-
Adjust closing deferred tax to average rate of 23.52%	(13,299)	-
Adjust opening deferred tax to average rate of 23.52%	9,984	2,747
Total tax charge for the year	-	2,747

Notes to the financial statements for the year ended 31 December 2023 (continued)

9 Fixed assets

Group and Association	Investment property £	Plant and equipment £	Freehold office premises £	Total £
Association and group:				
Cost/valuation at 1 January 2023	1,025,000	833,259	2,694,549	4,552,808
Additions	-	69,065	-	69,065
Disposals	-	(48,627)	-	(48,627)
At 31 December 2023	1,025,000	853,697	2,694,549	4,573,246
Accumulated Depreciation at 1 January 2023	-	482,064	1,025,375	1,507,439
Charge for the year	-	96,368	48,750	145,118
Impairment Loss	43,244	-	-	43,244
Disposals	-	(48,627)	-	(48,627)
At 31 December 2023	43,244	529,805	1,074,125	1,647,174
Net book value				
At 31 December 2023	981,756	323,892	1,620,424	2,926,072
Net book value At 31 December 2022	1,025,000	351,195	1,669,174	3,045,369

The investment property is held at valuation and was valued by David Adamson & Partners in December 2019 on an open market basis. The Central Board consulted Graham Sibbald in May 2021 and confirmed no material change in the valuation. However, following the loss of a tenant, the Board in November 2023 have applied an impairment charge of £43,244 to reflect a potential drop in the valuation of the Investment Property. The next full valuation is due to be carried out in 2024.

Included in freehold office premises is land of £257,049 (2022: £257,049) which is not depreciated.

Notes to the financial statements for the year ended 31 December 2023 (continued)

10 Investments

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Subsidiaries				
SECI Limited				
50,000 ordinary shares (2022)				
50,000) of £1 each fully paid	-	-	50,000	50,000

The Association owns 100% of the share capital of Scottish Electrical Contractors' Insurance Limited.

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Quoted investment				
Market value at 1 January	2,020,270	2,275,668	2,020,270	2,275,668
Investment income reinvested in fund	92,590	85,629	92,590	85,629
Investment manager costs withdrawn from fund	(25,683)	(43,615)	(25,683)	(43,615)
Disposals at opening market value	(1,042,867)	-	(1,042,867)	-
Unrealised loss	(52,165)	(297,412)	(52,165)	(297,412)
Market Value at 31 December	992,145	2,020,270	992,145	2,020,270

11 Debtors

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	64,309	59,061	64,309	59,061
Other debtors – on direct insurance operations	80,505	103,385	-	-
Other debtors	244,615	298,318	244,615	298,318
Amounts owed by group undertakings	-	-	98,394	58,561
Prepayments	217,916	154,539	217,916	154,539
	607,345	615,303	625,234	570,479

Notes to the financial statements for the year ended 31 December 2023 (continued)

12 Creditors: Amounts falling due within one year

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	158,411	192,766	158,411	192,766
Corporation tax	-	-	-	-
Other taxation and social security	118,087	106,841	118,087	106,841
Other creditors & accruals	533,865	471,306	453,764	407,714
	810,363	770,913	730,262	707,321

13 Deferred taxation

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Deferred taxation				
Excess of capital allowances over depreciation	232,392	225,340	232,392	225,340
Short term timing differences relating to pension	(685)	(685)	(685)	(685)
Chargeable gains	26,689	37,500	26,689	37,500
Losses	(258,396)	(262,155)	(258,396)	(262,155)
Deferred taxation asset	-	-	-	-
Balance as at 1 January	-	-	-	-
Deferred tax charge/(credit) in profit and loss account	-	-	-	-
Deferred tax credit to other comprehensive income	-	-	-	-
Adjustment in respect of prior periods	-	-	-	-
Balance as at 31 December	-	-	-	-

Notes to the financial statements for the year ended 31 December 2023 (continued)

14 General reserves

	Association £	SECI Limited £	Total £
Balance as at 1 January 2023	5,681,598	2,547,491	8,229,089
(Loss) for the year	(232,890)	8,479	(224,411)
Transfers from specific reserves	10,297	-	10,297
Other comprehensive income	(94,280)	-	(94,280)
Balance at 31 December 2023	5,364,725	2,555,970	7,920,695

15 Specific reserves

	Opening Balance At 1 January 2023 £	Transfer to General reserves £	Closing Balance At 31 December 2023 £
Capital Projects Reserve (a)	278,678	(10,297)	268,361
Guarantee Scheme Reserve (b)	18,662	-	18,662
Total	297,340	(10,297)	287,043

- (a) Exceptional maintenance and depreciation of the building.
(b) Potential claims under existing guarantee scheme; re-launch of contracts completion guarantee scheme and the Scottish Government's Building Standards Division (BSD) Certification Scheme.

16 Related party transactions

Transactions between the Association and SECI Limited, have been eliminated on consolidation and therefore as permitted by Section 33.1A of FRS 102 'Related party disclosures' are not included in this note.

The Association is a joint partner in the Scottish Joint Industry Board for the Electrical Contracting Industry ('SJIB'), members of which are also members of the Association. The Association provides management and other services for the SJIB and the fees charged in respect of these services amounted to £484,113 (2022: £445,913). Included in other debtors are amounts due to the Association of £198,485 (2022: £221,336) at the balance sheet date.

Included within other creditors and accruals of the Group are amounts of £20,058 (2022: £18,452 debtors) due to SJIB by SECI Limited.

The Scottish Electrical Charitable Training Trust (SECTT) is a partner of the Association and through this relationship is also a related party. The Association received rental income from SECTT totalling £52,959 in the year (2022: £52,959). The Association rent training space from SECTT in 2023 totalling £5,740 in the year (2022: £420).

All transactions between the Association and any related party are at an arm's length.

Key management personnel:

The total amount paid in respect of compensation to key management personnel was £422,539 (2022: £414,827).

Notes to the financial statements for the year ended 31 December 2023 (continued)

17 Financial commitments

At 31 December the Association had the following future minimum lease payments under non-cancellable operating leases in respect of vehicles and equipment:

	2023	2022
	£	£
Not later than one year	102,784	126,210
After one year but not more than five years	153,394	215,632
More than 5 years	-	-

Operating lease agreements where the Group is lessor:

The leases are for rental properties in the South Building. The future minimum lease rentals receivable under the operating leases are:

	2023	2022
	£	£
Not later than one year	79,875	113,606
After one year but not more than five years	235,900	178,002
More than 5 years	-	-

18 Financial instruments

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Financial assets				
Financial assets that are debt instruments measured at fair value	992,145	2,020,270	992,145	2,020,270

Group and association financial assets that are debt instruments measured at fair value comprise of quoted investments of £992,145 (2022: £2,020,270).

Notes to the financial statements for the year ended 31 December 2023 (continued)

19 Management & Risk

The Association is governed and managed by a Central Board who are elected through a Branch network and are responsible for all decision making within the Association. The Central Board considers the type and scale of risk that the Association is prepared to accept in its ordinary course of activity and this is used to develop strategy and decision-making.

The Association is focused on the identification and management of potential risks and has identified the following key risks:

Insurance risk

Liquidity risk

Insurance Risk

The Association's exposure to insurance risk is limited to a potential increase in the amount of sick pay claimed and a reduction in premium income received by its subsidiary – SECI Limited.

The amount of sickness claims is monitored on an annual basis and an adjustment will be made to the premium charged to reflect any major changes. All member firms are actively encouraged to participate in the various schemes available.

Liquidity Risk

The Association through its subsidiary – SECI Limited is currently required to hold £2million in cash to satisfy PRA requirements, this is well in excess of the actual general insurance capital requirement amount required of £152,000 (2022: £148,000) per the PRA return.