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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 Engineering

Year ended:

30 November 2023

List No:

11 E (S)

Head or Main Office:

105 West George St

Glasgow

Postcode

G2 1QL

Website address (if available)

www.scottishengineering.org.uk

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

Yes

No

X

('X' in appropriate box)

General Secretary:

Chief Executive: Paul Sheerin

Contact name for queries regarding the completion of this return:

Mrs Rebecca Rigg

Telephone Number:

0141 221 3181

E-mail:

rebeccarigg@scottishengineering.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
491				491

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
no changes during period			

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
1,266,971	From Members	Subscriptions, levies, etc	1,352,813	1,352,813
	Investment income	Interest and dividends (gross)		
4,314		Bank interest (gross)	17,932	17,932
		Other (specify)		
32,134		Dividends	34,952	34,952
		Total Investment Income	52,884	52,884
36,448	Other Income	Rents received		
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
46,293		Annual Dinner surplus	49,892	49,892
		Expenses reimbursed	30,838	30,838
46,293		Total of other income		80,730
1,349,712		Total income		1,486,427
		Interfund Transfers IN		
	Expenditure			
774,561	Administrative expenses	Remuneration and expenses of staff	835,260	835,260
82,201		Occupancy costs	87,485	87,485
17,393		Printing, Stationery, Post	11,117	11,117
9,233		Telephones	10,243	10,243
107,651		Legal and Professional fees	112,503	112,503
		Miscellaneous (specify)		
40,487		Motor & travel expenses	49,883	49,883
13,562		Subscriptions	20,354	20,354
3,086		General expenses	4,878	4,878
1,048,174		Total of Admin expenses		1,131,723
2,146	Other Charges	Bank charges	2,838	2,838
		Depreciation		
		Sums written off	5,590	5,590
		Affiliation fees		
		Donations		
152,542		Conference and meeting fees	154,990	154,990
		Expenses		
		Miscellaneous (specify)		
32,751		Unwinding of pension obligation discount	25,781	25,781
99,293		Fair value changes	66	66
21,400		Loss/(Gain) on disposal of investments	-2,625	-2,625
		Actuarial gain on pension scheme	-420,575	-420,575
308,132		Total of other charges		-233,935
-4,233		Taxation	-8,504	-8,504
		Total expenditure		889,284
1,284,746		Interfund Transfers OUT		
-2,361		Surplus/Deficit for year		597,143
		Amount of fund at beginning of year		1,282,385
1,282,385		Amount of fund at end of year		1,879,528

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 [30 November 2023]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)		
	Investments (as per analysis on page 9)		
1,438,224	Quoted (Market value £) as at Page 9		1,432,445
704,410	Unquoted (Market value £) as at Page 9		704,410
2,142,634	Total Investments	2,136,855	2,136,855
	Other Assets		
	Sundry debtors		
239,889	Cash at bank and in hand	252,656	252,656
	Stocks of goods		
	Others (specify)		
17,505	Trade debtors	29,437	
54,695	Prepayments and accrued income	72,617	
54	Tax		
312,143	Total of other assets	354,710	354,710
		Total Assets	2,491,565
1,282,385	Revenue Account/ General Fund	1,879,528	
	Revaluation Reserve		
31,959	Fair value reserve	31,959	
	Liabilities		
	Tax	1,947	
9,508	VAT	6,920	
103,089	Accruals and deferred income	94,539	
100,360	Deferred tax	89,856	
927,476	Pension liability	386,816	
1,140,433	Total Liabilities		580,078
2,454,777	Total Assets		2,491,565

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period				
Additions during period				
Less: Disposals				
Less: Depreciation				
Total to end of period				
Book Amount at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets				

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)	
	Rathbones investment portfolio	1,432,445
	Total Quoted (as Balance Sheet)	1,432,445
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Shares in Fyfe Chambers (First Floor) Limited	704,410
	Total Unquoted (as Balance Sheet)	704,410
	Market Value of Unquoted Investments	

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

Analysis of investment income (Controlling interests)

(see note 23)

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

Yes	X	No	
-----	----------	----	--

If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
Fyfe Chambers (First Floor) Limited	SC190449 (Scotland)
ScotEng Limited	SC668745 (Scotland)
Scottish Engineering Services Limited	SC668756 (Scotland)

Incorporated Employers' Associations

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

Yes	X	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	
-----	--	----	--

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	1,352,813	1,352,813
From Investments	52,884	52,884
Other Income (including increases by revaluation of assets)	80,730	80,730
Total Income	1,486,427	1,486,427
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	889,284	889,284
Funds at beginning of year (including reserves)	1,314,344	1,314,344
Funds at end of year (including reserves)	1,911,487	1,911,487
ASSETS		
Fixed Assets		
Investment Assets		2,136,855
Other Assets		354,710
Total Assets		2,491,565
Liabilities		
Total Liabilities		580,078
Net Assets (Total Assets less Total Liabilities)		1,911,487

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	1,352,813	1,352,813
From Investments	52,884	52,884
Other Income (including increases by revaluation of assets)	80,730	80,730
Total Income	1,486,427	1,486,427
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	889,284	889,284
Funds at beginning of year (including reserves)	1,314,344	1,314,344
Funds at end of year (including reserves)	1,911,487	1,911,487
ASSETS		
Fixed Assets		
Investment Assets		2,136,855
Other Assets		354,710
Total Assets		2,491,565
Liabilities		
Total Liabilities		580,078
Net Assets (Total Assets less Total Liabilities)		1,911,487

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 document



Scottish Engineering

Notes to the Financial Statements For The Year Ended 30 November 2023

1. STATUTORY INFORMATION

Scottish Engineering is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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

The financial instruments have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Preparation of consolidated financial statements

The financial statements contain information about Scottish Engineering as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Turnover is derived from subscriptions and is supplemented by training course, consultancies and rents. Turnover is recognised at fair value when received, and is shown net of VAT. Subscriptions are invoiced annually in December.

Tangible fixed assets

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

Fixtures and fittings - 2.5% on cost

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

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

Fixed asset investments

Interests in subsidiaries are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed to profit or loss as incurred. Changes in fair value are recognised in other comprehensive income except to the extent that a gain reverse a loss previously recognised in profit or loss, or a loss exceeds the accumulated gains recognised in equity; such gains and losses are recognised in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the Financial Statements - continued
For The Year Ended 30 November 2023

2. **ACCOUNTING POLICIES - continued**

Financial instruments

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

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

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

Basic financial assets

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

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

Derecognition of financial liabilities

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

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 measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
For The Year Ended 30 November 2023

2. **ACCOUNTING POLICIES - continued**

Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in the net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on the market price information, and in case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Employee benefits

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

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

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

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 15 (2022 - 13).

Scottish Engineering

Notes to the Financial Statements - continued
For The Year Ended 30 November 2023

4. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
COST	
At 1 December 2022 and 30 November 2023	50,000
DEPRECIATION	
At 1 December 2022 and 30 November 2023	50,000
NET BOOK VALUE	
At 30 November 2023	-
At 30 November 2022	-

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Other investments £	Totals £
COST OR VALUATION			
At 1 December 2022	704,410	1,438,224	2,142,634
Additions	-	149,565	149,565
Disposals	-	(155,278)	(155,278)
Revaluations	-	(66)	(66)
At 30 November 2023	704,410	1,432,445	2,136,855
NET BOOK VALUE			
At 30 November 2023	704,410	1,432,445	2,136,855
At 30 November 2022	704,410	1,438,224	2,142,634

Cost or valuation at 30 November 2023 is represented by:

	Shares in group undertakings £	Other investments £	Totals £
Valuation in 2023	31,959	413,992	445,951
Cost	672,451	1,018,453	1,690,904
	704,410	1,432,445	2,136,855

Scottish Engineering

Notes to the Financial Statements - continued
For The Year Ended 30 November 2023

5. **FIXED ASSET INVESTMENTS - continued**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Fyfe Chambers (First Floor) Limited

Registered office: 105 West George Street, Glasgow, G2 1QL

Nature of business: Property

	%
Class of shares:	holding
Ordinary	100.00

ScotEng Limited

Registered office: 105 West George Street, Glasgow, Scotland, G2 1QL

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary	100.00

Scottish Engineering Services Limited

Registered office: 105 West George Street, Glasgow, Scotland, G2 1QL

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary	100.00

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	29,437	17,505
Tax	-	54
Prepayments and accrued income	72,617	54,695
	<u>102,054</u>	<u>72,254</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Tax	1,947	-
VAT	6,920	9,508
Accruals and deferred income	94,539	103,089
	<u>103,406</u>	<u>112,597</u>

8. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	21,635	8,343
Between one and five years	33,296	6,757
	<u>54,931</u>	<u>15,100</u>

Scottish Engineering

Notes to the Financial Statements - continued
For The Year Ended 30 November 2023

8. **LEASING AGREEMENTS - continued**

Operating lease payments represent rental payable by the association for motor vehicles. Leases are negotiated for an average term of 3 years and rentals are fixed.

9. **PROVISIONS FOR LIABILITIES**

	2023	2022
	£	£
Deferred tax	89,856	100,360
		Deferred tax
		£
Balance at 1 December 2022		100,360
Provided during year		(10,504)
Balance at 30 November 2023		89,856

10. **RESERVES**

	Fair value reserve
	£
At 1 December 2022 and 30 November 2023	31,959

11. **FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

Scottish Engineering

Notes to the Financial Statements - continued
For The Year Ended 30 November 2023

12. **RETIREMENT BENEFITS**

Scottish Engineering are members of the Engineering Employers' Federation Pension Fund which is a defined benefit scheme.

An actuarial valuation for the scheme was carried out at 31 March 2023 which showed a deficit of £19m. To eliminate this deficit, the Trustees have asked Scottish Engineering to pay contributions to the scheme of £151,848 in the year to March 2024 and then pay annual contributions of £56,000 (£4,667 per month), increasing by 2% each 1 April from April 2024 until the end date of 31 December 2030.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. Scottish Engineering's share of the scheme liabilities is 2.5%.

Where the scheme is in deficit and where the association has agreed to a deficit funding arrangement the association recognised a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Key Assumptions:	2023	2022
	%	%
Discount rate	4.12	3.20
Amounts recognised in the profit and loss account	2023	2022
	£	£
Net interest on defined benefit liability/(asset)	25,781	32,751
Revaluation	(420,575)	-
Total	(394,794)	32,751

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2023	2022
	£	£
Present value of defined benefit obligations	<u>386,813</u>	<u>927,476</u>
Deficit in scheme	386,813	927,476

Movements in the present value of defined benefit obligations:	2023	2022
Liabilities at 1 December 2022	927,476	1,023,458
Benefits paid	(145,868)	128,733
Interest cost	25,781	32,751
Revaluation	<u>(420,575)</u>	-
Liabilities at 30 November 2023	386,813	927,476

Accounting policies

(see notes 35 & 36)

See attached document

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: <i>Rebecca Rigg</i>	Chairman's Signature: <i>Aine Finlayson</i> <small>(or other official whose position should be stated)</small>
Name: Rebecca Rigg	Name: Aine Finlayson
Date: 29 May 2024	Date: 29 May 2024

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

Checklist for auditor's report

(see notes 41 to 44)

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

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

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

We have audited the financial statements which 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.

In our opinion the financial statements give a true and fair view of the company's financial affairs at 30 November 2023 and of its transactions for the year then ended.

Please see attached the auditor's report that is included in the financial statements for the year ended 30 November 2023.

Signature(s) of auditor or auditors:

Name(s):

Profession(s) or Calling(s):

Address(es)

Date:

Contact name for enquiries and telephone number:

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

**Report of the Independent Auditors to the Members of
Scottish Engineering**

Opinion

We have audited the financial statements of Scottish Engineering (the 'company') for the year ended 30 November 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 the provisions available for small entities, in the circumstances set out in note eleven to the financial statements, 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. Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions available for Small Entities (Revised)", 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 directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

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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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 company through discussions with directors and other management, and from our wider knowledge and experience;
- 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 company, including the Companies Act 2006 and FRS 102.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; 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 company'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

Audit response to risks identified

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

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out 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; and
- Requesting correspondence with HMRC, Companies House and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that 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 the directors and other management and the inspection 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 Report of the Auditors.

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Use of our report

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

DocuSigned by:

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Graham Cantlay (Senior Statutory Auditor)
for and on behalf of Robb Ferguson
Chartered Accountants & Statutory Auditors
Regent Court
70 West Regent Street
Glasgow
G2 2QZ

09 January 2024

Date: