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Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	Scottish Decorators' Federation					
Year ended:	31 December 2024					
List No:	5010E					
Head or Main Office:	Pavilion 2					
	Castlecraig Business Park					
	Stirling					
Postcode	FK7 7SH					
Website address (if available)	www.scottishdecorators.co.uk					
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td><input type="checkbox"/></td><td>No</td><td><input checked="" type="checkbox"/></td><td>('X' in appropriate box)</td></tr></table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)		
General Secretary:						
Contact name for queries regarding the completion of this return:	Neil Rogers					
Telephone Number	01786 448838					
E-mail:	info@scottishdecorators.co.uk					

Please follow the guidance notes in the completion of this return

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

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

annualreturn@certificationoffice.gov.uk

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Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
183				183

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
President	M Nevin	A Levikus	07 March 2024
Senior Vice President	A Levikus	G McDonald	07 March 2024

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.

[illegible]

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
127,792	From Members	Subscriptions, levies, etc	134,070	134,070
	Investment income	Interest and dividends (gross)		
986		Bank interest (gross)	429	429
		Other (specify)		
17,034		Interest and dividends (gross)	21,279	21,279
		Total Investment Income	21,708	21,708
19,486	Other Income	Rents received	22,400	22,400
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
908		Miscellaneous		
22,000		Grant	28,000	28,000
14,997		Annual conference income	21,748	21,748
		Total of other income		72,148
		Total income		227,828
	Interfund Transfers IN			
	Expenditure			
90,371	Administrative expenses	Remuneration and expenses of staff	94,281	94,281
24,182		Occupancy costs	42,584	42,584
6,749		Printing, Stationery, Post	6,119	6,119
		Telephones		
10,404		Legal and Professional fees	10,153	10,153
		Miscellaneous (specify)		
15,475		Sundries	14,856	14,856
9,424		Computer costs	17,389	17,389
8,462		Subscriptions	8,377	8,377
		(Profit)/loss on sale of tangible assets	-3,664	-3,664
		Total of Admin expenses		180,095
	Other Charges	Bank charges		
16,069		Depreciation	18,815	18,815
		Sums written off	545	545
		Affiliation fees		
1,500		Donations		
16,680		Conference and meeting fees	20,071	20,071
		Expenses		
		Miscellaneous (specify)		
2,880		Motor expenses	2,139	2,139
3,961		Leasing	4,291	4,291
2,921		HP Interest	1,363	1,363
-31,532		(Gain)/Loss on fixed asset investments	-26,901	-26,901
		Total of other charges		20,323
6,432		Taxation	4,916	4,916
		Total expenditure		215,334
	Interfund Transfers OUT			
		Surplus/Deficit for year		12,582
		Amount of fund at beginning of year		1,266,288
		Amount of fund at end of year		1,278,860

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

Account 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Interfund Transfers IN		
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Interfund Transfers IN		
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

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

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

Account 5		Fund Account	
Name of account:		£	€
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Interfund Transfers IN		
	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		
Expenditure	Interfund Transfers IN		
	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		
Expenditure	Interfund Transfers IN		
	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 2024]

(see notes 19 and 20)

Previous Year		£	£
178,777	Fixed Assets (as at Page 8)	194,026	194,026
	Investments (as per analysis on page 9)		
717,932	Quoted (Market value £) as at Page 9		745,484
130,000	Unquoted (Market value £) as at Page 9		130,000
	Total Investments	875,484	875,484
	Other Assets		
32,765	Sundry debtors	55,506	55,506
236,355	Cash at bank and in hand	233,282	233,282
	Stocks of goods		
	Others (specify)		
22,944	Trade Debtors	1,318	
292,064	Total of other assets	290,108	290,108
	Total Assets		1,359,616
1,266,268	Revenue Account/ General Fund	1,278,860	
	Revaluation Reserve		
	Liabilities		
21,288	HP Loan	36,910	
6,686	Sundry Creditors	2,787	
8,992	Tax payable	13,780	
15,539	Accrued expenses	27,279	
	Total Liabilities		80,756
	Total Assets		1,359,616

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	243,585	56,032	54,331	353,948
Additions during period			52,000	52,000
Less: Disposals			-41,000	-41,000
Less: Depreciation	-91,342	-56,032	-23,548	-170,922
Total to end of period	152,243		41,783	194,026
Book Amount at end of period	152,243		41,783	194,026
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	152,243		41,783	194,026

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	See attached page 9A for full list	745,484
	Total Quoted (as Balance Sheet)	745,484
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Investment Property	130,000
	Total Unquoted (as Balance Sheet)	130,000
	Market Value of Unquoted Investments	

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

Other quoted securities (to be specified):

Previous Year	Current Year
62,972 Standard Life Global IL Bond/Aberdeen Standard Fund	59,725
67,463 Treasury 1.25% Index Linked 2032	64,855
59,476 Aberdeen Standard Fund	0
0 ABRDN OEIC II Sterling Corp Bond P Inc	58,111
19,981 Aberforth smaller companies	21,315
12,518 HICL Infrastructure Co	10,730
22,058 Murray Income Trust	20,834
24,064 Banker Investment Trust	27,025
31,994 Fundsmith Equity Inc	34,725
14,872 Polar Capital Fund Global Convertible	15,136
8,815 Henderson far east income	0
33,501 JP Morgan American IT	44,070
0 Schroder Asian Total Ret	9,177
17,028 Murray International	16,995
22,006 BNY Mellon Asset MGT	23,032
15,056 RIT Capital Partner	15,888
17,789 Sarasin Gbl Higher Dividend P Inc	18,625
33,735 Polar Capital Technology Trust	45,305
38,457 iShares II PLC USD TIPS UCITS ETF (GBP)	37,405
40,834 Treasury 1/8% I/L Gilt 10/08/2031	40,040
12,423 Greencoat UK Wind PLC	10,471
18,708 Artemis Fund MGRS	23,388
11,462 Smithson Investment Trust PLC	12,020
9,330 Worldwide Healthcare Trust	9,450
9,710 Fidelity Investment Services	9,657
0 JP Morgan Asset MGRS (UK)	
18,936 iShares PLC	24,276
9,484 M&G Securities Ltd	8,779
16,555 Personal Asset Trust	17,395
14,850 Ruffer Investment	14,472
53,835 Artemis Fund Mgrs Corp Bond F Inc	52,583
<hr/> 717,912	<hr/> 745,484

(see note 23)

Yes	No	X
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Company name

[illegible]

Yes	No
-----	----

Company name

Names of shareholders

Yes	No
-----	----

Company name

Names of shareholders

[illegible][illegible]

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	134,070	134,070
From Investments	21,708	21,708
Other Income (including increases by revaluation of assets)	72,148	72,148
Total Income	227,926	227,926
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	215,334	215,334
Funds at beginning of year (including reserves)	1,266,268	1,266,268
Funds at end of year (including reserves)	1,278,860	1,278,860
ASSETS		
Fixed Assets		184,026
Investment Assets		875,484
Other Assets		290,106
Total Assets		1,359,616
Liabilities	Total Liabilities	80,756
Net Assets (Total Assets less Total Liabilities)		1,278,860

Notes to the accounts

(see note 34)

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

See attached P12A - P12E

Accounting policies

(see notes 35 & 36)

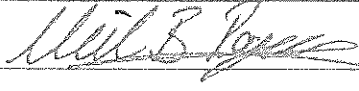
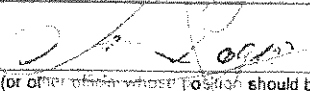
See P12 attachments

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
Name:	NEIL B ROGERS	Name:	IAN ROGERS
Date:	11-03-2025	Date:	10-3-2025

(or other officer whose T.O.S. should be stated)

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.

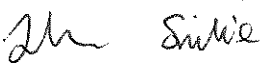
3. Your auditors or auditor must include in their report the following wording:

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)

See attached

Signature(s) of auditor or auditors:		
Name(s):	Johnston Smillie Ltd	
Profession(s) or Calling(s):	Chartered Accountants & Statutory Auditor	
Address(es)	5 South Gyle Crescent Lane Edinburgh EH12 9EG	
Date:	16/04/2025	
Contact name for enquiries and telephone number:	0131 317 7377	

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

SCOTTISH DECORATORS' FEDERATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTTISH DECORATORS' FEDERATION

Opinion

We have audited the financial statements of Scottish Decorators' Federation (the 'Federation') for the year ended 31 December 2024 which comprise the income and expenditure account, the balance sheet 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 Federation's affairs as at 31 December 2024 and of its profit 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 Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The National Council 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. The National Council are responsible for the other information contained within the annual report. 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.

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

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

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

SCOTTISH DECORATORS' FEDERATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCOTTISH DECORATORS' FEDERATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Federation and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the National Council. We have one matter to report in respect of the following matters in relation to which the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004 requires us to report to you if, in our opinion:

- the Federation has not kept proper accounting records in accordance with the requirements of Section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992; or
- has not maintained a satisfactory system of control over its transactions in accordance with the requirements of that Section; or
- the financial statements do not agree with the accounting records.

We draw attention to the fact that, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992, the system of internal controls over compliance with the requirements of the Act has been found to be unsatisfactory. Specifically, there is a lack of segregation of duties within the Federation. Our opinion is not modified in respect of this matter.

Responsibilities of the National Council

The National Council 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 National Council 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 National Council are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the National Council either intend to liquidate the Federation 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.

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.

We obtained an understanding of the legal and regulatory frameworks applicable to the Federation, focusing on provisions of those laws and regulations which could have a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004, FRS 102 and local tax legislation.

We assessed the susceptibility of the Federation's financial statements to material misstatement, including how fraud might occur, by considering our knowledge of the entity and the sector in which it operates and by discussion with staff and those charged with governance. We considered the procedures and controls that are in place to address risks identified, or that otherwise prevent, deter and detect fraud.

Based on this understanding we designed our audit procedures to detect circumstances in which irregularities could result in material misstatement and to identify irregularities which may have occurred. Our procedures included: journal entry testing; enquiries of staff and those charged with governance; review of specific transactions and documentation; review of board minutes; analytical procedures; and review of the presentation and disclosures in the financial statements.

SCOTTISH DECORATORS' FEDERATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCOTTISH DECORATORS' FEDERATION

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

This report is made solely to the members of the Federation, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 2004. Our audit work has been undertaken so that we might state to the Federation's members those matters we are required to state to them in an 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 Federation and the Federation's members as a body, for our audit work, for this report, or for the opinions we have formed.



Johnstone Smillie Ltd
Chartered Accountants
Statutory Auditor

Date: 27/3/2025

5 South Gyle Crescent Lane
Edinburgh
EH12 9EG

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties. The principal accounting policies adopted are set out below.

1.2 Going concern

The Scottish Decorators' Federation's National Council consider that there are no material uncertainties about the Federation's ability to continue as a going concern. The Federation also has a strong balance sheet with significant bank balances and investment portfolio. After considering the potential impact of current economic uncertainties and inflationary pressures and with member subscriptions and other investment income at current levels a surplus before movement in fixed asset investments is expected in future years. For these reasons the Scottish Decorators' Federation's National Council are satisfied that the Scottish Decorators' Federation will have adequate resources to continue as a going concern for the foreseeable future.

1.3 Income

Income is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Members subscriptions run in line with the accounting year and any subscriptions paid in advance for the following year are deferred at the year end.

1.4 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Fixtures and fittings	20% on cost
Computers	20% on cost
Motor vehicles	25% on cost

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 income or expenditure.

1.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in income or expenditure.

1.6 Fixed asset investments

Listed investments are included at market value based on the closing middle market prices at the balance sheet date. Gains and losses arising on annual re-valuation of these listed investments are recognised immediately in income or expenditure.

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the federation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the federation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income or expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

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.

1.9 Financial instruments

The federation has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the federation's balance sheet when the federation 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 assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

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 federation after deducting all of its liabilities.

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The federation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.11 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 federation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to income or expenditure so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income or expenditure 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 leases asset are consumed.

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the Federation's accounting policies, the National Council are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of Investment Property

Investment property is measured at fair value at the reporting end date, per note 1.5. As mentioned at note 5, a professional valuation was carried out in March 2023 which has been assessed and deemed to still be applicable. Similar commercial properties for sale in the area were taken into account when confirming this judgement. The fair value at 31 December 2024 is outlined at note 5.

3 Employees

The average monthly number of persons employed by the Federation during the year was:

	2024 Number	2023 Number
Total	3	3

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2024	243,585	110,363	353,948
Additions	-	52,000	52,000
Disposals	-	(41,000)	(41,000)
At 31 December 2024	243,585	121,363	364,948
Depreciation and impairment			
At 1 January 2024	86,470	88,701	175,171
Depreciation charged in the year	4,872	13,943	18,815
Eliminated in respect of disposals	-	(23,064)	(23,064)
At 31 December 2024	91,342	79,580	170,922
Carrying amount			
At 31 December 2024	152,243	41,783	194,026
At 31 December 2023	157,115	21,662	178,777

5 Investment property

	2024 £
Fair value	
At 1 January 2024 and 31 December 2024	130,000

The property received a full professional valuation in March 2023 by J&E Shepherd, Chartered Surveyors.

Based on current updated information from the surveyors, the committee members have retained the same value at 31 December 2024.

6 Fixed asset investments

	2024 £	2023 £
Other investments other than loans	745,484	717,932

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		Investments £
	Valuation		
	At 1 January 2024		717,932
	Additions		9,426
	Valuation changes		26,941
	Disposals		(8,815)
	At 31 December 2024		<u>745,484</u>
	Carrying amount		
	At 31 December 2024		<u>745,484</u>
	At 31 December 2023		<u>717,932</u>
7	Debtors	2024	2023
		£	£
	Amounts falling due within one year:		
	Trade debtors	1,318	2,544
	Other debtors	55,506	53,165
		<u>56,824</u>	<u>55,709</u>
8	Creditors: amounts falling due within one year	2024	2023
		£	£
	Trade creditors	-	3,901
	Taxation and social security	13,780	8,992
	Other creditors	36,174	21,558
		<u>49,954</u>	<u>34,451</u>
9	Creditors: amounts falling due after more than one year	2024	2023
		£	£
	Other creditors	<u>30,802</u>	<u>18,054</u>

SCOTTISH DECORATORS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Related party transactions

During the year to 31 December 2024, there were no related party transactions requiring disclosure. In the prior year, Computer Equipment worth £1,500 was donated by the Federation to The Scottish Painting and Decorating Apprenticeship Council, a charity under common control.

At 31 December 2024, the Federation was owed £156 (2023: £Nil) by a charity under common control, and the Federation owed £37 (2023: £11 owed to the Federation) to a company under common control.

11 Chain of Office

The chain of office is held by the Federation but the chain has not been valued and there is no certainty that any economic benefit would flow to the Federation in the event of sale. Therefore, the chain does not meet the criteria for an asset or a contingent asset and has not been included in the financial statements as such.