

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

**ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2010**

Company Number 143669

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THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and accounts for the year ended 31 December 2010

Principal Activities

The principal activity of the Company is to undertake the commercial and other activities of the Electrical Contractors Association

Review of Business

The results on page 4 show a loss for the year before tax of £14,822,091 (2009 £1,373,629) The dividend on the 6% cumulative preference shares of the Association has been waived

At the year end the company had pledged investments with a market value of £29,016,832 with the Society of Lloyd's, and had recognised a provision of £9,651,459 for the estimated loss on the 2010 Lloyd's Syndicate year of account Since the year end the Group has sought to de-risk its insurance activities and has exchanged on an agreement which will result in the group discontinuing its Insurance activity at Lloyd's after the 2011 year of account, and the release of a significant amount of the Company's pledged investments at Lloyd's

The assets of ECA Affinity Services Limited were transferred to the Company at the end of 2010 and that company became dormant from that date The balance on the cost of the investment of £1,941,461 has been written off in these accounts

Key Performance Indicators

The Company's main source of income derives from subscriptions, the provision of training and assessment services and dividends Membership fell from 3,027 to 2,950 in 2010 An incentive rebate is offset against subscription income and is determined on the results of the various benefit schemes operated by the Electrical Contracting Industry Benefits Agency (ECIBA)

Principal Risks Facing the Business

As a membership organisation the support of members is crucial in continuing to be a body representative of its sector in the market place The company is also dependant on trading and inter-group dividends from EC Insurance Holdings Limited and the completion of the de-risking of the insurance activities

Financial Instruments

The Company's principal financial instruments comprise bank balances, investments, other debtors, and other creditors The main purpose of these instruments is to finance the Company's operations

Directors

The current directors are

Allen, E (from 13 07 2011)	Burnley, M J (from 20 10 2010)	Rhodes, C J (to 21 04 2010
Bailey, M R	Hall, R M (from 13 07 2011)	and from 13 07 2011)
Bratt, S	Metcalf, G (from 13 04 2011)	Smith, M (from 21 04 2010)

The other directors who served during the period resigned on 13 July 2011 (unless otherwise stated) following governance changes were

Bailey, R G (to 13 04 2011)	Hilland, M	Murley, K (from 13 04 2011)
Basham, A T (from 21 04 2010)	Hills, A (to 13 04 2011)	Parkin, V (to 13 04 2011)
Clemens, J (to 21 04 2010)	Hope, A	Pearson, A
Coupland, T A (to 21 04 2010)	Lilley, M (from 21 04 2010)	Pollock, D R (to 30 09 2010)
Crosby, I P (to 13 04 2011)	Hughes, P (to 13 04 2011)	Smyth, S
Delaney, K (from 13 04 2011)	Johnson, D	Saunders, P (to 11 02 2010)
Fagg, P (from 21 04 2010)	Lewis, D	Solts, R
Fairburn, A R	Little, A (to 21 04 2010)	Sumner, P
Harrower, J R (to 16 07 2010)	Luxton, J R W (to 23 06 2011)	Walker, S (from 21 07 2010)
Kieft, D (from 13 04 2011)	McNaughton, P (from 20 10 2010)	

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

Donations

During the year the Company made charitable donations totalling £10,500 (2009 £10,500) and £2,000 each to the Conservative, Labour and Liberal Democrat parties totalling £6,000 (2009 £6,000)

Fixed Assets

Movements in fixed assets are shown in notes 13 and 14 to the accounts

Significant Shareholdings

The whole of the Company's share capital is held by the Electrical Contractors' Association

Directors' and Officers' Liability Insurance

During the year the Company maintained liability insurance for its directors and officers as permitted by Section 326 of the Companies Act 2006

Statement of the Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with the applicable laws and regulations

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- * select suitable accounting policies and then apply them consistently,
- * make judgements and estimates that are reasonable and prudent,
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities


Information to Auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

haysmacintyre have expressed their willingness to be re-appointed and a resolution will be submitted to the Annual General Meeting

ESCA House,
34 Palace Court,
London,
W2 4HY


By Order of the Board
M J BURNLEY
Secretary

28 September 2011

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

We have audited the financial statements of The Electrical Contractors Association Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- * give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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.


George Crowther (senior statutory auditor)

for and on behalf of
haysmacintyre
Statutory Auditors

28 September 2011

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

		2010	2009
	Notes	£	£
Turnover	2	5,159,544	5,330,517
Cost of sales	3	(11,916,894)	(12,307,556)
Operating loss before investment income and exceptional costs	5	(6,757,350)	(6,977,039)
Exceptional costs	6	(11,592,920)	-
Operating loss before investment income		(18,350,270)	(6,977,039)
Investment income	7	1,006,448	5,135,697
Profit on investments		2,521,731	467,713
Loss on ordinary activities before taxation		(14,822,091)	(1,373,629)
Taxation on ordinary activities	11	1,015,214	503,493
Loss for the financial year	21	(£13,806,877)	(£870,136)

The Company has no recognised gains or losses other than the results for the above financial years

The accompanying notes form an integral part of these financial statements

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

BALANCE SHEET

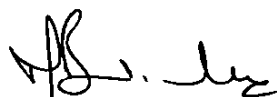
AS AT 31 DECEMBER 2010

	Notes	2010 £	2009 £
Fixed Assets			
Tangible Fixed Assets	13	5,971,917	6,114,459
Investments	14	<u>8,430,050</u>	<u>10,530,320</u>
		14,401,967	16,644,779
Current Assets			
Investments	15	6,661,806	11,883,771
Investments pledged for over one year	15	15,975,443	13,132,707
Debtors	16	5,621,434	3,133,799
Stock	17	48,388	-
Cash at bank and in hand		<u>4,041</u>	<u>129,276</u>
		28,311,112	28,279,553
Creditors Amounts falling due within one year	18	<u>(15,859,429)</u>	<u>(13,915,264)</u>
Net Current Assets		12,451,683	14,364,289
Creditors: Amounts falling due after one year	19	<u>(9,651,459)</u>	<u>-</u>
Net Assets		<u>£17,202,191</u>	<u>£31,009,068</u>
Capital And Reserves			
Called up share capital	20	1,507	1,507
Profit and loss account	21	17,200,684	31,007,561
Shareholders' Funds	22	<u>£17,202,191</u>	<u>£31,009,068</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by



M R BAILEY



M J BURNLEY

28 September 2011

The accompanying notes form an integral part of these financial statements

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below -

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention

(b) JIB Combined Benefits Scheme

The Company is responsible for the transactions, assets and liabilities relating to the management of the JIB Combined Benefits Scheme. Provision is made for all potentially repayable amounts with the exception of items which are statute barred

(c) Turnover

Turnover represents members' subscriptions and sundry income during the year. An incentive rebate is deducted from turnover

(d) Interest and Dividends

Interest, except short-term deposit interest, and dividends are recognised on a received basis. Short-term deposit interest is recognised on an accrued basis

(e) Depreciation

- (i) No depreciation is charged on freehold land. Freehold buildings are written off at a rate of 2% per annum of their cost
- (ii) Other assets are written off on a reducing balance basis. Fixtures, fittings and computer equipment are written off at rates of 10% to 33⅓% per annum. Motor vehicles at a rate of 33⅓% per annum. Computer software is written off in the year of purchase

(f) Fixed Asset Investments

Fixed asset investments are stated at the lower of cost and directors' valuation

(g) Current Asset Investments

Quoted investments are stated in the balance sheet at cost, which in aggregate is below market value. Where dealings in an investment had been suspended, the directors have taken a provision for loss in value. Realised gains and losses on investments are reflected in the revenue account by reference to original cost

(h) Deferred Tax

Full provision is made for deferred tax in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date

(i) Consolidated Accounts

No consolidated accounts are prepared since the Company is a wholly owned undertaking of the Electrical Contractors Association for which group accounts are prepared

(j) Cash Flow Statement

In preparing the accounts the directors have taken advantage of the provisions within Financial Reporting Standard 1 in not preparing a cash flow statement

2 Turnover

	2010	2009
	£	£
Subscriptions	4,401,810	4,598,468
Incentive rebate	(362,444)	(491,667)
Seminar and health and safety assessment income	994,304	1,158,257
Sundry income	125,874	65,459
	£5,159,544	£5,330,517

	2010	2009
	£	£
Association administration costs	7,339,223	7,872,309
Regional allocations and regional office costs	1,865,818	1,856,385
JIB support	937,043	572,868
Seminar and health and safety assessment costs	490,444	548,579
Publicity and special promotions	890,547	1,006,892
Meetings and delegates costs	393,819	450,523
	£11,916,894	£12,307,556

	2010 £	2009 £
Included in this heading are		
Donation to Electrical and Electronics Industries Benevolent Association	10,500	10,500
Subscriptions	135,948	132,677
	<u>£146,448</u>	<u>£143,177</u>

	2010 £	2009 £
The operating loss before investment income and exceptional costs for the year is stated after charging		
Auditors' remuneration audit	24,500	24,100
tax	4,075	3,950
other services	3,290	16,900
Depreciation	334,354	407,854

	2010 £	2009 £
Provision for call on investments for Lloyd's 2010 year of account	9,651,459	-
Write-off of investment in ECA Affinity Services Limited	1,941,461	-
	<u>£11,592,920</u>	<u>£ -</u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

7 Investment Income

	2010	2009
	£	£
Investment income from unitised investments	200,058	330,300
Interest received	3,161	44,366
Other investment income	392,190	423,769
Interest received from related parties	759	1,690
Rental income and hire of rooms	350,280	335,572
Inter group dividends	60,000	4,000,000
	<u>£1,006,448</u>	<u>£5,135,697</u>

8 Emoluments of Directors

During the year the directors received the following remuneration

	2010	2009
	£	£
As a director	266,250	420,730
Benefits in kind	28,305	41,610
Compensation for loss of office	430,400	-
Pension	41,632	81,362
	<u>£766,587</u>	<u>£543,702</u>
Highest paid director		
Emoluments	139,267	160,000
Pension	14,931	35,936
	<u>£154,198</u>	<u>£195,936</u>

During the year retirement benefits were accruing for 3 directors (2009 3 directors)

9 Staff Numbers and Costs

The average number of persons employed by the Company (excluding all non-executive directors) during the year was as follows -

	Employed and utilised by the Company	Employed but recharged to subsidiaries	Total employed
In 2010	No	No	No
Administration	<u>121</u>	<u>44</u>	<u>165</u>
The aggregate payroll costs were as follows -	£	£	£
Salaries	4,833,511	1,238,657	6,072,168
Social security costs	487,663	123,349	611,012
Pension costs defined benefit scheme	287,980	61,070	349,050
defined contribution scheme	224,113	60,418	284,531
additional employer contributions	15,772	1,412	17,184
funding pension deficit	425,719	-	425,719
	<u>£5,849,039</u>	<u>£1,484,906</u>	<u>£7,333,945</u>
In 2009	No	No	No
Administration	<u>130</u>	<u>34</u>	<u>164</u>
The aggregate payroll costs were as follows -	£	£	£
Salaries	4,581,439	982,421	5,563,860
Social security costs	426,074	99,833	525,907
Pension costs defined benefit scheme	338,388	43,928	382,316
defined contribution scheme	200,417	49,677	250,094
additional employer contributions	25,470	1,037	26,507
	<u>£5,571,788</u>	<u>£1,176,896</u>	<u>£6,748,684</u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

10 Pension Scheme

The Electrical Contractors Association operates both defined benefit and defined contribution retirement benefit schemes for the employees of the Association, its wholly owned subsidiaries, Esca Estates Limited, the Joint Industry Board and the JIB Pension Trustee Company Ltd. The assets of the scheme are held separately from those of the Company and the Company is unable to identify its share of the underlying assets and liabilities of the scheme.

Defined Benefit Scheme

The Defined Benefit Scheme provides benefits based on final pensionable pay. The scheme was closed to future accrual with effect from 31 December 2010. All scheme members were invited to join to Defined Contribution Scheme with effect from 1 January 2011.

Contributions to the scheme were determined by a qualified actuary on the basis of triennial valuations using the attained age method of valuation and charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The most recent valuation was at 31 December 2007.

The assumptions which have most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 4.5% per annum on fixed gilts and 6.5% on equity investments, that salary increases would average 4.5% per annum and that present and future pensions would increase at the rate of 3.25% per annum on pensions accrued to 5 April 1997 and 5% or RPI (if less) on pensions accrued from 6 April 1997.

The most recent actuarial valuation showed that the market value of the scheme's assets was £22,733,000 and that the actuarial value of those assets represented 103% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Since 1st January 2006, and until closure, the employer level of contribution was 17.3% and the employee contribution from 1st April 2006 was 7%. Administration fees and Life Assurance premiums were payable in addition. The defined benefit pension contributions paid by the Company in the year amounted to £349,051 (2009: £382,315). Employees were granted the option to enhance and maintain benefits at the pre-April 2003 level, but at their own cost.

The participating employers have agreed to meet the current pension deficit and a recovery plan is being agreed with the Trustees. A one-off payment of £515,719 was transferred into the scheme during the year. The company's share was £425,719.

Defined Contribution Scheme

The employer contributes 5% or 12.5% of pensionable earnings to a group occupational pension provider. The pension contributions paid by the company in the year amounted to £284,531 (2009: £250,094). The employee's contribution to this scheme is 5%.

For those members transferring from the Defined Benefit Scheme, the employer has agreed to increase their contribution by 1% to 13.5% if the employee agrees to increase their contribution by 1%.

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

11. Taxation

	2010 £	2009 £
The taxation charge based on the taxable profits for the year at current rates comprises		
UK corporation tax for the year	9,263	99,118
Adjustments in respect of previous periods	1,107	3,504
	<u>10,370</u>	<u>102,622</u>
Receipts for tax losses from other group undertakings - ECIC	(927,960)	-
Receipts for tax losses from other group undertakings - ECIS	(59,628)	(763,596)
Receipts for tax losses from other group undertakings - ECA Affinity	(18,067)	(47,424)
	<u>(995,285)</u>	<u>(708,398)</u>
Income tax repayable	(19,929)	(59,857)
Total current tax	<u>(1,015,214)</u>	<u>(768,255)</u>
Deferred tax (see note 12)	-	217,338
Taxation on ordinary activities	<u>(£1,015,214)</u>	<u>(£550,917)</u>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 28%

The differences are explained below

Loss on ordinary activities before tax	<u>(£14,822,091)</u>	<u>(£1,373,629)</u>
Loss on ordinary activities before tax multiplied by the standard corporation tax rate of 28% (2009 28%)	(4,150,186)	(384,616)
Effects of		
Capital allowances less than depreciation	170,651	44,220
Amounts disallowed for tax purposes	166,597	91,659
Indexation allowance	(480,484)	(82,084)
Other timing differences	(65,420)	(217,338)
Dividend and distribution income	(25,140)	30,371
Group relief surrender	1,164,027	1,736,906
Amounts not assessable to tax	3,229,218	(1,120,000)
Total current tax charge	<u>£9,263</u>	<u>£99,118</u>

12. Deferred Tax Asset

	2010 £	2009 £
At 1 January 2010	-	217,338
Movement in the year	-	(217,338)
At 31 December 2010	<u>£ -</u>	<u>£ -</u>

The deferred tax asset related to the payment of the company's share of its pension deficit

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

13. Tangible Fixed Assets

	Freehold land and buildings £	Fixtures, fittings and computer equipment £	Motor vehicles £	Total £
COST				
At 1 January 2010	5,792,444	2,025,121	601,803	8,419,368
Additions	-	58,252	57,922	116,174
Transferred from Group Company	-	99,138	289,278	388,416
Disposals	-	(39,135)	(160,687)	(199,822)
At 31 December 2010	<u>5,792,444</u>	<u>2,143,376</u>	<u>788,316</u>	<u>8,724,136</u>
ACCUMULATED DEPRECIATION				
At 1 January 2010	582,765	1,414,391	307,753	2,304,909
Charge for the year	98,402	138,796	97,156	334,354
Transferred from Group Company	-	70,250	180,617	250,867
Disposals	-	(37,726)	(100,185)	(137,911)
At 31 December 2010	<u>681,167</u>	<u>1,585,711</u>	<u>485,341</u>	<u>2,752,219</u>
NET BOOK VALUE				
At 31 December 2010	<u>£5,111,277</u>	<u>£557,665</u>	<u>£302,975</u>	<u>£5,971,917</u>
At 31 December 2009	<u>£5,209,679</u>	<u>£610,730</u>	<u>£294,050</u>	<u>£6,114,459</u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

14. Fixed Asset Investment

	2010	2009
	£	£
SUBSIDIARY UNDERTAKINGS		
The investments comprise		
ECA Affinity Services Ltd	-	2,100,000
EC Insurance Holdings Ltd	8,400,000	8,400,000
	8,400,000	10,500,000
RELATED UNDERTAKINGS		
The investments comprise		
ESCA Estates Ltd	30,000	30,000
JIB Pension Scheme Trustee Company Ltd	50	50
	30,050	30,050
OTHER FIXED ASSET INVESTMENTS		
The investments comprise		
ECA Publications Ltd	-	270
	£8,430,050	£10,530,320
Total Fixed Asset Investments at cost		

The holdings and principal activities of the subsidiary undertakings, associated undertakings and other fixed asset investments, which are all registered in England and Wales, are as follows

Name of Company	Description of shares held	% of shares held	Principal activity
SUBSIDIARY UNDERTAKINGS			
ECA Affinity Services Ltd	Ord £1	100%	Inspection and assessment services (dormant from 1 January 2011)
EC Insurance Holdings Ltd	Ord £1	100%	Insurance holding company
The following are subsidiaries of EC Insurance Holdings Ltd			
Electrical Contractors' Insurance Company Ltd	Ord £1	100%	Insurance
Electrical Contractors Insurance Services Ltd	Ord £1	100%	Insurance mediation services
EC Underwriting Corporate Member Ltd	Ord £1	100%	Member of Lloyd's Syndicate
Brandrisks Group Ltd	Ord £1	100%	Holding company
Brandrisks Ltd	Ord £1	100%	Insurance mediation services
TSM Agencies Ltd	Ord 5p	70%	Underwriting agency
Propertyrisks Ltd	Ord £1	100%	Dormant
Sportsrisks Ltd	Ord £1	100%	Dormant
ASSOCIATED UNDERTAKINGS			
ESCA Estates Ltd	Ord £1	42.857%	Property company
JIB Pension Scheme Trustee Company Ltd	Ord £1	50%	Manager of JIB pension scheme

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

15 Current Asset Investments

	Cost		Market Value	
	2010 £	2009 £	2010 £	2009 £
Investments				
Listed Securities				
United Kingdom				
Unitised Funds	730,509	5,341,204	2,237,678	10,221,668
Overseas				
Unitised Funds	7,999,924	7,999,924	4,544,660	4,743,948
Provision for loss of value	(2,091,493)	(1,600,000)	-	-
Short Term Deposits				
awaiting investment	22,866	142,643	22,866	142,643
	<u>£6,661,806</u>	<u>£11,883,771</u>	<u>£6,805,204</u>	<u>£15,108,259</u>
Investments pledged for over one year				
Listed Securities				
United Kingdom				
Unitised Funds	15,975,443	13,132,707	29,016,832	22,855,847
	<u>£15,975,443</u>	<u>£13,132,707</u>	<u>£29,016,832</u>	<u>£22,855,847</u>

The Short Term Deposits awaiting investment represents funds available for investment in securities held on behalf of the Company by RCM (UK) Limited, the Company's investment portfolio manager

Securities with a market value at 31 December 2010 of £29,016,832 (2009 £22,855,847) have been pledged as collateral with the Society and Corporation of Lloyd's to cover EC Underwriting Corporate Member Limited's capital requirements for 2011 and 2012

Since the year end the Group has de-risked its insurance activities and has exchanged on an agreement which will result in the group discontinuing its Insurance activity at Lloyd's after the 2011 year of account, and the release of a significant amount of the Company's pledged investments at Lloyd's

Dealings in one of the overseas unitised funds resumed on 30 November 2010 after suspension and the directors believe it to be prudent to maintain the provision for the loss in value

16. Debtors

	2010 £	2009 £
Trade debtors	629,952	144,731
Other debtors	186,619	282,941
Corporation Tax	17,024	-
Due from subsidiary undertakings	4,474,861	2,479,136
Due from associated undertakings	35,077	37,570
Prepayments and accrued income	277,901	189,421
	<u>£5,621,434</u>	<u>£3,133,799</u>

17. Stocks

	2010 £	2009 £
Goods held for resale	<u>£48,388</u>	<u>£ -</u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

18. Creditors: Amounts falling due within one year

	2010 £	2009 £
Bank overdraft	2,367,301	-
Trade creditors	11,362,149	11,669,770
Other creditors including taxation and social security	100,804	319,105
Value Added Tax	22,873	60,539
Due to subsidiary undertakings	-	-
Due to associated undertakings	41,388	-
Due to related undertakings	96,853	173,245
Accruals and deferred income	1,868,061	1,692,605
	<u>£15,859,429</u>	<u>£13,915,264</u>

19. Creditors: Amounts falling due after one year

	2010 £	2009 £
Provision for expected 2010 Lloyd's year of account loss	<u>£9,651,459</u>	<u>£ -</u>

Subsequent to the period end, a cash call was made of £3,634,378 for the 2010 year of account

20. Share Capital

	Authorised		Issued and fully paid	
	2010 £	2009 £	2010 £	2009 £
2,000 Ordinary shares of £1 each	2,000	2,000	-	-
2,000 6% Cumulative Preference Shares of £1 each	2,000	2,000	1,507	1,507
	<u>£4,000</u>	<u>£4,000</u>	<u>£1,507</u>	<u>£1,507</u>

21. Profit And Loss Account

	2010 £	2009 £
At 1 January 2010	31,007,561	31,877,697
Loss for the year	(13,806,877)	(870,136)
At 31 December 2010	<u>£17,200,684</u>	<u>£31,007,561</u>

22. Reconciliation Of Movements In Shareholders' Funds

	2010 £	2009 £
Loss for the financial year	(13,806,877)	(870,136)
Opening shareholders' funds at 1 January 2010	31,009,068	31,879,204
Closing shareholders' funds at 31 December 2010	<u>£17,202,191</u>	<u>£31,009,068</u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
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23 Operating Lease Commitments

At the year end the Company had the following annual operating lease commitments expiring

	2010		2009	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Within one year	196,930	-	155,360	-
Between two to five years	-	43,267	-	39,539
	<u>£196,930</u>	<u>£43,267</u>	<u>£155,360</u>	<u>£39,539</u>

24. Related Party Transactions

	2010 £	2009 £
Transactions with related parties		
Management fees charged to Esca Estates Ltd	15,000	5,000
Rent paid to Esca Estates Ltd	68,000	68,000
Service charges paid to Esca Estates Ltd	219,852	203,251
Dividend received from Esca Estates Ltd	60,000	-

Esca Estates Ltd is an associated undertaking of the Company. Balances due from and to related parties are disclosed in notes 16 and 18 respectively.

The company has taken advantage of the exemption available under Financial Reporting Standard 8 from disclosing details of transactions with other group companies. Consolidated accounts in which the company is included as a subsidiary are publicly available.

25 Ultimate Holding Undertaking/Ultimate Controlling Party

The Company's ultimate holding undertaking is The Electrical Contractors Association whose principal place of business is ESCA House, 34 Palace Court, London W2 4HY. The directors consider there to be no ultimate controlling party.