

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

**ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2011**

Company Number 143669



THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and accounts for the year ended 31 December 2011

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 £10,499,906 (2010 loss £14,822,091) The dividend on the 6% cumulative preference shares of the Association has been waived

During the year the Group sold its insurance interest at Lloyds but remains liable for its share of the run-off of the 2010 and 2011 underwriting years of account The best estimate of the total outturn of these two years indicates a loss of about £26m of which £19,742,696 has been recognised by the Company as exceptional costs (£10,091,237 in the current year and £9,651,459 in 2010) During 2011, part of these losses were met by a cash call from the Group of £10,448,837 of which the company paid £4,091,237 and the balance of £6,357,600 was met by Electrical Contractors Insurance Services Limited A further realisation of the losses by way of a cash call amounting to £9,086,000 was met by the Company in June 2012

At the year end the company had pledged investments with a market value of £15,424,771 with the Society of Lloyd's

The assets of ECA Affinity Services Limited were transferred to the Company at the end of 2010 and the results for the year include this acquired activity

Key Performance Indicators

The Company's main source of income derives from subscriptions, the provision of training, inspection and assessment services and dividends Membership fell from 2,950 to 2,855 in 2011 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

The finalisation of losses arising from the underwriting years of 2010 and 2011 in Lloyd's Syndicate 1110 and the effect of this on the on-going cash flow To address these risks, the Board in conjunction with the ECA Council are changing the business model of the trade association so that the provision of core member services and benefits become less reliant in the future on returns from commercial investments and drawdown from reserves

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	Rhodes, C J (from 13 07 2011)
Bailey, M R	Hall, R M (from 13 07 2011)	Smith, M (to 18 01 2012)
Bratt, S	Metcalf, G (from 13 04 2011)	Smyth, S (to 13 07 2010 and from 25 05 2012)

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)	Hills, A (to 13 04 2011)	McNaughton, P
Basham, A T	Hope, A	Murley, K (from 13 04 2011)
Crosby, I P (to 13 04 2011)	Lilley, M	Parkin, V (to 13 04 2011)
Delaney, K (from 13 04 2011)	Hughes, P (to 13 04 2011)	Pearson, A
Fagg, P	Johnson, D	Solts, R
Fairburn, A R	Lewis, D	Sumner, P
Kieft, D (from 13 04 2011)	Luxton, J R W (to 23 06 2011)	Walker, S
Hilland, M		

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

Donations

During the year the Company made charitable donations totalling £10,500 (2010 £10,500) and no political donations (2010 £6,000)

Fixed Assets

Movements in fixed assets are shown in notes 12 and 13 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

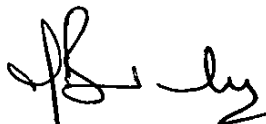
Information to Auditors

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

25 September 2012

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 2011 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 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 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 Directors' Responsibilities Statement, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

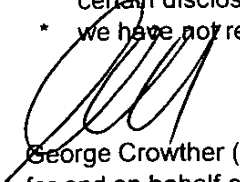
Opinion on other matter prescribed by the Companies Act 2006

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

Fairfax House
15 Fulwood Place
London
WC1V 6AY

25 September 2012

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

		2011			2010
		Continuing Activity	Acquired Activity	Total	
	Notes	£	£	£	£
Turnover	2	5,070,083	3,386,981	8,457,064	5,159,544
Cost of sales	3	(10,469,278)	(3,355,210)	(13,824,488)	(11,897,356)
Operating loss before investment income and exceptional costs	5	<u>(5,399,195)</u>	<u>31,771</u>	<u>(5,367,424)</u>	(6,737,812)
Exceptional costs	6			(10,091,237)	(11,592,920)
Operating loss before investment income				<u>(15,458,661)</u>	(18,330,732)
Investment income	7			1,000,313	986,909
Profit on investments				3,958,442	2,521,732
Loss on ordinary activities before taxation				<u>(10,499,906)</u>	(14,822,091)
Taxation on ordinary activities	11			955,526	1,015,214
Loss for the financial year	20			<u><u>(£9,544,380)</u></u>	(£13,806,877)

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

		2011		2010	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	12	5,676,695		5,971,917	
Investments	13	<u>8,430,050</u>		<u>8,430,050</u>	
			14,106,745		14,401,967
Current Assets					
Investments	14	10,772,916		6,661,806	
Investments pledged for over one year	14	10,686,409		15,975,443	
Debtors	15	3,729,476		5,621,434	
Stock	16	161,621		48,388	
Cash at bank and in hand		<u>4,041</u>		<u>4,041</u>	
		25,354,463		28,311,112	
Creditors : Amounts falling due within one year	17	<u>(25,237,938)</u>		<u>(15,859,429)</u>	
Net Current Assets			116,525		12,451,683
Creditors : Amounts falling due after one year	18		<u>(6,565,459)</u>		<u>(9,651,459)</u>
Net Assets			<u>£7,657,811</u>		<u>£17,202,191</u>
Capital And Reserves					
Called up share capital	19		1,507		1,507
Profit and loss account	20		7,656,304		17,200,684
Shareholders' Funds	21		<u>£7,657,811</u>		<u>£17,202,191</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

25 September 2012

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 2011

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

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

2. Turnover

Turnover relates wholly to activities in the United Kingdom

	2011 £	2010 £
Subscriptions	4,064,394	4,401,810
Incentive rebate	(252,174)	(362,444)
Seminar and health and safety assessment income	1,111,846	994,304
Sundry income	146,017	125,874
Assessment income	2,936,808	-
Service Division shop sales	390,688	-
Service Division other income	59,485	-
	3,386,981	
	£8,457,064	£5,159,544

3 Cost of Sales

	2011 £	2010 £
Association administration costs	6,014,593	7,266,078
Regional allocations and regional office costs	1,753,512	1,865,818
Costs of Service Division	3,355,210	-
JIB support	662,207	937,043
Seminar and health and safety assessment costs	637,737	490,444
Publicity and special promotions	896,295	890,547
Meetings and delegates costs	504,934	447,425
	£13,824,488	£11,897,356

4. Subscriptions and Donations

	2011 £	2010 £
Included in this heading are		
Donation to Electrical and Electronics Industries Benevolent Association	10,500	10,500
Subscriptions	137,989	135,948
	£148,489	£146,448

5. Supplementary Profit and Loss Information

	2011 £	2010 £
The operating loss before investment income and exceptional costs for the year is stated after charging		
Auditors' remuneration audit	24,425	24,500
tax	4,200	4,075
other services	8,475	3,290
Depreciation	308,487	334,354

6. Exceptional Costs

	2011 £	2010 £
Provision for Syndicate's losses at Lloyd's	10,091,237	9,651,459
Write-off of investment in ECA Affinity Services Limited	-	1,941,461
	£10,091,237	£11,592,920

As explained in note 15, the Company had pledged investments to the Society and Corporation of Lloyd's as collateral for the underwriting activities of in the Lloyd's Syndicate. These investments can be called upon by Lloyd's to fund the losses and attract no tax relief.

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

7 Investment Income

	2011 £	2010 £
Investment income from unitised investments	299,155	200,058
Interest received	-	3,161
Other investment income	329,632	392,190
Interest received from related parties	759	759
Rental income and hire of rooms	310,768	330,741
Inter group dividends	60,000	60,000
	<u>£1,000,313</u>	<u>£986,909</u>

8 Emoluments of Directors

During the year the directors received the following remuneration

	2011 £	2010 £
As a director	272,000	278,150
Benefits in kind	20,439	28,305
Compensation for loss of office	-	430,400
Pension	36,031	41,632
	<u>£328,470</u>	<u>£778,487</u>
Highest paid director		
Emoluments	165,690	139,267
Pension	19,029	14,931
	<u>£184,719</u>	<u>£154,198</u>

Retirement benefits were accruing for 2 directors throughout the year (2010 3 directors two of which were for part of the year)

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 No.	Employed but recharged to subsidiaries No.	Total employed No.
In 2011	No.	No.	No.
Administration	<u>162</u>	<u>-</u>	<u>162</u>
The aggregate payroll costs were as follows -	£	£	£
Salaries	5,301,292	-	5,301,292
Social security costs	570,226	-	570,226
Pension costs defined benefit scheme	-	-	-
defined contribution scheme	495,718	-	495,718
additional employer contributions	17,895	-	17,895
funding pension deficit	366,135	-	366,135
	<u>£6,751,266</u>	<u>£ -</u>	<u>£6,751,266</u>
In 2010	No	No	No
Administration	<u>121</u>	<u>44</u>	<u>165</u>
The aggregate payroll costs were as follows -	£	£	£
Salaries	4,403,111	1,238,657	5,641,768
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>£5,844,358</u>	<u>£1,484,906</u>	<u>£7,329,264</u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

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 2010.

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 £23.1 million and that the actuarial value of those assets represented 81% 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. Employees were granted the option to enhance and maintain benefits at the pre-April 2003 level, but at their own cost. There were no defined benefit pension contributions paid by the Company in the year (2010: £349,051).

The participating employers have agreed to meet the current pension deficit and a recovery plan has been agreed with the Trustees to pay £500,000 per annum. During the year £500,000 (2010: £515,000) was transferred into the scheme as part of the agreement to close the plan to future accrual. The company's share was £366,135 (2010: £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 £495,718 (2010: £284,531). 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 2011

11 Taxation

The taxation charge based on the taxable profits for the year at current rates comprises

UK corporation tax for the year

Adjustments in respect of previous periods

Receipts for tax losses from other group undertakings - ECIC

Receipts for tax losses from other group undertakings - ECIS

Receipts for tax losses from other group undertakings - ECA Affinity

Income tax repayable

Taxation on ordinary activities

2011 £	2010 £
16,134	9,263
(127,915)	1,107
(111,781)	10,370
(780,571)	(927,960)
(47,039)	(59,628)
-	(18,067)
(939,391)	(995,285)
(16,135)	(19,929)
(£955,526)	(£1,015,214)

The tax assessed for the year differs from the standard corporation tax rate in the UK of 26.49%

The differences are explained below

Loss on ordinary activities before tax

Loss on ordinary activities before tax multiplied by the standard corporation tax rate of 26.49% (2010: 28%)

Effects of

Capital allowances less than depreciation

Amounts disallowed for tax purposes

Indexation allowance

Other timing differences

Chargeable gains

Dividend and distribution income

Group relief surrender

Marginal relief

Amounts not assessable to tax

Total current tax charge

(£10,499,906)	(£14,822,091)
(2,781,426)	(4,150,186)
(52,645)	170,651
1,722,535	166,597
-	(480,484)
-	(65,420)
318,365	-
(1,162)	(25,140)
827,609	1,164,027
(917)	-
(16,225)	3,229,218
£16,134	£9,263

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

12 Tangible Fixed Assets

	Freehold land and buildings £	Fixtures, fittings and computer equipment £	Motor vehicles £	Total £
COST				
At 1 January 2011	5,792,444	2,143,376	788,316	8,724,136
Additions	-	131,973	-	131,973
Disposals	-	(68,413)	(409,326)	(477,739)
At 31 December 2011	<u>5,792,444</u>	<u>2,206,936</u>	<u>378,990</u>	<u>8,378,370</u>
ACCUMULATED DEPRECIATION				
At 1 January 2011	681,167	1,585,711	485,341	2,752,219
Charge for the year	98,400	144,693	65,394	308,487
Disposals	-	(65,861)	(293,170)	(359,031)
At 31 December 2011	<u>779,567</u>	<u>1,664,543</u>	<u>257,565</u>	<u>2,701,675</u>
NET BOOK VALUE				
At 31 December 2011	<u>£5,012,877</u>	<u>£542,393</u>	<u>£121,425</u>	<u>£5,676,695</u>
At 31 December 2010	<u><u>£5,111,277</u></u>	<u><u>£557,665</u></u>	<u><u>£302,975</u></u>	<u><u>£5,971,917</u></u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

13. Fixed Asset Investment

	2011 £	2010 £
SUBSIDIARY UNDERTAKINGS		
The investments comprise		
ECA Affinity Services Ltd	-	-
EC Insurance Holdings Ltd	8,400,000	8,400,000
	8,400,000	8,400,000
RELATED UNDERTAKINGS		
The investments comprise		
ESCA Estates Ltd	30,000	30,000
JIB Pension Scheme Trustee Company Ltd	50	50
	30,050	30,050
Total Fixed Asset Investments at cost	£8,430,050	£8,430,050

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
Brandrisks Group Ltd	Ord £1	100%	Holding company
Brandrisks Ltd	Ord £1	100%	Insurance mediation services
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 2011

14. Current Asset Investments

	Cost		Market Value	
	2011 £	2010 £	2011 £	2010 £
Investments				
Listed Securities				
United Kingdom				
Unitised Funds	4,841,619	730,509	9,427,683	2,237,678
Overseas				
Unitised Funds	7,999,924	7,999,924	4,691,855	4,544,660
Provision for loss of value	(2,091,493)	(2,091,493)	-	-
Short Term Deposits				
awaiting investment	22,866	22,866	22,866	22,866
	<u>£10,772,916</u>	<u>£6,661,806</u>	<u>£14,142,404</u>	<u>£6,805,204</u>
Investments pledged for over one year				
Listed Securities				
United Kingdom				
Unitised Funds	10,686,409	15,975,443	15,424,771	29,016,832
	<u>£10,686,409</u>	<u>£15,975,443</u>	<u>£15,424,771</u>	<u>£29,016,832</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 2011 of £15,424,771 (2010 £29,016,832) have been pledged as collateral with the Society and Corporation of Lloyd's to cover the Company's capital requirements for the run-off of the 2010 and 2011 years of account

Dealings in one of the overseas unitised funds have been suspended pending its closure and the directors believe it to be prudent to maintain the provision for the loss in value

15 Debtors

	2011 £	2010 £
Trade debtors	510,683	629,952
Other debtors	359,649	186,619
Corporation Tax	6,266	17,024
Due from subsidiary undertakings	2,566,780	4,474,861
Due from associated undertakings	35,077	35,077
Prepayments and accrued income	251,021	277,901
	<u>£3,729,476</u>	<u>£5,621,434</u>

16 Stocks

	2011 £	2010 £
Goods held for resale	<u>£161,621</u>	<u>£48,388</u>

THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2011

17 Creditors: Amounts falling due within one year

	2011 £	2010 £
Bank overdraft	3,473,406	2,367,301
Trade creditors	9,573,821	11,362,149
Other creditors including taxation and social security	100,895	100,804
Value Added Tax	160,915	22,873
Due to subsidiary undertakings	790,324	-
Due to associated undertakings	28,612	41,388
Due to related undertakings	105,318	96,853
Accruals and deferred income	1,918,647	1,868,061
Call due on Lloyd's underwriting	9,086,000	-
	£25,237,938	£15,859,429

18 Creditors Amounts falling due after one year

	2011	2010
Provision for expected 2010 and 2011 Lloyd's years of account loss	£6,565,459	£9,651,459

Subsequent to the period end, a cash call was made of £9,086,000 for the 2010 and 2011 years of account

19. Share Capital

	Authorised		Issued and fully paid	
	2011 £	2010 £	2011 £	2010 £
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
	£4,000	£4,000	£1,507	£1,507

20. Profit And Loss Account

	2011 £	2010 £
At 1 January 2011	17,200,684	31,007,561
Loss for the year	(9,544,380)	(13,806,877)
At 31 December 2011	£7,656,304	£17,200,684

21 Reconciliation Of Movements In Shareholders' Funds

	2011 £	2010 £
Loss for the financial year	(9,544,380)	(13,806,877)
Opening shareholders' funds at 1 January 2011	17,202,191	31,009,068
Closing shareholders' funds at 31 December 2011	£7,657,811	£17,202,191

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

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

	2011		2010	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Within one year	198,793	-	196,930	-
Between two to five years	-	180,121	-	43,267
	<u>£198,793</u>	<u>£180,121</u>	<u>£196,930</u>	<u>£43,267</u>

23 Related Party Transactions

	2011 £	2010 £
Transactions with related parties		
Management fees charged to Esca Estates Ltd	15,000	15,000
Rent paid to Esca Estates Ltd	68,000	68,000
Service charges paid to Esca Estates Ltd	228,882	219,852
Dividend received from Esca Estates Ltd	60,000	60,000

Esca Estates Ltd is an associated undertaking of the Company. Balances due from and to related parties are disclosed in notes 15 and 17 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.

24. 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.