

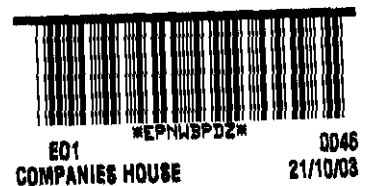
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**Ben-Motor and Allied Trades Benevolent  
Fund (Limited by Guarantee)**

Report and Financial Statements

Year Ended

31 March 2003



**BDO**

BDO Stoy Hayward  
Chartered Accountants

# **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

**Annual report and financial statements for the year ended 31 March 2003**

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<b>Executive staff</b>	G C Atkinson OBE FIMI - Chief Executive D J Prescott MBE FCIS - Deputy Chief Executive/Secretary Miss J S Brown - Director, Care Services A Friday - Director, Funding Development
<b>Bankers</b>	Barclays Bank plc, 1 High Street, Bracknell, Berks, RG12 1DR
<b>Solicitors</b>	Field Fisher Waterhouse, 35 Vine Street, London, EC3N 2AA Lewis Silkin, 12 Gough Square, London, EC4A 3DW
<b>Investment Managers/Brokers</b>	Cazenove Fund Management Ltd., 12 Moorgate, London, EC2R 6DA
<b>Registered office</b>	Lynwood, Sunninghill, Ascot, Berkshire, SL5 0AJ
<b>Company number</b>	2163894
<b>Charity number</b>	297877
<b>Registered Social Landlord number</b>	LH3766
<b>Auditors</b>	BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey KT17 1HS

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

### **Report of the Management Board for the year ended 31 March 2003**

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The Management Board presents its report together with the audited financial statements for the year ended 31 March 2003.

**OUR MISSION:** to help the strong in our industries to care for colleagues and dependants in time of need.

#### **Objectives and principal activities**

The main activities of the charity are to assist and relieve needy persons and their dependants who are employed or have been employed in the motor, agricultural engineering and cycle and allied trades and industries. The Fund achieves its objectives by giving assistance to people in their own homes by way of grants or loans (both secured and unsecured) and the provision of nursing and residential care, day care and sheltered housing for elderly and younger disabled people.

The Fund operates four nursing and residential centres in the UK, as follows:

Alexandra House, Southport, Merseyside, PR8 1QD  
Birch Hill, Norham, Berwick-Upon-Tweed, Northumberland, TD15 2JZ  
Lynwood, Sunninghill, Ascot, Berkshire, SL5 0AJ  
Town Thorns, Easenhall, Rugby, Warwickshire, CV23 0JE

and a Day Centre, Arthur Wilson House, Humber Road, Coventry, CV3 1LL

In addition to the Welfare Office at Headquarters, the Fund operates three regional Welfare Offices at:  
Birmingham - GKN Birfield Extrusions Limited, Old Walsall Road, Great Barr, Birmingham, B42 1DX.  
Manchester - Centre House, Village Way, Trafford Park, Manchester, M17 1QG.  
Newport - PO Box 1809, Newport, Gwent, NP19 4XP.

There have been no material policy changes in furtherance of the objects.

#### **Management Board (Trustees)**

The members of the Management Board who were directors of the company for the purposes of the Companies Act during the year were:

A B Archer  
Mrs S A Brownson OBE  
A Cheyne OBE  
T L Evans  
\*B D Ferguson  
T V Holmes  
\*K W Keir  
\*Mrs N S Lindsay  
C Macgowan  
V A Oddie  
\*G D Sherley  
V E Thomas CBE  
¥ J J Tinker  
R D Waite  
\*D J Webber FCA  
A J Woodley (resigned 20 February 2003)

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

### **Report of the Management Board for the year ended 31 March 2003 (Continued)**

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#### **Management Board (Trustees) (Continued)**

\* In accordance with the Company's Articles of Association five members of the Management Board are due to retire at the Annual General Meeting. Retiring members of the Board, as indicated, are eligible for re-election.

¥ Members of Welfare Committee.

#### **Financial Review**

The year 2002/3 was challenging in that, for the second year running, two major sources of income namely payroll giving and events were again adversely affected by circumstances in the industries covered by BEN and fell short of budgeted requirement. Fortunately the shortfall was offset by a major legacy (see below) and a surplus of £873,653 was recorded compared with a deficit of £12,231 in 2001/2. The surplus (resulting from the legacy) has strengthened BEN's financial position and provides a base for longer term growth. It has enabled the Board to:

- Make a repayment to the Endowment Fund
- Reduce overdraft and improve cashflow
- Make progress in creating a "free" reserve

**Incoming Resources** increased by 10% (£1,008,134).

**Fees and Rents** increased by 9.8% (£411,570), this reflects good occupancy, increases on contract prices by some Local Authorities above the rate of inflation and efforts to obtain more realistic levels of funding for specialist care, e.g. younger disabled. However, income for nursing and residential care is still substantially below actual costs.

**Total Fundraising Income**, donations, legacies and similar income, including restricted, increased by 18.3% (£849,006). Whilst the challenges caused by downsizing and re-structuring in the motor industry, together with BEN staff changes, seriously affected income from payroll giving and events; a magnificent legacy of £978,000 from the estate of the late Miss Josephine Nicholls enabled the Fund to achieve a substantial surplus. The Board wish to record its thanks to many thousands of individual donors and corporate supporters without whom the Fund could not offer care to colleagues and dependants in time of need, also the dedicated efforts of the fundraising team, both staff and volunteers.

**Donations** (included in unrestricted Fundraising Income) of nearly £2.5M from corporate and individual donors achieved forecast; the Board are pleased to record that 68% of this income is regarded as "non-discretionary", i.e. from regular committed supporters. A donation of £25,000 was received from Blakes Benevolent Fund.

**Total Expenditure** increased by 1.2% (£122,250).

Charitable expenditure represents 83.2% of the total resources expended (2003 – 85%). Management and administration includes salaries and other costs relating to servicing the Management Board and audit.

**Nursing Home & General Endowment Fund** By order of the Charity Commission repayments from the General Funds re-commenced with effect from December 2002. £132,500 was transferred from the General Fund to the Endowment Fund.

**Net Current Assets** - £357K (liability of £137K in 2001/2).

**BEN Staff Pension and Assurance Scheme - Final Salary Scheme** - Following a Minimum Funding Requirement (MFR) revaluation of the BEN (closed) final salary scheme as at 1 April 2002, a deficiency of £613K was disclosed. At the date of signing the Report (31.03.03) the Actuary estimated that, due to the fall in equity markets, the MFR deficiency had increased to £1,272,000. The Fund will be required to contribute £300K per year to the closed scheme from 2003/4 for three years to achieve the Minimum Funding Requirement of 90%.

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

### **Report of the Management Board for the year ended 31 March 2003 (Continued)**

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#### **Financial Review (Continued)**

The Pension Trustees are applying to the Occupational Pensions Regulatory Authority (OPERA) to extend the payment period from 3 to 5 years.

The excess of the present value of the scheme liability over the total market value (£3.9m) is disclosed in Note 29 in accordance with FRS 17.

A Group Personal Pension Scheme with the Fund contributing 3% was introduced with effect from 1 April 2002.

**The Board confirms**, that, whilst the Fund is able to meet its current commitments, continuous action is being taken to strengthen finances - both by increasing income and, where possible without affecting the level of service given to beneficiaries, reducing operating costs. The Board considers this vital due to the increasing demands for BEN's welfare services and continuing uncertainties over the provision and funding of long term care.

In March 2001 the Board approved a new Five Year Plan 2001/6 (see Future Developments page 6): this includes three key strategic objectives designed to ensure BEN's continuing viability, namely:-

- Income generation - further defining and targeting areas related to the motor vehicle industry.
- Stabilise and narrow the shortfall of fee income over the costs of care at the Residential Centres (QV).
- Development and growth of services to eligible people in the community.

These objectives were reviewed and confirmed in March 2003.

#### **Reserves Policy**

Following detailed assessment of income and expenditure requirements, BEN needs free reserves to:

- i) provide working capital
- ii) fund any unexpected shortfall in income and/or increased expenditure
- iii) provide funds for major repairs/refurbishment of the Fund's properties

The Board have approved an overall objective to create a free reserve equal to four months' revenue expenditure (£3.3 million in 2002/3). The following steps will be taken to establish free reserves:

- i) continue and develop BEN's vigorous fundraising campaign
- ii) reduce shortfall between fee income and operating costs of Residential Centres
- iii) generate annual surplus

This policy will be reviewed annually. Due to the substantial surplus in 2002/3, £380K has been transferred to the General Fund investment portfolio.

#### **Trustees' Responsibilities**

Company law requires the trustees, as directors, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and group and of the results of the group for that period. In preparing those financial statements, the trustees 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

### **Report of the Management Board for the year ended 31 March 2003 (Continued)**

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#### **Trustees' Responsibilities (Continued)**

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Investment Powers**

- (a) **General Fund**  
As provided by the Trustee Act 2000.
- (b) **Common Investment Fund (Pooling scheme funds)**  
As provided by the Trustee Act 2000.
- (c) **Nursing Home and General Endowment Fund**

This originally had no investment powers. Following the creation of the Common Investment Fund, the Charities Commission ruled that the Trustee Investments Act 1961 (now repealed) applied to those funds; BEN challenged this and in November 1982 the High Court gave wider powers as follows:

"Subject to the provisos hereinafter contained, any monies for the time being subject to the trusts of the Declaration of Trust dated the 10<sup>th</sup> day of June 1955 and made by Barclays Bank Limited (formerly BEN Custodian Trustees) and requiring investment may, in addition to the range of investment for the time being authorised by the general law for the investment of trust monies (hereinafter called the "authorised range"), be invested in the debentures of debenture stock or preference, ordinary or deferred shares or stock or other marketable security of any corporation howsoever or wheresoever incorporated provided that:

- (i) no funds shall be invested upon any investment not within the authorised range which is not dealt in or quoted upon a recognised stock exchange in the United Kingdom;
- (ii) no monies shall be invested in any shares or stock of a corporation (other than a corporation carrying on banking or insurance business in the United Kingdom) which by reason of not being fully paid up or otherwise carry a liability to contribute by way of calls either in the event of the corporation being wound up or otherwise except those stocks or shares listed on a renounceable document of title; and
- (iii) no money shall be invested in the ordinary or deferred shares or stock of any corporation unless at the time of investment such a corporation shall have paid up capital of at least £250,000 or its equivalent at the current rate of exchange and so that in the case of a corporation having shares of no par value such paid up capital shall be deemed to include the capital sum (other than capital surplus) appearing in the corporation's published accounts in respect of such shares".

The Board confirms that the Fund's investments are held in accordance with these powers.

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

### **Report of the Management Board for the year ended 31 March 2003 (Continued)**

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#### **Risk Management**

The trustees have, with advice from their auditors, introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees have regularly reviewed the adequacy of the charity's risk management strategy. For the year to 31 March 2003, the Fund has been fully compliant with the requirements of Housing Corporation Circular R2-25/01 "Internal Controls Assurance".

#### **Internal Financial Control**

The Board is responsible for the Fund's systems of internal financial control. Such a system, whilst seeking to minimise error, can only provide reasonable and not absolute assurance against material misstatement or loss.

The monthly management accounts are reviewed in detail by the Honorary Treasurer and considered by the full Board at each meeting. The draft accounts are first reviewed by the Honorary Treasurer and his deputy in conjunction with senior executive staff and are then submitted for the consideration and approval of the full Board. The Honorary Treasurer and Deputy Honorary Treasurer are involved in preparing financial forecasts.

The Board have decided to set up a formal Finance and Audit Committee, the Terms of Reference are under consideration; its composition will comprise four Board members including the Honorary Treasurer and Deputy, the Deputy Chief Executive and Chief Accountant, being in attendance.

The Remuneration Committee determines policy and individual remuneration packages of senior executive staff; it is required to be sensitive to the wider scene, including the pay and employment conditions in other major charities and the motor and allied industries.

The Board has reviewed the effectiveness of the system of internal controls at 31 March 2003 and up to date. Consideration has been given to the operation of an internal audit function.

#### **Welfare Services**

In 2002/3 the Welfare Committee considered 913 new cases in which financial assistance was given (2001/2 - 997).

The total number of active cases marginally decreased from 5,993 (15,479 people) to 5,957 (15,342 people).

Voluntary visitors (BENfriends) play a vital and increasing role in the welfare of BEN's "family". During the year around 88 volunteers made 1,405 domicilliary visits to beneficiaries.

The Board are grateful to GKN, C. D. Brammall and British Car Auctions for providing offices in Birmingham, Manchester and Newport respectively, and to Centrica/AA for providing facilities for the annual Volunteers' Training Conference at their Widmerpool Training Centre.

#### **Residential Centres**

In 2002/3 the cost of care of residents and housing increased by 0.35% to £6,550,521 (6.9% to £6,527,912 in 2001/2), whilst fees and rents increased by 9.8%. Costs have been contained by the successful efforts by our Matrons/Managers to reduce the need to use expensive agency nursing staff. The Board congratulate those concerned in this achievement.

This has helped to reduce the net cost of running the Centres from £2.323M in 2001/2 to £1.993m in 2002/3.

## BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)

### Report of the Management Board for the year ended 31 March 2003 (Continued)

#### Residential Centres (Continued)

At the year end 314 (2002 - 327) people were residing at the four centres (including sheltered housing); 90.8% of available beds (2002 - 93.4%).

Centre	Available Beds		Occupied Beds	
	2003	2002	2003	2002
Alexandra House	55	55	54	53
Birch Hill	34	34	32	33
Lynwood	138	140	128	132
Town Thorns	119	121	100	109
Total	346	350	314	327

Occupancy of the Sheltered Housing shared ownership scheme at Town Thorns has been seriously affected by the threat of a proposed Airport near Rugby; at the year end 13 flats/bedsits were vacant. Proposals for both a short term and longer term solution to this problem have been submitted to the Housing Corporation. The Government are due to announce a decision on the Airport in the Autumn of 2003.

The Board is particularly pleased to report that all the centres have external quality assurance and are accredited by an Inside Quality Assurance (IQA) Award. Training continues to be a priority with ongoing courses at NVQ Levels 2 and 3. Alexandra House and Birch Hill have achieved the Investors in People Award.

During the year the Board and senior staff have continued to consider further the effects of the Care Standards Act 2000, its associated National Minimum Standards and the Care Homes Regulations 2001 which came into effect on 1<sup>st</sup> April, 2002. Whilst BEN has acted to ensure that it meets the requirements of the Act, we have actively sought clarification of the regulations in some aspects in dialogue with the National Care Standards Commission.

A major issue continues to be the poor level of contract prices paid by Local Authorities for residential and nursing care; whilst there has been some further improvement in 2002/3, with over 70% of BEN's residents being dependent upon State funding the campaign to obtain better funding, involving writing to all Local Authorities, MPs and residents' relatives, was continued.

Arthur Wilson House is providing much needed day care in Coventry; the Board regrets that the level of daily usage has remained static at 17 (2002 - 17.5). Reasons include lack of referrals from Social Services and loss of members due to death or entering into residential care. Steps are being taken to address this situation.

#### Future Developments

In February 2001 the Board approved a new Five Year Plan "Building a Launchpad" 2001/2006. Its objectives are:-

- Financial consolidation followed by significant financial growth.
- To create a working reserve equivalent to four months operating expenditure.
- Achieve an overall income growth of 5% per annum for first 4 years, 5% plus a target of £1M in the Centenary year (2005).
- To continue to promote the BENelephant as a nationally recognised emblem of excellence.
- To continue to improve awareness of and attitudes towards BEN.
- To complete the refurbishment of Lynwood in phases as finances allow.
- To review and adapt BEN's residential accommodation continuously in the light of changing patterns of demand.
- To work positively to meet need in the community.
- To review BEN's senior management structure, practices and training to ensure that we are meeting present needs efficiently and preparing for smooth succession to future management teams.
- To prepare for major activity during the Centenary year 2005.

The Five Year Plan was reviewed and confirmed in March 2003.

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

### **Report of the Management Board for the year ended 31 March 2003 (Continued)**

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#### **Compliance**

The Board confirms that the financial statements comply with the Fund's governing instrument, the Companies Act 1985, the Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2000 and the Statement of Recommended Practice Accounting and Reporting by Charities 2000 (SORP). Details of the accounting policies adopted are included in note 2 to the financial statements (see pages 12 to 14). The trustees have considered FRS18. Their opinion is that the Statement of Recommended Practice Accounting and Reporting by charities is more appropriate to the charity's circumstances than the Registered Social Landlord SORP (Update 2002). They therefore have prepared their accounts on this basis.

#### **Fixed Assets**

Changes in fixed assets are disclosed in note 9 to the financial statements.

#### **Employees**

Regular meetings are held involving executive staff, managers and supervisors to exchange information about the Fund and financial and economic factors affecting its work. General staff meetings are also held at each residential centre. During the year the Fund provided training for employees at all levels. Alexandra House is an accredited training centre for National Vocational Qualifications in health care; the other Residential Centres provide NVQ training through local colleges.

The Fund supports the employment of disabled people, wherever possible by recruitment, by retraining those who become disabled during their employment, and generally through career development and promotion.

#### **Auditors**

A resolution will be proposed at the Annual General Meeting that BDO Stoy Hayward be re-appointed as auditors to the company for the ensuing year.

#### **On behalf of the Board**



**D J Prescott MBE FCIS**  
**Secretary**

**Date: 24 July 2003**

**Independent auditors' report to the Members of BEN-Motor and Allied Trades Benevolent Fund**

We have audited the financial statements of Ben-Motor and Allied Trades Benevolent Fund for the year ended 31 March 2003 on pages 9 to 34. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of trustees and auditors*

The trustees' responsibilities, as directors of the company, for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Report of the Management Board – Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you if, in our opinion, the Report of the Management Board is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed. We read the Report of the Management Board and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.


*Basis of audit opinion*

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Opinion*

In our opinion the financial statements give a true and fair view of the state of the charitable company and the group's affairs as at 31 March 2003, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

  
**BDO STOY HAYWARD**  
Chartered Accountants  
and Registered Auditors  
Epsom, Surrey

Date: 24 July 2003

# BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)

## Consolidated statement of financial activities for the year ended 31 March 2003 (incorporating an income and expenditure account)

	Note	Unrestricted funds 2003 £	Restricted funds 2003 £	Permanent endowment funds 2003 £	Total 2003 £	Total 2002 £
<b>Incoming resources</b>						
<i>Activities in furtherance of the charity's objects</i>						
Fees and rents		4,613,473	*3,146	-	4,616,619	4,205,049
<i>Activities for generating funds</i>						
Fundraising income	3	5,417,390	75,112	-	5,492,502	4,643,496
Trading Activities	4	796,537	-	-	796,537	689,825
Investment income		196,341	-	-	196,341	229,177
Net gain on disposal of fixed assets		5,180	-	-	5,180	331,498
<b>Total incoming resources</b>		<b>11,028,921</b>	<b>78,258</b>	<b>-</b>	<b>11,107,179</b>	<b>10,099,045</b>
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
Trading Activities	4,5	544,350	-	-	544,350	397,631
Fundraising and publicity	5	1,068,986	-	-	1,068,986	1,126,080
		<b>1,613,336</b>	<b>-</b>	<b>-</b>	<b>1,613,336</b>	<b>1,523,711</b>
<b>Charitable expenditure</b>						
Care of residents and housing	5	6,481,173	69,348	-	6,550,521	6,527,912
Welfare	5	684,755	-	-	684,755	606,519
Grants payable	5,6,22	788,817	67,219	-	856,036	957,776
Support costs	5	453,087	-	-	453,087	428,522
Management and administration	5	75,791	-	-	75,791	66,836
		<b>8,483,623</b>	<b>136,567</b>	<b>-</b>	<b>8,620,190</b>	<b>8,587,565</b>
<b>Total resources expended</b>	<b>5</b>	<b>10,096,959</b>	<b>136,567</b>	<b>-</b>	<b>10,233,526</b>	<b>10,111,276</b>
<b>Net incoming/(outgoing) resources</b>		<b>931,962</b>	<b>(58,309)</b>	<b>-</b>	<b>873,653</b>	<b>(12,231)</b>
Net investment loss	7,8	(14,211)	-	(610,201)	(624,412)	(300,489)
<b>Net movement in funds</b>		<b>917,751</b>	<b>(58,309)</b>	<b>(610,201)</b>	<b>249,241</b>	<b>(312,720)</b>
Funds brought forward		850,188	6,197,032	6,868,514	13,915,734	14,228,454
<b>Funds carried forward at 31 March 2003</b>		<b>1,767,939</b>	<b>6,138,723</b>	<b>6,258,313</b>	<b>14,164,975</b>	<b>13,915,734</b>

All operations are continuing operations.

There are no recognised gains and losses other than those shown above.

\*This represents the net movement in the RSF (rent surplus fund) for the year (see note 21).

The notes on pages 12 to 34 form part of these financial statements

# BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)

Balance sheets at 31 March 2003

		2003		2002	
	Note	Consolidated £	Company £	Consolidated £	Company £
<b>Fixed assets</b>					
Tangible assets	9	9,927,611	9,927,543	9,701,385	9,701,278
Investments	10	4,219,284	4,221,685	4,396,179	4,398,580
		<u>14,146,895</u>	<u>14,149,228</u>	<u>14,097,564</u>	<u>14,099,858</u>
<b>Current assets</b>					
Property held for resale		35,063	35,063	35,063	35,063
Stock		11,539	-	10,179	-
Debtors	12	794,752	793,699	433,376	467,783
Cash at bank and in hand	13	233,736	233,736	64,469	33,038
		<u>1,075,090</u>	<u>1,062,498</u>	<u>543,087</u>	<u>535,884</u>
<b>Creditors: amounts falling due within one year</b>	14	(718,567)	(708,308)	(679,609)	(674,700)
		<u>356,523</u>	<u>354,190</u>	<u>(136,522)</u>	<u>(138,816)</u>
<b>Net current assets/(liabilities)</b>					
		<u>14,503,418</u>	<u>14,503,418</u>	<u>13,961,042</u>	<u>13,961,042</u>
<b>Total assets less current liabilities</b>					
		<u>14,503,418</u>	<u>14,503,418</u>	<u>13,961,042</u>	<u>13,961,042</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(338,443)	(338,443)	(45,308)	(45,308)
		<u>14,164,975</u>	<u>14,164,975</u>	<u>13,915,734</u>	<u>13,915,734</u>
<b>Funds</b>	20	<u>14,164,975</u>	<u>14,164,975</u>	<u>13,915,734</u>	<u>13,915,734</u>

The financial statements were approved by the Management Board on 24 July 2003 and signed on its behalf by:

  
T L Evans - President

  
D J Webber FCA - Honorary Treasurer

The notes on pages 12 to 34 form part of these financial statements

# **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

## **Consolidated cash flow statement for the year ended 31 March 2003**

	Note	2003 £	2002 £
<b>Net cash inflow/(outflow) from operating activities</b>	24	777,512	(311,683)
<b>Returns on investments</b>			
Investment income received		196,341	229,177
Interest paid		(17,143)	(18,886)
		<u>179,198</u>	<u>210,291</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible assets		(556,623)	(456,302)
Proceeds on sale of tangible assets		54,860	604,750
Purchase of investments		(3,374,893)	(1,970,675)
Proceeds on sale of investments		2,884,873	1,676,675
Mortgage loan repayments		16,364	17,436
		<u>(975,419)</u>	<u>(128,116)</u>
<b>Net cash outflow from acquisitions and disposals</b>		(975,419)	(128,116)
<b>Management of liquid resources</b>			
Cash withdrawn/(retained in) from investment portfolio	27	26,139	293,959
		<u>26,139</u>	<u>293,959</u>
<b>Net cash inflow from management of liquid assets</b>		26,139	293,959
<b>Net cash inflow before financing</b>		7,430	64,451
<b>Financing</b>			
New bank loans		-	44,394
Repayments of bank loans		(27,403)	(6,266)
Repayments of Housing Corporation loan		(27)	(15)
Increase/(decrease) in other long-term loan		300,000	(37,500)
		<u>272,570</u>	<u>613</u>
<b>Increase in cash</b>	27	280,000	65,064
Cash at 1 April 2002		(48,232)	(113,296)
<b>Cash at 31 March 2003</b>	27	<u>231,768</u>	<u>(48,232)</u>

The notes on pages 12 to 34 form part of these financial statements

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2003**

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### **1 Status of company**

Ben-Motor and Allied Trades Benevolent Fund is a registered social landlord (as defined under the Housing Act 1996) and a registered charity.

### **2 Accounting policies**

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of fixed asset investments, and comply with the Statement of Recommended Practice 2000 (SORP) "Accounting and Reporting by Charities" and applicable accounting standards. The accounts depart from the requirement to prepare accounts under the Registered Social Landlord SORP (Update 2002). Under FRS18 the trustees considered the 2000 "Accounting and Reporting by Charities" SORP more appropriate to the charity's circumstances and the accounts are prepared on this basis. The following principal accounting policies have been applied:

#### *Income recognition*

All income is accounted for on a receivable basis.

#### *Expenditure*

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Fundraising and publicity costs are those incurred in seeking voluntary contributions for the Fund, and in publicising the Fund. Management and administration costs are those incurred in connection with the management of the Fund's assets, organisational administration and compliance with constitutional and statutory requirements.

#### *Fund accounting*

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Fund.

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal in which they were raised.

Permanent endowment funds are funds which the donor has stated are to be held as capital.

#### *Fixed assets*

##### *Basis of recording carrying values*

Freehold land and buildings and all other classes of tangible fixed assets are recorded at historical cost.

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

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**2 Accounting policies (Continued)**

*Fixed assets (continued)*

*Depreciation*

*Freehold land*

No depreciation is provided on freehold land.

*Buildings*

Buildings are depreciated on a 1% straight line basis. The fitting out elements of the properties are depreciated on a 4% straight line basis.

*Short leasehold property*

Leasehold property is depreciated over the term of the lease.

*Other tangible assets*

Furniture, fixtures and fittings	- 10%-20% straight line basis
Computer equipment	- 25% straight line basis
Vehicles	- 25% reducing balance basis

The policy is to account for capital grants as receivable when the Fund becomes entitled to the income.

*Stock*

Stock consists of goods for resale valued at the lower of cost and net realisable value.

*Taxation*

Under section 505 of the Income and Corporation Taxes Act 1988 the Fund, as a registered charity, is able to reclaim taxation suffered on income received under deduction of tax. The taxation recoverable is included with the income to which it relates.

*Valued added tax*

Valued added tax on most of the Fund's expenditure is irrecoverable, and is included with the expenditure to which it relates. On certain items tax is partially recoverable.

## **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

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### **2 Accounting policies (Continued)**

#### *Investments*

Investments are stated at market value. It is the Fund's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the statement of financial activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. Disclosure is made in note 7 of the difference between the historical cost and the sale proceeds of the investments sold during the year.

#### *Leasing contracts*

Instalments on operating lease contracts are charged to the income and expenditure account when they become payable. Assets purchased under finance leases are capitalised and the corresponding lease commitments are shown as obligations to the lessor in the balance sheet. The interest element of the lease payment is charged to the income and expenditure account evenly over the period of the lease.

#### *Pension costs*

The regular cost of providing pensions and related benefits is charged to the income and expenditure account over the employees' service lives on the basis of a percentage of pensionable payroll. Any difference between the cost charged and the amounts paid by the Fund is treated as a prepayment or accrual.

#### *Shared ownership*

Surpluses and deficits arising from the granting of leasehold interests from the Fund's freehold properties under shared ownership schemes are taken to the Town Thorns capital fund (note 20).

#### *Consolidated financial statements*

The Fund's trading subsidiary, Bentrade Limited, has been consolidated into these financial statements on a line by line basis.

#### *Impairment of fixed assets*

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**3 Donations and similar income**

	Unrestricted	Restricted	Total 2003	Total 2002
	£	£	£	£
Donations and fundraising events	4,175,707	-	4,175,707	3,960,691
Appeals	-	7,893	7,893	307,927
Grants	-	67,219	67,219	107,443
Gifts in kind	247,464	-	247,464	236,411
Legacies	994,219	-	994,219	31,024
	<u>5,417,390</u>	<u>75,112</u>	<u>5,492,502</u>	<u>4,643,496</u>

Grants represent funds received from organisations for payment to, or on behalf of individuals, as Welfare Grants. A corresponding amount is included within expenditure under restricted Welfare Grants.

Gifts in kind represent the value of free accommodation and loan vehicles provided for the use of BEN. A corresponding amount is included within expenditure.

**4 Bentrade Limited**

The Fund owns the whole of the issued share capital of its subsidiary Bentrade Limited, a company registered in England and Wales, whose principal activity is the sale of sundry goods through mail order and the holding of commercial fundraising events. All profits made by Bentrade Limited are paid by deed of covenant to Ben-Motor and Allied Trades Benevolent Fund.

	Functions and sponsorship £	Mail order £	Administration costs £	Total 2003 £	Total 2002 £
The results for the year are as follows:					
Turnover	651,218	145,319	-	796,537	689,825
Cost of sales and administrative expenses	(348,310)	(174,034)	(22,006)	(544,350)	(397,631)
	<u>302,908</u>	<u>28,715</u>	<u>(22,006)</u>	<u>(252,187)</u>	<u>292,194</u>
Amount covenanted to charity	(302,908)	(28,715)	22,006	(252,187)	(292,194)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retained in subsidiary	-	-	-	-	-

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

**4 Bentrade Limited (Continued)**

	2003 £	2002 £
<i>Balance sheet</i>		
Fixed assets	68	107
Current assets	18,997	47,116
Current liabilities	(16,664)	(44,822)
	<u>2,401</u>	<u>2,401</u>

**5 Resources expended**

	Staff £	Depreciation £	Other £	Total 2003 £	Total 2002 £
<i>Cost of generating funds</i>					
Bentrade	56,399	39	487,912	544,350	397,631
Fundraising and publicity	626,643	-	442,343	1,068,986	1,126,080
<i>Charitable expenditure</i>					
Care of residents and housing	4,902,692	225,423	1,422,406	6,550,521	6,527,912
Welfare	407,423	-	277,332	684,755	606,519
Grants made	-	-	856,036	856,036	957,776
Support costs	194,936	55,255	202,896	453,087	428,522
Management and administration	48,734	-	27,057	75,791	66,836
	<u>6,236,827</u>	<u>280,717</u>	<u>3,715,982</u>	<u>10,233,526</u>	<u>10,111,276</u>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2003 *(Continued)***6 Grants payable**

One-off grants made to or on behalf of individuals

	Value		2003		2002	
	From £	To £	Number	Total £	Number	Total £
	1	250	1,843	234,855	2,112	244,474
	251	500	825	321,669	860	338,310
	501	750	50	32,038	33	16,907
	751	1,000	23	21,310	35	31,369
	1,001	1,250	7	8,086	10	11,499
	1,251	1,500	5	6,945	6	8,462
	1,501	1,750	1	1,750	2	3,301
	Greater than 1,751		3	6,200	4	8,336
Total discretionary			2,757	632,853	3,062	662,658
Total weekly grants				223,183		265,118
Total grants made				856,036		927,776

One-off Grants include amounts received and paid on behalf of other organisations to individuals. The total of such receipts is £67,219 (2002: £107,453) and is included in restricted donations.

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

**7 Listed investments**

	Endowment Funds				
	Nursing Home and General Fund £	Common narrow range £	Investment Fund wider range £	General fund £	Total £
<i>Cost</i>					
Market value at 1 April 2002	2,509,677	169,859	1,513,234	32,987	4,225,757
Additions	1,647,928	170,912	1,127,706	427,362	3,373,908
Disposals	(1,499,091)	(170,625)	(1,119,416)	(95,741)	(2,884,873)
Net investment loss (note 8)	(281,456)	(2,196)	(325,564)	(14,211)	(623,427)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2003	2,377,058	167,950	1,195,960	350,397	4,091,365
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Market value</i>					
Listed in the UK	2,377,058	167,950	1,195,960	350,397	4,091,365
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Historical cost</i>					
At 31 March 2003	2,568,506	170,913	1,275,029	355,559	4,370,006
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	2,826,909	175,953	1,750,434	40,000	4,793,297
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrealised losses at 31 March 2003	(191,448)	(2,963)	(79,069)	(5,162)	(278,642)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Realised investment gains based on historical cost	407,241	5,327	483,696	16,062	912,326
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**8 Endowment funds**

	Common Investment Fund narrow range £	Common Investment Fund wider range £	Common Investment Fund total £	Nursing Home and General Fund £	Total £
Balance at 1 April 2002	169,859	1,524,281	1,694,140	5,174,374	6,868,514
Loss on revaluation of investments	(2,196)	(325,564)	(327,760)	(281,456)	(609,216)
Other costs	(43)	(214)	(257)	(728)	(985)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2003	<b>167,620</b>	<b>1,198,503</b>	<b>1,366,123</b>	<b>4,892,190</b>	<b>6,258,313</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Represented by:					
Listed investments	167,950	1,195,960	1,363,910	2,377,058	3,740,968
Bank balances	(330)	2,543	2,213	2,382	4,595
Amount owed by general fund	-	-	-	2,512,750	2,512,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2003	<b>167,620</b>	<b>1,198,503</b>	<b>1,366,123</b>	<b>4,892,190</b>	<b>6,258,313</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

On 25 March 1992 the Charity Commissioners approved an order enabling £3,050,000 to be lent to the General Fund by the Nursing Home and General Endowment fund. The minimum annual repayments are £132,250. By a revised Order of the Charity Commission the total amount must be repaid by 31 December 2022.

The Common Investment Fund consists of the following funds which have been consolidated into a single fund.

Name of fund	%	Group Fund £	Income £
Lord Austin Memorial Fund	60.16	821,860	40,415
Viscount Wakefield Educational Fund	0.91	12,432	611
Viscount Nuffield Fund	1.65	22,541	1,108
Willoughby Trust Fund	1.07	14,617	719
Lynwood Endowment Fund	36.05	492,487	24,218
Sir James Percy Memorial Fund	0.16	2,186	107
	<hr/>	<hr/>	<hr/>
	100.00	1,366,123	67,178
	<hr/>	<hr/>	<hr/>

The Endowment Fund Trust Deeds provide that capital monies must be accumulated and are not available for expenditure on general welfare, the running of homes or administration. However the income from the endowment funds can be used for those purposes.

# **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

## **9 Tangible fixed assets (Consolidated)**

	Freehold property £	Leasehold property £	Furniture, fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 April 2002	12,011,143	211,056	1,012,421	435,178	183,228	13,853,026
Less accumulated grants	(891,928)	-	(6,806)	-	-	(898,734)
Additions	11,119,215	211,056	1,005,615	435,178	183,228	12,954,292
Disposals	287,481	155,000	76,014	33,128	5,000	556,623
	(49,680)	-	-	-	-	(49,680)
At 31 March 2003	11,357,016	366,056	1,081,629	468,306	188,228	13,461,235
<i>Depreciation</i>						
At 1 April 2002	2,121,996	42,212	584,402	376,574	127,723	3,252,907
Charge for year	114,990	13,321	88,786	45,016	18,604	280,717
Disposals	-	-	-	-	-	-
At 31 March 2003	2,236,986	55,533	673,188	421,590	146,327	3,533,624
<i>Net book value</i>						
At 31 March 2003	9,120,030	310,523	408,441	46,716	41,901	9,927,611
At 31 March 2002	3,935,453	168,844	421,213	58,604	55,505	9,701,385

Consolidated fixed assets above include £1 (2002 - £6) of computer equipment at net book value which relate to Bentrade Limited and £67 of furniture, fixtures and fittings which relate to Bentrade Limited (2002 - £101).

Land values included within property amount to £750,000 (2002: £750,000).

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

**9 Tangible fixed assets (Consolidated)(Continued)**

The cumulative interest included in the cost of freehold land and buildings at the year end was £454,375 (2002 - £454,375).

An impairment review of the converted freehold property was carried out at 31 March 2003 and this disclosed that the net realisable values or value in use of the properties was higher than the carrying values at historical cost and therefore no provision for impairment is necessary.

The depreciation for the year of freehold property was £114,990 of which £58,795 (2002: £132,850) has been charged against restricted funds. The depreciation of leasehold property amounted to £13,321 of which £10,553 (2002: £10,553) has been charged against restricted funds.

Grants repaid to the Housing Corporation amounted to £nil (2002 - £ nil).

**10 Investments**

	2003	2002
	£	£
<b>Endowment funds</b>		
Listed investments (note 7,8)	3,740,968	4,192,770
Cash	4,595	30,744
	<u>3,745,563</u>	<u>4,223,514</u>
<b>General fund</b>		
Listed investments (note 7)	350,397	32,987
Cash	1,046	1,035
Mortgages and loans (note 11)	122,278	138,643
	<u>473,721</u>	<u>172,665</u>
Total per consolidated financial statements	4,219,284	4,396,179
Bentrade Limited (Note 4)	2,401	2,401
Total per company financial statements	<u>4,221,685</u>	<u>4,398,580</u>

In addition to the above investments the endowment funds are owed £2,512,750 (2002: £2,645,000) from the general fund (see note 8).

# BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

## 11 Mortgages and loans

	2003 £	2002 £
The sum represents advances to beneficiaries:		
Secured on freehold and long leasehold properties	44,667	47,759
Unsecured	77,611	90,884
	<u>122,278</u>	<u>138,643</u>

## 12 Debtors

	2003		2002	
	Consolidated £	Company £	Consolidated £	Company £
Gross fees and rent arrears	281,950	281,950	288,381	288,381
Less provision for bad and doubtful debts	(75,370)	(75,370)	(86,375)	(86,375)
	<u>206,580</u>	<u>206,580</u>	<u>202,006</u>	<u>202,006</u>
Fees and rents receivable	206,580	206,580	202,006	202,006
Taxation refunds	-	-	-	-
Prepayments and accrued income	91,007	91,007	74,265	74,265
Other debtors	497,165	487,739	157,105	151,600
Due from subsidiary	-	8,373	-	39,912
	<u>794,752</u>	<u>793,699</u>	<u>433,376</u>	<u>467,783</u>

## 13 Cash at bank and in hand

	2003		2002	
	Consolidated £	Company £	Consolidated £	Company £
Payroll giving account	27,075	27,075	8,416	8,416
Cash in hand	206,661	206,661	56,053	24,622
	<u>233,736</u>	<u>233,736</u>	<u>64,469</u>	<u>33,038</u>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**14 Creditors: amounts falling due within one year**

	2003		2002	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Bank loans (note 16)	6,835	6,835	27,403	27,403
Loan advance by Housing Corporation (note 18)	21	21	18	18
Bank overdraft	1,968	-	112,701	112,701
Interest free loans	-	-	6,823	6,823
Creditors and accruals	603,936	595,645	447,784	442,875
Other taxes and social security costs	105,807	105,807	84,880	84,880
	<u>718,567</u>	<u>708,308</u>	<u>679,609</u>	<u>674,700</u>

**15 Creditors: amounts falling due after more than one year**

	2003		2002	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Loan advance by Housing Corporation (note 18)	31,038	31,038	31,068	31,068
Bank loan	307,405	307,405	14,240	14,240
	<u>338,443</u>	<u>338,443</u>	<u>45,308</u>	<u>45,308</u>

**16 Bank loans**

	2003	2002
	£	£
Amounts due within one year	6,835	27,403
Amounts due after one year	307,405	14,240
	<u>314,240</u>	<u>41,643</u>

**17 Bank overdraft**

Barclays Bank PLC has provided facilities up to £500,000 (2002 - £500,000) with temporary excesses for general operating. The overdraft, whilst repayable on demand, is subject to periodic reviews.

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2003 *(Continued)***18 Housing Corporation loans**

The mortgage advance from the Housing Corporation, which is secured by a charge on the Fund's Lynwood property, is repayable by instalments under the annuity method over a period of 60 years (first payment March 1983) at a rate of interest of 14% as follows:

	2003 £	2002 £
Repayable by instalments:		
Due within one year	21	18
Due within two to five years	120	105
Due in more than five years	30,918	30,963
	<hr/>	<hr/>
	31,059	31,086
	<hr/>	<hr/>

**19 Obligations under operating leases**

The net annual obligation under operating leases is as follows:

	2003 £	2002 £
Agreement expiring:		
- in one year or less	4,577	7,694
- between one and five years	22,654	23,327
	<hr/>	<hr/>
	27,231	31,021
	<hr/>	<hr/>

# **BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

## **20 Summary of fund balances**

	Restricted funds						Total £
	Town Permanent Endowment £	Thorns Capital Fund £	Lynwood Capital Fund £	Day Centre £	Rent Surplus Fund £	Cyclical Maintenance Reserve £	
Balance brought forward at 1 April 2002	6,868,514	4,150,708	1,728,803	302,244	15,277	204,942	13,915,734
Movements in the year	(742,451)	(41,507)	(9,395)	(10,553)	3,146	-	249,241
Movement between funds	132,250	-	-	-	-	19,804	-
Balance carried forward at 31 March 2003	<b>6,258,313</b>	<b>4,109,201</b>	<b>1,719,408</b>	<b>291,691</b>	<b>18,423</b>	<b>224,746</b>	<b>14,164,975</b>
Represented by:							
Tangible assets	-	4,109,201	1,761,261	310,524	-	-	9,927,611
Investments	3,745,563	-	-	-	-	-	4,219,284
Current assets	-	-	7,893	-	18,423	-	1,075,090
Current liabilities	-	-	-	-	-	-	(718,567)
Long term liabilities and provisions	-	-	-	-	-	-	(338,443)
Inter fund loans and transfers	2,512,750	-	(49,746)	(18,833)	-	224,746	-
Balance carried forward at 31 March 2003	<b>6,258,313</b>	<b>4,109,201</b>	<b>1,719,408</b>	<b>291,691</b>	<b>18,423</b>	<b>224,746</b>	<b>14,164,975</b>
Unrealised losses (note 7)	(273,480)	-	-	-	-	-	(278,642)

Restricted funds are funds subject to specific restrictions imposed by donors or by the general objectives of the Fund.

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

**21 Rent Surplus Fund**

	2003 £	2002 £
Balance brought forward	15,277	12,212
Indexation for year	3,146	3,065
	<hr/>	<hr/>
Total	18,423	15,277
	<hr/>	<hr/>

The rent surplus fund is calculated in a manner determined under section 55 (3) of the Housing Act 1988.

**22 Birmingham City Council Grant**

	2003 £	2002 £
Balance brought forward	-	30,000
Income	-	-
Expenditure of year	-	(30,000)
	<hr/>	<hr/>
Total	-	-
	<hr/>	<hr/>

In March 2001 Birmingham City Council made a grant of £30,000. The grant was to help fund support services to families in the region who were made redundant at Rover and its associated supply chain.

**23 Cyclical Maintenance Reserve**

	Lynwood Sheltered Housing £	Alexandra House Hostel £	Birch Hill Sheltered Housing £	Town Thorns Sheltered Housing £	2003 Total £	2002 Total £
1 April 2002	75,015	13,273	10,164	106,490	204,942	185,679
Transfer from general funds	8,568	828	1,464	11,460	22,320	22,320
Expenditure during the year	(470)	-	(1,396)	(650)	(2,516)	(3,057)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2003	83,113	14,101	10,232	117,300	224,746	204,942
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The reserve is to provide funds for the maintenance of housing association properties.

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**24 Reconciliation of net incoming/(outgoing) resources to net cash inflow/(outflow) from operating activities**

	2003 £	2002 £
Net incoming/(outgoing) resources before revaluations	873,653	(12,231)
Gain on disposal of fixed assets	(5,180)	(331,498)
Depreciation charge	280,717	353,313
Investment income	(196,341)	(229,177)
Interest payable	17,143	18,886
Change in debtors and stocks	(298,275)	37,273
Change in creditors	105,795	(148,249)
	<u>777,512</u>	<u>(311,683)</u>

**25 Interest payable**

All interest payable relates to loans and overdrafts repayable within 5 years and amounted to £17,143 (2002 - £18,886).

**26 Reconciliation of net cash flow to movement in net debt**

	2003 £	2002 £
Increase in cash in the year	280,000	65,064
Cash outflow from repayment of loans	(272,570)	(613)
Cash inflow/(outflow) increase/(decrease) in liquid resources	<u>(26,139)</u>	<u>(293,959)</u>
Change in net debt	(18,709)	(229,508)
Net debt at 1 April 2002	<u>(89,182)</u>	<u>140,326</u>
Net debt at 31 March 2003	<u>(107,891)</u>	<u>(89,182)</u>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)****Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)****27 Analysis of changes in net debt**

	At 1 April 2002 £	Cash flow £	At 31 March 2003 £
Cash in hand	64,469	169,267	233,736
Overdraft	(112,701)	110,733	(1,968)
	<u>(48,232)</u>	<u>280,000</u>	<u>231,768</u>
Debt due within one year	(27,421)	20,566	(6,855)
Debt after one year	(45,308)	(293,135)	(338,443)
Investment portfolio cash (note 10)	31,779	(26,139)	5,640
	<u>(89,182)</u>	<u>(18,708)</u>	<u>(107,890)</u>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

**28 Employee costs**

	2003 £	2002 £
Total employee costs during the year were:		
Salaries and wages	5,641,078	5,848,604
Employer's National Insurance contributions	336,035	282,133
Pension costs	259,714	340,091
	<u>6,236,827</u>	<u>6,470,828</u>
The number of employees earning more than £50,000 in the year are as follows:	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

The above figures include car and fuel benefit which range from £6,447 to £7,282. Vehicles are loaned to BEN by companies in the motor industry therefore at no cost to BEN. Such vehicles are regarded as gifts in kind and are included in the Statement of Financial Activities.

The amount paid to the highest paid director (the Chief Executive), excluding pension contributions, including car and fuel benefit was £71,255 (2002 - £70,243).

The average monthly number of employees during the year was as follows:

	2003 Number	2002 Number
Residential homes	284	280
Welfare	21	19
Administration and management	11	13
Appeals and publicity	29	28
	<u>345</u>	<u>340</u>

In addition the number of staff employed by catering and domestic contractors in the residential homes was 90 (2002 - 90). Their costs, which are included in salaries and wages, amounted to £923,341 (2002 - £924,966).

No Management Board members received any remuneration in the year. Two Management Board members received reimbursement of expenses for travel totalling £2,784 in the year (2002 - £1,394).

## BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)

### Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

#### 29 Pension scheme

The Fund operates a defined benefit scheme for employees, which is funded by contributions from both the members and the company. The pension cost is assessed in accordance with the advice of a professionally qualified actuary and the most recent actual valuation, which was under the projected unit method, was carried out as at 1 October 2000. The valuation of the scheme as at 1 October 2000 showed the actuarial valuation of the assets to be £3,599,000. The value of liabilities in respect of service before 1 October 2000 was £4,156,000 resulting in a past service deficiency of £557,000. During the year ended 31 March 2003 the Fund made payments totalling £180,000 (2002: £340,091).

The scheme was closed on 31 March 2002. As a result, under the projected unit method, the current service cost will increase as the members of the scheme approach retirement. The Fund will be required to contribute approximately £300,000 per year to the closed scheme until 2007 to restore the Minimum Funding Requirement to 90%.

#### FRS 17 Retirement Benefits: Transitional disclosures

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 1 October 2000 and updated by the actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2003. Scheme assets are stated at their market value at 31 March 2003.

The financial assumptions used to calculate scheme liabilities under FRS 17 are:

	2003	2002
Valuation method	Triennial	Triennial
Discount rate	5.5% per annum	6% per annum
Inflation rate	2.5% per annum	3% per annum
Rate of increase in salaries	n/a	4% per annum
Rate of increase for pensions in payment		
Prior to 5 April 1997	3% per annum	3% per annum
After 6 April 1997	2.5% per annum	2.5% per annum

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

**29 Pension scheme (Continued)**

The assets in the scheme and the expected rate of return were:

	Long-term expected rate of return at 31 March 2003	Market value at 31 March 2003 £'000	Long-term expected rate of return at 31 March 2002	Market value at 31 March 2002 £'000
Equities	7.25%	2,510	8%	3,278
Bonds	5.5%	525	6%	655
Property	6.0%	-	6.5%	-
Cash	3.0%	211	3.5%	259
		<hr/>		<hr/>
Total market value of assets		3,246		4,192
Present value of scheme liabilities		7,159		5,670
		<hr/>		<hr/>
(Deficit)		(3,913)		(1,478)
		<hr/>		<hr/>
Analysis of the amount charged to operating surplus				2003 £
Current service cost				-
Past service cost				-
				<hr/>
Total operating charge				-
				<hr/>
Analysis of the amount credited to other finance income				2003 £'000
Expected return on pension scheme assets				314
Interest on pension scheme liabilities				(338)
				<hr/>
Net return				(24)
				<hr/>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**29 Pension scheme (*Continued*)**

Analysis of the amount that would be recognised in a statement of total recognised gains and losses	2003 £'000
Actual return less expected return on pension scheme assets	(1,343)
Experience gains and losses arising on the scheme liabilities	(1,015)
Changes in assumptions underlying the present value of the scheme liabilities	(218)
	<hr/>
Actuarial loss	(2,576)
	<hr/>
Movement in deficit during the year	2003 £'000
Deficit in scheme at beginning of the year	(1,478)
Movement in year:	
Contributions	165
Other finance income	(24)
Actuarial costs	(2,576)
	<hr/>
Deficit in scheme at end of the year	(3,913)
	<hr/>
History of experience gains and losses	2003
Difference between expected and actual return on scheme assets	
Amount £'000	(1,343)
Percentage of scheme assets	(41%)
Experience gains and losses on scheme liabilities	
Amount £'000	(1,015)
Percentage of the present value of the scheme liabilities	(14%)
Total amount recognised in statement of total recognised gains and losses	
Amount £'000	(2,576)
Percentage of the present value of the scheme liabilities	(36%)

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

**30 Capital commitments and contingent liabilities**

At 31 March 2003 there were no outstanding commitments contracted for (2002 - £300,000).

**31 Registered social landlord requirements**

Financial statements in the format required by the Accounting Requirements for Registered Social Landlords General Determination 2000 are shown on page 34. The details required by the Housing Corporation in relation to registered social landlord staff costs are:

	2003 £	2002 £
Staff costs during the year	130,519	133,137
Social security costs	14,959	12,715
Other pension costs	4,114	3,740
	<u>149,592</u>	<u>149,592</u>

The average number of employees of the Fund involved with housing association activities during the year was 26 (2002 - 26). The trustees do not receive payment for housing association work.

	2003 £	2002 £
Auditors' fees - housing association	2,350	2,350
	<u>2,350</u>	<u>2,350</u>

None of the trustees received remuneration in respect of Housing Association work. Further disclosure of emoluments are given in note 28 to the accounts.

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**

**Registered social landlord financial statements**

**Summary of expenditure on letting activities for the year ended 31 March 2003**

32	Alexandra House £	Birch Hill £	Lynwood £	Town Thorns £	2003 Total £	2002 £
Gross rents receivable	31,823	13,194	121,766	144,037	310,820	309,105
Less rent losses from voids	(56)	(494)	(7,082)	(30,822)	(38,454)	(18,971)
Net rents receivable	31,767	12,700	114,684	113,215	272,366	290,134
Expenditure on lettings						
Services						
Management	30,736	7,127	39,373	56,642	133,878	135,282
Routine maintenance	11,299	3,156	15,590	14,702	44,747	48,089
Other costs	1,877	70	1,537	2,904	6,388	6,637
Provision for bad debts	-	-	4,524	-	4,524	4,524
	160	67	525	3,714	4,466	2,980
Total expenditure	44,072	10,420	61,549	77,962	194,003	197,512
Surplus/(deficit)	(12,305)	2,280	53,135	35,253	78,363	92,622
Rent arrears	1,479	1,210	238	12,851	15,778	9,984
Housing stock						
Sheltered housing rented						
Hostel	-	-	44	11	55	56
LSE	6	-	-	-	6	7
Shared ownership	-	8	2	-	10	7
	-	-	2	36	38	36
	6	8	48	47	109	106