

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

Report and Financial Statements

Year Ended

31 March 2005



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 2005

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Executive staff	G Barclay - Chief Executive D J Prescott MBE FCIS - Deputy Chief Executive/Secretary Miss J S Brown - Director, Care Services R. Marriott - Director, Fundraising & Communications
Bankers	Barclays Bank plc, 1 High Street, Bracknell, Berks, RG12 1DR
Solicitors	Field Fisher Waterhouse, 35 Vine Street, London, EC3N 2AA Lewis Silkin, 12 Gough Square, London, EC4A 3DW
Investment Managers/Brokers	Cazenove Capital Management Ltd., 12 Moorgate, London, EC2R 6DA
Registered office	Lynwood, Sunninghill, Ascot, Berkshire, SL5 0AJ
Company number	2163894
Charity number	297877
Registered social Landlord number	LH3766
Auditors	BDO Stoy Hayward LLP, 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 2005

The Management Board presents its report together with the audited financial statements for the year ended 31 March 2005.

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 four regional Welfare Offices at:

Birmingham - GKN Driveline Limited, Old Walsall Road, Great Barr, Birmingham, B42 1DX.

Manchester - C.D. Brammall, Taylor Road, Trafford Park, Manchester, M41 7JQ.

Newport - PO Box 1809, Newport, Gwent, NP19 4XP.

Scotland - Scottish Motor Trade Association Ltd, Palmerston House, 10 The Loan, South Queensferry, Edinburgh, EH30 9NS

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 Cornish | |
| * | T L Evans | |
| ¶° | B D Ferguson | |
| | D. Goosey | (appointed 23 rd September, 2004) |
| * | T V Holmes | |
| | M. Judge | (appointed 20 th January, 2005) |
| | K W Keir | |
| | Mrs N S Lindsay | (resigned 22 nd July, 2004) |
| *° | C Macgowan | |
| | Ms K Myers | |
| | V A Oddie | (resigned 23 rd September, 2004) |
| * | R Shaw | |
| ¶° | G D Sherley | |
| ¥ | J J Tinker | |
| | R D Waite | |
| | D J Webber FCA | (deceased 29 th January, 2005) |

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

Report of the Management Board for the year ended 31 March 2005

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.

¥ Member of Welfare Committee.

¶ Member of Finance & Audit Committee

° Member of Remuneration Committee

Financial Review

In 2004/5 Fundraising Income again turned out to be a major challenge for the Fund both failing to reach forecast expectations and achieve the previous year's result. This was partly due to timing of annual donations by major corporate donors as well as a number of corporate supporters who ceased trading during the year. Payroll Giving did not achieve its target, mainly due to the high turnover of staff in the industry. We are now measuring this rate of churn and taking action to improve recruitment into this key revenue stream. Underlying issues are being addressed by the re-structuring of the Fundraising Department (see below) with effect from 1st May, 2005. Legacies and fees and rents exceeded forecast. However, after depreciation charge of £269,596 an operating loss of £592,284 was recorded. During the year there was a net unrealised investment gain of £252,453 which resulted in a decrease in total funds of £339,831.

Incoming Resources (£10,826,834) increased by £8,870 (0.1%).

Fees and Rents increased by 9% (£445,272). This reflects good average occupancy of accommodation (92%) and the results of efforts to obtain better funding from Local Authorities and NHS. However, income for nursing and residential care remains substantially below the actual cost of providing good quality care.

Total Fundraising Income, donations, legacies and similar income (£4,427,973) decreased by £375,433 as major sources of fundraising income were below forecast and in 2005/6 the Department is being re-organised under the new Director, Fundraising & Communication, Russell Marriott. The Centenary Appeal for £3million to build for the future was publicly launched by Sir John Egan, Appeal Chairman, at a luncheon at the Guildhall on 27th January, 2005, attended by BEN's Patron, HRH the Princess Alexandra. Leaders of the Appeal in each sector of the industry have been recruited and by the year end over £1million had been pledged. Under this heading, grants towards the cost of care projects at Town Thorns (£10,000) and Alexandra House (£5,000) were received from the Lloyds TSB Foundation (see note 3).

Donations (included in unrestricted Fundraising Income) of £2,256,687 from corporate and individual donors; this included a donation of £25,000 from Blakes Benevolent Trust. The Board are pleased to record that 85% of this income is regarded as "non-discretionary" i.e. from regular committed supporters.

Total Expenditure increased by 4.5% (£493,276). Charitable expenditure represents 84.6% of the total resources expended (2004: 84.2%). The Board are pleased to record that Management and administration costs have been contained at £74,892 (£71,958 in 2003/04). These include salaries and other direct costs relating to servicing the Management Board, its committees and audit – cost of generating funds represents 15.4% (2004: 15.8%).

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/Liabilities – Liabilities - £99,095 (2004: Assets: £152,662).

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

Report of the Management Board for the year ended 31 March 2005

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 £220K per year (£300K contributed in 2004/5 and £270K in 2003/4) to the closed scheme from 2005/6 to achieve the Minimum Funding Requirement of 90%.

The excess of the present value of the scheme over the total market value (£1,819,000) is disclosed in Note 28. 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 demands for BEN's welfare services and issues concerning the funding of long term care.

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 (£3.6 million in 2004/2005). 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 is reviewed annually.

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 charity 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.

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.

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

Report of the Management Board for the year ended 31 March 2005

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 10th 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.

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 2005, the Fund has been fully compliant with the requirements of Housing Corporation Regulatory Code & Guidance January 2003.

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

Report of the Management Board for the year ended 31 March 2005

Internal Financial Control

The Board is responsible for the Fund's systems of internal 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 or Deputy and considered by the full Board at each meeting. The draft accounts are first reviewed by the Finance & Audit Committee in conjunction with senior executive staff and are then submitted for the consideration and approval of the full Board. The Finance & Audit committee is involved in preparing financial budgets.

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 financial controls at 31 March 2005 and up to date. In January 2005 the Board approved the appointment of Sayer Vincent, Consultants & Auditors, to provide internal audit services with effect from 2005/6. Scope of work in year one will focus on two areas:-

- mapping of high level controls and development of an internal audit plan
- review of fundraising functions

Welfare Services

In 2004/2005 the Welfare Committee considered 858 new cases in which financial assistance was given (2003/04 - 844).

The total number of active cases decreased slightly from 5,679 (14,577 people) to 5,678 (14,482 people). The stabilisation in the number of active cases reflects improved controls, changes in age profile and the introduction of pension credit. Grants to beneficiaries increased from £795,296 in 2003/2004 to £825,246. However, these figures do not reflect the cost of advice and support given by the Welfare Officers who assist applicants to ensure they obtain all benefits to which they are entitled. This sometimes results in BEN not needing to give financial assistance.

Voluntary visitors (BENfriends) play a vital and increasing role in the welfare of BEN's "family". During the year around 95 volunteers made 1,642 domicilliary visits to beneficiaries.

The Board are grateful to GKN, C. D. Brammall, Scottish Motor Trade Association and British Car Auctions for providing offices in Birmingham, Manchester, Edinburgh and Newport respectively.

Residential Centres

In 2004/2005 the cost of care of residents and housing increased by 4.4% to £7,296,009 (6.7% to £6,988,104 in 2003/2004), whilst fees and rents increased by 9%. Costs have increased above the rate of inflation due to increasing needs of residents.

Fee increases have helped to reduce the net cost of running the Centres from £1.99M in 2003/2004 to £1.849M in 2004/05.

At the year end 306 (2004 - 309 people) were residing at the four Centres (including sheltered housing); 92.1% of available beds (2004 - 90.4%).

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

Report of the Management Board for the year ended 31 March 2005

Centre	Available Beds		Occupied Beds	
	2005	2004	2005	2004
Alexandra House	54	54	51	50
Birch Hill	31	33	31	30
Lynwood	138	136	126	126
Town Thorns	116	119	98	103
	<hr/>	<hr/>	<hr/>	<hr/>
Total	339	342	306	309
	<hr/>	<hr/>	<hr/>	<hr/>

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.

The Residential Centres have continued to meet National Minimum Standards and in a number of areas exceed them, particularly in the area of quality of life. With effect from 1st April 2004 the National Care Standards Commission was replaced by the Commission for Social Care Inspection (CSCI).

A major issue continues to be the inadequate level of contract prices paid by Local Authorities for residential and nursing care; whilst there has been some further improvement in 2004/5, with over 70% of BEN's residents being dependent upon State funding the campaign to obtain better funding was continued through membership of "umbrella bodies". Detailed assessments have been made of residents' needs to obtain NHS continuing care funding; in particular this has been successful in obtaining full cost recovery for some younger disabled residents at Town Thorns.

Arthur Wilson House is providing much needed day care in Coventry; the average daily usage has increased to 20 (2004 – 17). Membership of the Day Centre stands at 64 (2004 - 60) but limited funding by Social Services restricts the daily attendance of members.

Future Developments

During the course of 2004 internal strategy meetings of Executive staff, assisted by professional external facilitators, considered BEN's purpose and values, analysed trends in care and key relationships with stakeholders and discussed a vision for the future. A Management Board Workshop was held on 21st October, 2004 to consider the conclusions and at its November meeting approved priority objectives/challenges in BEN's Five Year Strategy 2005-2010:-

- Improved and stabilised financial position
- Development of a professional communications plan
- Capitalise on the Centenary Appeal.
- Extend reach of welfare operation, especially in Scotland and Ireland.
- Examine further the development of the Residential Centres
- Research and determine future re-development of the Lynwood estate.
- Effect change in executive staff structure and develop more effective organisation and culture.

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

Report of the Management Board for the year ended 31 March 2005

At the year end business plans were being developed for specific projects. The Executive Staff structure has been reviewed to reflect the retirement of the Deputy Chief Executive on 31st December, 2005 and the need to increase the effectiveness of fundraising. With effect from 1st January, 2006 four Executive Directors will report to the Chief Executive, i.e. Care Services, Fundraising & Communications, Finance (Company Secretary) and Personnel.

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 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 by charities is more appropriate to the charity's circumstances than the Registered Social Landlord SORP. 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 LLP be re-appointed as auditors to the company for the ensuing year.

On behalf of the Board



D J Prescott MBE FCIS
Secretary

Date: 21st July, 2005

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 2005 on pages 9 to 34. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the 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 Schedule 1 paragraph 16 to the Housing Act 1996 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 above statutes 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 affairs of the charitable company and the group as at 31 March 2005, 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 LLP
Chartered Accountants
and Registered Auditors
Epsom, Surrey

Date: 21st July 2005

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

Consolidated statement of financial activities for the year ended 31 March 2005 (incorporating an income and expenditure account)

	Note	Unrestricted funds 2005 £	Restricted funds 2005 £	Permanent endowment funds 2005 £	Total 2005 £	Total 2004 £
Incoming resources						
<i>Activities in furtherance of the charity's objects</i>						
Fees and rents		5,443,544	-	-	5,443,544	4,998,272
<i>Activities for generating funds</i>						
Fundraising income	3	4,350,199	77,774	-	4,427,973	4,803,406
Trading activities	4	725,998	-	-	725,998	804,896
Investment income		221,920	-	-	221,920	211,390
Net gain on disposal of fixed assets		7,399	-	-	7,399	-
Total incoming resources		10,749,060	77,774	-	10,826,834	10,817,964
Resources expended						
Cost of generating funds						
Trading activities	4,5	444,384	-	-	444,384	501,910
Fundraising and publicity	5	1,311,584	-	-	1,311,584	1,230,355
		1,755,968	-	-	1,755,968	1,732,265
Charitable expenditure						
Care of residents and housing	5	7,214,393	78,330	-	7,292,723	6,988,104
Welfare	5	814,422	-	-	814,422	743,951
Grants payable	5,6	770,267	54,979	-	825,246	795,296
Support costs	5	655,867	-	-	655,867	597,554
Management and administration	5	74,892	-	-	74,892	71,958
		9,529,841	133,309	-	9,663,150	9,196,863
Total resources expended	5	11,285,809	133,309	-	11,419,118	10,929,128
Net outgoing resources		(536,749)	(55,535)	-	(592,284)	(111,164)
Net investment gain	7,8	18,000	-	234,453	252,453	392,134
Net movement in funds		(518,749)	(55,535)	234,453	(339,831)	280,970
Transfers between funds	21	21,645	(21,645)	-	-	-
Funds brought forward		1,740,362	6,080,485	6,625,098	14,445,945	14,164,975
Funds carried forward at 31 March 2005		1,243,258	6,003,305	6,859,551	14,106,114	14,445,945

All operations are continuing operations.

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

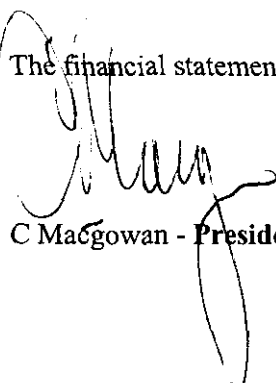
The notes on pages 12 to 34 form part of these financial statements

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

Balance sheets at 31 March 2005

		2005		2004	
	Note	Consolidated £	Company £	Consolidated £	Company £
Fixed assets					
Tangible assets	9	9,664,799	9,664,799	10,020,965	10,020,931
Investments	10	4,867,609	4,870,011	4,606,402	4,608,804
		<u>14,532,408</u>	<u>14,534,810</u>	<u>14,627,367</u>	<u>14,629,735</u>
Current assets					
Stock		6,051	-	7,293	-
Debtors	12	608,874	626,877	813,966	851,431
Cash at bank and in hand	13	74,138	16,868	58,711	23,597
		<u>689,063</u>	<u>643,745</u>	<u>879,970</u>	<u>875,028</u>
Creditors: amounts falling due within one year	14	788,158	745,242	(727,308)	(724,734)
		<u>(99,095)</u>	<u>(101,497)</u>	<u>152,662</u>	<u>150,294</u>
Net current (liabilities)/assets					
		<u>14,433,313</u>	<u>14,433,313</u>	<u>14,780,029</u>	<u>14,780,029</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	15	(327,199)	(327,199)	(334,084)	(334,084)
		<u>14,106,114</u>	<u>14,106,114</u>	<u>14,445,945</u>	<u>14,445,945</u>
Funds	20	14,106,114	14,106,114	14,445,945	14,445,945

The financial statements were approved by the Management Board on 21 July 2005 and signed on its behalf by:


C Macgowan - President


G D Sherley - Deputy 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 2005

	Note	2005	2004
		£	£
Net cash outflow from operating activities	23	(269,094)	(164,870)
Returns on investments			
Investment income received		221,920	211,390
Interest paid	24	(31,001)	(20,158)
		<u>190,919</u>	<u>191,232</u>
Capital expenditure and financial investment			
Repayment of Housing Corporation grant		-	(21,257)
Purchase of tangible assets		(131,781)	(352,745)
Proceeds on sale of tangible assets		225,750	-
Purchase of investments		(132,250)	(2,041,013)
Proceeds on sale of investments		356,691	2,042,517
		<u>318,410</u>	<u>(372,498)</u>
Net cash inflow/(outflow) from acquisitions and disposals		318,410	(372,498)
Management of liquid resources			
Cash retained from investment portfolio	26	(224,478)	(1,578)
		<u>(224,478)</u>	<u>(1,578)</u>
Net cash outflow from management of liquid assets		(224,478)	(1,578)
Net cash inflow/(outflow) before financing		15,757	(347,714)
Financing			
Repayments of bank loans		(6,835)	(6,835)
Repayments of Housing Corporation loan		(24)	(21)
Increase in other long-term loan		-	2,500
Mortgage loan repayments		(8,718)	5,089
		<u>(15,577)</u>	<u>(733)</u>
Increase/(decrease) in cash	26	180	(346,981)
Cash at 1 April 2004		(115,213)	231,768
Cash at 31 March 2005	26	<u>(115,033)</u>	<u>(115,213)</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 2005

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 2005 (Continued)

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 2005 (Continued)

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 2005 *(Continued)***3 Donations and similar income**

	Unrestricted	Restricted	Total 2005	Total 2004
	£	£	£	£
Donations and fundraising events	3,797,388	-	3,797,388	4,081,231
Appeals	26,080	7,795	33,875	7,379
Grants	-	69,979	69,979	74,892
Gifts in kind	252,067	-	252,067	249,213
Legacies	274,664	-	274,664	390,691
	<u>4,350,199</u>	<u>77,774</u>	<u>4,427,973</u>	<u>4,803,406</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 2005 £	Total 2004 £
The results for the year are as follows:					
Turnover	615,343	110,655	-	725,998	804,896
Cost of sales and administrative expenses	(356,438)	(69,637)	(18,309)	(444,384)	(501,910)
	<u>258,905</u>	<u>41,018</u>	<u>(18,309)</u>	<u>281,614</u>	<u>302,986</u>
Amount covenanted to charity	(258,905)	(41,018)	18,309	(281,614)	(302,986)
	<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 2005 (*Continued*)

4 Bentrade Limited (*Continued*)

	2005 £	2004 £
Balance sheet		
Fixed assets	-	34
Current assets	67,136	42,985
Current liabilities	(64,734)	(40,617)
	<u>2,402</u>	<u>2,402</u>

5 Resources expended

	Staff £	Depreciation £	Other £	Total 2005 £	Total 2004 £
<i>Cost of generating funds</i>					
Bentrade	70,735	34	373,615	444,384	501,910
Fundraising and publicity	764,971	-	546,613	1,311,584	1,230,355
<i>Charitable expenditure</i>					
Care of residents and housing	5,652,407	225,402	1,414,914	7,292,723	6,988,104
Welfare	542,183	-	272,239	814,422	743,951
Grants made	-	-	825,246	825,246	795,296
Support costs	340,848	44,160	270,859	655,867	597,554
Management and administration	46,518	-	28,374	74,892	71,958
	<u>7,417,662</u>	<u>269,596</u>	<u>3,731,860</u>	<u>11,419,118</u>	<u>10,929,128</u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)Notes forming part of the financial statements for the year ended 31 March 2005 *(Continued)***6 Grants payable**

One-off grants made to or on behalf of individuals

	Value		2005		2004	
	From £	To £	Number	Total £	Number	Total £
	1	250	1,580	226,260	1,718	205,803
	251	500	850	334,869	786	312,770
	501	750	59	37,198	42	25,903
	751	1,000	31	28,011	19	17,270
	1,001	1,250	5	5,816	10	11,248
	1,251	1,500	4	5,344	2	2,975
	1,501	1,750	3	4,675	2	3,350
	Greater than	1,751	5	11,170	7	49,874
			<hr/>	<hr/>	<hr/>	<hr/>
Total discretionary			2,537	653,343	2,586	629,194
			<hr/>	<hr/>	<hr/>	<hr/>
Total weekly grants				171,903		166,102
				<hr/>		<hr/>
Total grants made				825,246		795,296
				<hr/>		<hr/>

One-off grants include amounts received and paid on behalf of other organisations to individuals. The total of such receipts is £54,979 (2004: £74,892) 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 2005 (*Continued*)

7 Listed investments

	Endowment Funds Nursing Home and General Fund £	Common Investment Fund £	General fund £	Total £
<i>Cost</i>				
Market value at 1 April 2004	2,691,813	1,546,685	243,496	4,481,994
Additions	132,250	-	-	132,250
Disposals	(224,442)	-	(132,250)	(356,692)
Net investment gain (note 8)	107,275	127,178	18,000	252,453
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2005	2,706,896	1,673,863	129,246	4,510,005
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Market value</i>				
Listed in the UK	2,706,896	1,673,863	129,246	4,510,005
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Historical cost</i>				
At 31 March 2005	2,548,920	1,437,161	106,691	4,092,773
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	2,613,765	1,437,161	218,195	4,269,121
	<hr/>	<hr/>	<hr/>	<hr/>
Unrealised gains at 31 March 2005	157,976	236,702	22,555	417,232
	<hr/>	<hr/>	<hr/>	<hr/>
Realised investment gains based on historical cost	(27,347)	-	(20,746)	(48,093)
	<hr/>	<hr/>	<hr/>	<hr/>

The narrow and wider range of the Common Investment Fund were combined during the year.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)Notes forming part of the financial statements for the year ended 31 March 2005 *(Continued)***8 Endowment funds**

	Common Investment Fund £	Nursing Home and General Fund £	Total £
Balance at 1 April 2004	1,552,508	5,072,590	6,625,098
Gain/(loss) on revaluation of investments	127,178	107,275	234,453
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2005	1,679,686	5,179,865	6,859,551
	<hr/>	<hr/>	<hr/>
Represented by:			
Listed investments	1,673,863	2,706,896	4,380,759
Bank balances	5,823	224,719	230,542
Amount owed by general fund	-	2,248,250	2,248,250
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2005	1,679,686	5,179,865	6,859,551
	<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	1,010,499	43,180
Viscount Wakefield Educational Fund	0.91	15,285	653
Viscount Nuffield Fund	1.65	27,715	1,184
Willoughby Trust Fund	1.07	17,973	768
Lynwood Endowment Fund	36.05	605,527	25,875
Sir James Percy Memorial Fund	0.16	2,687	116
	<hr/>	<hr/>	<hr/>
	100.00	1,679,686	71,776
	<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 2005 (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 2004	12,450,558	366,056	1,150,227	524,818	221,057	14,712,716
Less accumulated grants	(870,671)	-	(6,806)	-	-	(877,477)
	11,579,887	366,056	1,143,421	524,818	221,057	13,835,239
Additions	12,154	-	90,102	16,639	12,886	131,781
Disposals	(250,756)	-	-	-	-	(250,756)
At 31 March 2005	11,341,285	366,056	1,233,523	541,457	233,943	13,716,264
<i>Depreciation</i>						
At 1 April 2004	2,351,783	68,854	759,513	464,465	169,659	3,814,274
Charge for year	114,620	13,321	85,144	26,299	30,212	269,596
Disposals	(32,405)	-	-	-	-	(32,405)
At 31 March 2005	2,433,998	82,175	844,657	490,764	199,871	4,051,465
<i>Net book value</i>						
At 31 March 2005	8,907,287	293,881	388,866	50,693	34,072	9,664,799
At 31 March 2004	9,228,104	297,202	383,908	60,353	51,398	10,020,965

Consolidated fixed assets above include £Nil (2004 - £Nil) of computer equipment at net book value which relate to Bentrade Limited and £Nil of furniture, fixtures and fittings which relate to Bentrade Limited (2004 - £34).

Land values included within property amount to £750,000 (2004: £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 2005 *(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 (2004 - £454,375).

An impairment review of the converted freehold property was carried out at 31 March 2005 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 £114,620 of which £57,777 (2004: £58,286) has been charged against restricted funds. The depreciation of leasehold property amounted to £13,321 of which £10,553 (2004: £10,553) has been charged against restricted funds.

Grants repaid to the Housing Corporation amounted to £Nil (2004 - £ 21,257).

10 Investments

	2005		2004	
	£	£	£	£
Endowment funds				
Listed investments (note 7,8)		4,380,759		4,238,498
Cash		230,541		6,100
		<hr/>		<hr/>
		4,611,300		4,244,598
General fund				
Listed investments (note 7)	129,246		243,496	
Cash	1,156		1,119	
Mortgages and loans (note 11)	125,907		117,189	
	<hr/>		<hr/>	
		256,309		361,804
		<hr/>		<hr/>
Total per consolidated financial statements		4,867,609		4,606,402
Bentrade Limited (Note 4)		2,402		2,402
		<hr/>		<hr/>
Total per company financial statements		4,870,011		4,608,804
		<hr/>		<hr/>

In addition to the above investments the endowment funds are owed £2,248,250 (2004: £2,380,500) 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 2005 (Continued)

11 Mortgages and loans

	2005 £	2004 £
The sum represents advances to beneficiaries:		
Secured on freehold and long leasehold properties	45,570	46,569
Unsecured	80,337	70,620
	<u>125,907</u>	<u>117,189</u>

12 Debtors

	2005 Consolidated £	Company £	2004 Consolidated £	Company £
Gross fees and rent arrears	395,193	395,193	355,101	355,101
Less provision for bad and doubtful debts	(107,697)	(107,697)	(58,027)	(58,027)
	<u>287,496</u>	<u>287,496</u>	<u>297,074</u>	<u>297,074</u>
Fees and rents receivable	121,293	121,293	100,977	100,977
Prepayments and accrued income	200,085	196,270	415,915	415,337
Other debtors	-	21,818	-	38,043
Due from subsidiary	<u>608,874</u>	<u>626,877</u>	<u>813,966</u>	<u>851,431</u>

13 Cash at bank and in hand

	2005 Consolidated £	Company £	2004 Consolidated £	Company £
Payroll giving account	16,868	16,868	23,597	23,597
Cash in hand	57,270	-	35,114	-
	<u>74,138</u>	<u>16,868</u>	<u>58,711</u>	<u>23,597</u>

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

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

14 Creditors: amounts falling due within one year

	2005		2004	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Bank loans (note 16)	6,856	6,856	6,835	6,835
Loan advance by Housing Corporation (note 18)	28	28	24	24
Bank overdraft (note 17)	189,171	189,171	173,924	173,924
Creditors and accruals	446,871	403,955	408,060	405,486
Other taxes and social security costs	145,232	145,232	138,465	138,465
	<u>788,158</u>	<u>745,242</u>	<u>727,308</u>	<u>724,734</u>

15 Creditors: amounts falling due after more than one year

	2005		2004	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Loan advance by Housing Corporation (note 18)	30,986	30,986	31,014	31,014
Bank loans (note 16)	296,213	296,213	303,070	303,070
	<u>327,199</u>	<u>327,199</u>	<u>334,084</u>	<u>334,084</u>

16 Bank loans

	2005	2004
	£	£
Amounts due within one year	6,856	6,835
Amounts due after one year	296,213	303,070
	<u>303,069</u>	<u>309,905</u>

17 Bank overdraft

Barclays Bank PLC has provided facilities up to £500,000 (2004 - £500,000) with temporary excesses for general operating purposes. 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 2005 (*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:

	2005 £	2004 £
Repayable by instalments:		
Due within one year	28	24
Due within two to five years	157	137
Due in more than five years	30,829	30,877
	<hr/>	<hr/>
	31,014	31,038
	<hr/>	<hr/>

19 Obligations under operating leases

	2005 £	2004 £
The net annual obligation under operating leases is as follows:		
Agreement expiring:		
- in one year or less	4,577	6,161
- between one and five years	22,654	21,070
	<hr/>	<hr/>
	27,231	27,231
	<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 2005 (Continued)

20 Summary of fund balances

	Restricted funds									
	Town Permanent Endowment £	Thorns Capital Fund £	Lynwood Capital Fund £	Day Centre £	Rent Surplus Fund £	Lloyds TSB Grant £	Centenary Appeal Reserve £	Cyclical Maintenance Reserve £	General Fund £	Total £
Balance brought forward at 1 April 2004	6,625,098	4,068,109	1,709,593	281,138	21,645	-	(2,938)	216,993	1,526,307	14,445,945
Movements in the year	102,203	(40,681)	(9,301)	(10,553)	-	5,000	-	-	(386,499)	(339,831)
Movement between funds	132,250	-	-	-	(21,645)	-	(41,227)	22,897	(92,275)	-
Balance carried forward at 31 March 2005	6,859,551	4,027,428	1,700,292	270,585	-	5,000	(44,165)	239,890	1,047,533	14,106,114
Represented by:										
Tangible assets	-	4,027,428	1,761,261	283,882	-	-	-	-	3,592,228	9,664,799
Investments	4,611,301	-	-	-	-	-	-	-	256,308	4,867,609
Current assets	-	-	7,893	-	-	5,000	-	-	676,172	689,063
Current liabilities	-	-	-	-	-	-	-	-	(788,158)	(788,158)
Long term liabilities and provisions	-	-	-	-	-	-	-	-	(327,199)	(327,199)
Inter-fund loans and transfers	2,248,251	-	(68,862)	(13,297)	-	-	(44,165)	239,890	(2,361,816)	-
Balance carried forward at 31 March 2005	6,859,551	4,027,428	1,700,292	270,585	-	5,000	(44,165)	239,890	1,047,533	14,106,114
Unrealised gains (note 7)	394,677	-	-	-	-	-	-	-	22,555	417,232

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 2005 (*Continued*)**21 Rent Surplus Fund**

	2005 £	2004 £
At 1 April	21,645	18,423
Indexation for year	-	3,222
Transfer to unrestricted funds	(21,645)	-
	<hr/>	<hr/>
At 31 March	-	21,645
	<hr/>	<hr/>

The rent surplus fund was abolished by the Housing Corporation in January 2005. The balance at the beginning of the year has therefore been transferred from restricted reserves to unrestricted reserves.

22 Cyclical Maintenance Reserve

	Lynwood Sheltered Housing £	Alexandra House Hostel £	Birch Hill Sheltered Housing £	Town Thorns Sheltered Housing £	2005 Total £	2004 Total £
At 1 April 2004	69,832	14,929	3,472	128,760	216,993	224,746
Transfer from general funds	8,820	852	1,512	11,808	22,992	22,320
Expenditure during the year	-	-	(95)	-	(95)	(30,073)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	78,652	15,781	4,889	140,568	239,890	216,993
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

23 Reconciliation of net outgoing resources to net cash outflow from operating activities

	2005 £	2004 £
Net outgoing resources before revaluations	(592,284)	(111,164)
Gain on disposal of fixed assets	(7,399)	-
Depreciation charge	269,596	280,650
Investment income	(221,920)	(211,390)
Interest payable	31,001	20,158
Change in debtors and stocks	228,152	28,468
Change in creditors	23,760	(171,592)
	<hr/>	<hr/>
	(269,094)	(164,870)
	<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 2005 (Continued)

24 Interest payable

All interest payable relates to loans and overdrafts repayable within 5 years and amounted to £31,001 (2004 - £20,158).

25 Reconciliation of net cash flow to movement in net debt

	2005 £	2004 £
Increase/(decrease) in cash in the year	180	(346,981)
Cash inflow from repayment of loans	6,859	4,356
Cash inflow from increase in liquid resources	224,478	1,578
	<hr/>	<hr/>
Change in net debt	231,517	(341,047)
Net debt at 1 April 2004	(448,937)	(107,890)
	<hr/>	<hr/>
Net debt at 31 March 2005	(217,420)	(448,937)
	<hr/>	<hr/>

26 Analysis of changes in net debt

	At 1 April 2004 £	Cash flow £	At 31 March 2005 £
Cash in hand	58,711	15,427	74,138
Overdraft	(173,924)	(15,247)	(189,171)
	<hr/>	<hr/>	<hr/>
	(115,213)	180	(115,033)
Debt due within one year	(6,859)	(26)	(6,885)
Debt after one year	(334,084)	6,885	(327,199)
Investment portfolio cash (note 10)	7,219	224,478	231,697
	<hr/>	<hr/>	<hr/>
Total	(448,937)	231,517	(217,420)
	<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 2005 (Continued)****27 Employee costs**

	2005 £	2004 £
Total employee costs during the year were:		
Salaries and wages	6,489,171	6,196,601
Employer's National Insurance contributions	540,462	472,207
Pension costs	388,030	351,999
	<u>7,417,662</u>	<u>7,020,807</u>
The number of employees earning more than £50,000 in the year are as follows:	Number	Number
£50,001 - £60,000	1	2
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-
	<u>1</u>	<u>3</u>

The above figures include car and fuel benefit which range from £5,233 - £10,643. 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 £93,043 (2004 - £68,392 - the Deputy Chief Executive).

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

	2005 Number	2004 Number
Residential homes	332	296
Welfare	22	21
Administration and management	13	11
Appeals and publicity	29	29
	<u>396</u>	<u>357</u>

As at 31 March 2005, the actual total number of employees was 399 (2004: 394).

No Management Board members received any remuneration in the year. Two Management Board members received reimbursement of expenses for travel totalling £514 in the year (2004 - £1,566).

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

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

28 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 2005 the Fund made payments totalling £300,000 (2004: £270,000).

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 £220,000 per year to the closed scheme 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 2005. Scheme assets are stated at their market value at 31 March 2005.

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

	2005	2004	2003
Valuation method	Triennial	Triennial	Triennial
Discount rate	5.5% per annum	5.5% per annum	5.5% per annum
Inflation rate	2.5% per annum	2.75% per annum	2.5% per annum
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase for pensions in payment			
Prior to 5 April 1997	3% per annum	3% per annum	3% per annum
After 6 April 1997	2.5% per annum	2.5% per annum	2.25% 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 2005 (Continued)

28 Pension scheme (Continued)

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

	Long term expected rate of return at 31 March 2005	Market value at 31 March 2005 £'000	Long term expected rate of return at 31 March 2004	Market value at 31 March 2004 £'000	Long term expected rate of return at 31 March 2003	Market value 31 March 2003 £'000	Long term expected rate of return at 31 March 2002	Market value 31 March 2002 £'000
Equities	7.5%	3,825	7.75%	3,403	7.25%	2,510	8.0%	3,278
Bonds	5.5%	766	5.5%	577	5.5%	525	6.0%	655
Property	6.5%	-	6.5%	-	6.0%	-	6.5%	-
Cash	4.75%	271	3.75%	191	3.0%	211	3.5%	259
Total market value of assets		4,862		4,171		3,246		4,192
Present value of scheme liabilities		(6,681)		(7,632)		(7,159)		(5,670)
(Deficit)		(1,819)		(3,461)		(3,913)		(1,478)

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

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

28 Pension scheme (continued)

Analysis of the amount charged to operating surplus

	2005 £
Current service cost	-
Past service cost	-
	<hr/>
Total operating charge	-
	<hr/>

Analysis of the amount credited to other finance income

	2005 £'000
Expected return on pension scheme assets	311
Interest on pension scheme liabilities	(418)
	<hr/>
Net return	(107)
	<hr/>

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

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

28 Pension scheme (continued)

Analysis of the amount that would be recognised in a statement of total recognised gains and losses	2005 £'000	
Actual return less expected return on pension scheme assets	151	
Experience gains and losses arising on the scheme liabilities	892	
Changes in assumptions underlying the present value of the scheme liabilities	406	
Actuarial loss	1,449	
Movement in deficit during the year	2005 £'000	
Deficit in scheme at beginning of the year	(3,461)	
Movement in year:		
Contributions	300	
Other finance income	(107)	
Actuarial costs	1,449	
Deficit in scheme at end of the year	(1,819)	
History of experience gains and losses	2005	2004
Difference between expected and actual return on scheme assets		
Amount £'000	151	591
Percentage of scheme assets	3%	14%
Experience gains and losses on scheme liabilities		
Amount £'000	892	19
Percentage of the present value of the scheme liabilities	13%	0%
Total amount recognised in statement of total recognised gains and losses		
Amount £'000	1,449	352
Percentage of the present value of the scheme liabilities	22%	5%

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

Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

29 Capital commitments and contingent liabilities

At 31 March 2005 there were no outstanding commitments contracted for (2004 - £nil).

30 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 33. The details required by the Housing Corporation in relation to registered social landlord staff costs are:

	2005 £	2004 £
Staff costs during the year	134,445	130,519
Social security costs	15,409	14,959
Other pension costs	4,238	4,114
	<hr/>	<hr/>
	154,092	149,592
	<hr/>	<hr/>

The average number of employees of the Fund involved with housing association activities during the year was 26 (2004 - 26). The trustees do not receive payment for Housing Association work.

	2005 £	2004 £
Auditors' fees - Housing Association	2,350	2,350
	<hr/>	<hr/>

None of the trustees received remuneration in respect of Housing Association work. Further disclosure of emoluments are given in note 27 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 2005

31	Alexandra House £	Birch Hill £	Lynwood £	Town Thorns £	2005 Total £	2004 £
Gross rents receivable	32,361	12,319	128,413	133,100	306,193	312,732
Less rent losses from voids	(33)	(304)	(11,718)	(32,824)	(44,879)	(44,879)
Net rents receivable	32,328	12,015	116,695	100,276	261,314	267,853
Expenditure on lettings						
Services	32,221	7,355	50,476	54,801	144,853	138,039
Management	12,244	3,966	19,292	22,770	58,292	54,542
Routine maintenance	2,330	9,815	32,183	14,796	59,124	57,811
Other costs	-	-	4,524	-	4,524	4,528
Provision for bad debts	168	57	558	494	1,277	1,307
Total expenditure	46,963	21,193	107,033	92,861	268,050	256,227
Deficit/(surplus)	(14,635)	(9,178)	9,662	7,415	(6,736)	11,626
Rent arrears	1,809	1,383	528	11,646	15,366	15,366
Housing stock						
Sheltered housing rented	-	-	44	12	56	55
Hostel	6	-	-	-	6	6
LSE	-	8	2	-	10	10
Shared ownership	-	-	2	30	32	38
	6	8	48	42	104	105