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

Report and Financial Statements

Year Ended

31 March 2006



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 2006

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Reference and administrative details

Charity Number:	297877
Company Number:	2163894
Registered Social Landlord Number:	LH 3766
Principal Office:	Lynwood, Sunninghill, Ascot, Berkshire, SL5 0AJ
Auditors:	BDO Stoy Hayward LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX Sayer Vincent LLP, King's House, Orchard Street, Bristol, BS1 5EH
Bankers:	Barclays Bank PLC, 1 High Street, Bracknell, Berkshire, RG12 1DR
Solicitors:	Field Fisher Waterhouse, 35 Vine Street, London, EC3N 2AA Lewis Silkin LLP, 5 Chancery Lane, Clifford's Inn, London, EC4A 1BL
Investment Managers/Brokers	Cazenove Capital Management Ltd., 12 Moorgate, London, EC2R 6DA

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

Report of the Trustees for the year ended 31 March 2006

The Trustees are pleased to present their report together with the financial statements of the fund for the year ending 31 March 2006.

Directors and Trustees:

The directors of the charitable company (the Fund) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The trustees serving during the year and since the year end were as follows:-

A B Archer
Mrs S A Brownson
S Dewey
T L Evans
B D Ferguson
D Goosey
T V Holmes
M Judge
C Macgowan
Ms K Myers
G Potts
A Sackett
R Shaw
G Sherley
J J Tinker (deceased 23rd December 2005)
R Woolcock
A Worthy

Executive Staff

G Barclay	- Chief Executive
D J Prescott MBE FCIS	- Deputy Chief Executive/Secretary (retired December 2005)
Miss J S Brown	- Director, Care Services
R Marriott	- Director, Fundraising & Communications
Mrs S Howard	- Personnel Director (from January 2006)
B Cottrell CPFA	- Finance Director and Company Secretary (from January 2006)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

BEN-Motor and Allied Trades Benevolent Fund is a company limited by guarantee governed by its *Memorandum and Articles of Association* dated 14 September 1987 and amended to allow for current governance arrangements on 21 September 1995. It is registered as a charity with the Charity Commission and is also a Registered Social Landlord.

Appointment of Trustees

The current Management Board of Trustees consists of 16 members who either approach the Fund to express their interest in becoming a Trustee, are themselves approached by a member of the senior executive management team or who are recommended by a member of the Board. The appointment of a new member is at the sole discretion of the Board of Trustees. Trustees serve for a period of three years at which time they retire and are eligible for re-election.

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

Report of the Trustees for the year ended 31 March 2006

Trustee Induction and Training

Each member of the Board undertakes a day's induction training, consisting of a briefing by the Executive Management Team and Heads of Departments on their activities. They are furnished with a complete range of information and literature, for future reference. Emphasis is placed on the legal status of a Trustee and the position and responsibilities as Directors of the Company.

Organisation

The Board of Trustees, which has up to 16 members, administers the Fund. The Board meets six times a year and there are sub-committees covering Welfare, Finance and Audit, Remuneration and Fundraising & Communications which meet regularly. A Chief Executive is appointed by the Trustees to manage the day-to-day operation of the Fund.

To facilitate the effective operations the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, welfare and the operation of the Residential Centres.

The Welfare Committee convenes once a month to consider financial assistance to beneficiaries. There are currently 12 members drawn from the motor and allied trades one of whom is a Board Trustee. The Board receives a report from the committee each time it meets.

The Finance and Audit committee is advisory to the Board and oversees all financial aspects of the Fund. It takes delegated responsibility for ensuring there is a framework for accountability, for examining and reviewing all systems and methods of control. The Committee reviews the audited financial statements of the Fund and recommends them to the Board. It considers the annual budget in detail and makes recommendations to the Board for its adoption. It reviews reports from external and internal auditors and monitors management actions to implement recommendations. It also oversees tendering for external services including internal and external audit services and considers the appointment, resignation or dismissal of internal and external auditors.

The Management Team 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 Fundraising and Communications Committee was formed in 2005. Details of its operation are given below.

Related Parties

The charity's wholly owned subsidiary, *BENTrade Limited*, was established to operate the trading activities of BEN, principally Christmas card sales and corporate events. *BENTrade* gift aids all of its profits to BEN.

Risk Management

A full and comprehensive risk assessment programme is carried out on a regular basis and reviewed quarterly by the Board of Trustees. The Board believes this to be appropriate to the Fund's size and nature of business.

For the year to 31 March 2006, the Fund has been fully compliant with the requirements of Housing Corporation Regulatory Code and Guidance January 2003.

The Remuneration Committee determines policy and individual remuneration packages of the Executive.

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

Report of the Trustees for the year ended 31 March 2006

OBJECTIVES AND ACTIVITIES

The Fund's objects and principal activities 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 who are United Kingdom or Irish citizens.

The Fund achieves its objectives by:

- Giving assistance to people in their own homes
- Giving grants
- Making 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 strategies employed to achieve the Fund's objectives are to operate:

- Welfare Offices in Ascot, Birmingham, Manchester, Newport (Gwent) and Scotland
- Nursing and Residential Centres in Ascot, Rugby, Southport and Berwick-upon-Tweed and
- Day Care Centre in Coventry.

ACHIEVEMENTS AND PERFORMANCE

The Fund has continued to provide a high level of service to all beneficiaries.

Welfare

Welfare Officers make and maintain contact with existing and potential beneficiaries across the UK and Ireland by either visiting them in their own homes or giving support and advice over the telephone. The team provides advice, support, friendship and financial assistance to those suffering hardship and distress. A network of more than 100 volunteers supports the Welfare Officers. Welfare departmental costs totalled £843,065 (£717,784 2004/05).

The Welfare committee considered 813 new cases (865 2004/05) in which financial assistance was given. The total active cases increased to 5,861 (16,410 people) from 5,679 (15,901 people) in the previous year. Over 2,555 contacts (3,457 2004/05) were made to beneficiaries in the year to give help, advice and support and to ensure they obtain all benefits to which they are entitled.

Grants to individuals totalled £777,044 (£825,246 2004/05) in the year. This included £80,280 (£54,979 2004/05) received from other charities for distribution to individuals. BEN provides a vital role in working alongside such organisations to ensure that individuals get the help that is available. Note 6 shows an analysis of grants made.

Care of Residents and Housing

Overall costs of Residents and Housing increased by 1.5% from £7,989,914 in 2004/05 to £8,111,686 in 2005/06. This reflects the cost control instigated by the Matrons, in particular the reduced use of agency staff over the year. Cost pressures are being felt in some areas such as gas and electric and additional expenditure to maintain the aging buildings, particularly at Lynwood.

The service continues to be financially supported by fundraising income. The funding reduced from £2.5million to £2.2million. The campaign to obtain higher levels of fees from local authorities continues.

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

Report of the Trustees for the year ended 31 March 2006

Nursing and Residential Centres

BEN's four nursing and residential centres provide a range of services including sheltered housing, residential accommodation and nursing beds.

During 2005/6 the highest quality of care continued to be delivered to BEN's residents in the Centres. At the year end 312 (306) were residing at the four centres. Average occupancy across the year totalled 309 - 91.9% (312 - 92.0% 2004/05).

All centres have continued to meet the standards required by the Commission for Social Care Inspection (CSCI) and in a number of areas exceeded them, particularly in the area of quality of life.

Alexandra House in Southport achieved the Assured Care Level 5, the first in Southport to be awarded this quality assurance standard set by Sefton Metropolitan Council's Social Service Department. This is the highest award available to a care home in the area and guarantees BEN additional income for local authority funded residents.

Day Centre

Arthur Wilson House in Coventry is the UK's first workplace day care centre. It provides a safe and comfortable environment where anyone with a connection to the motor or allied industries can leave an elderly parent or relative to be cared for during the working day.

Average attendance per day was 19 (20 2004/05). However, limited funding by Social Services restricts the daily attendance of members.

Fundraising Performance

The Board keeps under review the fundraising strategy and return on fundraising costs. The fundraising team raises funds from individuals, companies and trusts.

Overall fundraising income increased by 22.0% from £4,427,973 in 2004/05 to £5,403,063 in 2005/06. Fundraising costs as a percentage of income received are 26% compared to 25% in 2004/05. However, planned increases in fundraising income over the next three years will enable BEN to meet more need and the percentage is expected to reduce.

Excluding Centenary Income in the year of £359,117 (£26,079 2004/05), underlying fundraising income increased from £4,401,894 in 2004/05 to £5,043,946, an increase of £642,052 (14.5%).

BENTrade Performance

BENTrade is the trading company of BEN. BENTrade donated all of its profits to BEN. This totalled £382,238 (£281,614 2004/05). The company also collected a further £6,000 in donations. See Note 4.

Investment Performance

The Board has adopted the primary objective of a high and steady level of income by investing in UK equities, targeting a yield of 30% in excess of the FTSE All Share Index. The secondary target is to provide capital growth in order that the investment outperforms the FTSE All Share Index on a total return basis after costs over rolling five-year periods. Investment income totalled £228,469 for the year.

The Board believes that the investments are achieving these objectives and meets with Cazenove Capital Management Ltd twice a year.

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

Report of the Trustees for the year ended 31 March 2006

SPECIFIC OBJECTIVES 2005/06

The Board set five specific objectives for 2005/6:

- Development of Lynwood Centre
- Continue to build on Centenary Appeal
- Improve marketing and fundraising
- Extend reach of welfare operation, especially in Scotland and Northern Ireland
- Effect change in Executive Management structure

Development of Lynwood Centre

Lynwood Residential Centre was the first of BEN's centres to open and since the late 1940's has been developed to provide a range of accommodation and caring services. To comply with BEN's philosophy of care it is considered that:

- Existing nursing and care facilities require upgrading
- The sheltered housing need complete refurbishment or re-building
- To meet the needs of the industry and stated Government policy of enabling as many people as possible to be cared for at home, BEN will have to concentrate on specialist care and rehabilitation.

The Fund reconvened the Lynwood Development Committee in 2005. The Committee includes Trustees of the Board, Director of Care and the Matron and Nurse Manager of Lynwood. The Committee is due to report to the Board in 2006 with its recommendations.

Continue to build on Centenary Appeal

Since the appeal's launch in July 2005 over £385,000 has been received. The interest within the industry generated by the appeal has created both awareness and support. The fundraising team continues to capitalise on the appeal to increase income on a recurring basis.

Improve marketing and fundraising

In September 2005 the Board of Trustees created a Fundraising and Communications Sub-Committee to work on BEN's fundraising and marketing campaign chaired by Robin Woolcock.

The key issues identified by the Committee included branding, target marketing specific sectors, focus on individual donors, set realistic targets with agreed Key Performance Indicators and to contain fundraising costs within existing budgets.

The Committee reports back to the Board at each meeting and has agreed:

- Targets to double fundraising income over the next three years
- Increase the return on fundraising costs
- The approach to branding

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Report of the Trustees for the year ended 31 March 2006

Extend reach of welfare operation, especially in Scotland and Northern Ireland

A Welfare Officer was appointed to Scotland in 2004. During 2005/06 both fundraising and welfare staff have launched a campaign to increase awareness in Northern Ireland. This initiative continues.

Effect change in Executive Management structure

In January 2006 the new management team met for the first time. This followed the restructuring of the team after the retirement of David Prescott in December 2005 who had served the fund for 37 years. The resulting changes to reporting lines and responsibilities within the Executive Team and their staff have now been completed. The team meets every month to discuss operational and strategic issues.

FINANCIAL REVIEW

Income at £12.3million saw a growth of £1.4million (13%) in the year. Expenditure increased by £117,361 (1.2%) in the year to achieve a surplus of £645,514. This follows a deficit in 2004/5 of £399,284 (restated).

Charitable expenditure increased by £199,392 (2%). In overall terms, Charitable expenditure fell from 85% in 2004/05 to 83% in 2005/06. This fall was as a result of efficiency gains in the residential care homes and increased expenditure in Fundraising and Publicity.

Cash and bank balances improved significantly in the year reducing the dependency on the bank overdraft and reducing interest payments. Year-on-year cash balances improved by £533,715.

Reserves

The Board reviews the level of reserves needed annually. BEN needs free reserves to:

- Provide working capital
- Fund any unexpected shortfall in income and/or increased expenditure
- Provide funds for major repairs/refurbishment of the Fund's properties

The Board has concluded that to allow the Fund to be managed efficiently and to provide a buffer for uninterrupted services, an overall objective is to create a reserve equivalent to four months revenue expenditure (£3.8million 2005/06). It has not been possible to create this reserve in 2005/06.

PENSIONS

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 £613,000 was disclosed. At the date of signing the Report (31st March 2003) the Actuary estimated that, due to the fall in equity markets, the MFR deficit had increased to £1.2million. The Fund will be required to contribute £220,000 per year (£220,000 2005/06) to the closed scheme to achieve the Minimum Funding Requirement.

The deficit of the present value of the scheme over the market value (£1.6million) is disclosed on the Balance Sheet for the first time in accordance with FRS17. See Note 27.

Group Personal Pension Scheme

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

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

Report of the Trustees for the year ended 31 March 2006

PLANS FOR THE FUTURE

In 2004 the Board approved BEN's Five Year Strategy 2005 – 2010. The following priorities were agreed:

- 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 Northern 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

Work on this strategy commenced in 2005/06 and progress in specific areas is reported above. Specific targets for 2006/07 are:

- Implement the recommendations of the Lynwood Development Committee
- Implement the recommendations of the Fundraising & Communications in relation to fundraising targets and branding.
- Ensure the effective use of Information Technology
- Continue to capitalise on the Centenary Appeal
- Continue the reach of welfare operation
- Limit overdraft usage to £400,000
- Create efficiency savings of 10% of non-payroll costs

The Executive Management Team will review the Five Year Strategy in 2006 to ensure that it remains applicable.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Board of Trustees is responsible for the preparation of the financial statements for each financial year, which gives a true and fair view of the state of the affairs of the Fund and the surplus or deficit for the year. In preparing these financial statements, the Board has selected suitable accounting policies and then applied them consistently; made reasonable and prudent judgements and estimates; stated whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements; and prepared the financial statements under the going concern basis unless it is not appropriate to presume that the Fund 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 Fund 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. The Board is also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention of fraud and other irregularities.

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

Report of the Trustees for the year ended 31 March 2006

Auditors

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

By order of the Trustees

A handwritten signature in black ink, appearing to be 'B Cottrell', written over a horizontal line.

B Cottrell
Secretary

Date: 27 July 2006

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 2006 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The Trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the 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 other transactions with the charity is not disclosed.

We read the Trustees' Report 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 Charities Act 1993 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 Charities Act 1993 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

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

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

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity and group affairs as at 31 March 2006 and of its incoming resources and application of resources of the group, including income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Reading

Date: 27 July 2006

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

Consolidated statement of financial activities for the year ended 31 March 2006
(incorporating an income and expenditure account)

	Note	Unrestricted funds 2006 £	Restricted funds 2006 £	Permanent endowment funds 2006 £	Total 2006 £	Restated Total 2005 £
Incoming resources						
<i>Incoming resources from charitable activities</i>						
Fees and rents	3	5,818,717	-	-	5,818,717	5,443,544
<i>Activities for generating funds</i>						
Fundraising income	3	5,312,843	90,220	-	5,403,063	4,427,973
Trading activities	4	786,312	-	-	786,312	725,998
Investment income		228,469	-	-	228,469	221,920
Net gain on disposal of fixed assets		37,867	-	-	37,867	7,399
Total incoming resources		12,184,208	90,220	-	12,274,428	10,826,834
Resources expended						
Cost of generating funds						
Trading activities	4,5	404,074	-	-	404,074	444,384
Fundraising and publicity	5	1,428,280	-	-	1,428,280	1,102,535
		1,832,354			1,832,354	1,546,919
Charitable expenditure						
Care of residents and housing	5	8,038,358	73,328	-	8,111,686	7,989,914
Welfare	5	843,605	-	-	843,605	717,784
Grants payable	5,6	696,765	80,280	-	777,045	825,246
Governance costs	5	44,224	-	-	44,224	39,255
Other resources expended		20,000	-	-	20,000	107,000
		9,642,952	153,608	-	9,796,560	9,679,199
Total resources expended	5	11,475,306	153,608	-	11,628,914	11,226,118
Net incoming/(outgoing) resources		708,902	(63,388)	-	645,514	(399,284)
Net investment gain	7,8	10,267	-	570,959	581,226	252,453
Actuarial (loss)/gain on defined benefit pension scheme		(48,000)	-	-	(48,000)	1,449,000
Net movement in funds	27	671,169	(63,388)	570,959	1,178,740	1,302,169

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

Consolidated statement of financial activities for the year ended 31 March 2006
(incorporating an income and expenditure account) (continued)

	Note	Unrestricted funds 2006 £	Restricted funds 2006 £	Permanent endowment funds 2006 £	Total 2006 £	Restated Total 2005 £
Reconciliation of funds						
Net movement in funds brought forward		671,169	(63,388)	570,959	1,178,740	1,302,169
Funds brought forward as at 1 April 2005 as originally stated		1,243,258	6,003,305	6,859,551	14,106,114	14,445,945
Prior year adjustment		(1,819,000)	-	-	(1,819,000)	(3,461,000)
Funds brought forward as at 1 April 2005 as restated		(575,742)	6,003,305	6,859,551	12,287,114	10,984,945
Funds carried forward at 31 March 2006	20	95,427	5,939,917	7,430,510	13,465,854	12,287,114

All operations are continuing operations.

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

The notes on pages 15 to 38 form part of these financial statements

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

Balance sheets at 31 March 2006

		2006		2005	
	Note	Consolidated £	Company £	Consolidated £	Company £
Fixed assets					
Tangible assets	9	9,495,767	9,495,767	9,664,799	9,664,799
Investments	10	5,439,704	5,442,106	4,867,609	4,870,011
		<u>14,935,471</u>	<u>14,937,873</u>	<u>14,532,408</u>	<u>14,534,810</u>
Current assets					
Stock		6,656	-	6,051	-
Debtors	12	705,673	784,850	608,874	626,877
Cash at bank and in hand	13	418,682	293,950	74,138	16,868
		<u>1,131,011</u>	<u>1,078,800</u>	<u>689,063</u>	<u>643,745</u>
Creditors: amounts falling due within one year	14	(630,045)	(580,236)	(788,158)	(745,242)
Net current assets/(liabilities)		<u>500,966</u>	<u>498,564</u>	<u>(99,095)</u>	<u>(101,497)</u>
Total assets less current liabilities		<u>15,436,437</u>	<u>15,436,437</u>	<u>14,433,313</u>	<u>14,433,313</u>
Creditors: amounts falling due after more than one year	15	(303,583)	(303,583)	(327,199)	(327,199)
Total assets excluding pension scheme liability		<u>15,132,854</u>	<u>15,132,854</u>	<u>14,106,114</u>	<u>14,106,114</u>
Pension Scheme liability		<u>(1,667,000)</u>	<u>(1,667,000)</u>	<u>(1,819,000)</u>	<u>(1,819,000)</u>
Total net assets including pension liability		<u>13,465,854</u>	<u>13,465,854</u>	<u>12,287,114</u>	<u>12,287,114</u>
Funds	20	<u>13,465,854</u>	<u>13,465,854</u>	<u>12,287,114</u>	<u>12,287,114</u>

The financial statements were approved by the Management Board on 27 July 2006 and signed on its behalf by

C Macgowan - President

A Worthy - Honorary Treasurer

The notes on pages 15 to 38 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 2006

	Note	2006	2005
		£	£
Net cash inflow/(outflow) from operating activities	22	421,468	(269,094)
Returns on investments			
Investment income received		228,469	221,920
Interest paid	23	(29,184)	(31,001)
		<u>199,285</u>	<u>190,919</u>
Capital expenditure and financial investment			
Repayment of Housing Corporation grant		-	-
Purchase of tangible assets		(192,857)	(131,781)
Proceeds on sale of tangible assets		113,300	225,750
Purchase of investments		-	(132,250)
Proceeds on sale of investments		139,241	356,691
Mortgage advances/repayments		9,280	-
		<u>68,964</u>	<u>318,410</u>
Net cash inflow from acquisitions and disposals		68,964	318,410
Management of liquid resources			
Cash retained from investment portfolio	25	(139,379)	(224,478)
		<u>(139,379)</u>	<u>(224,478)</u>
Net cash outflow from management of liquid assets		(139,379)	(224,478)
Net cash inflow before financing		<u>550,338</u>	<u>15,757</u>
Financing			
Repayments of bank loans		(569)	(6,835)
Repayments of Housing Corporation loan		(27)	(24)
Increase in other long-term loan		(16,027)	-
Mortgage loan repayments		-	(8,718)
		<u>(16,623)</u>	<u>(15,577)</u>
Increase in cash	25	<u>533,715</u>	<u>180</u>
Cash at 1 April 2005		(115,033)	(115,213)
Cash at 31 March 2006	25	<u>418,682</u>	<u>(115,033)</u>

The notes on pages 15 to 38 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 2006

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. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting and reporting by Charities (SORP 2005) published in March 2005 and applicable accounting standards.

In preparing the financial statements, the Group has adopted SORP 2005 for the first time. This has resulted in some prior year figures being restated.

The accounts depart from the requirement to prepare accounts under the Registered Social Landlord SORP (Update 2002). Under FRS18, the trustees considered the 2005 "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 incoming resources are included in the SORP when the Fund is legally entitled to the income and the amount can be quantified with reasonable accuracy.

- Legacies: entitlement is the earlier of estate account being finalised or cash received
- Donated Services and Facilities: are recognised as Gifts In Kind and are included at the value to the Fund where this can be quantified. No amount is included in the financial statements for services donated by volunteers.

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.

Support costs for Management, Personnel, Finance, IT and Facilities are apportioned to categories of expenditure based on either direct costs or head count. See note 5.

Governance costs are the costs of governance arrangements, which relate to the general running of the Fund. These activities provide the governance infrastructure which allows the Fund to operate and to generate the information required for public accountability. They include the cost of carrying out the meetings and AGM of the Board and the Internal and External Audit Functions.

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

Notes forming part of the financial statements for the year ended 31 March 2006

2 Accounting policies (continued)

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.

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.

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

Notes forming part of the financial statements for the year ended 31 March 2006 (*Continued*)

2 Accounting policies (*continued*)

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.

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 schemes

The Charity has fully adopted accounting standard FRS17 "Retirement Benefits" during the year. The impact of this standard has been reflected throughout the financial statements. Prior year comparatives have been restated where appropriate.

The difference between the fair value of the assets held in the Charity's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected method are recognised in the Charity's balance sheet as a pension scheme asset or liability as appropriate. The annual surplus or deficit on the funding of the scheme is recognised as a "pension reserve surplus/(deficit)" within unrestricted funds – see also note 27 to these financial statements.

Changes in the defined benefit pension scheme asset or liability are charged to the Statement of Financial Activities in accordance with FRS 17.

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.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)Notes forming part of the financial statements for the year ended 31 March 2006 (*Continued*)**2 Accounting policies (*Continued*)***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.

3 Income**Fees and Rents**

	Fees	Rents	Total	Total
	£	(Note 30)	2006	2005
	£	£	£	£
Alexandra House	1,048,594	112,682	1,161,276	1,016,613
Birch Hill	438,018	9,032	447,050	425,209
Lynwood	2,101,049	121,505	2,222,554	2,111,591
Town Thorns	1,799,560	110,989	1,910,549	1,804,681
Arthur Wilson House - Day Centre	77,288	-	77,288	85,450
	<u>5,464,509</u>	<u>354,208</u>	<u>5,818,717</u>	<u>5,443,544</u>

Donations and similar income

	Unrestricted	Restricted	Total	Total
	£	£	2006	2005
	£	£	£	£
Donations and fundraising events	4,205,015	-	4,205,015	3,797,388
Appeals	359,718	2,940	362,658	33,875
Welfare grants	-	80,280	80,280	69,979
Grants	-	7,000	7,000	-
Gifts in kind	260,886	-	260,886	252,067
Legacies	487,224	-	487,224	274,664
	<u>5,312,843</u>	<u>90,220</u>	<u>5,403,063</u>	<u>4,427,973</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.

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

Notes forming part of the financial statements for the year ended 31 March 2006 (Continued)

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 2006 £	Total 2005 £
The results for the year are as follows:					
Turnover	679,714	106,598	-	786,312	725,998
Cost of sales and administrative expenses	(326,551)	(64,594)	(12,929)	(404,074)	(444,384)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	353,163	42,004	(12,929)	382,238	281,614
Amount covenanted to charity	(353,163)	(42,004)	12,929	(382,238)	(281,614)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Retained in subsidiary	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
				2006 £	2005 £
Balance sheet					
Fixed assets				-	-
Current assets				135,637	67,136
Current liabilities				(133,235)	(64,734)
				<u> </u>	<u> </u>
				2,402	2,402
				<u> </u>	<u> </u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)Notes forming part of the financial statements for the year ended 31 March 2006 (*Continued*)**5 Expenditure****Resources expended**

	Staff (Note 26)	Depreciation	Other	Support costs	Total 2006	Restated total 2005
	£	£	£	£	£	£
<i>Cost of generating funds</i>						
Bentrade	91,973	-	312,101	-	404,074	444,384
Fundraising and publicity	740,172	-	594,924	93,184	1,428,280	1,102,535
<i>Charitable expenditure</i>						
Care of residents and housing	5,519,519	233,779	1,520,872	837,516	8,111,686	7,989,914
Welfare	477,938	-	312,724	52,943	843,605	717,748
Grants made	-	-	730,095	46,950	777,045	825,246
<i>Governance</i>	-	-	44,224	-	44,224	39,255
Support cost	645,950	52,674	331,969	(1,030,593)	-	-
Other resources expended	20,000	-	-	-	20,000	107,000
	7,495,552	286,453	3,846,909	-	11,628,914	11,226,118

Breakdown of Support Costs apportioned

	Management	Personnel	Finance	IT	Facilities	Total
	£	£	£	£	£	£
Fundraising and publicity	24,284	16,282	35,131	9,861	7,626	93,184
Care of residents and housing	154,427	221,646	223,404	134,235	103,804	837,516
Welfare	16,212	6,402	23,453	3,877	2,999	52,943
Grants made	14,376	5,678	20,798	3,439	2,659	46,950
	209,299	250,008	302,786	151,412	117,088	1,030,593

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)Notes forming part of the financial statements for the year ended 31 March 2006 *(Continued)***6 Grants payable**

One-off grants made to or on behalf of individuals

	Value		2006		2005	
	From £	To £	Number	Total £	Number	Total £
	1	250	1,525	220,305	1,580	226,260
	251	500	800	313,544	850	334,869
	501	750	56	34,928	59	37,198
	751	1,000	33	30,912	31	28,011
	1,001	1,250	9	10,591	5	5,816
	1,251	1,500	2	2,790	4	5,344
	1,501	1,750	1	1,550	3	4,675
	Greater than	1,751	8	34,448	5	11,170
Total discretionary			2,434	649,068	2,537	653,343
Total weekly grants				127,977		171,903
Total grants made				777,045		825,246

One-off grants include amounts received and paid on behalf of other organisations to individuals. The total of such receipts is £80,280 (2005: £54,979) 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 2006 (*Continued*)**7 Listed investments**

	Endowment Funds		General	Total
	Nursing Home and General Fund	Common Investment Fund	fund	
	£	£	£	£
<i>Cost</i>				
Market value at 1 April 2005	2,706,896	1,673,863	129,246	4,510,005
Disposals	-	-	(139,241)	(139,241)
Net investment gain (note 8)	285,319	285,640	10,267	581,226
Market value at 31 March 2006	2,992,215	1,959,503	272	4,951,990
<i>Market value</i>				
Listed in the UK	2,992,215	1,959,503	272	4,951,990
<i>Historical cost</i>				
At 31 March 2006	2,548,920	1,437,161	90	3,986,171
At 31 March 2005	2,548,920	1,437,161	106,691	4,092,772
Unrealised gains at 31 March 2006	443,295	522,342	182	965,819
Realised investment gains based on historical cost	-	-	(32,640)	(32,640)

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 2006 *(Continued)***8 Endowment funds**

	Nursing Home and General Fund £	Common Investment Fund £	Total £
Balance at 1 April 2005	5,179,865	1,679,686	6,859,551
Gain on revaluation of investments	285,319	285,640	570,959
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2006	5,465,184	1,965,326	7,430,510
	<hr/>	<hr/>	<hr/>
Represented by:			
Listed investments	2,992,215	1,959,503	4,951,718
Bank balances	356,969	5,823	362,792
Amount owed by general fund	2,116,000	-	2,116,000
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2006	5,465,184	1,965,326	7,430,510
	<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	60.88%	1,182,340	45,228
Viscount Wakefield Educational Fund	0.19%	17,884	684
Viscount Nuffield Fund	1.65%	32,428	1,240
Willoughby Trust Fund	1.07%	21,029	804
Lynwood Endowment Fund	36.05%	708,500	27,103
Sir James Percy Memorial Fund	0.16%	3,145	120
	<hr/>	<hr/>	<hr/>
	100%	1,965,326	75,179
	<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 2006 (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 2005	12,211,956	366,056	1,240,329	541,457	233,943	14,593,741
Less accumulated grants	(870,671)	-	(6,806)	-	-	(877,477)
	11,341,285	366,056	1,233,523	541,457	233,943	13,716,264
Additions	25,919	-	142,410	12,660	11,867	192,856
Disposals	(85,978)	-	-	-	-	(85,978)
At 31 March 2006	11,281,226	366,056	1,375,933	554,117	245,810	13,823,142
<i>Depreciation</i>						
At 1 April 2005	2,433,998	82,175	844,657	490,764	199,871	4,051,465
Charge for year	114,624	13,319	95,407	29,429	33,675	286,454
Disposals	(10,544)	-	-	-	-	(10,544)
At 31 March 2006	2,538,078	95,494	940,064	520,193	233,546	4,327,375
<i>Net book value</i>						
At 31 March 2006	8,743,148	270,562	435,869	33,924	12,264	9,495,767
At 31 March 2005	8,907,287	283,881	388,866	50,693	34,072	9,664,799

Land values included within property amount to £750,000 (2005: £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 2006 (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 (2005 - £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 £114,624 of which £57,777 (2005: £57,777) has been charged against restricted funds. The depreciation of leasehold property amounted to £13,320 of which £10,553 (2005: £10,553) has been charged against restricted funds.

Grants repaid to the Housing Corporation amounted to £Nil (2005 - £Nil).

10 Investments

	2006		2005	
	£	£	£	£
Endowment funds				
Listed investments (note 7,8)		4,951,718		4,380,759
Cash		362,792		230,541
		<hr/>		<hr/>
		5,314,510		4,611,300
General fund				
Listed investments (note 7)	272		129,246	
Cash	8,294		1,156	
Mortgages and loans (note 11)	116,628		125,907	
	<hr/>	125,194	<hr/>	256,309
		<hr/>		<hr/>
Total per consolidated financial statements		5,439,704		4,867,609
BENTrade Limited (Note 4)		2,402		2,402
		<hr/>		<hr/>
Total per company financial statements		5,442,106		4,870,011
		<hr/>		<hr/>

In addition to the above investments the endowment funds are owed £2,116,000 (2005: £2,248,250) 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 2006 *(Continued)*

11 Mortgages and loans

	2006 £	2005 £
The sum represents advances to beneficiaries:		
Secured on freehold and long leasehold properties	42,860	45,570
Unsecured	73,768	80,337
	<u>116,628</u>	<u>125,907</u>

12 Debtors

	2006 Consolidated £	Company £	2005 Consolidated £	Company £
Gross fees and rent arrears	328,769	328,769	395,193	395,193
Less provision for bad and doubtful debts	(65,241)	(65,241)	(107,697)	(107,697)
	<u>263,528</u>	<u>263,528</u>	<u>287,496</u>	<u>287,496</u>
Fees and rents receivable	263,528	263,528	287,496	287,496
Prepayments and accrued income	208,552	208,552	121,293	121,293
Other debtors	233,593	229,344	200,085	196,270
Due from subsidiary	-	83,426	-	21,818
	<u>705,673</u>	<u>784,850</u>	<u>608,874</u>	<u>626,877</u>

13 Cash at bank and in hand

	2006 Consolidated £	Company £	2005 Consolidated £	Company £
Payroll giving account	18,086	18,086	16,868	16,868
Cash in hand	400,596	275,864	57,270	-
	<u>418,682</u>	<u>293,950</u>	<u>74,138</u>	<u>16,868</u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)Notes forming part of the financial statements for the year ended 31 March 2006 *(Continued)***14 Creditors: amounts falling due within one year**

	2006		2005	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Bank loans (note 16)	13,847	13,847	6,856	6,856
Loan advance by Housing Corporation (note 18)	32	32	28	28
Bank overdraft (note 17)	-	-	189,171	189,171
Creditors and accruals	463,251	413,442	446,871	403,955
Other taxes and social security costs	152,915	152,915	145,232	145,232
	<u>630,045</u>	<u>580,236</u>	<u>788,158</u>	<u>745,242</u>

15 Creditors: amounts falling due after more than one year

	2006		2005	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Loan advance by Housing Corporation (note 18)	30,956	30,956	30,986	30,986
Bank loans (note 16)	272,627	272,627	296,213	296,213
	<u>303,583</u>	<u>303,583</u>	<u>327,199</u>	<u>327,199</u>

16 Bank loans

	2006	2005
	£	£
Amounts due within one year	13,847	6,856
Amounts due after one year	272,627	296,213
	<u>286,474</u>	<u>303,069</u>

17 Bank overdraft

Barclays Bank PLC has provided facilities up to £500,000 (2005 - £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 2006 *(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:

	2006 £	2005 £
Repayable by instalments:		
Due within one year	32	28
Due within two to five years	180	157
Due in more than five years	30,776	30,829
	<hr/>	<hr/>
	30,988	31,014
	<hr/>	<hr/>

19 Obligations under operating leases

	2006 £	2005 £
The net annual obligation under operating leases is as follows:		
Agreement expiring:		
- in one year or less	4,577	4,577
- between one and five years	33,709	22,654
	<hr/>	<hr/>
	38,286	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 2006 (Continued)

20	Summary of fund balances	Restricted funds									
		Permanent Endowment £	Town Thorns Capital Fund £	Lynwood Capital Fund £	Day Centre £	Grants £	Centenary Appeal Reserve £	Cyclical Maintenance Reserve £	General Fund £	Pension Reserve £	Total £
	Balance brought forward at 1 April 2005	6,859,551	4,027,428	1,700,292	270,585	5,000	(44,165)	239,890	1,047,533	(1,819,000)	12,287,114
	Movements in the year	438,709	(40,680)	(14,159)	(10,548)	2,000	-	-	651,418	152,000	1,178,740
	Movement between funds	132,250	-	-	-	-	219,694	21,758	(373,702)	-	-
	Balance carried forward at 31 March 2006	7,430,510	3,986,748	1,686,133	260,037	7,000	175,529	261,648	1,325,249	(1,667,000)	13,465,854
	Represented by:										
	Tangible assets	-	3,986,748	1,761,261	270,562	-	175,529	-	3,477,196	-	9,495,767
	Investments	5,314,509	-	-	-	-	-	-	125,195	-	5,439,704
	Current assets	-	-	7,893	-	7,000	-	-	1,116,118	-	1,131,011
	Current liabilities	-	-	-	-	-	-	-	(630,045)	-	(630,045)
	Long term liabilities and provisions	-	-	-	-	-	-	-	(303,583)	-	(303,583)
	Inter-fund loans and transfers	2,116,001	-	(83,021)	(10,525)	-	-	261,648	(2,459,632)	-	-
	Pension liability	-	-	-	-	-	-	-	-	(1,667,000)	(1,667,000)
	Balance carried forward at 31 March 2006	7,430,510	3,986,748	1,686,133	260,037	7,000	175,529	261,648	1,325,249	(1,667,000)	13,465,854
	Unrealised gains (note 7)	965,637	-	-	-	-	-	-	182	-	965,819

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 2006 (*Continued*)**21 Cyclical Maintenance Reserve**

	Lynwood Sheltered Housing £	Alexandra House Hostel £	Birch Hill Sheltered Housing £	Town Thorns Sheltered Housing £	2006 Total £	2005 Total £
At 1 April 2005	78,652	15,781	4,889	140,568	239,890	216,993
Transfer from general funds	9,084	876	1,311	12,168	23,439	22,992
Expenditure during the year	(1,681)	-	-	-	(1,681)	(95)
At 31 March 2006	86,055	16,657	6,200	152,736	261,648	239,890

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

22 Reconciliation of net incoming/(outgoing) resources to net cash inflow/(outflow) from operating activities

	2006 £	Restated 2005 £
Net incoming/(outgoing) resources before revaluations	645,514	(399,284)
Gain on disposal of fixed assets	(37,867)	(7,399)
Payments into defined benefit pension scheme	(220,000)	(300,000)
Net financial change on defined benefit pension scheme	20,000	107,000
Depreciation charge	286,454	269,596
Investment income	(228,469)	(221,920)
Interest payable	29,184	31,001
Change in debtors and stocks	(684,200)	228,152
Change in creditors	610,852	23,760
	421,468	(269,094)

23 Interest payable

All interest payable relates to loans and overdrafts repayable within 5 years and amounted to £29,184 (2005 - £31,001).

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)Notes forming part of the financial statements for the year ended 31 March 2006 *(Continued)***24 Reconciliation of net cash flow to movement in net debt**

	2006 £	2005 £
Increase in cash in the year	533,715	180
Cash inflow from repayment of loans	16,655	6,859
Cash inflow from increase in liquid resources	139,379	224,478
	<hr/>	<hr/>
Change in net debt	689,749	231,517
Net debt at 1 April 2005	(217,420)	(448,937)
	<hr/>	<hr/>
Net debt at 31 March 2006	472,329	(217,420)
	<hr/>	<hr/>

25 Analysis of changes in net debt

	At 1 April 2005 £	Cash flow £	At 31 March 2006 £
Cash in hand	74,138	344,544	418,682
Overdraft	(189,171)	189,171	-
	<hr/>	<hr/>	<hr/>
	(115,033)	533,715	418,682
Debt due within one year	(6,885)	(6,962)	(13,847)
Debt after one year	(327,199)	23,617	(303,582)
Investment portfolio cash (note 10)	231,697	139,379	371,076
	<hr/>	<hr/>	<hr/>
Total	(217,420)	689,749	472,329
	<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 2006 *(Continued)***26 Employee costs**

	2006 £	Restated 2005 £
Total employee costs during the year were:		
Salaries and wages	6,886,551	6,489,171
Employer's National Insurance contributions	510,742	540,462
Pension costs	98,259	88,030
	<hr/>	<hr/>
	7,495,552	7,117,663
	<hr/>	<hr/>
The number of employees earning more than £50,000 in the year are as follows:	Number	Number
£50,001 - £60,000	2	1
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	<hr/>	<hr/>

The above figures include car and fuel benefit which range from £2,882 - £9,420. 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 £94,292 (2005 - £93,043 – the Chief Executive).

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

	2006 Number	2005 Number
Residential homes	334	332
Welfare	23	22
Administration and management	13	13
Appeals and publicity	30	29
	<hr/>	<hr/>
	400	396
	<hr/>	<hr/>

As at 31 March 2006, the actual total number of employees was 406 (2005: 399).

No Management Board members received any remuneration in the year. No Management Board members received reimbursement of expenses for travel in the year (2005 - £514).

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

Notes forming part of the financial statements for the year ended 31 March 2006 *(Continued)*

27 Defined benefit 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 2006 the Fund made payments totalling £220,000 (2005: £300,000).

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%.

Financial Reporting Standard 17 'Retirement Benefits'(FRS 17)

FRS 17 has been fully adopted during the year ended 31 March 2006. The impact of FRS 17 is significant as an additional liability equal to the deficit in the defined benefit scheme of £1,667,000 (2005 - £1,819,000) is recognised in the funds balance sheet.

The defined benefit scheme was last fully reviewed as at 31 March 2006 when a report was made by an external qualified actuary. The actuary has completed the following information about the financial position of the scheme as at 31 March 2006:

	2006	2005	2004
Valuation method	Triennial	Triennial	Triennial
Discount rate	5% per annum	5.5% per annum	5.5% per annum
Inflation rate	3% per annum	2.5% per annum	2.75% 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	2.75% per annum	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 2006 (Continued)

27 Pension scheme (continued)

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

	Long term expected rate of return at 31 March 2006	Market value at 31 March 2006 £'000	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 31 March 2004 £'000	Long term expected rate of return at 31 March 2003	Market value 31 March 2003 £'000
Equities	7.5%	4,826	7.5%	3,825	7.75%	3,403	7.25%	2,510
Bonds	5.0%	877	5.5%	766	5.5%	577	5.5%	525
Property	6.5%	-	6.5%	-	6.5%	-	6.0%	-
Cash	4.5%	330	4.75%	271	3.75%	191	3.0%	211
Total market value of assets		6,033		4,862		4,171		3,246
Present value of scheme liabilities		(7,700)		(6,681)		(7,632)		(7,159)
Deficit in the scheme		(1,667)		(1,819)		(3,461)		(3,913)

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

Notes forming part of the financial statements for the year ended 31 March 2006 (Continued)

27 Pension scheme (continued)

Analysis of the amount charged to operating surplus

	2006 £'000
Current service cost	-
Past service cost	-
	<hr/>
Total operating charge	-
	<hr/>

Analysis of the amount credited to other financial charges

	2006 £'000
Expected return on pension scheme assets	340
Interest on pension scheme liabilities	(360)
	<hr/>
Net return	(20)
	<hr/>

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

Notes forming part of the financial statements for the year ended 31 March 2006 (Continued)

27 Pension scheme (continued)

Analysis of the amount that would be recognised in a statement of financial activities for the year ended 31 March 2006

	2006 £'000
Actual return less expected return on pension scheme assets	878
Experience gains and losses arising on the scheme liabilities	-
Changes in assumptions underlying the present value of the scheme liabilities	(926)
	<hr/>
Actuarial loss	(48)
	<hr/>

Movement in deficit during the year

	2006 £'000
Deficit in scheme at beginning of the year	(1,819)
Movement in year:	
Contributions	220
Other finance charge	(20)
Actuarial loss	(48)
	<hr/>
Deficit in scheme at end of the year	(1,667)
	<hr/>

	2006	2005
History of experience gains and losses		
Difference between expected and actual return on scheme assets		
Amount £'000	878	151
Percentage of scheme assets	15%	3%
Experience gains and losses on scheme liabilities		
Amount £'000	-	892
Percentage of the present value of the scheme liabilities	-	13%
Total amount recognised in statement of financial activities		
Amount £'000	48	1,449
Percentage of the present value of the scheme liabilities	1%	22%

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

Notes forming part of the financial statements for the year ended 31 March 2006 (Continued)

28 Capital commitments and contingent liabilities

At 31 March 2006 there were no outstanding commitments contracted for (2005 - £nil).

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

	2006 £	2005 £
Staff costs during the year	104,511	134,445
Social security costs	11,978	15,409
Other pension costs	3,294	4,238
	<u>119,783</u>	<u>154,092</u>

The average number of employees of the Fund involved with housing association activities during the year was 26 (2005 - 26). The Trustees do not receive payment for Housing Association work.

	2006 £	2005 £
Auditors' fees - Housing Association	<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 26 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 2006

30	Alexandra House £	Birch Hill £	Lynwood £	Town Thorns £	2006 Total £	2005 £
Gross rents receivable	112,682	9,032	124,670	118,339	364,723	306,193
Less rent losses from voids	-	-	(3,165)	(7,350)	(10,515)	(44,879)
Net rents receivable	112,682	9,032	121,505	110,989	354,208	261,314
Expenditure on lettings						
Services	32,475	6,681	31,956	55,561	126,673	144,853
Management	11,513	3,599	14,932	11,954	41,998	58,292
Routine maintenance	2,402	9,784	35,327	15,252	62,765	59,124
Other costs	-	-	3,189	-	3,189	4,524
Provision for bad debts	-	-	-	-	-	1,277
Total expenditure	46,390	20,064	85,404	82,767	234,625	268,070
Deficit/(surplus)	66,292	(11,032)	36,101	28,222	119,583	(6,756)
Rent arrears	3,700	1,557	-	7,967	13,224	15,366
Housing stock						
Sheltered housing rented	-	-	42	12	54	56
Hostel	5	-	-	-	5	6
LSE	-	8	2	-	10	10
Shared ownership	-	-	2	30	32	32
	5	8	46	42	101	104