

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

Report and Financial Statements

Year Ended

31 March 2004



**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 2004**

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## **Contents**

### **Page:**

1	Report of the Management Board
8	Report of the independent auditors on the financial statements
9	Consolidated statement of financial activities
10	Balance sheets
11	Consolidated cash flow statement
12-34	Notes forming part of the financial statements

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<b>Executive staff</b>	G Barclay - Chief Executive D J Prescott MBE FCIS - Deputy Chief Executive/Secretary Miss J S Brown - Director, Care Services A Friday - Director, Funding Development
<b>Bankers</b>	Barclays Bank plc, 1 High Street, Bracknell, Berks, RG12 1DR
<b>Solicitors</b>	Field Fisher Waterhouse, 35 Vine Street, London, EC3N 2AA Lewis Silkin, 12 Gough Square, London, EC4A 3DW
<b>Investment Managers/Brokers</b>	Cazenove Fund Management Ltd., 12 Moorgate, London, EC2R 6DA
<b>Registered office</b>	Lynwood, Sunninghill, Ascot, Berkshire, SL5 0AJ
<b>Company number</b>	2163894
<b>Charity number</b>	297877
<b>Registered Social Landlord number</b>	LH3766
<b>Auditors</b>	BDO Stoy Hayward 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 2004**

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The Management Board presents its report together with the audited financial statements for the year ended 31 March 2004.

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

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

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

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

Alexandra House, Southport, Merseyside, PR8 1QD  
Birch Hill, Norham, Berwick-Upon-Tweed, Northumberland, TD15 2JZ  
Lynwood, Sunninghill, Ascot, Berkshire, SL5 0AJ  
Town Thorns, Easenhall, Rugby, Warwickshire, CV23 0JE  
and a Day Centre, Arthur Wilson House, Humber Road, Coventry, CV3 1LL

In addition to the Welfare Office at Headquarters, the Fund operates three regional Welfare Offices at:

Birmingham - GKN Birfield Extrusions Limited, Old Walsall Road, Great Barr, Birmingham, B42 1DX.  
Manchester - Centre House, Village Way, Trafford Park, Manchester, M17 1QG.  
Newport - PO Box 1809, Newport, Gwent, NP19 4XP.

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

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

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

- ¶ ° \* A B Archer
- \* Mrs S A Brownson OBE
  - A Cheyne OBE (resigned 22<sup>nd</sup> January, 2004)
  - A Cornish (appointed 23<sup>rd</sup> October, 2003)
  - T L Evans
- ¶ ° B D Ferguson
- T V Holmes
- K W Keir
- Mrs N S Lindsay
- C Macgowan
- Ms K Myers (appointed 22<sup>nd</sup> January, 2004)
- ° \* V A Oddie
  - R Shaw (appointed 23<sup>rd</sup> October, 2003)
- ¶ G D Sherley
- V E Thomas CBE (resigned 24<sup>th</sup> July, 2003)
- \* ¥ J J Tinker
- \* R D Waite
- ¶ ° D J Webber FCA

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

### **Report of the Management Board for the year ended 31 March 2004 (Continued)**

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

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

- ¥ Member of Welfare Committee.
- ¶ Member of Finance & Audit Committee
- ° Member of Remuneration Committee

#### **Financial Review**

In 2003/4 fundraising continued to be the main challenge facing the Fund; excluding legacies, fundraising was up on 2002/3 but failed to meet the target requirement. Fortunately both legacies and fees and rents exceeded the forecast. However, after taking into account depreciation charge of £280,650, an operating loss of £111,164 was recorded. During the year there was a net unrealised investment gain of £392,134, resulting in a positive increase in total funds of £280,970. The Board wish to highlight the following:

**Incoming Resources** (£10,817,964) decreased by 2.6% (£289,215). N.B. major legacy of £978,000 in 2002/3.

**Fees and Rents** increased by 8.3% (£381,653). This reflects good average occupancy of accommodation (94%) 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 (£4,803,406) decreased by 12.5% (£689,096) again reflecting the effect of the legacy income in 2002/3. Excluding legacies, fundraising income totalled £4,330,474, compared with £4,498,283 in 2002/03, decreased by 3.7% (see note 3 to the financial statements). Whilst direct donations, and structured giving and other voluntary income increased by 2.8%, both payroll giving and events were well below forecast. Both Departments are being re-structured and re-focused to meet the challenges of the changing industry. The Board wishes to record its grateful thanks to corporate supporters and thousands of individual donors without whom the Fund would not be able to offer care and support to those in need, also for the sterling efforts of staff and volunteers.

**Donations** (included in unrestricted Fundraising Income) of over £2.5M from corporate and individual donors achieved its forecast; this included a donation of £25,000 from Blakes Benevolent Trust. The Board are pleased to record that 84% of this income is regarded as "non-discretionary" i.e. from regular committed supporters.

**Total Expenditure** increased by 6.8% (£695,602). Charitable expenditure represents 84.2% of the total resources expended (2003: 84.2%). The Board are pleased to record that Management and Administration cost have been contained at £71,958 (£75,791 in 2002/03) these include salaries and other direct costs relating to servicing the Management Board, its committees and audit. The cost of generating funds represents 15.8% (2003: 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** - £153K (2003: £356K).

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

### **Report of the Management Board for the year ended 31 March 2004 (Continued)**

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

**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 Actuary's Report (31.03.03) the Actuary estimated that, due to the fall in equity markets, the MFR deficiency had increased to £1,272,000. The Fund will be required to contribute £300K per year to the closed scheme from 2003/4 for three years to achieve the Minimum Funding Requirement of 90%.

The Pension Trustees have decided not to proceed with an application to the Occupational Pensions Regulatory Authority (OPERA) to extend the payment period from 3 to 5 years.

The excess of the present value of the scheme liability over the total market value (£3,461,000) 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.

In March 2001 the Board approved a new Five Year Plan 2001/6 (see Future Developments page 7): this includes three key strategic objectives designed to ensure BEN's continuing viability, namely:-

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

These objectives were reviewed in April 2004, with the appointment of a new Chief Executive (QV), a new strategic plan is being developed.

#### **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 2003/2004). 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.

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

### **Report of the Management Board for the year ended 31 March 2004 (Continued)**

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#### **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.

#### **Investment Powers**

**(a) General Fund**

As provided by the Trustee Act 2000.

**(b) Common Investment Fund (Pooling scheme funds)**

As provided by the Trustee Act 2000.

**(c) Nursing Home and General Endowment Fund**

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

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

- (i) no funds shall be invested upon any investment not within the authorised range which is not dealt in or quoted upon a recognised stock exchange in the United Kingdom;
- (ii) no monies shall be invested in any shares or stock of a corporation (other than a corporation carrying on banking or insurance business in the United Kingdom) which by reason of not being fully paid up or otherwise carry a liability to contribute by way of calls either in the event of the corporation being wound up or otherwise except those stocks or shares listed on a renounceable document of title; and

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

### **Report of the Management Board for the year ended 31 March 2004 (Continued)**

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- (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 2004, the Fund will be fully compliant with the requirements of Housing Corporation Regulatory Code & Guidance January 2002.

#### **Internal Financial Control**

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

The monthly management accounts are reviewed in detail by the Honorary Treasurer and considered by the full Board at each meeting. The draft accounts are first reviewed by the 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 2004 and up to date. Consideration is being given to the operation of a formal internal audit function.

#### **Welfare Services**

In 2003/2004 the Welfare Committee considered 844 new cases in which financial assistance was given (2002/03 - 913).

The total number of active cases decreased from 5,957 (15,342 people) to 5,679 (14,577 people). The reduction in the number of active cases reflects improved controls and closing of cases, better pension provision, changes in age profile and the introduction of pension credit. Whilst the grants to beneficiaries decreased from £856,036 in 2002/03 to £795,296, 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 often 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 94 volunteers made 1,384 domiciliary visits to beneficiaries.

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

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

### **Report of the Management Board for the year ended 31 March 2004 (Continued)**

#### **Residential Centres**

In 2003/2004 the cost of care of residents and housing increased by 6.7% to £6,988,104 (0.35% to £6,550,521 in 2002/2003), whilst fees and rents increased by 8.3%. Costs have increased due to the need to use agency staff and increased regulations.

Fee increases have helped to reduce the net cost of running the Centres from £1.993M in 2002/023to £1.934M in 2003/04.

At the year end 309 (2003 - 314 people were residing at the four Centres (including sheltered housing); 90.4 of available beds (2003 - 90.8%).

<b>Centre</b>	<b>Available Beds</b>		<b>Occupied Beds</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Alexandra House	54	55	50	54
Birch Hill	33	34	30	32
Lynwood	136	138	126	128
Town Thorns	119	119	103	100
Total	342	346	309	314

In the early part of the year the Sheltered Housing Shared Ownership Scheme at Town Thorns was seriously affected by the threat of a proposed airport near Rugby and the lack of demand for bedsits due to changing expectations of the applicants. During the year the proposed airport threat was removed and the Housing Corporation endorsed a plan to convert 7 bedsits into 4 one-bedroom flats; these were completed in March 2004.

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.

With effect from 1<sup>st</sup> September 2003 catering and domestic services at Alexandra House, Lynwood and Town Thorns, previously carried out by Sodexho Limited, were taken "in-house". c100 staff transferred to BEN under TUPE regulations.

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. During the year the Government announced the abolition of the National Care Standards Commission and its replacement 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 2003/4, with over 70% of BEN's residents being dependent upon State funding the campaign to obtain better funding was continued. In particular detailed assessments have been made of residents' needs to obtain NHS continuing care funding.

**Arthur Wilson House** is providing much needed day care in Coventry; however the average daily usage has remained static at 17 (2003 - 17). Reasons include lack of referrals from Social Services and loss of members due to death or entering into residential care. Steps are being taken to address this situation and in March 2004 daily usage had increased to 20.



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

### **Report of the Management Board for the year ended 31 March 2004 (Continued)**

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#### **Future Developments**

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

- Financial consolidation followed by significant financial growth.
- To create a working reserve equivalent to four months operating expenditure.
- Achieve an overall income growth of 5% per annum for first 4 years, 5% plus a target of £1M in the Centenary year (2005). N.B. Increased to £3M.
- To continue to promote the BENelephant as a nationally recognised emblem of excellence.
- To continue to improve awareness of and attitudes towards BEN.
- To complete the refurbishment of Lynwood in phases as finances allow.
- To review and adapt BEN's residential accommodation continuously in the light of changing patterns of demand.
- To work positively to meet need in the community.
- To review BEN's senior management structure, practices and training to ensure that we are meeting present needs efficiently and preparing for smooth succession to future management teams.
- To prepare for major activity during the Centenary year 2005.

The Five Year Plan was reviewed in April 2004. Plans for the Centenary in 2005 are well in hand at the year end.

#### **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 13 to 15). The trustees have considered FRS 18. 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**

At the end of December 2003 Geoffrey Atkinson OBE retired as Chief Executive after 25 years service to the Fund. His distinguished service was recognised at an industry lunch held in his honour at the Savoy on 2<sup>nd</sup> December, 2003.

Mr. Gerard Barclay was appointed Chief Executive with effect from 1<sup>st</sup> January, 2004.

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.

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

**Report of the Management Board for the year ended 31 March 2004 (Continued)**

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**Auditors**

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred their business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the trustees appointed BDO Stoy Hayward LLP as their successor. A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

**On behalf of the Board**



D J Prescott MBE FCIS  
**Secretary**

Date: 22 July 2004

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

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### 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 2004 on pages 10 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.

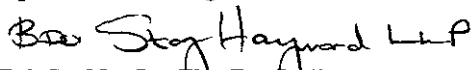
#### *Basis of audit opinion*

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 the charitable company and the group's affairs as at 31 March 2004, 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: 22 July 2004

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

Consolidated statement of financial activities for the year ended 31 March 2004  
(incorporating an income and expenditure account)

	Note	Unrestricted funds 2004 £	Restricted funds 2004 £	Permanent endowment funds 2004 £	Total 2004 £	Total 2003 £
<b>Incoming resources</b>						
<i>Activities in furtherance of the charity's objects</i>						
Fees and rents		4,995,050	3,222*	-	4,998,272	4,616,619
<i>Activities for generating funds</i>						
Fundraising income	3	4,721,135	82,271	-	4,803,406	5,492,502
Trading Activities	4	804,896	-	-	804,896	796,537
Investment income		211,390	-	-	211,390	196,341
Net gain on disposal of fixed assets		-	-	-	-	5,180
<b>Total incoming resources</b>		<b>10,732,471</b>	<b>85,493</b>	<b>-</b>	<b>10,817,964</b>	<b>11,107,179</b>
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
Trading Activities	4,5	501,910	-	-	501,910	544,350
Fundraising and publicity	5	1,230,355	-	-	1,230,355	1,068,986
		<b>1,732,265</b>	<b>-</b>	<b>-</b>	<b>1,732,265</b>	<b>1,613,336</b>
<b>Charitable expenditure</b>						
Care of residents and housing	5	6,919,265	68,839	-	6,988,104	6,550,521
Welfare	5	743,951	-	-	743,951	684,755
Grants payable	5,6	720,404	74,892	-	795,296	856,036
Support costs	5	597,554	-	-	597,554	453,087
Management and administration	5	71,958	-	-	71,958	75,791
		<b>9,053,132</b>	<b>143,731</b>	<b>-</b>	<b>9,196,863</b>	<b>8,620,190</b>
<b>Total resources expended</b>	<b>5</b>	<b>10,785,397</b>	<b>143,731</b>	<b>-</b>	<b>10,929,128</b>	<b>10,233,526</b>
<b>Net (outgoing)/incoming resources</b>		<b>(52,926)</b>	<b>(58,238)</b>	<b>-</b>	<b>(111,164)</b>	<b>873,653</b>
<b>Net investment gain/(loss)</b>	<b>7,8</b>	<b>25,349</b>	<b>-</b>	<b>366,785</b>	<b>392,134</b>	<b>(624,412)</b>
<b>Net movement in funds</b>		<b>(27,577)</b>	<b>(58,238)</b>	<b>366,785</b>	<b>280,970</b>	<b>249,241</b>
<b>Funds brought forward</b>		<b>1,767,939</b>	<b>6,138,723</b>	<b>6,258,313</b>	<b>14,164,975</b>	<b>13,915,734</b>
<b>Funds carried forward at 31 March 2004</b>		<b>1,740,362</b>	<b>6,080,485</b>	<b>6,625,098</b>	<b>14,445,945</b>	<b>14,164,975</b>

All operations are continuing operations.

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

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

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

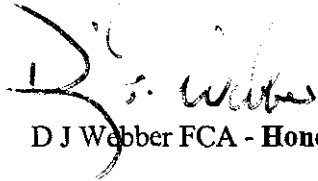
# BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)

Balance sheets at 31 March 2004

		2004		2003	
	Note	Consolidated £	Company £	Consolidated £	Company £
<b>Fixed assets</b>					
Tangible assets	9	10,020,965	10,020,931	9,927,611	9,927,543
Investments	10	4,606,402	4,608,804	4,219,284	4,221,685
		<u>14,627,367</u>	<u>14,629,735</u>	<u>14,146,895</u>	<u>14,149,228</u>
<b>Current assets</b>					
Property held for resale		-	-	35,063	35,063
Stock		7,293	-	11,539	-
Debtors	12	813,966	851,431	794,752	793,699
Cash at bank and in hand	13	58,711	23,597	233,736	233,736
		<u>879,970</u>	<u>875,028</u>	<u>1,075,090</u>	<u>1,062,498</u>
<b>Creditors: amounts falling due within one year</b>	14	(727,308)	(724,734)	(718,567)	(708,308)
<b>Net current assets</b>		<u>152,662</u>	<u>150,294</u>	<u>356,523</u>	<u>354,190</u>
<b>Total assets less current liabilities</b>		<u>14,780,029</u>	<u>14,780,029</u>	<u>14,503,418</u>	<u>14,503,418</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(334,084)	(334,084)	(338,443)	(338,443)
		<u>14,445,945</u>	<u>14,445,945</u>	<u>14,164,975</u>	<u>14,164,975</u>
<b>Funds</b>	20	<u>14,445,945</u>	<u>14,445,945</u>	<u>14,164,975</u>	<u>14,164,975</u>

The financial statements were approved by the Management Board on 22 July 2004 and signed on its behalf by:

  
C Macgowan - Director

  
D J Webber FCA - Honorary Treasurer

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

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

## Consolidated cash flow statement for the year ended 31 March 2004

	Note	2004	2003
		£	£
<b>Net cash (outflow)/inflow from operating activities</b>	23	(164,870)	777,512
<b>Returns on investments</b>			
Investment income received		211,390	196,341
Interest paid	24	(20,158)	(17,143)
		<u>191,232</u>	<u>179,198</u>
<b>Capital expenditure and financial investment</b>			
Repayment of Housing Corporation grant		(21,257)	-
Purchase of tangible assets		(352,745)	(556,623)
Proceeds on sale of tangible assets		-	54,860
Purchase of investments		(2,041,013)	(3,374,893)
Proceeds on sale of investments		2,042,517	2,884,873
Mortgage loan repayments		5,089	16,364
		<u></u>	<u></u>
<b>Net cash outflow from acquisitions and disposals</b>		(367,409)	(975,419)
<b>Management of liquid resources</b>			
Cash (retained in)/withdrawn from investment portfolio	26	(1,578)	26,139
		<u></u>	<u></u>
<b>Net cash (outflow)/inflow from management of liquid assets</b>		(1,578)	26,139
		<u></u>	<u></u>
<b>Net cash (outflow)/inflow before financing</b>		(342,625)	7,430
<b>Financing</b>			
Repayments of bank loans		(6,835)	(27,403)
Repayments of Housing Corporation loan		(21)	(27)
Increase in other long-term loan		2,500	300,000
		<u>(4,356)</u>	<u>272,570</u>
<b>(Decrease)/increase in cash</b>	26	(346,981)	280,000
Cash at 1 April 2003		231,768	(48,232)
		<u></u>	<u></u>
<b>Cash at 31 March 2004</b>	26	<u>(115,213)</u>	<u>231,768</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 2004**

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### **1 Status of company**

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

### **2 Accounting policies**

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

#### *Income recognition*

All income is accounted for on a receivable basis.

#### *Expenditure*

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

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

#### *Fund accounting*

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

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

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

#### *Fixed assets*

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

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

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

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

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

*Fixed assets (continued)*

*Depreciation*

*Freehold land*

No depreciation is provided on freehold land.

*Buildings*

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

*Short leasehold property*

Leasehold property is depreciated over the term of the lease.

*Other tangible assets*

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

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

*Stock*

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

*Taxation*

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

*Valued added tax*

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



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

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

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### 2 Accounting policies (*Continued*)

#### *Investments*

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

#### *Leasing contracts*

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

#### *Pension costs*

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

#### *Shared ownership*

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

#### *Consolidated financial statements*

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

#### *Impairment of fixed assets*

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

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

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

## 3 Donations and similar income

	Unrestricted	Restricted	Total 2004	Total 2003
	£	£	£	£
Donations and fundraising events	4,081,231	-	4,081,231	4,175,707
Appeals	-	7,379	7,379	7,893
Grants	-	74,892	74,892	67,219
Gifts in kind	249,213	-	249,213	247,464
Legacies	390,691	-	390,691	994,219
	<u>4,721,135</u>	<u>82,271</u>	<u>4,803,406</u>	<u>5,492,502</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 2004 £	Total 2003 £
The results for the year are as follows:					
Turnover	687,314	117,582	-	804,896	796,537
Cost of sales and administrative expenses	(404,838)	(74,636)	(22,436)	(501,910)	(544,350)
	<u>282,476</u>	<u>42,946</u>	<u>(22,436)</u>	<u>302,986</u>	<u>252,187</u>
Amount covenanted to charity	(282,746)	(42,946)	22,436	(302,986)	(252,187)
	<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 2004 (Continued)****4 Bentrade Limited (Continued)**

	2004 £	2003 £
Balance sheet		
Fixed assets	34	68
Current assets	42,985	20,965
Current liabilities	(40,617)	(18,631)
	<u>2,402</u>	<u>2,402</u>

**5 Resources expended**

	Staff £	Depreciation £	Other £	Total 2004 £	Total 2003 £
<i>Cost of generating funds</i>					
Bentrade	67,261	34	434,615	501,910	544,350
Fundraising and publicity	689,425	-	540,930	1,230,355	1,068,986
<i>Charitable expenditure</i>					
Care of residents and housing	5,433,714	225,451	1,328,939	6,988,104	6,550,521
Welfare	486,180	-	257,771	743,951	684,755
Grants made	-	-	795,296	795,296	856,036
Support costs	299,996	55,165	242,393	597,554	453,087
Management and administration	44,233	-	27,725	71,958	75,791
	<u>7,020,809</u>	<u>280,650</u>	<u>3,627,669</u>	<u>10,929,128</u>	<u>10,233,526</u>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)**6 Grants payable**

One-off grants made to or on behalf of individuals

Value		2004		2003	
From £	To £	Number	Total £	Number	Total £
1	250	1,718	205,803	1,843	234,855
251	500	786	312,770	825	321,669
501	750	42	25,903	50	32,038
751	1,000	19	17,270	23	21,310
1,001	1,250	10	11,248	7	8,086
1,251	1,500	2	2,975	5	6,945
1,501	1,750	2	3,350	1	1,750
Greater than 1,751		7	49,874	3	6,200
		<hr/>	<hr/>	<hr/>	<hr/>
Total discretionary		2,586	629,194	2,757	632,853
		<hr/>	<hr/>	<hr/>	<hr/>
Total weekly grants			166,102		223,183
			<hr/>		<hr/>
Total grants made			795,296		856,036
			<hr/>		<hr/>

One-off Grants include amounts received and paid on behalf of other organisations to individuals. The total of such receipts is £74,892 (2003: £67,219) 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 2004 (Continued)

## 7 Listed investments

	Endowment Funds				
	Nursing Home and General Fund £	Common Investment Fund narrow range £	wider range £	General fund £	Total £
<i>Cost</i>					
Market value at 1 April 2003	2,377,058	167,949	1,195,960	350,397	4,091,364
Additions	1,572,071	167,760	300,702	-	2,040,533
Disposals	(1,438,076)	(170,477)	(301,714)	(132,250)	(2,042,517)
Net investment gain/(loss) (note 8)	180,760	(4,419)	190,924	25,349	392,614
Market value at 31 March 2004	2,691,813	160,813	1,385,872	243,496	4,481,994
<i>Market value</i>					
Listed in the UK	2,691,813	160,813	1,385,872	243,496	4,481,994
<i>Historical cost</i>					
At 31 March 2004	2,613,765	167,760	1,269,401	218,195	4,269,121
At 31 March 2003	2,568,506	170,912	1,275,029	355,559	4,370,006
Unrealised gains/(losses) at 31 March 2004	78,048	(6,947)	116,471	25,301	212,873
Realised investment gains based on historical cost	88,735	435	4,616	5,114	98,900

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)**8 Endowment funds**

	<b>Common Investment Fund narrow range £</b>	<b>Common Investment Fund wider range £</b>	<b>Common Investment Fund total £</b>	<b>Nursing Home and General Fund £</b>	<b>Total £</b>
Balance at 1 April 2003	167,620	1,198,503	1,366,123	4,892,190	6,258,313
Gain/(loss) on revaluation of investments	(4,419)	190,924	186,505	180,760	367,265
Other costs	(42)	(78)	(120)	(360)	(480)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2004	<b>163,159</b>	<b>1,389,349</b>	<b>1,552,508</b>	<b>5,072,590</b>	<b>6,625,098</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Represented by:					
Listed investments	160,813	1,385,872	1,546,685	2,691,813	4,238,498
Bank balances	2,346	3,477	5,823	277	6,100
Amount owed by general fund	-	-	-	2,380,500	2,380,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2004	<b>163,159</b>	<b>1,389,349</b>	<b>1,552,508</b>	<b>5,072,590</b>	<b>6,625,098</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

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

<b>Name of fund</b>	<b>%</b>	<b>Group Fund £</b>	<b>Income £</b>
Lord Austin Memorial Fund	60.16	933,989	40,415
Viscount Wakefield Educational Fund	0.91	14,128	611
Viscount Nuffield Fund	1.65	25,616	1,108
Willoughby Trust Fund	1.07	16,612	719
Lynwood Endowment Fund	36.05	559,679	24,218
Sir James Percy Memorial Fund	0.16	2,484	107
	<hr/>	<hr/>	<hr/>
	100.00	1,552,508	67,178
	<hr/>	<hr/>	<hr/>

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

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

Notes forming part of the financial statements for the year ended 31 March 2004 (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 2003	12,248,944	366,056	1,088,435	468,306	188,228	14,359,969
Less accumulated grants	(870,671)	-	(6,806)	-	-	(877,477)
	11,378,273	366,056	1,081,629	468,306	188,228	13,482,492
Additions	201,614	-	61,792	56,512	32,829	352,747
At 31 March 2004	11,579,887	366,056	1,143,421	524,818	221,057	13,835,239
<i>Depreciation</i>						
At 1 April 2003	2,236,986	55,533	673,188	421,590	146,327	3,533,624
Charge for year	114,797	13,321	86,325	42,875	23,332	280,650
At 31 March 2004	2,351,783	68,854	759,513	464,465	169,659	3,814,274
<i>Net book value</i>						
At 31 March 2004	9,228,104	297,202	383,908	60,353	51,398	10,020,965
At 31 March 2003	9,120,030	310,523	408,441	46,716	41,901	9,927,611

Consolidated fixed assets above include £Nil (2003 - £Nil) of computer equipment at net book value which relate to Bentrade Limited and £34 of furniture, fixtures and fittings which relate to Bentrade Limited (2003 - £68).

Land values included within property amount to £750,000 (2003: £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 2004 (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 (2003 - £454,375).

An impairment review of the converted freehold property was carried out at 31 March 2004 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 £114,797 of which £58,286 (2003: £58,795) has been charged against restricted funds. The depreciation of leasehold property amounted to £13,321 of which £10,553 (2003: £10,553) has been charged against restricted funds.

Grants repaid to the Housing Corporation amounted to £21,257 (2003 - £ nil).

### 10 Investments

	2004		2003	
	£	£	£	£
<b>Endowment funds</b>				
Listed investments (note 7,8)		4,238,498		3,740,968
Cash		6,100		4,595
		<hr/>		<hr/>
		4,244,598		3,745,563
<b>General fund</b>				
Listed investments (note 7)	243,496		350,397	
Cash	1,119		1,046	
Mortgages and loans (note 11)	117,189		122,278	
	<hr/>	361,804	<hr/>	473,721
		<hr/>		<hr/>
Total per consolidated financial statements		4,606,402		4,219,284
Bentrade Limited (Note 4)		2,402		2,401
		<hr/>		<hr/>
Total per company financial statements		4,608,804		4,221,685
		<hr/>		<hr/>

In addition to the above investments the endowment funds are owed £2,380,500 (2003: £2,512,750) 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 2004 *(Continued)***11 Mortgages and loans**

	2004 £	2003 £
The sum represents advances to beneficiaries:		
Secured on freehold and long leasehold properties	46,569	44,667
Unsecured	70,620	77,611
	<u>117,189</u>	<u>122,278</u>

**12 Debtors**

	2004		2003	
	Consolidated £	Company £	Consolidated £	Company £
Gross fees and rent arrears	355,101	355,101	281,950	281,950
Less provision for bad and doubtful debts	(58,027)	(58,027)	(75,370)	(75,370)
	<u>297,074</u>	<u>297,074</u>	<u>206,580</u>	<u>206,580</u>
Fees and rents receivable	297,074	297,074	206,580	206,580
Prepayments and accrued income	100,977	100,977	91,007	91,007
Other debtors	415,915	415,337	497,165	487,739
Due from subsidiary	-	38,043	-	8,373
	<u>813,966</u>	<u>851,431</u>	<u>794,752</u>	<u>793,699</u>

**13 Cash at bank and in hand**

	2004		2003	
	Consolidated £	Company £	Consolidated £	Company £
Payroll giving account	23,597	23,597	27,075	27,075
Cash in hand	35,114	-	206,661	206,661
	<u>58,711</u>	<u>23,597</u>	<u>233,736</u>	<u>233,736</u>

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

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

## **14 Creditors: amounts falling due within one year**

	2004		2003	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Bank loans (note 16)	6,835	6,835	6,835	6,835
Loan advance by Housing Corporation (note 18)	24	24	21	21
Bank overdraft	173,924	173,924	1,968	-
Creditors and accruals	408,060	405,486	603,936	595,645
Other taxes and social security costs	138,465	138,465	105,807	105,807
	<u>727,308</u>	<u>724,734</u>	<u>718,567</u>	<u>708,308</u>

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

	2004		2003	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Loan advance by Housing Corporation (note 18)	31,014	31,014	31,038	31,038
Bank loans (note 16)	303,070	303,070	307,405	307,405
	<u>334,084</u>	<u>334,084</u>	<u>338,443</u>	<u>338,443</u>

## **16 Bank loans**

	2004	2003
	£	£
Amounts due within one year	6,835	6,835
Amounts due after one year	303,070	307,405
	<u>309,905</u>	<u>314,240</u>

## **17 Bank overdraft**

Barclays Bank PLC has provided facilities up to £500,000 (2003 - £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 2004 *(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:

	2004 £	2003 £
Repayable by instalments:		
Due within one year	24	21
Due within two to five years	137	120
Due in more than five years	30,877	30,918
	<u>31,038</u>	<u>31,059</u>

**19 Obligations under operating leases**

	2004 £	2003 £
The net annual obligation under operating leases is as follows:		
Agreement expiring:		
- in one year or less	6,161	4,577
- between one and five years	21,070	22,654
	<u>27,231</u>	<u>27,231</u>

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

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

20 Summary of fund balances	Restricted funds							Total £
	Permanent Endowment £	Town Thorns Capital Fund £	Lynwood Capital Fund £	Day Centre £	Rent Surplus Fund £	Centenary Appeal Reserve £	Cyclical Maintenance Reserve £	
Balance brought forward at 1 April 2003	6,258,313	4,109,201	1,719,408	291,691	18,423	-	224,746	14,164,975
Movements in the year	234,534	(41,092)	(9,815)	(10,553)	3,222	-	-	280,970
Movement between funds	132,251	-	-	-	-	(2,938)	(7,753)	-
Balance carried forward at 31 March 2004	6,625,098	4,068,109	1,709,593	281,138	21,645	(2,938)	216,993	14,445,945
Represented by:								
Tangible assets	-	4,068,109	1,763,129	297,203	-	-	-	10,020,965
Investments	4,244,598	-	-	-	-	-	-	4,606,402
Current assets	-	-	7,893	-	21,645	-	-	879,970
Current liabilities	-	-	-	-	-	-	-	(727,308)
Long term liabilities and provisions	-	-	-	-	-	-	-	(334,084)
Inter-fund loans and transfers	2,380,500	-	(61,429)	(16,065)	-	(2,938)	216,993	-
Balance carried forward at 31 March 2004	6,625,098	4,068,109	1,709,593	281,138	21,645	(2,938)	216,993	14,445,945
Unrealised losses (note 7)	187,572	-	-	-	-	-	-	212,873

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 2004 (Continued)

## 21 Rent Surplus Fund

	2004 £	2003 £
At 1 April	18,423	15,277
Indexation for year	3,222	3,146
	<hr/>	<hr/>
At 31 March	21,645	18,423
	<hr/>	<hr/>

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

## 22 Cyclical Maintenance Reserve

	Lynwood Sheltered Housing £	Alexandra House Hostel £	Birch Hill Sheltered Housing £	Town Thorns Sheltered Housing £	2004 Total £	2003 Total £
At 1 April 2003	83,113	14,101	10,232	117,300	224,746	204,942
Transfer from general funds	8,568	828	1,464	11,460	22,320	22,320
Expenditure during the year	(21,849)	-	(8,224)	-	(30,073)	(2,516)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	69,832	14,929	3,472	128,760	216,993	224,746
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

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

	2004 £	2003 £
Net (outgoing)/incoming resources before revaluations	(111,164)	873,653
Gain on disposal of fixed assets	-	(5,180)
Depreciation charge	280,650	280,717
Investment income	(211,390)	(196,341)
Interest payable	20,158	17,143
Change in debtors and stocks	28,468	(298,275)
Change in creditors	(171,592)	105,795
	<hr/>	<hr/>
	(164,870)	777,512
	<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 2004 (*Continued*)**24 Interest payable**

All interest payable relates to loans and overdrafts repayable within 5 years and amounted to £20,158 (2003 - £17,143).

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

	2004	2003
	£	£
(Decrease)/Increase in cash in the year	(346,981)	280,000
Cash inflow/(outflow) from repayment of loans	4,356	(272,570)
Cash inflow/(outflow) increase/(decrease) in liquid resources	1,578	(26,139)
	<u>          </u>	<u>          </u>
Change in net debt	(341,047)	(18,709)
Net debt at 1 April 2003	(107,890)	(89,181)
	<u>          </u>	<u>          </u>
Net debt at 31 March 2004	<u>(448,937)</u>	<u>(107,890)</u>

**26 Analysis of changes in net debt**

	At 1 April 2003 £	Cash flow £	At 31 March 2004 £
Cash in hand	233,736	(175,025)	58,711
Overdraft	(1,968)	(171,956)	(173,924)
	<u>          </u>	<u>          </u>	<u>          </u>
	231,768	(346,981)	(115,213)
Debt due within one year	(6,856)	(3)	(6,859)
Debt after one year	(338,443)	4,359	(334,084)
Investment portfolio cash (note 10)	5,641	1,578	7,219
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>(107,890)</u>	<u>(341,047)</u>	<u>(448,937)</u>

**BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND (Limited by Guarantee)**Notes forming part of the financial statements for the year ended 31 March 2004 *(Continued)***27 Employee costs**

	2004 £	2003 £
Total employee costs during the year were:		
Salaries and wages	6,196,601	5,641,078
Employer's National Insurance contributions	472,207	336,035
Pension costs	351,999	259,714
	<u>7,020,807</u>	<u>6,236,827</u>
The number of employees earning more than £50,000 in the year are as follows:	Number	Number
£50,001 - £60,000	2	-
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
	<u>3</u>	<u>2</u>

The above figures include car and fuel benefit which range from £4,120 - £5,116. 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 Deputy Chief Executive), excluding pension contributions, including car and fuel benefit was £68,392 (2003 - £71,255 - the Chief Executive).

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

	2004 Number	2003 Number
Residential homes	296	284
Welfare	21	21
Administration and management	11	11
Appeals and publicity	29	29
	<u>357</u>	<u>345</u>

As at 31 March 2004, the actual total number of employees was 394 (2003: 308).

With effect from 1<sup>st</sup> September 2003 catering and domestic services at Alexandra House, Lynwood and Town Thorns, previously carried out by Sodexo Limited, were transferred to BEN under TUPE regulations. The number of staff employed by catering and domestic contractors in the residential homes as at 31 March 2004 was therefore nil (2003 - 90). Their costs for the five months ending 31 August 2003, which are included in salaries and wages, amounted to £389,815 (2003 - £923,341 for the full year).

No Management Board members received any remuneration in the year. Two Management Board members received reimbursement of expenses for travel totalling £1,566 in the year (2003 - £2,784).

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

Notes forming part of the financial statements for the year ended 31 March 2004 (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 2004 the Fund made payments totalling £270,000 (2003: £180,000).

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 approximately £300,000 per year to the closed scheme until 2007 to restore the Minimum Funding Requirement to 90%.

#### FRS 17 Retirement Benefits: Transitional disclosures

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 1 October 2000 and updated by the actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2004. Scheme assets are stated at their market value at 31 March 2004.

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

	2004	2003	2002
Valuation method	Triennial	Triennial	Triennial
Discount rate	5.5% per annum	5.5% per annum	6% per annum
Inflation rate	2.75% per annum	2.5% per annum	3% per annum
Rate of increase in salaries	n/a	n/a	4% per annum
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	2.25% 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 2004 (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 2004	Market value at 31 March 2004 £'000	Long term expected rate of return at 31 March 2003	Market value at 31 March 2003 £'000	Long term expected rate of return at 31 March 2002	Market value 31 March 2002 £'000
Equities	7.75%	3,403	7.25%	2,510	8.0%	3,278
Bonds	5.5%	577	5.5%	525	6.0%	655
Property	6.5%	-	6.0%	-	6.5%	-
Cash	3.75%	191	3.0%	211	3.5%	259
		<hr/>		<hr/>		<hr/>
Total market value of assets		4,171		3,246		4,192
Present value of scheme liabilities		(7,632)		(7,159)		(5,670)
		<hr/>		<hr/>		<hr/>
(Deficit)		(3,461)		(3,913)		(1,478)
		<hr/>		<hr/>		<hr/>

Analysis of the amount charged to operating surplus

	2004 £
Current service cost	-
Past service cost	-
	<hr/>
Total operating charge	-
	<hr/>

Analysis of the amount credited to other finance income

	2004 £'000
Expected return on pension scheme assets	221
Interest on pension scheme liabilities	(391)
	<hr/>
Net return	(170)
	<hr/>

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

**Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)**

**28 Pension scheme (continued)**

Analysis of the amount that would be recognised in a statement of total recognised gains and losses		2004 £'000
Actual return less expected return on pension scheme assets		591
Experience gains and losses arising on the scheme liabilities		19
Changes in assumptions underlying the present value of the scheme liabilities		(258)
		<hr/>
Actuarial loss		352
		<hr/>
Movement in deficit during the year		2004 £'000
Deficit in scheme at beginning of the year		(3,913)
Movement in year:		
Contributions		270
Other finance income		(170)
Actuarial costs		352
		<hr/>
Deficit in scheme at end of the year		(3,461)
		<hr/>
History of experience gains and losses	2004	2003
Difference between expected and actual return on scheme assets		
Amount £'000	591	(1,343)
Percentage of scheme assets	14%	(41%)
Experience gains and losses on scheme liabilities	19	(1,015)
Amount £'000		
Percentage of the present value of the scheme liabilities	0%	(14%)
Total amount recognised in statement of total recognised gains and losses		
Amount £'000	352	(2,576)
Percentage of the present value of the scheme liabilities	5%	(36%)

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

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

## **29 Capital commitments and contingent liabilities**

At 31 March 2004 there were no outstanding commitments contracted for (2003 - £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 34. The details required by the Housing Corporation in relation to registered social landlord staff costs are:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Staff costs during the year	<b>130,519</b>	130,519
Social security costs	<b>14,959</b>	14,959
Other pension costs	<b>4,114</b>	4,114
	<hr/>	<hr/>
	<b>149,592</b>	149,592
	<hr/>	<hr/>

The average number of employees of the Fund involved with housing association activities during the year was 26 (2003 - 26). The trustees do not receive payment for Housing Association work.

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Auditors' fees - Housing Association	<b>2,350</b>	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.

**Summary of expenditure on letting activities for the year ended 31 March 2004**

34