

**BEN-MOTOR AND ALLIED TRADES
BENEVOLENT FUND
(A Charitable Company limited
by Guarantee)**

**MANAGEMENT REPORT AND
FINANCIAL STATEMENTS**

for the year ended 31 March 1996

Company number 2163894
Charity Number 297877
Registered housing association LH3766



BINDER HAMLYN

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

MANAGEMENT REPORT for the year ended 31 March 1996

The Management Board presents its report and the audited financial statements for the year ended 31 March 1996.

OUR MISSION

To help the strong in our industries to care for colleagues and dependants in time of need.

OBJECTS 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.
Birch Hill, Berwick-upon-Tweed, Northumberland.
Lynwood, Ascot, Berkshire.
Town Thorns, Rugby, Warwickshire.

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

MANAGEMENT BOARD

The members of the Management Board are directors of the company for the purposes of the Companies Act and are listed below:

TL Evans*	
J Holmes	(appointed 23 November 1995)
JE Hughes	
RD Ide	
A Jessup	
NS Lindsay	
GR Lacey	
AMF Ross*	

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

MANAGEMENT REPORT for the year ended 31 March 1996

MANAGEMENT STAFF (Continued)

NV Scheele
L Sutton* -
VE Thomas (appointed 23 November 1995)
JJ Tinker* -
RD Waite*
DM Walker
DJ Webber
DW Wilkie -

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

- Members of Welfare Committee.

EXECUTIVE STAFF

GC Atkinson FIMI	- Director
DJ Prescott MBE, FCIS	- Deputy Director/Secretary
Mrs ER Burquest RGN	- Director , Nursing and residential services
Mrs SM Cooper MIWO	- Director, Welfare Services
Mrs CA Steele MICFM	- Director, Fundraising

PROFESSIONAL ADVISORS

Bankers	- Barclays Bank plc. 1, High Street, Bracknell, Berks, RG12 1DR
Solicitors	- Field Fisher Waterhouse 41, Vine Street, London EC3N 2AA
Auditors	- Binder Hamlyn 20 Old Bailey, London EC4M 7BH
Investment Managers/Brokers	- Cazenove & Co. 12, Tokenhouse Yard, London EC2R 7AN

FINANCIAL REVIEW

During the year the Fund's financial position continued on a sound basis; a surplus of £511,163 on the combined general revenue and capital funds is recorded in the Income and Expenditure Account (1995: £145,542). This improvement is largely due to the sale of freehold property (Woodleigh), the proceeds of which are earmarked for the Lynwood refurbishment (see below).

The Board are pleased to note a satisfactory underlying trend in the General Fund result. After depreciation, bank interest and transfers a deficit of £87,559 was recorded (1995: £124,942).

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

MANAGEMENT REPORT for the year ended 31 March 1996

FINANCIAL REVIEW (Continued)

In 1995/96 **General Fund** income (excluding sale of freehold property) increased by nearly 6%. However, the Fund's largest source of income - receipts from patients and residents only rose by 1.5%, reflecting the problems referred to under 'Residential Centres' in this report. The voluntary income is therefore vital to the Fund and the investments in fundraising staff and volunteers is building up support to meet the ever-increasing demands on resources.

All three main areas of fundraising achieved excellent results; general donations (including structured giving) increased by £176,372 (13.5%); payroll giving by £100,506 (21%) and functions and sponsorship by £92,912 (17.5%). These achievements helped BEN to maintain its record of never refusing to meet a genuine call for help. The Board expresses its grateful thanks to all donors and supporters - corporate and individual, and to volunteers and staff.

Donations included a 'one-off' amount of £135,000 from Blakes Benevolent Trust.

During the year progress has been made in extending the structured giving (performance related) schemes, pioneered by the motor car manufacturers and SMMT, in all sections of the industries covered by BEN. Peugeot dealers have set an example to other car retailers by joining the scheme through an initiative between the manufacturer and its Dealer Association. Over 80 companies are now committed to support BEN in a structured way based on their economic activity e.g. unit sales or turnover.

The **Financial strategy** of controlled recovery, defined as repaying previous borrowing whilst continuing to invest in the future, made progress. The loan needed to develop Town Thorns was reduced to £290,888 (1995: £580,322); under the terms of this medium term loan the outstanding balance has to be repaid by 31 December, 1996. The second payment of £135,000 was made to repay borrowing from the Nursing Home and General Endowment Fund under a Charity Commission order of March 1992 (see note 16 to the financial statements). There was deficit of £128,209 on the disposal of investments; this arose due to limited activity in the equity market and the losses occurred in fixed interest market as changes were made to improve yield.

The **Lynwood Renewal Appeal** was started and at the year end nearly £600,000 had been pledged; which together with the proceeds of the sale of Woodleigh (£460,758) brought the total to over £1m. Total cash received £642,746. Of this £247,356 had been spent on the advance adaptation and planning the whole project, a further £74,000 was committed for professional fees at the year end. (see also 'Residential Centres').

Progress on the proposed **work-place Day Centre** in Coventry has been delayed due to change of site at the Peugeot works. A new planning application is being made and possible grant aid is being sought.

Good progress on the replacement of BEN's computer systems and introduction of new **management information systems** was made during the year. The fee/rents and accounting systems are fully operational. The fundraising systems ('Raisers Edge') will be operational early in 1996/97. Further development work is planned for welfare, homes and personnel management systems.

The Board confirms that, whilst the Fund can meet its current obligations, continuing positive actions are being taken to strengthen its finances. This is especially important in the light of the increased demands on BEN's Welfare Services and the uncertainties over the provision of long term care (see below).

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

MANAGEMENT REPORT for the year ended 31 March 1996

STATEMENT OF 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 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 company 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 and the Registered Housing Associations (Accounting Requirements) Order 1992. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVESTMENT POWERS

(a) General fund

Not restricted

(b) Common Investment Fund

As per the Trustee Investments Act 1961 as amended by the Charities (Trustee Investments Act 1961) Order 1995 and any further regulations made by the Secretary of State under Section 70 and 71, of the Charities Act 1993.

(c) Nursing Home and General Endowment Fund

Originally had no investment powers. Following creation of Common Investment Fund, the Charities Commission ruled that the Trustee Investment Act 1961 applied to those funds, BEN challenged this and the High Court gave wider powers as follows:

'Subject to the provisos hereinafter contained, any monies for the time being subject to the trusts of the Declaration of Trust dated the 10th day of June 1955 and made by Barclays Bank Limited (*formerly BEN Custodian Trustees*) and requiring investment may, in addition to the range of investment for the time being authorised by the general law for the investment of trust monies (hereinafter called the 'authorised range'), be invested in the debentures or 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.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

MANAGEMENT REPORT for the year ended 31 March 1996

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

- (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 share listed on a renounceable document of title and
- (iii) No money shall be invested in the ordinary or deferred shares or stock of any corporation unless at the time of investment such a corporation shall have paid up capital of at least £250,000 or its equivalent at the current rate of exchange and so that in the case of a corporation having shares of no par value such paid up capital shall be deemed to include the capital sum (other than capital surplus) appearing in the Corporation's published accounts in respect of such shares'.

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

FINANCIAL CONTROL

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

WELFARE SERVICES

During the year the number of new calls for BEN's help have reached record levels. In 1995/6 the Welfare Committee considered 854 new cases in which financial assistance was given (1994/95: 645); an increase of 33 % year on year. The number of people being assisted in the community increased by 28 % to 5,867 at the year end (31 March 1995: 4,620). During the year, further resources were allocated to meet the increasing demands on the Department, especially at the Midlands Office. The staff establishment has been increased to enable the Fund to cope with the work involved. Volunteers continue to play a vital role in the welfare of the Fund's beneficiaries, during the year over 70 voluntary visitors made 1007 domiciliary visits.

RESIDENTIAL CENTRES

The system of care assessment and contacting introduced in 1993 (NHS and Community Care Act 1990) continues to affect the running of the residential centres. Provision for long term care by the State has changed and people who can no longer cope in their own home find it difficult to obtain funding for residential care; Local Authorities do not have sufficient resources nor can most families afford to pay the cost. Because of the rationing of resources, by the time people are admitted to BEN's accommodation they are much frailer and need a higher and more expensive level of care.

As indicated in the last year's report, the pattern of care provided by BEN continued to change; relatively few of those being admitted are 'long stay' and 47% of admissions in 1995 were for short stays (only 9% in 1992). This has caused a rapid 'turnover' of beds which inevitably leads to a loss of income between admissions. In 1995/96 the charitable funds supported the residential centres with nearly £1.2m - receipts from patients and residents only covered 75 % of the costs.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

MANAGEMENT REPORT for the year ended 31 March 1996

RESIDENTIAL CENTRES (continued)

The reasons for this are fourfold:

- (a) Only 22% of residents are able to pay the full cost of care;
- (b) On average DSS benefits (preserved rights residents) and local authority contract prices fall far short of the costs of providing good quality care e.g. the average shortfall for nursing care is £71 per person per week.
- (c) BEN provides 'added value' e.g. physiotherapy which is not funded by the Welfare State;
- (d) The operating costs of the Centres are kept under constant review and the careful monitoring of valuable staff time reflects occupancy of the accommodation.

During the year the detailed plans for the refurbishment of the Nuffield Wing at Lynwood were progressed. It is hoped to start work on the first major phase (completion of ground floor accommodation) in July 1996.

At the year end 346 people were residing at the four Centres; 91% of available beds (1995: 347 - 92%)
Details as follows:

Centre	Registered Maximum Beds		Available Beds		Occupied Beds	
Alexandra House	80	(81)	70	(69)	63	(63)
Birch Hill	42	(42)	36	(34)	32	(31)
Lynwood	162	(160)	155	(155)	140	(142)
Town Thorns	136	(136)	122	(120)	111	(112)
Total	420	(419)	383	(378)	346	(348)

(1995 in brackets)

FUTURE DEVELOPMENTS

In reviewing the Fund's five year strategy 'BEN in the Community: 1993/98', the Board has again re-affirmed its objectives as:

- * Controlled recovery (see below).
- * Achieving an overall income of £9m in 1997/98.
- * Establishing the BEN elephant as a nationally recognised emblem of excellence.
- * Improving awareness of and attitudes towards BEN.
- * Completing the refurbishment of Lynwood.
- * Reviewing and adapting BEN's residential accommodation continuously in the light of changing patterns of demand
- * Developing the BENtrade Limited operation into a major source of income.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

MANAGEMENT REPORT for the year ended 31 March 1996

FUTURE DEVELOPMENTS (continued)

Objectives (continued)

- * Working positively to meet need in the community as it arises and maintain choice.
- * Meeting the administration needs of BEN.

In practical terms the following are planned for 1996/97 and beyond:

- * To promote the Lynwood Renewal Appeal actively and complete the refurbishment in phases as finances allow. The next phase costing £372k was approved by the Board on 12 June 1996.
- * To complete installation of updated computer systems during 1996/97.
- * To achieve the setting up of the workplace day centre during the course of 1996/97.

It is the Board's policy to re-appraise its fundraising strategy on a regular basis to enable it to meet the Fund's income needs in future years.

COMPLIANCE

The Board confirm that the financial statements comply with the Fund's governing investment, the Companies Act 1985 and the Registered Housing Associations (Accounting Requirements) Order 1992.

A revision of the Statement of Recommended Practice - Accounting by Charities (SORP) was published in October 1995. These financial statements do not comply with this SORP, the Board intend to comply with effect from 1996/97 financial statements.

PROPOSED TRANSFER OF FUNDS

The proposed transfer of funds is disclosed on the face of the Income and Expenditure Account on page 11.

FIXED ASSETS

Changes in fixed assets are disclosed in notes 3 and 5 to the financial statements.

EMPLOYEES

Regular meetings are held involving executive staff, managers and supervisors to exchange information about the Fund and financial and economic factors affecting its work. General staff meetings are also held at each residential centre. During the year the Fund provided training for employees at all levels. The Fund has been registered with City & Guilds as an accredited training centre for National Vocational Qualifications in health care.

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

MANAGEMENT REPORT
for the year ended 31 March 1996

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Management Board on 18 July 1996.



D.J. PRESCOTT, MBE. FCIS
Secretary

BINDER HAMLYN

20 Old Bailey
London EC4M 7BH

AUDITORS' REPORT

to the members of BEN-Motor and Allied Trades Benevolent Fund

We have audited the financial statements on pages 10 to 27 which have been prepared on the basis of the accounting policies set out on pages 15 and 16.

Respective responsibilities of directors and auditors

As described on page 4, the trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 directors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the group and of the fund as at 31 March 1996 and of the group's surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the Registered Housing Associations (Accounting Requirements) Order 1992.

Binder Hamlyn

Chartered Accountants
Registered Auditors

18 July 1996

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

BALANCE SHEET

as at 31 March 1996

		1996		1995	
	Notes	Consolidated £	Company £	Consolidated £	Company £
FIXED ASSETS					
Tangible assets	3	9,434,507	9,432,637	9,633,237	9,629,836
Investments	4	2,838,689	2,841,090	2,700,570	2,702,971
		<u>12,273,196</u>	<u>12,273,727</u>	<u>12,333,807</u>	<u>12,332,807</u>
CURRENT ASSETS					
Stock		85,952	70,193	38,363	34,563
Debtors	7	566,601	561,437	466,426	462,278
Cash at bank and in hand	8	50,305	50,305	24,358	24,176
		<u>702,858</u>	<u>681,935</u>	<u>529,147</u>	<u>521,017</u>
CREDITORS: amounts falling due within one year	9	<u>(1,022,574)</u>	<u>(1,002,182)</u>	<u>(843,026)</u>	<u>(833,896)</u>
Net current liabilities		<u>(319,716)</u>	<u>(320,247)</u>	<u>(313,879)</u>	<u>(312,879)</u>
Total assets less current liabilities		<u>11,953,480</u>	<u>11,953,480</u>	<u>12,019,928</u>	<u>12,019,928</u>
CREDITORS: amounts falling due after more than one year	10	<u>(31,152)</u>	<u>(31,152)</u>	<u>(611,480)</u>	<u>(611,480)</u>
		<u><u>11,922,328</u></u>	<u><u>11,922,328</u></u>	<u><u>11,408,448</u></u>	<u><u>11,408,448</u></u>
FUNDS					
Permanent Endowment Funds	16	5,457,097	5,457,097	5,473,364	5,473,364
General Fund		931,483	931,483	1,019,042	1,019,042
Town Thorns Capital Fund		4,767,808	4,767,808	4,711,833	4,711,833
Lynwood Capital Fund		642,747	642,747	100,000	100,000
Designated Fund					
- cyclical maintenance	17	123,193	123,193	104,209	104,209
		<u><u>11,922,328</u></u>	<u><u>11,922,328</u></u>	<u><u>11,408,448</u></u>	<u><u>11,408,448</u></u>

The financial statements on pages 10 to 27 were approved by the Management Board on 18 July 1996.

NV Scheele

President

DJ Webber FCA

Honorary Treasurer

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 1996

	Notes	General Fund £	Capital Funds £	Total £	1995 £
INCOME					
Receipts from residents		3,478,011	-	3,478,011	3,428,403
Housing association rents		257,844	-	257,844	248,505
Investment income		289,377	-	289,377	256,118
Donations		1,473,809	281,051	1,754,860	1,710,276
Payroll giving		575,907	-	575,907	475,401
Functions and sponsorship	19	621,064	-	621,064	528,152
Legacies		46,063	-	46,063	117,491
Trading income		152,668	-	152,668	150,138
Sundry income		3,464	-	3,464	6,627
Sale of freehold property		460,758	-	460,758	-
Sale of shared properties		-	69,200	69,200	150,530
Total income		7,358,965	350,251	7,709,216	7,071,641
EXPENDITURE					
Care of residents		4,653,301	138,736	4,792,037	4,704,050
Welfare		859,994	-	859,994	692,786
Housing association		208,273	-	208,273	197,057
Administration		322,548	-	322,548	303,203
Fundraising and publicity		691,308	-	691,308	617,180
Irrecoverable VAT		54,358	-	54,358	49,330
Expenses - cost of property disposals		-	73,551	73,551	160,035
Trading costs		136,123	-	136,123	119,874
Total expenditure		6,925,905	212,287	7,138,192	6,843,515
Surplus/(deficit) of income over expenditure before interest and transfers					
Interest payable	21	433,060	137,964	571,024	228,126
Transfer to cyclical maintenance reserve	17	(40,877)	-	(40,877)	(63,960)
Lynwood refurbishment transfer to Capital Fund		(18,984)	-	(18,984)	(18,624)
		(460,758)	460,758	-	-
Surplus/(deficit) after interest and transfers		(87,559)	598,722	511,163	145,542

All the above results derive from continuing activities and there were no acquisitions in the period.

The surplus of £511,163 includes the proceeds from the sale of a freehold property (£460,758) which have been committed for the refurbishment of Lynwood.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

STATEMENT OF INVESTMENT GAINS for the year ended 31 March 1996

	Notes	1996 £	1995 £
Net realised (losses)/gains on disposal of investments	16	(128,209)	233,174
(Increase)/decrease of provision for diminution in value of investments	16	111,942	(80,499)
Net investment (losses)/gains		(16,267)	152,675

There are no recognised gains or losses other than those disclosed above and those in the Income and Expenditure Account on page 8.

SUMMARY OF FUND BALANCES as at 31 March 1996

	Permanent Endowment £	General Fund £	Town Thorns Capital Fund £	Lynwood Capital Fund £	Cyclical Maintenance Reserve £	Total £
Balance brought forward 1 April 1995	5,473,364	1,019,042	4,711,833	100,000	104,209	11,408,448
Movements in year	(16,267)	(87,559)	55,975	542,747	18,984	513,880
Balance carried forward 31 March 1996	5,457,097	931,483	4,767,808	642,747	123,193	11,922,328
Represented by						
Tangible assets	-	2,759,189	6,427,782	247,536	-	9,434,507
Investments	2,677,097	161,592	-	-	-	2,838,689
Current assets	-	702,858	-	-	-	702,858
Current liabilities	-	(731,686)	(290,888)	-	-	(1,022,574)
Long term liabilities and provisions	-	(31,152)	-	-	-	(31,152)
Inter fund loans and transfers	2,780,000	(1,929,318)	(1,369,086)	395,211	123,193	-
Total net assets 31 March 1996	5,457,097	931,483	4,767,808	642,747	123,193	11,922,328

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

CASH FLOW STATEMENT for the year ended 31 March 1996

	1996		1995	
	£	£	£	£
Net cash inflow from operating activities		86,991		180,806
Returns on investments				
Investment income received	289,377		256,118	
Interest paid	(40,877)		(63,960)	
		248,500		192,158
Investing activities				
Purchase of tangible assets	(196,999)		(358,395)	
Proceeds on sale of tangible assets	530,498		150,530	
Purchase of investments	(1,100,661)		(57,886)	
Proceeds on sale of investments	676,818		665,454	
Mortgage loan advances	(19,386)		(15,096)	
		(109,730)		384,607
Net cash inflow before financing		225,761		757,571
Financing				
Repayments of amounts borrowed		(289,434)		(1,346,178)
(Decrease) in cash and cash equivalents		(63,673)		(588,607)
Cash and cash equivalent at 1 April 1995		2,069		590,676
Cash and cash equivalent at 31 March 1996		(61,604)		2,069

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

CASH FLOW STATEMENT for the year ended 31 March 1996

	1996	1995
£	£	£
Reconciliation of net surplus to net cash inflow from operating activities		
Net surplus on income and expenditure account before interest and transfers	571,024	228,126
Increase in permanent endowment	(16,267)	152,675
Depreciation charge	328,609	303,518
(Decrease)/increase in provision for diminution in value of investments	(111,942)	80,499
Investment income	(289,377)	(256,118)
Decrease/(increase) in debtors	(147,764)	(154,629)
Increase/(decrease) in creditors	73,252	49,699
Loss/(profit) on sale of fixed assets	(463,377)	9,505
Loss/(profit) on disposal of investments	142,834	(232,469)
	<u>86,991</u>	<u>180,806</u>

	1996	1995	Change in period
£	£	£	£
Analysis of cash and cash equivalents as shown in the balance sheets			
Cash on deposit at bank and in hand	50,305	24,358	25,947
Overdraft	(176,423)	(361,021)	184,598
Endowed cash	64,514	338,732	(274,218)
	<u>(61,604)</u>	<u>2,069</u>	<u>(63,673)</u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

1 STATUS OF COMPANY

BEN-Motor and Allied Trades Benevolent Fund, is a company limited by guarantee and is a Registered Housing Association.

2 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and comply with accounting standards. A revised Statement of Recommended Practice - 'Accounting by Charities' (SORP) was published in October 1995. These accounts do not comply with this SORP, but the Board intends to comply with effect from the 1996/97 accounts.

(b) Income recognition

Income and expenditure is brought into account on an accruals basis, with the exception of legacies, cash donations and donations received under structured giving schemes, which are recognised when received.

(c) Fixed assets

Depreciation is calculated at the following rates per annum:

Freehold buildings, construction	- 2% straight line basis
Freehold buildings, fitting out	- 4% straight line basis
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 when received.

(d) Stock

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

(e) Taxation

Under section 505 of the Income and Corporation Taxes Act 1988 the company, 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.

(f) Valued added tax

Value added tax on most of the company's expenditure is irrecoverable, and is included with the expenditure to which it relates. On certain items tax is partially recoverable and the irrecoverable portion is shown as a separate item of expenditure.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

2 ACCOUNTING POLICIES *continued*

(g) Cyclical maintenance

The reserve for cyclical maintenance reflects the Fund's liability to maintain its Housing Association properties in accordance with a planned programme of works over a 5 to 10 year period.

(h) Investments

Investments are stated at cost, or in the case of donated investments at market value on transfer, less amounts written-off for permanent diminution in value.

(i) 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.

(j) Pensions 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.

(k) 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.

(l) Consolidated accounts

The Fund's trading subsidiary, Bentrade Limited, has been consolidated into these financial statements.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

3 TANGIBLE FIXED ASSETS (Consolidated)

	Freehold land and buildings £	Furniture, fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
1 April 1995	10,759,308	1,175,366	148,245	55,656	12,138,575
Less accumulated grants	(922,614)	(6,806)	-	-	(929,420)
	<u>9,836,694</u>	<u>1,168,560</u>	<u>148,245</u>	<u>55,656</u>	<u>11,209,155</u>
Additions	90,351	51,572	61,027	27,800	230,750
Disposals	(73,551)	-	-	(8,000)	(81,551)
	<u>9,853,494</u>	<u>1,220,132</u>	<u>209,272</u>	<u>75,456</u>	<u>11,358,354</u>
Depreciation					
1 April 1995	699,184	751,001	116,054	43,430	1,609,669
Charge for period	210,043	82,822	25,738	10,006	328,609
Disposals	(6,851)	-	-	(7,580)	(14,431)
	<u>902,376</u>	<u>833,823</u>	<u>141,792</u>	<u>45,856</u>	<u>1,923,847</u>
Net book value					
31 March 1996	<u>8,951,118</u>	<u>386,309</u>	<u>67,480</u>	<u>29,600</u>	<u>9,434,507</u>
31 March 1995	<u>9,171,261</u>	<u>417,559</u>	<u>32,191</u>	<u>12,226</u>	<u>9,633,237</u>

Consolidated fixed assets above include £1,475 (1995: £2,950) of computer equipment at net book value which relate to Bentrade Limited and £395 of furniture, fixtures and fittings which relate to Bentrade Limited (1995 : £451).

The cumulative amount of interest included in the cost of freehold land and buildings at the year end was £454,375 (1995: £454,375).

Freehold land and buildings include £750,000 (1995: £750,000) of freehold land which is not depreciated.

The Fund's freehold buildings have been depreciated from 1 January 1992; £132,850 (1995: £132,850) of the depreciation is charged against the Town Thorns Capital Fund.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

3 TANGIBLE FIXED ASSETS (Consolidated) *continued*

With the exception of Town Thorns the residual value of the Fund's freehold buildings, is estimated to be higher than the original cost (net of grants) of £2,307,506 and therefore no depreciation has been charged on these properties.

Grants received from the Housing Corporation amounted to £33,750 (1995 : £Nil).

During the period, various motor manufacturers and suppliers donated motor vehicles on a loan basis. At 31 March 1996 the charity enjoyed the benefit of 26 (1995: 28) loaned motor vehicles. These assets are not shown in the financial statements.

4 INVESTMENTS	1996		1995	
	£	£	£	£
Endowment Funds				
Listed investments (note 16)		2,612,583		2,219,632
Cash (note 16)		64,514		338,732
		<u>2,677,097</u>		<u>2,558,364</u>
General Fund				
Listed investments (note 5)	25,502		25,502	
Mortgages and loans (note 6)	<u>136,090</u>		<u>116,704</u>	
		<u>161,592</u>		<u>142,206</u>
Total per Consolidated Accounts		<u>2,838,689</u>		<u>2,700,570</u>
Bentrade Limited (note 20)		<u>2,401</u>		<u>2,401</u>
Total per Company Accounts		<u><u>2,841,090</u></u>		<u><u>2,702,971</u></u>

In addition to the above investments the Endowment Funds are owed £2,780,000 (1995: £2,915,000) from the General Fund (see note 16).

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

5 LISTED INVESTMENTS

	Nursing Home and General Fund £	Endowment Funds Common Investment Fund narrow range £	Endowment Funds wider range £	General Fund £	Total £
Cost					
1 April 1995	1,544,001	141,331	749,035	25,502	2,459,869
Additions	805,792	-	294,869	-	1,100,661
Disposals	(583,384)	(5)	(236,263)	-	(819,652)
31 March 1996	1,766,409	141,326	807,641	25,502	2,740,878
Provision for diminution in value					
1 April 1995	199,439	-	15,296	-	214,735
Increase/(decrease)	(114,963)	-	3,021	-	(111,942)
31 March 1996	84,476	-	18,317	-	102,793
Net book value					
Listed in the UK	1,562,886	141,326	789,324	25,502	2,519,038
Listed elsewhere	119,047	-	-	-	119,047
31 March 1996	1,681,933	141,326	789,324	25,502	2,638,085
Market value					
31 March 1996	2,180,745	163,108	1,456,320	38,964	3,839,137
31 March 1995	1,684,680	160,806	1,229,196	31,433	3,106,115

6 MORTGAGES AND LOANS

	1996 £	1995 £
This sum represents advances to beneficiaries:		
Secured on freehold and long leasehold properties	74,082	72,356
Unsecured	62,008	44,348
	136,090	116,704

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

7	DEBTORS	Consolidated	1996	Consolidated	1995
		£	Company	£	Company
			£		£
	Sums due from residents	157,527	157,527	153,935	153,935
	Taxation refunds	181,931	181,931	148,481	148,481
	National functions	5,792	5,792	9,731	9,731
	Prepayments and accrued income	123,655	123,655	107,764	107,764
	Housing association rents	8,526	8,526	7,976	7,976
	Other debtors	89,170	84,006	38,539	31,717
	Bentrade Limited	-	-	-	2,674
		<u>566,601</u>	<u>561,437</u>	<u>466,426</u>	<u>462,278</u>

8	CASH AT BANK AND IN HAND	Consolidated	1996	Consolidated	1995
		£	Company	£	Company
			£		£
	Payroll giving account	20,521	20,521	12,239	12,239
	Cash in hand	29,784	29,784	12,119	11,937
		<u>50,305</u>	<u>50,305</u>	<u>24,358</u>	<u>24,176</u>

In addition to these sums a total of £37,886 (1995: £36,108) is held in trust on behalf of residents.

9	CREDITORS: amounts falling due within one year	Consolidated	1996	Consolidated	1995
		£	Company	£	Company
			£		£
	Bank loans (note 11)	290,888	290,888	-	-
	Bank overdraft (note 12)	176,423	164,471	361,021	361,021
	Interest free loans (note 14)	29,323	29,323	7,359	7,359
	Creditors and accruals	447,858	439,664	398,456	389,326
	Other taxes and social security costs	78,082	77,836	76,190	76,190
		<u>1,022,574</u>	<u>1,002,182</u>	<u>843,026</u>	<u>833,896</u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

10 CREDITORS: amounts falling due after more than one year

	Consolidated £	1996 Company £	Consolidated £	1995 Company £
Bank loan (note 11)	-	-	580,322	580,322
Loan advance by Housing Corporation (note 13)	31,152	31,152	31,158	31,158
	<u>31,152</u>	<u>31,152</u>	<u>611,480</u>	<u>611,480</u>

11 BANK LOANS

The company has a £1,000,000 facility from Barclays Bank PLC.

The balance under the facility which is secured by a first legal mortgage over the Town Thorns and Alexandra House nursing and residential centres, is due to be repaid as follows:

	1996 £	1995 £
Amounts due within one year	290,888	-
Amounts due after more than one year	-	580,322
	<u>290,888</u>	<u>580,322</u>

12 BANK OVERDRAFT

Barclays Bank PLC has provided facilities up to £500,000 (1995: £375,000) with temporary excesses for general operating. The overdraft, whilst repayable on demand, is subject to periodic reviews.

13 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:

	1996 £	1995 £
Repayable by instalments		
- due within five years	26	26
- due in more than five years	31,126	31,132
	<u>31,152</u>	<u>31,158</u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

14 INTEREST FREE LOANS

These sums are advances of income under deposited deeds of covenant and are repayable by the operation of the deeds. These sums will be credited to income over the term of the deeds.

15 OBLIGATIONS UNDER OPERATING LEASES	1996 £	1995 £
---------------------------------------	-----------	-----------

The net annual obligation under operating leases is as follows

Agreement expiring		
- in one year or less	-	-
- between one and five years	17,842	-
- in more than five years	-	12,519

16 ENDOWMENT FUNDS

	Common Investment Fund			Nursing Home and General Fund	Total
	Narrow range	Wider range	Total		
	£	£	£	£	£
Balance 1 April 1995	175,629	826,012	1,001,641	4,471,723	5,473,364
Deficit on disposal of investments	(81)	(23,660)	(23,741)	(104,468)	(128,209)
Increase in provision for diminution of investments	-	(3,021)	(3,021)	114,963	111,942
Balance at 31 March 1996	175,548	799,331	974,879	4,482,218	5,457,097
Represented by					
Listed investments (note 5)	141,326	789,324	930,650	1,681,933	2,612,583
Bank balances (note 4)	34,222	10,007	44,229	20,285	64,514
Amount owed by General Fund				2,780,000	2,780,000
	175,548	799,331	974,879	4,482,218	5,457,097

On 25 March 1992 the Charity Commissioners approved an order enabling £3,050,000 to be lent to the General Fund by the Endowment Funds. The minimum annual repayments are £132,609. The total amount must be repaid by 31 December 2017.

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

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

16 ENDOWMENT FUNDS *continued*

Name of fund	%	Fund £	Group income £
Lord Austin Memorial Fund	60.16	586,487	56,353
Viscount Wakefield Educational Fund	0.91	8,871	852
Viscount Nuffield Fund	1.65	16,086	1,546
Willoughby Trust Fund	1.07	10,431	1,002
Lynwood Endowment Fund	36.05	351,444	33,768
Sir James Percy Memorial Fund	0.16	1,560	150
	<u>100.0</u>	<u>974,879</u>	<u>93,671</u>

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 of the endowment funds can be used for those purposes.

17 CYCLICAL MAINTENANCE RESERVE

	Lynwood Sheltered Housing £	Alexandra House Hostel £	Birch Hill Sheltered Housing £	Town Thorns Sheltered Housing £	1996 Total £	1995 Total £
1 April 1995	57,371	10,021	3,755	33,062	104,209	85,585
Transfer from income and expenditure account	7,596	684	1,116	9,588	18,984	18,624
31 March 1996	<u>64,967</u>	<u>10,705</u>	<u>4,871</u>	<u>42,650</u>	<u>123,193</u>	<u>104,209</u>

18 HOUSING ASSOCIATION

Financial statements in the format required by the Housing Associations (Accounting Requirements) Order 1992 are shown on pages 23 and 24. The details required by the Housing Corporation in relation to Housing Association costs are:

	1996 £	1995 £
Staff costs during the year	113,764	109,602
Social Security costs	10,140	9,770
Other pension costs	2,852	2,748
	<u>126,756</u>	<u>122,120</u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

18 HOUSING ASSOCIATION *continued*

The average number of employees of the Fund involved with housing association activities during the year was 25 (1995: 25). The trustees do not receive payment for housing association work.

	1996 £	1995 £
Auditors fees' - re housing association	<u>2,100</u>	<u>2,000</u>

19 FUNCTIONS AND SPONSORSHIP

These amounts represent net amounts received after deducting expenses relating to functions. The gross amount is £1,016,731 (1995: £876,430).

20 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 were paid by Deed of Covenant to BEN-Motor and Allied Trades Benevolent Fund.

21 INTEREST PAYABLE

	1996 £	1995 £
On loans and overdrafts repayable within 5 years:		
Town Thorns loan	30,218	62,764
Bank overdraft interest	10,659	1,196
	<u>40,877</u>	<u>63,960</u>

22 OPERATING SURPLUS

	1996 £	1995 £
The surplus for the year is stated after charging:		
Depreciation	328,609	303,518
Employee costs (note 23)	4,408,756	4,211,405
Auditors' remuneration (excluding housing association)		
- audit work	21,250	20,750
- non audit work	550	1,000
	<u>4,738,165</u>	<u>4,516,673</u>

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1996

23	EMPLOYEE COSTS	1996 £	1995 £
	Total employee costs during the year were:		
	Salaries and wages	4,025,364	3,848,397
	Employer's National Insurance contributions	245,283	236,606
	Pension costs	138,059	126,402
		<u>4,408,706</u>	<u>4,211,405</u>

The average number of direct employees during the year was as follows:	1996	1995
Residential homes	290	285
Welfare	12	10
Administration and management	14	13
Appeals and publicity	25	21
	<u>341</u>	<u>329</u>

In addition the number of staff employed by catering and domestic contractors in the residential homes was 99 (1995: 99). Their costs, which are included in salaries and wages, amounted to £792,595 (1995: £777,787).

24 PENSION SCHEME

The Fund operates a defined benefit pension 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 actuarial valuation, which was under the projected unit method, was carried out as at 1 October 1994. Details of the valuation are as follows:

Main assumptions	
Rate of price inflation	5% pa compound
Rate of investment return	9% pa compound
Increase in pensionable earnings	7% pa compound
Market value of investments at last valuation date	£2,375,000
Level of funding	113%

25 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 1996 there were no major capital commitments outstanding. On 12 June 1996 the Management Board approved a capital commitment of £372,000 for the next stage of the refurbishment of Lynwood.

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND
HOUSING ASSOCIATION FINANCIAL STATEMENTS
for the year ended 31 March 1996

	1996			1995		
	Turnover £	Operating costs £	Operating surplus £	Interest payable £	Surplus £	Turnover £
Income and Expenditure from lettings					Operating surplus £	Surplus £
Housing accommodation	86,206	68,094	18,112	4,380	13,732	81,446
Hostels	77,171	81,910	(4,739)	-	(4,739)	77,620
Shared ownership	94,467	72,873	21,594	-	21,594	89,439
Total	257,844	222,877	34,967	4,380	30,587	248,505
1994/95	248,505	211,301	37,204	4,380	32,824	
Turnover from Lettings						
Rents and service charges	259,905					256,188
Voids	(2,061)					(7,683)
	257,844					248,505

Operating costs above include the transfer to cyclical maintenance reserve of £18,984 (1995: £18,624).

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND
HOUSING ASSOCIATION FINANCIAL STATEMENTS
for the year ended 31 March 1996

	1996			1995		
	Service Income £	HC Allowance £	Operating Costs £	Service Income £	Operating Costs £	Surplus/ (Deficit) £
Housing Accommodation - 93 units						
Services	82,489	-	85,243	82,940	78,134	4,806
Management	-	34,650	30,075	-	28,564	6,962
Repairs	-	38,490	25,649	-	24,388	12,759
Hostels - 19 units						
Services	57,548	-	57,302	56,739	54,688	2,051
Management	-	17,912	19,913	-	19,268	(1,494)
Repairs	-	7,547	4,695	-	6,259	851
	<u>140,037</u>	<u>98,599</u>	<u>222,877</u>	<u>139,679</u>	<u>211,301</u>	<u>25,935</u>

The surplus rental income calculated in the manner determined under Section 55(3) of the Housing Act 1988 amounted to £2,735 (1995: £2,710). The accumulated fund amounted to £Nil (1995: Nil).

BEN-MOTOR AND ALLIED TRADES BENEVOLENT FUND
ANALYSIS OF EXPENDITURE
for the year ended 31 March 1996

	Welfare		Care and accommodation		Lynwood		Town Thorns		Administration and management		Fundraising and publicity	
	1995-6	1994-5	1995-6	1994-5	1995-6	1994-5	1995-6	1994-5	1995-6	1994-5	1995-6	1994-5
	£	£	£	£	£	£	£	£	£	£	£	£
Welfare Grants	580,832	462,875	-	-	-	-	-	-	-	-	-	-
Building maintenance	-	-	1,369	2,106	9,180	5,239	318	540	-	-	-	-
Cleaning and laundry	-	-	15,667	2,645	20,466	24,930	12,433	18,249	-	-	-	-
Food	-	-	79,757	25,043	107,771	116,691	70,239	75,205	-	-	-	-
Gardens	-	-	614	516	2,014	1,339	56	527	-	-	-	-
Household	-	-	13,688	5,024	34,627	25,734	15,376	8,291	-	-	-	-
Insurances	555	721	5,918	1,181	10,218	9,618	14,284	13,096	1,158	1,748	2,230	1,008
Light and heat	1,356	1,332	27,798	14,452	51,861	48,450	50,933	55,000	3,984	3,900	-	-
Medical	-	-	8,700	2,079	16,465	17,593	15,274	12,285	-	-	-	-
Motor cars	16,739	14,628	2,758	3,294	5,791	5,250	5,171	4,503	8,230	8,084	42,718	39,898
Pension scheme	12,014	10,864	11,109	11,702	14,405	15,778	32,344	26,959	23,638	23,082	32,681	27,924
Printing and stationery	4,529	3,554	6,782	2,944	5,454	8,063	10,747	13,033	23,320	23,092	40,264	37,534
Rates	-	-	12,434	1,617	19,376	19,739	11,257	11,572	-	-	-	-
Repairs and renewals	917	101	18,047	17,639	59,802	66,881	33,095	37,152	421	184	-	-
Salaries and wages	206,120	168,025	836,504	265,269	1,297,956	1,274,434	1,044,734	995,227	119,716	126,228	500,349	430,917
Sundry	5,673	4,116	12,903	6,034	23,942	24,399	39,142	27,468	18,214	18,527	20,922	23,003
Telephone and postage	11,676	10,885	4,419	8,099	8,140	8,858	9,324	8,038	17,242	12,873	42,213	44,837
Travel	13,667	10,070	527	3,534	691	1,134	571	542	7,229	7,755	4,007	6,576
Bank and professional fees	-	-	-	961	-	-	-	-	60,741	57,396	-	-
Computing	5,916	5,615	12	-	63	495	-	-	15,590	16,296	5,924	5,483
Depreciation-Furniture, fixtures and fittings	-	-	8,901	7,544	33,068	32,254	29,607	28,927	3,529	3,496	-	-
- Motor vehicles	-	-	1,598	1,137	7,259	177	473	631	-	-	-	-
- Computer	-	-	2,420	-	2,488	1,346	2,857	1,398	16,498	542	-	-
	859,994	692,786	1,071,925	364,130	1,731,037	1,708,402	1,398,235	1,338,643	319,510	303,203	691,308	617,180
			1995-6	Total								
			£4,576,109	Expenditure								
			£3,478,011	Income								
					1994-5							
					£4,490,785							
					£3,387,996							