

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

**Company Limited by Guarantee
Registered Charity**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2004

Charity Registration Number 1007726
Company Number 2669868



RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2004

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RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

LEGAL AND ADMINISTRATION

Trustees/Directors: Mrs Jill Allen King
Mr Graham Corbett (Chairman)
Mrs Julia Cassim
Mr Denis Child
Dr Jeffrey Graham
Mrs Jenny Kirkpatrick
Mr John Rimington
Mr Gary Waller
Mr Christopher Zealley

Company Director: Mr David Yelding

Company Secretary: Mr Andrew Day

Registered office: 30 Angel Gate
City Road
London
EC1V 2PT

Auditors: haysmacintyre
Fairfax House
15 Fulwood Place
London, WC1V 6AY

Bankers: Barclays Bank
London Customer Services Centre
Business Banking
PO Box 46116
LONDON, EC4N 8WB

Charity information: Research Institute for Consumer Affairs is both a company registered in England under Registration No. 2669868 and a registered charity under Registration No. 1007726

The company is limited by guarantee not having a share capital.

Governing Deed: Memorandum and Articles of Association

Website: www.ricability.org.uk

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

TRUSTEES' REPORT

YEAR ENDED 30TH JUNE 2004

The Trustees present their report and the audited financial statements for the year ended 30 June 2004, which have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and the Companies Act 1985.

AIMS

RICA exists to carry out research and publish information to enable disabled and older people to live independently. The most important strands of this work are:

- ▶ Evaluation - technical tests, surveys and other assessments are carried out on a wide range of products and services. These include mainstream consumer products and equipment made for disabled people.
- ▶ Publication of reports for disabled consumers, providing the information they need to make an informed choice.
- ▶ Carrying out research for other organisations to provide information of ultimate value to the disabled consumer.
- ▶ Improving the standards of products and services by making manufacturers, service providers and regulators better aware of the needs of older and disabled users.

These aims have not changed since RICA was incorporated in 1991. RICA has seven permanent staff who, under the guidance of Trustees, are responsible for determining RICA's priorities and programme of work. RICA staff design and manage all our research, although specialised services such as laboratory testing, survey fieldwork and statistical advice are commissioned from appropriate organisations and individuals. Disabled and older consumers are involved in all RICA research. RICA does not currently have any volunteer workers.

REVIEW OF ACTIVITIES

During the year RICA carried out work in 7 separate areas, published 7 consumer guides, a consultation report and a regular evaluation report. RICA staff also spoke at a number of events or committee meetings. Our *inclusive design panel* – some 300 disabled people who carry out user tests in their own homes or in a testing laboratory - carried out a number of tests on products that had not been previously assessed for disabled people.

Research

With funding from the Department of Transport, RICA was able to produce new updated editions of the popular mobility guides – *Ins and outs of choosing a car*, *Car controls*, *Getting a wheelchair into a car* and *People Lifters*. These were all published in time for the 2004 Mobility Road Show, where we had a stand. These four guides, along with *Wheels within wheels*, establish RICA as a major source of information on mobility. Further developments in this field are expected in 2005.

During the year research for the final two reports in our three year programme of testing child care equipment were completed. Parents and other adults with disabilities from RICA's inclusive design panel assess both *Highchairs* and *Pushchairs*, and their advice formed the basis of these guides. This Department of Health funded project has revealed that little account has so far been taken of the needs of disabled parents by manufacturers, and has done much to raise their awareness.

A new round of tests of community alarms culminated in our fifth report on this subject, *Calling for Help*, thanks to major funding from the Housing Corporation. RICA is pleased that its testing has been able to keep pace with developments since our first report in 1985, and over this period been able to make a major contribution to the British and European Standards which now ensure that alarms meet the needs of disabled consumers.

Early in the financial year, in partnership with Loughborough University, we began work on a major investigation into the design of taxi cabs. This was commissioned by the Department for Transport who are responsible for drafting regulations which will bring taxis into the orbit of the Disability Discrimination Act. Members of our inclusive design panel tried getting in and out of a specially built rig which could be configured to represent different shapes and sizes of taxi. The research was completed during the summer, and the Department have begun consulting on the issues it raises.

In the summer a survey report on *Child exclusion clauses in electrical products standards* was published by ANEC (the European Association for the Co-ordination of Consumer Representation in Standardisation). RICA managed this survey which interviewed parents in five European countries. Later in the year we were commissioned by the British Standards Institution to manage a similar survey of older consumers in Europe, which was published as BSI's *Exclusion clauses and ageing survey*.

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

TRUSTEES' REPORT (continued)

YEAR ENDED 30TH JUNE 2004

Our regular evaluations of the performance of the Disability Rights Commission Helpline continued, with interviews being carried out every month of the year. A separate study of their caseworker service was completed during the year and an investigation of the success of their conciliation service approached the half way point.

Nearing completion were a guide to telephones and telephone services and a guide to central heating controls, based on tests carried out by our inclusive design panel. Research continued on an interactive web-based guide to powered wheelchairs and on an update of our guide to using a wheelchair on public transport *Wheels within wheels*.

Due for completion in the autumn is our on-line guide to producing accessible information, prepared for the London Borough of Islington and which includes research we commissioned into communicating with people with learning disabilities. Original research carried out for the project included a guide for people who have had a stroke, published in May and a forthcoming guide to services in Bengali, Somali and Turkish as well as English.

During the year work began on *Inclusive Design for Getting Outdoors (IDGO)*, a three -year project funded by the EPSRC (Engineering and Physical Science Research Council). This is a collaborative project with both academic and non-academic partners including RICA. We are contributing our research expertise and in due course will help to produce outputs that inform and guide community groups and residents.

Outreach Work

Ricability distributed around 65,000 guides during the year and our website receives about 500 visitors every day. We continued to receive positive feedback of our work during the year. Tailoring individual strategic outreach plans for each guide has proved effective at ensuring comprehensive and well-targeted dissemination. In turn, this has increased the number of professional contacts and people who can distribute information for us. This has also led to closer co-operation between researchers and those who provide information on the front line and greater publicity. In particular the number of articles in national publications and newsletters increased over the year. Our raised profile has tangible spin-offs for fundraising and the commissioning of new work.

Representation

RICA continues to be represented on a wide range of committees, conferences, working parties and exhibitions. Notable engagements included:

- Judging panel of the NAIDEX product of the year.
- Judging panel of the National Information Forum *Getting the message across* awards.
- Presentation on meeting the needs of disabled people through standardisation at a European conference in Brussels.
- Office of Fair Trading stakeholders' workshop on unfair selling practices.
- Training European consumer organisations on assessing mainstream domestic appliances for use by disabled people.
- Workshop presentation on user trails with disabled people at the Ergonomics Society Annual Conference.
- Membership of ANEC Working Groups on Domestic appliances and on Design for All.
- Membership of BSI Consumer Policy Unit Disability Issue Group.

Fundraising

Funding continues to be sought from government departments, charitable foundations and, within ethical constraints, commercial sources. New focus points for our fundraising effort were work with ethnic minority communities, tests of specialist equipment and the development of a new consumer legal advisory service for disabled people.

RESERVES POLICY

Our aim is to build up free reserves to cover six months operating costs (approx. £210,000) and earmark a contingency fund should redundancy payments be necessary (£20,000). However this is difficult in practice as charitable projects are budgeted to break even rather than contribute to reserves. It should be noted that free reserves currently held amount to £196,190. This situation will be kept under review.

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

TRUSTEES' REPORT (continued)

YEAR ENDED 30TH JUNE 2004

RISK ASSESSMENT

The Trustees have performed a review of the major risks facing the charity. The systems and controls in place were considered, and improvements will be made where practicable.

CONNECTED CHARITIES – CONSUMERS' ASSOCIATION

RICA was originally set up by the Consumers' Association. Initially Consumers' Association provided support through office accommodation and administration support. In this year the Consumers' Association gave a grant of £35,000 as disclosed in note 11. As described below, the Consumers' Association have some Trustees in common with RICA.

RESPONSIBILITIES OF THE TRUSTEES

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985.

The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mrs Jill Allen King (appointed 12 July 2003)
Mr Graham Corbett (Chairman)
Mrs Julia Cassim (appointed 16 July 2003)
Mr Denis Child
Dr Jeffrey Graham
Mrs Jenny Kirkpatrick
Mr John Rimington
Mr Gary Waller
Mr Christopher Zealley

In accordance with the governing document, the Consumers' Association nominates a maximum of four Trustees. Each of these Trustees must be a Council member of Consumers' Association at the time of his or her nomination and ceasing to be a trustee on ceasing to be a Council member. Also up to eight Trustees are elected by the members of RICA. Each of these Trustees retires by rotation and may stand for re-election. Additionally, the Trustees may elect to stand until the end of the next Annual General Meeting. A trustee so elected then vacates office if not re-elected at that meeting.

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

TRUSTEES' REPORT (continued)

YEAR ENDED 30TH JUNE 2004

The Trustees of RICA are the only members of the company, remaining as members only so long as they remain on the Board of Trustees.

Mr John Rimington, Mr Gary Waller and Mr Christopher Zealley are Consumers' Association nominated Trustees. The remaining Trustees have been elected and/or re-elected by the members of the charitable company.

RICA have taken out trustee indemnity insurance on behalf of the Trustees during the year.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 30 June 2004 was 9 (2003 – 8). The Trustees have no beneficial interest in the charitable company.

AUDITORS

haysmacintyre have expressed their willingness to continue in office and a resolution to reappoint them will be submitted to the AGM.

Approved by the Trustees on 12 October 2004 and signed on their behalf by:

Graham Corbett
(Chairman)

Denis Child
(Treasurer)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

We have audited the financial statements of Research Institute for Consumer Affairs for the year ended 30 June 2004 that comprises the Statement of Financial Activities and the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities. The Trustees are also the directors of Research Institute for Consumer Affairs for the purposes of company law.

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. We also report to you if, in our opinion, the Trustees' Report 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 other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or apparent material inconsistencies with the financial statements.

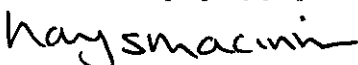
Basis of audit opinion

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 charity's affairs as at 30th June 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



haymacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 7NL

29 November 2004

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30TH JUNE 2004

	Notes	Unrestricted Funds £	Restricted Funds £	Year ended 30th June 2004 £	Year ended 30th June 2003 £
INCOME AND EXPENDITURE					
Incoming resources					
<i>Activities in furtherance of</i>					
<i>Charitable objects:</i>					
Donations and gifts		313	-	313	568
Grants		83,750	146,800	230,550	210,242
External project sales		237,030	-	237,030	165,066
<i>Activities to generate funds:</i>					
Publication sales		824	-	824	1,193
Investment income		2,709	-	2,709	2,509
Total incoming resources		<u>324,626</u>	<u>146,800</u>	<u>471,426</u>	<u>379,578</u>
Resources expended					
<i>Costs of generating funds:</i>					
Fundraising		6,751	3,120	9,871	9,352
<i>Charitable expenditure</i>					
<i>Costs in furtherance of</i>					
<i>Charitable objects:</i>					
Direct Research costs		143,162	99,070	242,232	186,929
Support costs		111,708	51,625	163,333	158,364
Management and administration		4,526	-	4,526	4,450
Total resources expended	5	<u>266,147</u>	<u>153,815</u>	<u>419,962</u>	<u>359,095</u>
Net incoming resources before transfers:		58,479	(7,015)	51,464	20,483
Transfer between funds	17	<u>(3,755)</u>	<u>3,755</u>	-	-
Net movement in funds		<u>54,724</u>	<u>(3,260)</u>	<u>51,464</u>	<u>20,483</u>
Fund balances brought forward		150,588	41,994	192,582	172,099
Fund balances carried forward		<u>£205,312</u>	<u>£38,734</u>	<u>£244,046</u>	<u>£192,582</u>

- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.

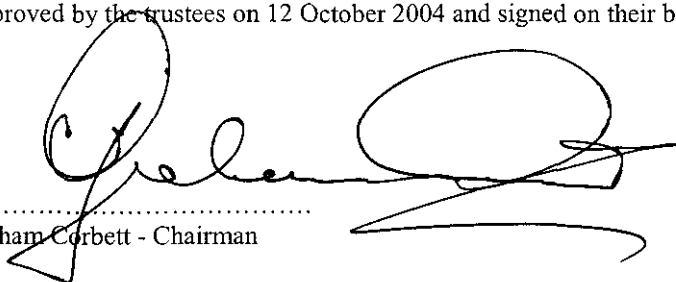
RESEARCH INSTITUTE FOR CONSUMER AFFAIRS


BALANCE SHEET

AT 30TH JUNE 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	6	9,122	1,717
CURRENT ASSETS			
Debtors	7	166,454	123,338
Cash at bank and in hand		219,375	155,534
		<u>385,829</u>	<u>278,872</u>
CREDITORS: amounts falling due within one year	8	<u>(150,905)</u>	<u>(88,007)</u>
NET CURRENT ASSETS		234,924	190,865
NET ASSETS		<u>£244,046</u>	<u>£192,582</u>
FUNDS AND RESERVES			
Unrestricted funds:			
General funds		205,312	150,588
Restricted funds	10	38,734	41,994
		<u>£244,046</u>	<u>£192,582</u>

Approved by the trustees on 12 October 2004 and signed on their behalf by:


.....
Graham Corbett - Chairman


.....
Denis Child - Treasurer

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost basis in accordance with the Statement of Recommended Practice "Accounting by Charities" (SORP 2000) issued October 2000, Companies Act 1985 and with applicable Accounting Standards.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are amounts that have been set-aside at the discretion of the Trustees. Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

External project sales

Represents research income earmarked for projects. Income is recognised to match expenditure in the year. Where projects are estimated to generate a surplus such surplus is recognised on completion of the project. Where projects are estimated to generate a loss, the loss is recognised as soon as it is anticipated.

Donations and gifts

Gifts are included in full in the period in which they are received.

Grants

Grants are included in the period in which they are receivable, unless they relate to a specific future period in which case they are deferred.

Resources expended

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis.

Direct research and direct support costs

Comprises expenditure, including staff costs, directly attributable to the activities.

Management and administration

Management and administration costs comprise those costs that cannot be directly attributed to charitable activities. These costs are incurred in connection with the management of the charity, its organisational administration, and ensuring compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible assets are shown at cost.

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives that are estimated to be:

Fixtures and fittings	3 years straight line
Computer equipment	3 years straight line

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2004

1. ACCOUNTING POLICIES (continued)

Pension costs

Pension costs are charged so that they spread evenly over the estimated average remaining service life of members of the scheme. The regular service cost is determined on the advice of qualified actuaries in triennial valuations. Full details of the valuation are included in note 12.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged in the period to which they relate.

2. NET MOVEMENT IN FUNDS	2004	2003
	£	£
This is stated after charging:		
Depreciation	5,340	1,100
Auditors remuneration – audit	4,725	4,725
- other	-	-
Rent of land and buildings	15,510	16,870
Trustees indemnity insurance	1,580	1,375
	<u> </u>	<u> </u>

3. EMPLOYEES AND STAFF COSTS	Number	Number
-------------------------------------	---------------	---------------

The average number of persons employed by the charity during the year was:

Direct Research	3.54	3.07
Support	3.09	2.60
Fundraising & Publicity	0.33	0.28
Management & Administration	0.04	0.05
	<u> </u>	<u> </u>
	7.00	6.00
	<u> </u>	<u> </u>

Staff costs were as follows:

Wages and salaries	174,320	174,006
Social security costs	18,197	16,689
Pension costs	17,185	11,055
	<u> </u>	<u> </u>
	£209,702	£201,750
	<u> </u>	<u> </u>

The number of employee's who received remuneration exceeding £50,000 during the year fell into the following bandings:

	2004	2003
£50,000 - £60,000	1	1

4. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

No trustee received remuneration for his or her services during the period (2003: £Nil).

One Trustee received reimbursed expenses during the period £127 (2003: £154).

Professional indemnity insurance was acquired during the year together with other general insurance. The cost was £1,580.

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2004

5. ANALYSIS OF TOTAL RESOURCES EXPENDED	Staff costs £	Other £	Depreciation £	Total 2004 £	Total 2003 £
Costs of generating funds:					
Fundraising	9,871	-	-	9,871	9,352
Costs in furtherance of charitable objects:					
Direct research costs	105,885	136,347	-	242,232	186,929
Support costs	92,725	65,268	5,340	163,333	158,364
Management and administration	1,221	3,305	-	4,526	4,450
Total	£209,702	£204,920	£5,340	£419,962	£359,095

Other costs are represented by:	2004 £	2003 £
External projects costs	136,347	85,662
Printing, postage and stationery	6,416	7,395
Office facilities	14,836	14,052
Rent and rates	20,382	22,869
Audit and accountancy	4,725	10,693
Professional fees	15	465
Insurance	9,083	7,823
Recruitment	1,874	1,515
Bank charges	369	307
General expenses	2,174	3,769
Travel and subsistence	521	1,512
Subscriptions	526	395
Irrecoverable VAT	7,652	(212)
	£204,920	£156,245

6. TANGIBLE FIXED ASSETS

Cost

1st July 2003	3,274
Additions	12,746
Disposals	(1,399)

30th June 2004	14,621
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Depreciation

1st July 2003	1,558
Charge for the year	5,340
Disposals	(1,399)

30th June 2004	5,499
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Net Book Value

30th June 2004	£9,122
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30th June 2003	£1,717
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The net book value at 30th June 2004 represents fixed assets used for:	2004 £	2003 £
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Direct charitable purposes	£9,122	£1,717
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RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2004

7.	DEBTORS				2004	2003
					£	£
	Trade debtors				122,670	46,617
	Accrued income				21,094	51,279
	Other debtors				22,690	25,442
					<u>£166,454</u>	<u>£123,338</u>
8.	CREDITORS: amounts falling due within one year				2004	2003
					£	£
	Trade creditors				50,759	33,974
	VAT payable				12,886	3,107
	Other Taxation and Social Security				5,093	-
	Other creditors				2,520	1,845
	Accruals and deferred income				79,647	49,081
					<u>£150,905</u>	<u>£88,007</u>
9.	UNRESTRICTED FUNDS	Balance at 30th June 2003	Incoming resources	Resources Expended	Transfers	Balance at 30th June 2004
		£	£	£	£	£
		<u>£150,588</u>	<u>£324,626</u>	<u>£266,147</u>	<u>£(3,755)</u>	<u>£205,312</u>
10.	RESTRICTED FUNDS					
	Department of Health:					
	Nursery Equipment	(6,114)	48,750	(42,142)	(494)	-
	Which Powered Wheelchair?	8,890	42,400	(15,006)	-	36,284
	Outreach	17,868	-	(17,868)	-	-
	Car Controls (Motability)	981	-	(970)	(11)	-
	Central Heating Controls	14,609	24,950	(37,109)	-	2,450
	Community Alarms	5,760	12,700	(21,017)	2,557	-
	Stay In Touch (2 nd Edition)	-	18,000	(19,703)	1,703	-
		<u>£41,994</u>	<u>£146,800</u>	<u>£(153,815)</u>	<u>£3,755</u>	<u>£38,734</u>

Nursery equipment

Research and evaluation of childcare equipment for parents with disabilities.

Which Powered Wheelchair?

Development of an interactive Internet guide to enable consumers to choose a suitable powered wheelchair.

Outreach

A program to ensure that RICA research reaches its target audience of professionals and individual consumers.

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2004

10. RESTRICTED FUNDS (continued)

Car Controls (Motability)

Research into car controls used by disabled drivers, production of a consumer guide.

Central Heating Controls

Testing of central heating controls for ease of use by disabled and older consumers.

Community Alarms Guide

Update of Ricability's 'Calling for Help' guide, to enable the consumer to choose an alarm system.

Stay In Touch (2nd Edition)

Update of Ricability's 'Stay In Touch' guide, to enable the consumer to choose a phone system.

11. RELATED PARTY TRANSACTIONS

During the year a grant of £50,000 (2003: £35,000) was received from The Consumers' Association, a charity with common trustees, as described in the Trustees' Report. The Consumers' Association's head office is at 2 Marylebone Road, London, NW1 4DF.

12. PENSION COMMITMENTS

The company is an associated employer of a pension scheme, administered by Consumers' Association. The scheme combines the features of both defined benefit and defined contribution schemes, providing benefits based on the higher of a final salary pension and a money purchase pension. It is funded by contributions from both employer and employees. The assets of the scheme are held separately from those of the company, and are invested with insurance companies.

The employers' contributions are determined on the advice of an independent qualified actuary on the basis of triennial valuations. The most recent actuarial valuation was at 31st March 2003. It was prepared using the projected unit method for liabilities and the market value method for assets, but with allowance for accrued terminal bonus in respect of the with profits contract.

The employers' pension cost for the year was £17,185 (2003: £11,055) representing 14.1% of pensionable salaries (2003: 9.7%). The pension cost for the current year is shown in note 3, and at the end of the year £2,352 was included within creditors as owing to the scheme.

RICA are part of a multi-employer scheme and will be unable to identify the proportion of any surplus/deficit that relates directly to its employees. As a result, RICA do not intend to reflect any surplus/deficit within the balance sheet as permitted under FRS17.

RESEARCH INSTITUTE FOR CONSUMER AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2004

12. PENSION COMMITMENTS (continued)

The full FRS17 disclosures for the scheme are contained in the financial statements of Consumers' Association. The latest valuation of the scheme was at 31 March 2003 and this was updated by an independent qualified actuary employed by Mercer Human Resources Consulting to take account of the requirement of FRS 17 in order to assess the liabilities of the scheme at 30th June 2004. Scheme assets had a market value as at 30th June 2004 of £50.5m (2003: £45.2m) with present value of scheme liabilities of £54.3m (2003: £51.4m), resulting in a deficit of £3.8m (2003: £6.2m).

It has been agreed with the trustees that contributions will continue to be paid at 14.1%.

13. FINANCIAL COMMITMENTS

At 30th June 2004 the company had annual commitments under non-cancellable operating leases relating to land and buildings as follows:

	2004 £	2003 £
Expiring within two to five years	£15,510	£15,510

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2004 £
<i>Fund balances at 30th June 2004 are represented by</i>			
Tangible assets	9,122	-	9,122
Current assets	347,095	38,734	385,829
Current liabilities	(150,905)	-	(150,905)
Net assets	£205,312	£38,734	£244,046

15. TAXATION

Research Institute for Consumer Affairs is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

16. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee and has no share capital. The liability of each member is limited to the sum of £1 per member.

17. TRANSFERS

The transfers reflect the funding of overspends on restricted projects from unrestricted funds for the year.