

Positive help by people, for people in YOUR industry



ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003

Mission Statement

“To be widely known, highly regarded and valued at all levels throughout the industries served so that the Association is the first port of call of those in need, and is regarded as the obvious choice by those capable of giving time or financial support to further our charitable aims.”



Registered Charity No. 1012131

Registered Company No. 2726030

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

**TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR
1 JANUARY 2003 TO 31 DECEMBER 2003**

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ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

Patron

Her Majesty the Queen

President and Chairman of Council

KJ Ralls FREng from June 2002

Members of Council

The Members of Council, who are Trustees and Directors, and who held office during the period were:

T Athawes	
JR Bamforth	
MS Barnett	retired 6/03
S Bartley	
M Cardell	
A Clarke	resigned 7/03
P Cuttill	
E Dyer	appointed 6/03
B Fyfe	appointed 12/03
R Gibson	resigned 9/03
Mrs J Gower	appointed 6/03
K Heap	resigned 12/03
S Hetherington	
B Rooney	
C Souter	
R Stuckes	resigned 1/03
BR Venables	retired 6/03
D Ward	
P Wason	
N Yates	resigned 6/03

As at January 2004, the Members of Council, who are Trustees and Directors are:

T Athawes
JR Bamforth
S Bartley
M Cardell
P Cuttill
E Dyer
B Fyfe
Mrs J Gower
S Hetherington
B Rooney
C Souter
D Ward
P Wason

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

COMMITTEE MEMBERS

The following served on Committees during the year:

Executive Committee

JR Bamforth	(Chairman)
MS Barnett	retired 6/03
P Cuttill	
R Gibson	resigned 9/03
S Hetherington	appointed 11/03
B Rooney	
C Souter	
BR Venables	retired 6/03
D Ward	

Welfare Committee

S Bartley	appointed 6/03
Mrs L Birchall	
AG Boldero	
B Fyfe	
S Hetherington	(Chairman)
A Jarvis	
G Keable	
Mrs I Langridge	
Mrs V Oakley	resigned 5/03
R Radford	
M Sullivan	co-opted 6/03
Mrs D Thompson	
BR Venables	co-opted 6/03
Mrs B Whitfield	

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

Registered Office

8 Station Parade
Balham High Road
London SW12 9BH

www.eeiba.org

ADVISERS

Solicitors and Legal Advisers

Messrs Bulcraigs
2 Replingham Road
Southfields
London SW18 5LS

Messrs Penningtons
da Vinci House
Basing View
Basingstoke
Hampshire RG21 1QY

Bankers

HSBC Bank plc
210 High Holborn
London WC1V 7HD

Investment Managers

JP Morgan Fleming Asset Management Ltd
Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ

Auditors

haysmacintyre
Chartered Accountants
Fairfax House
15 Fulwood Place
London
WC1V 6AY

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES

Objectives and Activities

The object, for which the Association was established, is to assist directly or indirectly any deserving and necessitous persons who are or have been engaged primarily in any branch of the electrical or electronics industries, and any connected or allied industries and sciences (including mechanical engineering) and the dependants of such persons.

The Electrical and Electronics Industries Benevolent Association (EEIBA) seeks to achieve this objective in three ways. First, by providing information and advice to families and individuals in need. Second, by providing one-off grants and specialist equipment (such as electric wheelchairs), or regular financial support. Third by providing sheltered accommodation at Buckingham Court, Selly Oak, Birmingham.

Activities - Welfare

Throughout 2003 EEIBA reviewed all 2,176 existing beneficiaries (1,990 : 2002) and received 797 new applications for assistance (731 in 2002). The complete picture of all welfare activity is summarised below:

- new applications where financially assisted	562
- requiring additional/further assistance	368
- requiring less assistance/cease all help	82
- reviewed during the year but not requiring any change	1,709
- applied for help but no further action (need addressed by third party)	244
- terminated cases	722

During 2003, EEIBA provided telephone Help Lines for the following companies and received enquiries from April – December 2003 as follows:

- British Energy	56
- Innogy	562
- Magnox	89
- Powergen	<u>428</u>
	1,335

on the following issues:

benefits	health	occupational illness
bereavement	homes	pensions
care	housing	PowerDraw
consumer advice	legal	relationship
debt	loneliness	welfare

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES (cont'd)

Activities - Fundraising

EEIBA raises funds primarily through a number of fundraising activities with the support of voluntary Branches throughout the United Kingdom, and companies and individuals who are dedicated donors or who support functions and events around the country.

Activities - Homes

Buckingham Court provides self-contained accommodation in 19 flats.

EEIBA has rights to nominate residents to facilities run by the charity Crossways Trust, which operates residential care in Worthing and Milton Keynes.

Organisation

EEIBA is a registered charity (No 1012131) and is constituted and registered as a company (No 2726030), limited by guarantee. The Memorandum and Articles of Association set out its objectives and powers, together with all other constitutional matters -copies are available from the Head Office (London). EEIBA is governed by a Council which meets four times during the year, and takes responsibility for setting the strategic direction of the organisation, for establishing policy and monitoring performance.

Council consists of Members (with a statutory maximum of eighteen), representing industry sectors and the Branch network and the President as Chairman of Council.

Members of Council are (at the same time):

- Trustees of the Charity (No 1012131)
- Directors of the Company (No 2726030)
- Members of the EEIBA (restricted to 18)

Council has two sub-groups which reports on specific issues:

- (i) The Executive Committee - which meets four times a year - reviews the following matters on behalf of Council:
 - finance, budgets, forecasts, performance, investments
 - welfare strategy
 - fundraising and publicity
 - EEIBA (1995) Retirement Benefit Scheme
 - insurances
 - staff conditions of service
 - organisation and structure
 - issues raised by the Chief Executive

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES (cont'd)

The Chairman of the Executive Committee is the principal interface between Council and the Chief Executive and they hold regular review meetings, together with the President.

- (ii) The Welfare Committee meets seven times a year and is responsible to Council for providing assistance to families and individuals in times of need. Welfare Guidelines and Operational Instructions form the basis of all welfare activity and are reviewed regularly by the Welfare Committee. Minor adjustments to the "needs allowances" (which assist in determining need by comparing income of all applicants and beneficiaries with predetermined allowances) were made during the year.
- (iii) Agreements are in place with British Energy, Innogy, Magnox and Powergen to regulate and control telephone Help Lines for each company.

There were no significant changes to the Welfare Guidelines and Operational Instructions during the year.

Council Members are put forward to represent their industry sector and Branch representatives are nominated by the Branch network. Appointment is subject to approval by Council. From the Annual General Meeting in June 2003 the following Council Members were appointed to represent the following industry sectors and the national network of Branches.

Industry sectors	Members
Electricity generation, networks and supply	Paul Cuttill – EDF Energy Eric Dyer – National Grid Transco
Electrical manufacturing	Terry Athawes – Schneider Electric Ron Gibson – Vent-Axia (resigned 9/03)
Electrical wholesaling	Jim Bamforth Jane Gower – AED
Electrical contracting	Simon Bartley – Electrical Contractors' Association Brendan Rooney – Spokemead
Electronics	Andy Clarke – BA Systems (resigned 7/03) Colin Souter – Electrotest
Electrical retailing	Vacant
Trade union/professional institutions	Michael Cardell – AMICUS Peter Wason – The Institution of Incorporated Engineers
EEIBA Branches	Kevin Heap – North West (resigned 12/03) David Ward – Sussex

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES (cont'd)

Other industry representatives as required (up to a maximum of 3)	Stuart Hetherington – Innogy/National Power Vacant Vacant
President and Chairman of Council	Keith Ralls – AREVA (Alstom)

Trustees and their Responsibilities

A list of current Trustees is given on page 2. The Articles of Association provide for one third of Council to retire each year. Company and charity law require the Council, as Trustees and Directors, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association, and of the results for that period. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and 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 presume that the Association 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Association and to prevent and detect fraud and other irregularities or inappropriate use of funds.

Review of Developments for 2003

The Chief Executive is the senior member of the staff team and there are departmental heads responsible for finance, welfare, appeals and events. EEIBA's Head Office is in London. During the year, EEIBA's five regional offices were provided at no cost by industry supporters, in Bradford, Dorking, Falkirk, Northampton and Manchester, with thanks for their generosity to Yorkshire Electricity, SJ Clear, ScottishPower, WF Electrical and United Utilities respectively. The Bradford office was moved to Keighley during the year and the Northants office was closed. The Events fundraising office and the Appeals fundraising office are provided by EDF Energy at Hemel Hempstead and Sutton Bridge respectively. Facilities for Council and Executive Committee meetings were provided by the Electricity Association and EDF Energy. Welfare Committee meetings were hosted by the Electricity Association, Prospect, EDF Energy and the ECA. Branch meetings throughout the UK were hosted by industry supporters also at no cost.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES (cont'd)

Branches

EEIBA has 16 active Branches (2002 – 19). Financial returns were received from all active Branches. Branches continue to provide welcome focus and support for fundraising, awareness and welfare visiting.

Fundraising and Welfare Awareness

Although some Branches struggled to maintain viability during the year, others substantially increased their returns to head office. PowerBall 2003 raised £206,447, lower than 2002 but still a creditable effort thanks to the industry supporters.

PowerDraws were introduced which, together with the Transformer Prize Draw Club, show worthwhile returns at minimum cost.

EEIBA was notified of three substantial legacies in respect of H Dreyfus, Miss AE Harris and Mrs A King.

EEIBA's website was redeveloped (live early part of 2004) and publicity material was revamped with the new strapline – Positive help by people, for people in YOUR industry

Trade press colleagues supported EEIBA and produced articles and information in key publications.

Council took active steps to improve awareness of the EEIBA's welfare care but recognises that it still has much to do.

Review of Transactions and Financial Position

Total income decreased from £1,904,804 in 2002 to £1,725,696 in 2003.

Expenditure decreased from £2,219,635 in 2002 to £2,068,588 in 2003.

The final deficit for 2003 at £342,892, compares with a deficit of £304,831 in 2002.

As at 31 December 2003, the EEIBA had net assets of £4,107,220, compared with £4,241,060 in 2002. The Trustees believe there are adequate funds to enable the Association to provide welfare support on an 'on-going' basis.

Fixed Assets

In the Trustees' opinion, the value of land and buildings as shown in the balance sheet may be different from their total market value as on 31 December 1995, when they were last valued at £605,000.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES (cont'd)

Assessment of risk

During 2003 EEIBA carried out a comprehensive risk assessment involving an analysis of all its activities and the potential risks to which it is exposed as a result of these activities. The risk assessment has identified the procedures that are in place to mitigate and to control identified risks. It has also identified those members of EEIBA's staff, volunteers and Trustees who are responsible for operating these procedures. Where appropriate, improvements to risk management are included. The Trustees have considered and approved the way risk is managed. This matter is under constant review by the Chief Executive who reports issues and developments to Council from time to time.

Reserves policy

The policy requires that the EEIBA's reserves be in the range of 2 to 5 times the cost of its closure (about £0.8m). At 31 December 2003, the EEIBA had net assets of £4,107,220 and, after excluding functional property and long term loans to beneficiaries, its reserves amounted to £3,031,433. This value is in the middle of the required range and accordingly the Trustees consider that currently reserves are at a satisfactory level.

Strategic review

In 2003, the EEIBA has been unable to meet expenditure from income and the Trustees have been concerned that the continuing annual deficits will impact adversely on reserves. During the year, a five-year plan based on current operations, was devised to return yearly results to surpluses by 2007. The Trustees, observing over the last decade marked changes in the industries the EEIBA serves, also initiated a strategic review, to be completed in 2004, to identify the future 'shape' required of the EEIBA.

Investment powers policy and performance

The EEIBA's investments are described in detail in note 7 to the accounts. Under its governing document, the Association is permitted to invest in such investments, securities or properties as may be thought fit. Council manages the EEIBA's investments and, where appropriate, seeks investment advice from JP Morgan Fleming Asset Management.

The Trustees investment policy is as follows:

Investment must be in an appropriate mix of fixed interest stocks and equity investments that will secure an income of approximately £100,000 per annum and long term capital growth in line with a selected benchmark. The Trustees determine the investment ratios from time to time.

The Trustees are risk adverse. However, they recognise that equity investment offers the best opportunity for long term capital growth in investments and protection against inflation.

The performance of the common investment funds is compared with two indices. The WM Unconstrained Charity Universe and the WM Charity Universe Constrained by Income. The Trustees do not place any restrictions on the types of companies or business sectors in which the EEIBA invests.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES (cont'd)

The Trustees review investment performance against the aforementioned benchmarks each quarter. They also receive a half-yearly presentation from JP Morgan Fleming Asset Management on the performance of the common investment funds and the outlook for the next half-year.

The Trustees will reconsider their investment strategy and whether or not it remains appropriate to invest in common investment funds generally and specifically with the existing fund manager.

During the year ended 31 December 2003, the market value of the Association's investments increased in value by £209,369. The benchmark indices grew by approximately 17% on an income-reinvested basis compared with an increase in the value of invested funds of 15%.

Seaboard Benevolent Society

EEIBA was informed that this Benevolent Society was wound up during the year. The proceeds of £45,000 approximately have been transferred to the Association.

Volunteers and Employees

Council recognises its social and statutory duty to ensure that it does not discriminate against any person and to offer equal employment opportunities.

EEIBA relies on volunteers for fundraising (Branches) and welfare visiting and the Trustees record their appreciation to them for their efforts, support and encouragement. Also, to the Chief Executive and staff, the Trustees express their thanks for all their dedication and professionalism during the year.

Contracts

There were no contracts of significance in which a Trustee is or was materially interested either during or at the end of the financial year.

Auditors

In accordance with the Companies Act 1985 at the Annual General Meeting on 17 June 2003 Haysmacintyre were appointed.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

REPORT OF THE BOARD OF TRUSTEES (cont'd)

By Order of the Members



KJ Ralls FREng
Chairman - Council



JR Bamforth
Chairman - Executive Committee



P Cuttill
Council Member

19 May 2004

Electrical and Electronics Industries Benevolent Association
8 Station Parade
Balham High Road
London
SW12 9BH

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

We have audited the financial statements on The Electrical and Electronics Industries Benevolent Association for the year ended 31 December 2003 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets 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

As described in the Statement of Trustees' Responsibilities the charity's Trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of The Electrical and Electronics Industries Benevolent Association 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 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.

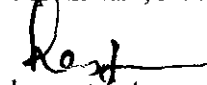
Basis of opinion

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 any 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 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London WC1V 6AY

15 May 2004

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2003

	National Office £	Branches £	2003 Total £	National Office £	Branches £	2002 Total £
INCOMING RESOURCES						
Subscriptions and donations (Note 2a)	396,674	6,720	403,394	458,997	8,198	467,195
Legacies	141,177	-	141,177	543	-	543
Asset transfers from other benevolent associations (Note 2b)	50,120	-	50,120	101,000	-	101,000
Grants received – restricted (Note 2e)	26,773	-	26,773	-	-	-
Activities for generating funds						
Fundraising and similar income (Note 2c)	494,167	440,365	934,532	506,747	650,396	1,157,143
Investment and rental income (Note 2d)						
Continuing activities	169,391	309	169,700	178,244	679	178,923
Received from Branches	<u>270,634</u>	<u>(270,634)</u>	<u>-</u>	<u>295,979</u>	<u>(295,979)</u>	<u>-</u>
Total Incoming Resources	<u>1,548,936</u>	<u>176,760</u>	<u>1,725,696</u>	<u>1,541,510</u>	<u>363,294</u>	<u>1,904,804</u>
RESOURCES EXPENDED (Note 3)						
Cost of generating funds						
Fundraising and publicity	518,694	260,267	778,961	467,004	338,216	805,220
Charitable Expenditure						
Welfare - unrestricted	980,193	-	980,193	1,071,096	-	1,071,096
- restricted	26,773	-	26,773	-	-	-
Housing and accommodation	33,197	-	33,197	63,761	-	63,761
Continuing activities	-	-	-	31,187	-	31,187
Discontinued activities	<u>249,464</u>	<u>-</u>	<u>249,464</u>	<u>238,371</u>	<u>-</u>	<u>238,371</u>
Management and administration						
TOTAL RESOURCES EXPENDED	<u>1,808,321</u>	<u>260,267</u>	<u>2,068,588</u>	<u>1,871,419</u>	<u>338,216</u>	<u>2,209,635</u>
NET INCOMING/ (OUTGOING) RESOURCES BEFORE INVESTMENT GAINS/(LOSSES)						
Profit/(loss) on sales of fixed assets	(259,385)	(83,507)	(342,892)	(329,909)	25,078	(304,831)
	<u>(317)</u>	<u>-</u>	<u>(317)</u>	<u>338,541</u>	<u>-</u>	<u>338,541</u>
SURPLUS/(DEFICIT) FOR THE YEAR						
	(259,702)	(83,507)	(343,209)	8,632	25,078	33,710
Other recognised gains and (losses)						
Unrealised gain/(losses) on investments	<u>209,369</u>	<u>-</u>	<u>209,369</u>	<u>(403,103)</u>	<u>-</u>	<u>(403,103)</u>
NET MOVEMENT IN FUNDS	<u>(50,333)</u>	<u>(83,507)</u>	<u>(133,840)</u>	<u>(394,471)</u>	<u>25,078</u>	<u>(369,393)</u>
Total funds brought forward	<u>4,016,800</u>	<u>224,260</u>	<u>4,241,060</u>	<u>4,411,271</u>	<u>199,182</u>	<u>4,610,453</u>
TOTAL FUNDS CARRIED FORWARD						
	<u>3,966,467</u>	<u>140,753</u>	<u>4,107,220</u>	<u>4,016,800</u>	<u>224,260</u>	<u>4,241,060</u>

The notes on pages 16 to 26 form an integral part of these financial statements.

There are no other realised gains and losses other than those shown in the above Statement of Financial Activities.

Unless otherwise stated all income and expenditure is unrestricted.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2003

	National Office £	Branches £	2003 Total £	National Office £	Branches £	2002 Total £
FIXED ASSETS						
Tangible Assets (Note 6)	572,676	-	572,676	601,685	-	601,685
Investments (Note 7)	<u>2,320,198</u>	<u>-</u>	<u>2,320,198</u>	<u>2,110,829</u>	<u>-</u>	<u>2,110,829</u>
	<u>2,892,874</u>	<u>-</u>	<u>2,892,874</u>	<u>2,712,514</u>	<u>-</u>	<u>2,712,514</u>
CURRENT ASSETS						
Debtors						
- Amounts falling due after more than one year (Note 8)	503,111	-	503,111	529,919	-	529,919
- Amounts falling due within one year (Note 8)	233,019	39,544	272,563	245,680	53,530	299,210
Cash at bank and in hand	472,652	149,035	621,687	666,738	218,383	885,121
CREDITORS						
Amounts falling due within one year (Note 9)	<u>(135,189)</u>	<u>(47,826)</u>	<u>(183,015)</u>	<u>(138,051)</u>	<u>(47,653)</u>	<u>(185,704)</u>
Net current assets	<u>1,073,593</u>	<u>140,753</u>	<u>1,214,346</u>	<u>1,304,286</u>	<u>224,260</u>	<u>1,528,546</u>
Total assets less current liabilities	<u>3,966,467</u>	<u>140,753</u>	<u>4,107,220</u>	<u>4,016,800</u>	<u>224,260</u>	<u>4,241,060</u>
Net Assets	<u>3,966,467</u>	<u>140,753</u>	<u>4,107,220</u>	<u>4,016,800</u>	<u>224,260</u>	<u>4,241,060</u>
FUNDS						
Unrestricted	<u>3,966,467</u>	<u>140,753</u>	<u>4,107,220</u>	<u>4,016,800</u>	<u>224,260</u>	<u>4,241,060</u>

Approved by the Members of Council

on

KJ Ralls FR Eng  Chairman - Council

JR Bamforth  Chairman - Executive Committee

P Cuttill  Council Member

19 May 2004

The notes on pages 16 to 26 form an integral part of these financial statements.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	<u>2003</u> £	<u>2002</u> £
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	1	(373,111)	(428,476)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		29,041	17,658
Dividend income		<u>90,107</u>	<u>96,453</u>
		<u>119,148</u>	<u>114,111</u>
CAPITAL EXPENDITURE:			
Payments to acquire tangible fixed assets		(9,471)	(1,452)
Receipts from sales of tangible fixed assets		-	608,051
Sale of fixed assets investments		<u>-</u>	<u>367,017</u>
		<u>(9,471)</u>	<u>973,616</u>
Increase/(Decrease) in cash	2	<u>(263,434)</u>	<u>659,251</u>

NOTES TO THE CASH FLOW STATEMENT

1. Reconciliation of operating (deficit) to net cash outflow from operating activities.

	<u>2003</u> £	<u>2002</u> £
Surplus/(Deficit) for the year	(342,892)	(304,831)
Depreciation charges	38,164	42,927
Investment income	(90,107)	(96,453)
Interest receivable	(29,041)	(17,658)
(Increase)/Decrease in long term debtors	26,808	61,509
(Increase)/Decrease in short term debtors	26,647	(111,266)
Increase/(Decrease) in creditors	<u>(2,690)</u>	<u>(2,704)</u>
Net cash (outflow)/inflow from operating activities	<u>(373,111)</u>	<u>(428,476)</u>

2. Analysis of changes in cash and cash equivalents during the year.

	<u>2003</u> £	<u>2002</u> £
Short term deposits	-	410,000
Cash at bank and in hand	<u>621,687</u>	<u>475,121</u>
There is £nil debt as at 31 December 2003 (2002 : £nil)	<u>621,687</u>	<u>885,121</u>

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, modified by the revaluation of freehold and long leasehold properties and quoted securities held for investment, and in accordance with the Companies Act 1985 and applicable accounting standards. The accounts have also been prepared in accordance with the Statement of Recommended Practice 'Accounting by Charities (SORP 2000)' issued October 2000.

Following the implementation of FRS 15 'Tangible Fixed Assets', a policy has been adopted of retaining freehold and leasehold properties at their revalued book values in accordance with the transitional provisions of FRS 15. Freehold and leasehold properties were last valued at 31 December 1995 by Gerald Eve & Co, Chartered Surveyors, on an open market existing use value basis in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors.

(b) Branch Accounting

The financial statements include the assets and accumulated funds, and the income and expenditure of the Association's Branches – these are compiled from returns supplied by Branch Treasurers. All 16 active Branches submitted accounts for inclusion in these financial statements (2002 – all 19 active Branches submitted accounts).

(c) Income and expenditure account

An income and expenditure account has not been prepared as the Trustees believe that this would be identical to the statement of financial activities as shown on page 14.

(d) Income

Income is accounted for on the following basis:

- Subscriptions and donations received within a period of three months after the year-end and which are clearly attributable to the prior year are accrued. All other subscriptions and donations are accounted for when received.
- Rental and investment income is accounted for on an accruals basis.
- Legacies are accrued if the Association's legal entitlement can be confirmed and the sum can be quantified within a period of three months after the year-end.
- Other incoming resources are accounted for when received.
- Restricted income and expenditure is treated as restricted within the terms of the agreement with the funder.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

ACCOUNTING POLICIES (cont'd)

(e) Cost of generating funds

The costs of managing the investments in the JP Morgan Fleming Common Investment Funds are borne by those funds from income or the sale of units by the investment manager and have been netted against the income and or the capital value of the funds. During 2003 the Association's share of these charges amounted to £10,680 (2002 : £10,469).

(f) Tangible assets

Following the implementation of FRS 15 all fixed assets are stated at cost or valuation less accumulated depreciation. Where a valuation has been adopted, this is the revalued book value at 1 January 2000 retained under the transitional provisions of FRS 15. No future revaluations of fixed assets are planned. Depreciation is calculated at rates estimated to write off the cost of assets over their estimated useful lives. The annual rates in use are:

Freehold and leasehold properties - 2%
Furniture, vehicles and equipment - 20%
Computer software - 33%

(g) Donated assets

Donated assets are included in fixed assets at an estimate of their value to the charity at the date of receipt.

(h) Investments

Fixed Asset Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(i) Leased assets

The rentals under operating leases are charged as an expense in the Statement of Financial Activities as they become due.

(j) Pension costs

Pension costs are charged to the Statement of Financial Activities as incurred.

(k) Administration

Certain general costs relating to the whole of the Association's activities have been allocated to expenditure categories other than Management and Administration. Head Office property costs have been allocated on the basis of square footage and computer costs on the basis of departmental activity.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

2. INCOME

a) Subscriptions and Donations

	<u>2003</u> £	<u>2002</u> £
Companies	217,129	313,152
Individuals	174,145	138,545
Donations via Branches	6,720	8,198
Charitable Giving Trusts	<u>5,400</u>	<u>7,300</u>
Total Subscriptions and Donations	<u>403,394</u>	<u>467,195</u>

b) Donations from other benevolent associations

During 2003, the British Energy Benevolent Society transferred its remaining surplus funds to the EEIBA.

Seeboard Benevolent Society transferred its surplus funds to the EEIBA. The activities of both charities have been amalgamated with those of the EEIBA.

c) Fundraising and Similar Income

	<u>2003</u> £	<u>2002</u> £
Annual Ball	348,303	363,166
Christmas Appeal	2,812	-
National Prize Draw	-	939
Branch fundraising income	440,365	650,396
Transformer Prize Draw Club	24,424	12,300
Other functions and collections – National Office	<u>118,628</u>	<u>130,342</u>
Total Fundraising and Similar Income	<u>934,532</u>	<u>1,157,143</u>

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

INCOME (cont'd)

d) Investment and Rental Income

	<u>2003</u> £	<u>2002</u> £
Interest on Deposits held by - National Office	17,155	16,979
- Branches	309	679
Investment Income	90,107	96,453
Rental Income from residents	50,552	49,466
Interest on loans to beneficiaries	<u>11,577</u>	<u>15,346</u>
Total Investment and Rental Income	<u>169,700</u>	<u>178,923</u>

e) Restricted Income

	<u>2003</u> £	<u>2002</u> £
Grants received in respect of Innogy employees and pensioners	<u>26,773</u>	<u>-</u>
	<u>26,773</u>	<u>-</u>

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

3. RESOURCES EXPENDED

	Salaries 2003 £	Depreciation 2003 £	Other costs 2003 £	Total 2003 £	Total 2002 £
Year ended 31 December 2003					
Cost of generating funds					
Fundraising and publicity	217,831	-	561,130	778,961	805,220
Charitable expenditure					
Welfare - unrestricted	308,400	2,384	669,409	980,193	1,071,096
- restricted	-	-	26,773	26,773	
Accommodation					
Continuing activities	-	10,300	22,897	33,197	63,761
Discontinued activities	-	-	-	-	31,187
Management and administration	132,112	25,480	91,872	249,464	238,371
	<u>658,343</u>	<u>38,164</u>	<u>1,372,081</u>	<u>2,068,588</u>	<u>2,209,635</u>

Other costs were represented by

Fundraising and publicity

Branch fundraising expenses	260,267	338,216
National fundraising expenses	173,833	152,819
Other office costs	127,030	97,612
	<u>561,130</u>	<u>588,647</u>

Welfare

Financial assistance - unrestricted	551,109	593,782
Other support costs	118,300	127,022
	<u>669,409</u>	<u>720,804</u>

Financial assistance - restricted

<u>26,773</u>	-
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Accommodation

Sheltered housing expenses	22,897	43,790
Residential home expenses		
Discontinued in 2001	-	14,532
	<u>22,897</u>	<u>58,322</u>

Management and administration

Legal and professional fees	18,768	5,079
Audit fees	12,580	10,500
Other office costs	60,524	51,664
	<u>91,872</u>	<u>67,243</u>

	2003	2002
Number of beneficiaries receiving financial assistance - unrestricted		
- restricted	1,189	1,289
	65	-

Financial assistance is for the benefit of individuals. Payments may be made directly to individuals to supplement a deficiency in their general income or specific goods or services that they require, but would otherwise be unable to afford, may be purchased on their behalf.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

4. PARTICULARS OF EMPLOYEES

- a) The average number of employees on a full time equivalent basis throughout the year was 23 (2002 : 27).
- b) Total remuneration of employees was:

	<u>2003</u> £	<u>2002</u> £
Salaries	561,612	606,380
Social Security Costs	52,582	52,182
Pension Contributions	38,978	44,882
Other Employment Costs	<u>5,171</u>	<u>28,248</u>
Total	<u>658,343</u>	<u>731,692</u>

- c) One employee in 2003 received remuneration in the band of £70,000 - £79,999 (2002 £70,000 - £79,999 one employee).

5. TRUSTEES REMUNERATION

No fees are paid to Trustees for their services as Board Members. Directly incurred expenses are reimbursed, if claimed, and in 2003 totalled £200 (2002: £508).

Indemnity insurance is provided for Trustees and officers of the Electrical and Electronics Industries Benevolent Association. The premium paid in 2003 totalled £1,244.25 (2002 - £1,106).

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

6. TANGIBLE ASSETS

	Freehold Property £	Long Leasehold Property £	Fixtures & Fittings £	Computer Equipment £	Total £
<u>Cost or valuation</u>					
At 1 January 2003	90,000	515,000	98,555	254,236	957,791
Additions	-	-	2,697	6,774	9,471
Disposals	-	-	(739)	-	(739)
At 31 December 2003	<u>90,000</u>	<u>515,000</u>	<u>100,513</u>	<u>261,010</u>	<u>966,523</u>
<u>Depreciation</u>					
At 1 January 2003	5,400	30,900	91,697	228,109	356,106
Charge for the period	1,800	10,300	3,357	22,707	38,164
Disposals	-	-	(423)	-	(423)
At 31 December 2003	<u>7,200</u>	<u>41,200</u>	<u>94,631</u>	<u>250,816</u>	<u>393,847</u>
<u>Net book amount</u>					
At 31 December 2003	<u>82,800</u>	<u>473,800</u>	<u>5,882</u>	<u>10,194</u>	<u>572,676</u>
At 31 December 2002	<u>84,600</u>	<u>484,100</u>	<u>6,858</u>	<u>26,127</u>	<u>601,685</u>

The historic cost of the revalued freehold and long leasehold properties is £164,785. (2002 - £164,785)

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

7. INVESTMENTS

	<u>2003</u> £	<u>2002</u> £
Market value at 1 January	2,110,829	2,880,949
Transferred to cash deposits	-	(367,017)
Unrealised investment gains/(losses)	<u>209,369</u>	<u>(403,103)</u>
Market value at 31 December	<u>2,320,198</u>	<u>2,110,829</u>
Cost at 31 December	<u>1,757,132</u>	<u>1,757,132</u>
Market value comprises		
Common investment fund:		
UK Equity unit trust	1,490,103	1,251,312
Fixed interest unit trust	821,288	850,722
Loan Crossways Trust	8,750	8,750
Quoted UK shares	48	36
Quoted UK fixed interest stock	<u>9</u>	<u>9</u>
	<u>2,320,198</u>	<u>2,110,829</u>
Included in investments are unrealised gains as shown below:		
Balance at 1 January	353,697	756,800
Unrealised gains/(losses) in the year	<u>209,369</u>	<u>(403,103)</u>
	<u>563,066</u>	<u>353,697</u>

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

8. DEBTORS

	<u>2003</u> £	<u>2002</u> £
Amounts falling due within one year		
Branch debtors	39,544	53,530
Other debtors	226,731	236,285
Tax recoverable	1,542	1,287
Prepayments	<u>4,746</u>	<u>8,108</u>
Total	<u>272,563</u>	<u>299,210</u>
Amounts falling due after more than one year		
Loans to beneficiaries	<u>503,111</u>	<u>529,919</u>

Included in loans to beneficiaries are loans of £178,528 on which no interest is charged (2002 - £223,800). During the year, interest rates in the range 3.5% to 4% (2002 - 3.83% to 4%) were charged on the remaining loans.

Loans to beneficiaries of £495,676 (2002 - £521,499) are secured by a charge on the borrowers' residential property.

9. CREDITORS - Amounts falling due within one year

	<u>2003</u> £	<u>2002</u> £
Amounts falling due within one year		
Branch creditors	47,826	47,653
Innogy - in respect of restricted welfare expenditure	13,227	-
Other creditors	15,940	15,275
Accruals	<u>106,022</u>	<u>122,776</u>
Total	<u>183,015</u>	<u>185,704</u>

The Innogy Benevolent Society has advanced monies during the year to meet the cost of financial assistance to their employees and pensioners. The actual income and expenditure during the year is treated as restricted in the Statement of Financial Activities on page 14. The creditor represents the unspent balance at 31 December of the sums advanced.

ELECTRICAL AND ELECTRONICS INDUSTRIES BENEVOLENT ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

10. FINANCIAL COMMITMENTS

The annual commitment under operating leases, which relates primarily to plant, machinery and motor vehicles is as follows:

	<u>2003</u> £	<u>2002</u> £
Leases expiring - within two to five years	14,022	16,640
- more than five years	<u>1,382</u>	<u>-</u>
	<u>15,404</u>	<u>16,640</u>

11. PENSION SCHEME

The Association operates a money purchase scheme the 'EEIBA (1995) Retirement Benefit Scheme'. Clerical Medical Investment Group manages the investments in the scheme. In addition the Association contributes to a personal pension for one higher paid employee. These contributions are at the same percentage rate of salary as for members of the Association's scheme. Pension contributions are disclosed in note 4 to these accounts.

12. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2003 (2002 - £0).

13. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2003 (2002 - £0).

14. TAXATION

The Association is a registered charity and no taxation is payable on its charitable income. The Association is not registered for VAT and expenditure is shown inclusive of VAT.