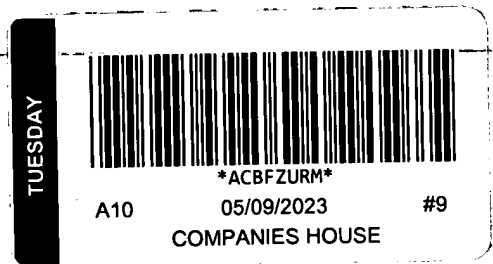


**THE ELECTRICAL CONTRACTORS' ASSOCIATION**  
**CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2022**



# **The Electrical Contractors' Association**

## **Strategic Report Of The Council**

### **For The Year Ended 31<sup>st</sup> December 2022**

The Council presents their strategic report for the year ended 31<sup>st</sup> December 2022.

#### **PRINCIPAL ACTIVITIES**

The Association is a Trade Association which deals with technical, legal, contractual, education and training, and labour relations matters in the electrical contracting industry, maintaining contact with the electricity supply authorities and supplying members with statistical and other information. In addition, the Association, through its group companies, provides various commercial and insurance services.

#### **KEY PERFORMANCE INDICATORS**

The Group's main source of income derives from subscriptions, insurance services and investments. The Association uses a range of key performance indicators to measure its performance:

- Membership numbers  
Membership fell from 2,555 to 2,439 in 2022.
- Investments  
Investments are held to provide a dividend return and capital growth to help fund the Group's activities.

#### **DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR**

The operating surplus before movements on capital of investments was £1.1m compared to a surplus of 2.6m (restated) in 2021.

#### **FINANCIAL POSITION AT THE REPORTING DATE**

The Group's net assets have remained constant at £69.8m. The Group had cash at bank of £8.5m.

#### **PRINCIPAL RISKS FACING THE BUSINESS**

As a membership organisation the support of members is crucial in continuing to be a body representative of its sector in the market place. Any reduction in this support is seen as a principal risk facing the Association.

Council has adopted a business model such that the provision of its core member services and benefits become less reliant on future returns from commercial investments and any drawdown from reserves. The journey continues and those targets are on course to be met without any reduction in members' services. The sale of EC Insurance Company Ltd in 2017 further de-risked the business model.

The defined benefit pension scheme position as detailed in note 21 is an ongoing issue. The Trustees have developed an investment strategy which will be more reactive to market conditions and over time will be more aligned to the scheme's liabilities. At 31<sup>st</sup> December 2021 the scheme was in surplus.

The Covid-19 pandemic which broke out in 2021 will have a potentially widespread and long term economic impact on member businesses, which the Association will mitigate by providing relevant advice to members and through influencing Government and other bodies to ensure member businesses receive support. The Association further supported members by deferring payment of subscriptions by members in the early part of the pandemic as well as discounting subscriptions by 25%. The Association has also discounted its 2021 membership rates by 10%. The Company itself faced some additional operational challenges due to the restrictions on travel and office facilities, which were successfully mitigated by systems that allow for offsite working for nearly all employees. The financial impact on the Association continues to be closely monitored.

# **The Electrical Contractors' Association**

## **Strategic Report Of The Council (Continued)**

**For The Year Ended 31<sup>st</sup> December 2022**


### **INFORMATION TO AUDITORS**

So far as each council member is aware, there is no relevant audit information of which the Association's auditors are unaware. Each council member has taken all the steps he ought to have taken as a council member to make himself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

### **AUDITORS**

Haysmacintyre LLP have expressed their willingness to be re-appointed and a resolution will be submitted to the Annual General Meeting.

Rotherwick House  
3 Thomas More St  
London  
E1W 1YZ

  
By Order of the Council  
R Driscoll  
Secretary  
11<sup>th</sup> July 2023

# **The Electrical Contractors' Association**

## **Report Of The Council**

### **For The Year Ended 31<sup>st</sup> December 2022**

The Council presents their report and financial statements for the year ended 31<sup>st</sup> December 2022.

#### **FINANCIAL INSTRUMENTS**

The Association's principal financial instruments comprise bank balances, investments, other debtors, and other creditors. The main purpose of these instruments is to finance the Association's operations. The Association manages its cash requirements to maximise interest income and minimise bank charges whilst ensuring that it has sufficient liquid resources to meet the operating needs of its business.

#### **FUTURE DEVELOPMENTS**

Council consider that the forthcoming year will be a challenging year in terms of retention and growth in membership. The strength of the UK economy is uncertain but the contracting and building services sector, where our members operate, does appear to have a core workload despite the economic impact of Covid-19.

#### **DIRECTORS AND OFFICERS LIABILITY INSURANCE**

During the year the Electrical Contractors' Association Limited, EC Insurance Holdings Limited and the EC Insurance Services Limited maintained liability insurance for their Directors and Officers.

#### **GOING CONCERN**

Council has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis for accounting in preparing financial statements.

In reaching this opinion Council has given consideration to the likely impact of Covid-19 on member businesses and the resultant effect on Subscription income, the impact on returns from subsidiaries and associates and the effect on the operating costs of the Association. Although significant, these effects would not prevent the Association for continuing as a going concern for a minimum period of 12 months from the date these financial statements are approved.

#### **DISCLOSURE IN THE COUNCIL REPORT**

As permitted by paragraph 1A of Schedule 7 to the Large and Medium – sized Companies and Groups (accounts and reports) Regulations 2008, certain matters which are required to be disclosed in the council report have been omitted, as they are included in the strategic report on page 1. These matters relate to development and financial performance in the year and financial position at the reporting date.

#### **MEMBERS OF THE COUNCIL**

The members who served during the period were:

Ablett, S. (to 5/5/23)	Giardelli, M.	Rugg, S. (to 11/5/22)
Aslett, B. (from 11/5/22)	Hilland, M.	Smith, A. (from 7/2/23)
Bradshaw, I. (to 8/2/23)	Jackson, R.	Smith, S.
Bratt, S.	Kavanagh, R.	Smithson, B. (to 11/5/22)
Brown, W.	Lewis, D.	Smithson, J. (from 13/9/22)
Crannis, D. (to 31/1/22)	Murray, S.	Smyth, S.
Cressey, S. (to 11/5/22)	Nichols, D.	Teader, I.
Deverall, S. (from 7/12/22)	Pullin, J.	Wetherill, D. (to 11/5/22)
Devine, R.	Rowland, S. (from 14/9/22)	Worrall, G. (to 11/5/22)

# **The Electrical Contractors' Association**

## **Report Of The Council (Continued)**

### **For The Year Ended 31<sup>st</sup> December 2022**

#### **STATEMENT OF COUNCIL RESPONSIBILITIES**

The Council has decided to prepare the Strategic Report, the Report of the Council and the Group Accounts in accordance with applicable law and regulations.

Company law requires the council members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the Council members 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the with applicable law and regulations. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


#### **INFORMATION TO AUDITORS**

So far as each council member is aware, there is no relevant audit information of which the Association's auditors are unaware. Each council member has taken all the steps he ought to have taken as a council member to make himself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

#### **AUDITORS**

Haysmacintyre LLP have expressed their willingness to be re-appointed and a resolution will be submitted to the Annual General Meeting.

Rotherwick House  
3 Thomas More Street  
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E1W 1YZ

  
By Order of the Council  
R Driscoll  
Secretary  
11<sup>th</sup> July 2023

# **The Electrical Contractors' Association**

## **Independent Auditors' Report**

### **To The Members Of The Electrical Contractors' Association**

#### **Opinion**

We have audited the financial statements of Electrical Contractors Association (the 'Association') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise Consolidated Income Statement, the Consolidated Statement of Financial Position, the Association's Statement of Financial Position, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Association's affairs as at 31 December 2022 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Council Member's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council Members with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Council Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the group and Association financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group and Association financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Council Members**

As explained more fully in the Council Members' responsibilities statement, the Council Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# **The Electrical Contractors' Association**

## **Independent Auditors' Report (continued)**

### **To The Members Of The Electrical Contractors' Association**

In preparing the financial statements, the Council Members are responsible for assessing the group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the group or the Association or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Based on our understanding of the Group and the environment in which it operates, we identified the principal risks of non-compliance with laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as, corporation tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiring with management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with round sum amounts, unusual descriptions, or material impact to the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular regarding the valuation of investment properties and investments; and
- Reviewing the work performed by component auditors work in relation to the above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Association's members, as a body, in accordance with the Association's Constitution. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Beard (Senior Statutory Auditor)  
Haysmacintyre LLP

10 Queen Street Place  
London  
EC4R 1AG

Date: 30 August 2023

# The Electrical Contractors' Association

## Consolidated Income Statement

For The Year Ended 31<sup>st</sup> December 2022

		2022	2021
	Notes	£	Restated £
Turnover	3	7,793,296	8,508,779
Administrative costs	4	(9,464,651)	(9,253,449)
Operating deficit before investment income	5	(1,671,355)	(744,670)
Investment and other income	6	1,251,095	1,114,283
Share of profits in equity accounted undertakings	7	1,519,179	2,185,207
<b>Operating surplus before profits on capital assets</b>		<b>1,098,919</b>	<b>2,554,820</b>
(Loss) / Profit on sale of current asset investments		(1,681,825)	2,279,750
Unrealised (loss) / profit on current asset investments	7	(4,622,076)	1,991,685
Share of profits in equity accounted undertakings		5,085,837	5,811,619
Unrealised profit on Investment properties		-	400,000
		<b>(1,218,064)</b>	<b>10,483,054</b>
<b>Defecit / Surplus on ordinary activities before taxation</b>		<b>(119,145)</b>	<b>13,037,874</b>
Taxation on ordinary activities	11	88,654	(4,127,272)
<b>Retained (defecit) / surplus for the financial year</b>		<b>(30,491)</b>	<b>8,910,602</b>
<b>Other Comprehensive Income</b>			
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Result for the financial year		(30,491)	8,910,602
Actuarial gain	20	2,000	44,000
<b>Total Comprehensive Income for the year</b>		<b>(28,491)</b>	<b>8,954,602</b>

The accompanying notes form an integral part of these financial statements.



# The Electrical Contractors' Association

## Consolidated Statement of Financial Position


At 31<sup>st</sup> December 2022

		2022	2021
			Restated
Fixed assets	Notes	£	£
Tangible fixed assets	12	1,344,074	1,388,792
Investment Properties	13	4,666,667	4,666,667
Investments	14	19,808,410	15,268,535
		<u>25,819,151</u>	<u>21,323,994</u>
<b>Current assets</b>			
Debtors	15	1,467,186	2,425,120
Investments	16	43,073,700	46,281,056
Cash at bank and in hand	17	8,508,213	10,623,811
		<u>53,049,099</u>	<u>59,329,987</u>
<b>Creditors:</b>			
Amounts falling due within one year	18	(5,659,865)	(6,899,053)
		<u>(5,659,865)</u>	<u>(6,899,053)</u>
<b>Net current assets</b>		<u>47,389,234</u>	<u>52,430,934</u>
<b>Total assets less current liabilities</b>		<u>73,208,385</u>	<u>73,754,928</u>
Provisions for liabilities	19	(3,340,404)	(3,858,456)
Pension scheme deficit	20	-	-
		<u>-</u>	<u>-</u>
<b>Net Assets Including Pension Deficit</b>		<u>£69,867,981</u>	<u>£69,896,472</u>
<b>Reserves</b>			
Accumulated fund		69,867,981	69,896,472
		<u>69,867,981</u>	<u>69,896,472</u>
<b>Total Funds</b>		<u>£69,867,981</u>	<u>£69,896,472</u>

The financial statements were approved and authorised for issue by the Council and signed on its behalf by:

  
S Smyth

11<sup>th</sup> July 2023

  
S Murray

The accompanying notes form an integral part of these financial statements.

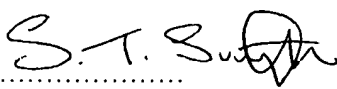
# The Electrical Contractors' Association

## Association Statement of Financial Position

At 31<sup>st</sup> December 2022

	2022	2021
	£	£
<b>INVESTMENT</b>		
The Electrical Contractors' Association Limited		
1,507 6% Cumulative Preference Shares of £1 each, fully paid at cost	<b>£1,507</b>	£1,507
	=====	=====
<b>RESERVES</b>		
Accumulated fund	<b>£1,507</b>	£1,507
	=====	=====

The financial statements were approved and authorised for issue by the Council and signed on its behalf by:

  
.....  
S Smyth

  
.....  
S Murray

11<sup>th</sup> July 2023

The Association has no financial transactions and therefore had no profit or loss. The Association has not presented its own Statement of Comprehensive Income for this reason.

The accompanying notes form an integral part of these financial statements

# The Electrical Contractors' Association

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	2022
	£
	Accumulated Fund
Opening Balance	69,896,472
Total Comprehensive income for the Financial Year	
Holding undertaking	-
Subsidiary undertakings	(30,491)
Surplus for the year	
Other Comprehensive income	2,000
Result for the financial year	(28,491)
Closing balance	<u>£69,867,981</u>
	2021
	Restated
	£
	Accumulated Fund
Opening Balance	60,941,870
Total Comprehensive income for the Financial Year	
Holding undertaking	-
Subsidiary undertakings	8,910,602
Deficit for the year	
Other Comprehensive income	44,000
Result for the financial year	8,954,602
Closing balance	<u>£69,896,472</u>

The accompanying notes form an integral part of these financial statements

# The Electrical Contractors' Association

## Consolidated Statement of Cashflows

For the year ended 31 December 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Retained surplus/(deficit) for the financial year		(30,491)	4,551,888
Adjustments for:			
Share of profits in equity accounted undertakings less distributions		40,817	17,825
Depreciation of tangible assets		105,967	122,653
Loss on sale of tangible assets		-	-
Loss on sale of current asset investments		1,681,825	(2,279,750)
Unrealised (profit)/loss on current asset investments		(4,462,824)	(1,991,685)
Profit on intangible assets		-	-
Unrealised profit on Investment Property		-	(400,000)
Movement in Pension deficit		2,000	44,000
Funding of Pension deficit		-	-
Interest received		(15,214)	(10)
Taxation		(180,902)	2,674,368
Decrease/(increase) in debtors		951,573	372,568
Increase/(decrease) in creditors		(841,930)	257,577
Cash from operations		(2,749,180)	3,369,434
Taxation (paid) repaid		(766,288)	15,403
<b>Net Cash generated from operating activities</b>		<b>(3,515,468)</b>	<b>3,384,837</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of intangible assets		-	-
Proceeds from sale of tangible assets		-	-
Proceeds from sale of Investment Properties		-	-
Purchases of tangible assets		(61,249)	(105,302)
Proceeds from sale of current asset investments		19,192,183	23,996,824
Purchases of current asset investments		(17,746,278)	(25,106,951)
Purchase of interest in Associates		-	-
Interest received		15,214	10
<b>Net cash from investing activities</b>		<b>1,399,870</b>	<b>(1,215,419)</b>
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>(2,115,598)</b>	<b>2,169,418</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>10,623,811</b>	<b>8,454,393</b>
<b>Cash and cash equivalents at end of year</b>	<b>21</b>	<b>£8,508,213</b>	<b>£10,623,811</b>

The accompanying notes form an integral part of these financial statements

# **The Electrical Contractors' Association**

## **Notes To The Accounts**

### **For The Year Ended 31<sup>st</sup> December 2022**

#### **1. General Information**

##### **Functional and presentational currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the 'functional' currency). The financial statements are presented in Pounds Sterling, being the functional and presentational currency of the Group.

##### **Status of the Association**

The Association is registered with the Certification Office for Trade Unions and Employers Associations. The liability of members is fixed by the Memorandum of Association at a sum not to exceed £1 per member in the event of a winding up.

##### **Registered Address**

The registered address of the Association is Rotherwick House, 3 Thomas More Street, London E1W 1YZ.

##### **Going Concern**

In assessing the Association's ability to continue as a going concern, the Council have considered the Association's liquidity position, cash flow forecasts for the next 12 months and considered the effect of Covid-19 on subscription income, returns from subsidiaries and associates and the effect on operating costs. The Association has considered the potential impact of the risks identified above on the cashflow forecasts along with any potential cost savings. The forecasts indicate that during the year the Association will have sufficient cash reserves to meet its obligations. The Council continue to adopt the going concern basis in preparing the accounts.

#### **2. Accounting Policies**

The financial statements have been prepared on a going concern basis and in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

##### **(a) Basis of Accounting**

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment properties in accordance with applicable accounting standards, including Financial Reporting Standard 102 (FRS102).

##### **(b) Basis of Consolidation**

The group accounts include the accounts of the Association, all its subsidiaries and a company limited by guarantee deemed to be controlled by the Association. The Group's share of its associate's results and net assets are included on an equity accounting basis.

Transactions and balances relating to activities subject to severe long term restrictions are excluded from the Group accounts in accordance with FRS 102

The Association has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income. The Association has no financial transactions and therefore had no profit or loss.

##### **(c) JIB Combined Benefits Scheme**

The Association, through EC Insurance Services Ltd, is responsible for the transactions, assets and liabilities relating to the management of the JIB Combined Benefits Scheme.

Provision is made for all potentially repayable amounts with the exception of items that are statute barred.

# **The Electrical Contractors' Association**

## **Notes To The Accounts (Continued)**

### **For The Year Ended 31<sup>st</sup> December 2022**

#### **2. Accounting Policies (Continued)**

##### **(d) Turnover**

Turnover represents members' subscriptions and amounts receivable from the provision of various commercial and insurance services. Subscriptions are recognised in the subscription year they relate to and sundry income in the period in which the income is earned. Insurance commission is accounted for when the right to consideration has been achieved and the amount due is capable of reliable measurement.

##### **(e) Interest and Dividends**

Interest, except short-term deposit interest, and dividends are recognised on a received basis. Short-term deposit interest is recognised on an accrued basis.

##### **(f) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Computer hardware and software is capitalised when it is probable that future economic benefits will be derived from the expenditure and where cost can be measured reliably.

- No depreciation is charged on freehold land. Freehold buildings are written off at a rate of 2% per annum of their cost.
- Other assets are written off on a straight line basis. Fixtures, fittings and computer equipment are written off at rates between 10% to 33⅓% per annum. Computer software is written off in the year of purchase.

##### **(g) Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Goodwill is depreciated on a straight line basis over the expected economic life of 5 years.

##### **(h) Investment Properties**

Investment properties are shown at Councils' valuation based on regular professional valuations.

##### **(i) Fixed Asset Investments**

Investments in associated ventures are shown at the Group's share of its associated results and net assets.

##### **(j) Current Asset Investments**

Quoted investments are stated in the balance sheet at open market value. Where dealings in an investment had been suspended, the Council has taken a provision for loss in value.

##### **(k) Deferred Tax**

Full provision is made for deferred tax in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date.

##### **(l) Cash at Bank**

Included in cash at bank are client money balances including amounts of realised commission to be withdrawn in accordance with the rules of the Financial Conduct Authority applicable to the subsidiary company EC Insurance Services Limited. An analysis of the component parts of the cash held in the bank accounts is provided in note 17 to these financial statements.

# **The Electrical Contractors' Association**

## **Notes To The Accounts (Continued)**

### **For The Year Ended 31<sup>st</sup> December 2022**

#### **2. Accounting Policies (Continued)**

##### **(m) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at fair value of the leased asset (or, if lower, the present value of the minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the lease term, unless rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense over the lease term on a straight-line basis.

##### **(n) Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

##### **(o) Creditors**

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **(p) Pension Costs**

The group operated both defined benefit and defined contribution retirement benefit schemes during the year.

The liability recognised in the balance sheet in respect of the group's defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated using the projected unit credit method. Formal actuarial valuations are carried out on a triennial basis, with updated calculations being prepared at each balance sheet date. Where the calculations show a surplus, this is not recognised until such time as it is formally recognised by a reduction in the deficit contribution covenant with the Scheme.

The cost of providing future benefits (service cost) is charged to the consolidated revenue account in cost of sales. The return on scheme assets and interest obligation on scheme liabilities comprise a pension finance adjustment which is included in investment and other income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity and shown in the Statement of Total Comprehensive Income in the period in which they arise.

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

For The Year Ended 31<sup>st</sup> December 2022

### 3. Turnover

	2022	2021
	£	£
Subscriptions	4,685,209	4,613,448
Covid 19 discount	-	(444,303)
Commercial services	2,881,074	3,711,005
Health and safety assessment income	226,875	549,372
Sundry Income	138	79,257
	<b>£7,793,296</b>	<b>£8,508,779</b>

Turnover relates wholly to activities in the United Kingdom.

### 4. Administrative costs

	2022	2021
	£	£
Group Administration costs	7,213,859	6,983,343
Health and safety assessment	215,200	533,819
Regional allocations and office costs	2,035,592	1,736,287
	<b>9,464,651</b>	<b>9,253,449</b>

### 5. Supplementary Revenue Information

	2022	2021
	£	£
The operating surplus for the year is stated after charging:		
Auditors' remuneration: audit	31,150	30,600
tax	8,200	7,800
audit of associate companies	8,000	7,150
other	950	875
Depreciation	105,967	122,653
Operating lease rentals	400,960	390,277

### 6. Investment and other income

	2022	2021
	£	£
Investment income from unitised investments	837,591	707,859
Other investment income	3,948	11,079
Rental income	394,342	395,335
Interest received	15,214	10
	<b>£1,251,095</b>	<b>£1,114,283</b>

## Notes To The Accounts (Continued)



# The Electrical Contractors' Association

## For The Year Ended 31<sup>st</sup> December 2022

### 7. Share Of Profits Before Tax In Equity Accounted Undertakings

The above amounts are based upon the last available accounts that are not all coterminous with the group's year-end.

	Holding	2022	2021
	%	£	Restated £
ESCA Estates Limited	57.14	(225,571)	258,207
Bluesky Trustee Company Ltd	50	4,749,950	-
British Approvals Service for Cables Ltd	39	335,887	5,811,619
Certsure LLP	25	1,744,750	1,927,000
		<u>£6,605,016</u>	<u>£2,185,207</u>

### 8. Directors' Remuneration

During the year, the directors of the intermediate holding company received the following remuneration.

	2022	2021
	£	£
As a director	298,545	284,533
Benefits in kind	4,739	4,721
Pension	-	6,331
	<u>£303,284</u>	<u>£295,585</u>
Highest paid director		
Emoluments	246,491	234,282
Pension	-	6,331
	<u>£246,491</u>	<u>£240,613</u>

Retirement benefits were accruing for no directors of the intermediate holding company throughout the year (2021: 1 director).

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2022

#### 9. Staff Numbers And Costs

The average number of persons employed by the group (excluding non-executive members of Council who are not full time employees) during the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Administration	<b>98</b>	<b>105</b>

The aggregate payroll costs of these persons were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries	<b>5,024,296</b>	4,604,939
Social security costs	<b>540,537</b>	480,226
Current pension service costs		
– defined contribution scheme	<b>450,342</b>	433,430
– additional employer contributions	<b>22,810</b>	20,301
	<b>£6,037,985</b>	<b>£5,538,896</b>

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Number of key staff	<b>9</b>	<b>9</b>

	<b>£</b>	<b>£</b>
Remuneration of Key Staff	<b>£1,163,527</b>	<b>£1,146,855</b>

The holding company did not have any employees during the year or the preceding year.

#### 10. Pension Scheme

The Electrical Contractors Association operates both defined benefit and defined contribution retirement benefit schemes for the employees of the Association, its wholly owned subsidiaries, Esca Estates Limited and the Joint Industry Board.

##### Defined Benefit Scheme

The Defined Benefit Scheme provides benefits based on final pensionable pay. The scheme was closed to future accrual with effect from 31 December 2010. All scheme members were invited to join the Defined Contribution Scheme with effect from 1 January 2011. Formal actuarial valuations are carried out on a triennial basis, with updated calculations being prepared at each balance sheet date.

# **The Electrical Contractors' Association**

## **Notes To The Accounts**

### **For The Year Ended 31<sup>st</sup> December 2022**

#### **10. Pension Scheme (continued)**

The statutory employer has agreed to meet the current pension deficit and a recovery plan has been agreed with the Trustees to pay £350,000 per annum from 1<sup>st</sup> January 2021 to 31 December 2023. In total deficit contributions in the year were £nil (2021: £nil).

#### **Defined Contribution Scheme**

The employer contributes 5% or 12.5% of pensionable earnings to a group occupational pension provider. The pension contributions paid by the company in the year amounted to £473,152 (2021: £453,731). The employee's contribution to this scheme is 5%. The staging date for auto enrolment was 1 April 2014 and that is now incorporated within the pension scheme with the employer contributions 3% and employee 5%.

For those members transferring from the Defined Benefit Scheme, the employer has agreed to increase their contribution by 1% to 13.5% if the employee agrees to increase their contribution by 1%.

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2022

#### 11. Taxation

	2022	2021 Restated
	£	£
UK corporation tax	354,262	751,528
Deferred tax charge	(511,680)	3,295,736
Share of corporation tax in equity accounted undertakings	54,003	84,322
	<u>(103,415)</u>	<u>4,131,585</u>
Income tax repayable	1	1
Under/(over) provision in prior years	14,760	(4,314)
Total current tax charge	<u>(88,654)</u>	<u>£4,127,272</u>
The tax assessed for the year differs from the standard corporation tax rate in the UK of 19.00% .		
The differences are explained as follows:		
	2022	2021
	£	£
Result on ordinary activities before tax	<u>£(119,145)</u>	<u>£7,226,255</u>
Result on ordinary activities before tax multiplied by the standard corporation tax rate of 19.00% (2021: 19.00%)	(22,637)	1,372,988
Effects of:		
Expenses not deductible for tax purposes	1,507,705	385,468
Income not taxable for tax purposes	(337,272)	(1,326,806)
Fixed asset timing difference	425	4,185
Exempt ABGH distributions	656,826	-
Other short term differences	70	-
Other permanent differences	1,690	178,471
FRS102 adjustments	-	977,554
FRS102 chargeable gains	(1,103,637)	-
Franked Investment Income	-	(102,987)
Adjustments to tax charge in respect of previous periods	(3,478)	-
Group income	(807,500)	-
Remeasurement of deferred tax for change in tax rates	(453,052)	-
Deferred tax movement	457,445	2,642,713
UK corporation tax	<u>£(103,415)</u>	<u>£4,131,586</u>

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2022

#### 12. Tangible Fixed Assets

	<i>Freehold land and buildings</i>	<i>Fixtures, fittings &amp; computer equipment</i>	<i>Total</i>
	£	£	£
<b>COST</b>			
At 1st January 2022	2,006,935	1,046,769	<b>3,053,704</b>
Additions	-	61,249	<b>61,249</b>
At 31st December 2022	<b>2,006,935</b>	<b>1,108,018</b>	<b>3,114,953</b>
<b>ACCUMULATED DEPRECIATION</b>			
At 1st January 2022	718,552	946,360	<b>1,664,912</b>
Charge for year	31,901	74,066	<b>105,967</b>
At 31st December 2022	<b>750,453</b>	<b>1,020,426</b>	<b>1,770,879</b>
<b>NET BOOK VALUE</b>			
At 31st December 2022	<b>£1,256,482</b>	<b>£87,592</b>	<b>£1,344,074</b>
At 31st December 2021	£1,288,383	£100,409	£1,388,792

#### 13. Investment Properties

Investment properties comprise office accommodation let out on short term leases. The property was valued by the Officers as at 31 December 2021 based on a valuation by Michael Rogers LLP on 2nd December 2020, on a Market Value and Market Rent basis, in accordance with RICS Valuation - Global Standards March 2017 Edition, reflecting movements in property values in the period since then.

<b>Fair value</b>	£
At 1 January 2022	4,666,667
Revaluation	-
At 31 December 2022	<b>£4,666,667</b>

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

For The Year Ended 31<sup>st</sup> December 2022

### 14. Fixed Asset investments

	2022	2021 Restated
Share of retained reserves in associated undertakings:	£	£
ESCA Estates Limited	7,443,824	7,963,398
Bluesky Trustee Company Limited	4,750,000	50
BASEC Ltd	6,147,506	5,811,619
Certsure LLP	1,467,080	1,493,468
Total fixed asset investments	<b>£19,808,410</b>	<b>£15,268,535</b>

### Movement in holding in Related Undertakings

At 1 January 2022	15,268,539	9,559,065
Share of increase in net asset	4,539,871	5,709,474
At 31 December 2022	<b>£19,808,410</b>	<b>£15,268,539</b>

### Subsidiary Undertakings

Name Of Company	Shares Held	% Of Shares	Principal Activity
The Electrical Contractors Association Limited	6% Cumulative Preference Shares	100%	Trade Association
ECA Affinity Services Limited	£1 Ordinary	100%	Dormant
EC Insurance Holdings Limited	£1 Ordinary Shares	100%	Insurance holding company

The following are subsidiaries directly or indirectly owned by EC Insurance Holdings Limited:

EC Insurance Services Limited	Ord £1	100%	Insurance mediation
Brandrisks Group Limited	Ord £1	100%	Dormant
Brandrisks Limited	Ord £1	100%	Dormant
Sportsrisks Limited	Ord £1	100%	Dormant

ECA Certification Limited, a company limited by guarantee, has also been consolidated as it is deemed to be controlled by the Electrical Contractors' Association.

EC Insurance Company Limited was sold in November 2017.

### Associated Undertakings

Name Of Company	Shares Held	% Of Shares Held (Indirectly)	Principal Activity
ESCA Estates Limited <sup>1</sup>	£1 Ordinary	57.14%	Property Company
Bluesky Trustee Company Limited <sup>2</sup>	£1 Ordinary Shares	50%	Manager of BlueSky Pension Scheme
Certsure LLP <sup>3</sup>		25%	Certification and assessment

ECA increased its holding in ESCA Estates Ltd to 57.14% on 14 February 2018, but did not acquire a controlling interest. An option was granted over 7.14% of the shares at £860,000, which expired on 13 February 2021.

All subsidiary undertakings, associated undertakings and other fixed asset investments are registered in England and Wales. The registered address is ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU with the exception of <sup>1</sup>Rotherwick House, 3 Thomas More Street, London, E1W 1YZ, <sup>2</sup>Unit 2, White Oak Square, Swanley BR8 7AG and <sup>3</sup>Warwick House, Houghton Hall park, Dunstable LU5 5ZX.

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2022

#### 15. Debtors

	2022	2021
	£	£
Trade debtors	514,626	1,150,298
Other debtors	664,841	585,047
Due from related parties	116,847	138,863
Corporation tax recoverable	-	-
Deferred tax	48,184	54,545
Prepayments and accrued income	122,688	496,367
	<u>£1,467,186</u>	<u>£2,425,120</u>

#### 16. Current Asset Investments

	2022	2021
	£	£
UK listed Unitised Funds		
At 1st January	46,281,056	40,899,494
Disposals	(20,874,008)	(21,719,610)
Additions	17,746,278	25,109,487
Unrealised gains	(79,626)	1,991,685
	<u>£43,073,700</u>	<u>£46,281,056</u>

#### 17. Cash and Bank

	2022	2021
	£	£
Client money balances included within Cash at bank and in hand	<u>£2,112,155</u>	<u>£1,384,265</u>

#### 18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,522,827	4,466,591
Corporation tax	354,394	751,660
Other taxation and social security costs	57,547	65,021
Other creditors	628,276	642,318
Due to associated undertakings	182,166	251,012
Accruals and deferred income	914,655	722,451
	<u>£5,659,865</u>	<u>£6,899,053</u>

**The Electrical Contractors' Association**

**Notes To The Accounts (Continued)**

**For The Year Ended 31<sup>st</sup> December 2022**

**19. Provision For Liabilities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>Restated £</b>
Deferred taxation liability		
At 1 January 2022	3,858,456	562,123
Movement in the year	(518,052)	3,296,333
At 31 December 2022	<u><b>£3,340,404</b></u>	<u><b>£3,858,456</b></u>



# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

For The Year Ended 31<sup>st</sup> December 2022

### 20. Pension Scheme Deficit

	2022 £'000s	2021 £'000s
<b>Change in benefit obligation</b>		
Benefit obligation at 1st January 2022	38,730	41,292
Current service cost	66	66
Interest cost	721	564
Benefits paid	(1,603)	(1,954)
Insurance premiums	(66)	(66)
Remeasurements		
Changes in assumptions	(11,988)	(1,172)
Experience adjustments	973	-
Benefit obligation at 31st December 2022	26,833	38,730
<b>Change in plan assets</b>		
Fair value of plan assets at 1st January 2022	42,114	42,858
Interest Income	785	586
Remeasurements - return on plan assets	(1,603)	(1,954)
Employer contributions (incl. employer direct benefit payments)	-	-
Insurance premiums	(66)	(66)
Benefits paid	(13,835)	690
Fair value of plan assets at 31st December 2022	27,395	42,114
<b>Amounts recognised in the balance sheet</b>		
<i>Plans that are wholly unfunded and plans that are wholly or partly funded</i>		
Present value of wholly or partly funded obligations	26,833	38,730
Fair value of plan assets	27,395	42,114
Surplus not recognised	(562)	(3,384)
Funded status	-	-
<b>Costs relating to defined benefit plans</b>		
<i>Amounts recognised in the statement of comprehensive income</i>		
Costs - changes from employee service	66	66
Net Interest		
Expense	721	564
Income	(785)	(586)
	£2	£44
<i>Amounts recognised in the statement of comprehensive income</i>		
Changes in assumptions	(11,988)	(1,172)
Experience adjustments	973	-
Pension surplus not recognised	(2,822)	1,818
Actuarial return less expected return on plan assets	13,835	(690)
Actuarial gain/(loss)	£(2)	£(44)

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

For The Year Ended 31<sup>st</sup> December 2022

### 21. Pension Scheme Deficit (continued)

	2022 £'000s	2021 £'000s
<b>Principal actuarial assumptions</b>		
<i>Weighted average assumptions used to determine benefit obligations at:</i>		
Discount rate	5.10%	1.90%
Rate of price inflation (RPI)	3.30%	3.50%
Rate of price inflation (CPI)	2.70%	2.80%
<i>Weighted average assumptions used to determine net pension cost:</i>		
Discount rate	1.90%	2.10%
Pension in payments increase (5% RPI)	3.50%	2.90%
Rate of price inflation RPI	3.50%	3.00%
Rate of price inflation CPI	2.80%	2.20%
<i>Weighted life expectancy on retirement at age 45:</i>		
Male age 65 (current life expectancy)	23.3	23.2
Male age 45 (life expectancy at age 65)	24.2	24.1
<b>Plan assets</b>		
<i>Percentage of plan assets by asset allocation</i>		
Equity Securities	11%	21%
Debt Securities	72%	74%
Property	3%	2%
Other	14%	3%
	<b>100%</b>	<b>100%</b>

### 21. Analysis of changes in net debt

	At 1 Jan 2022 £	Cash flows £	At 31 Dec 2022 £
<b>Cash and cash equivalents</b>			
Cash	10,623,811	(2,115,598)	8,508,213
Overdrafts	-	-	-
Cash equivalents	-	-	-
<b>Total</b>	<b>£10,623,811</b>	<b>£(2,115,598)</b>	<b>£8,508,213</b>

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

For The Year Ended 31<sup>st</sup> December 2022

### 22. Operating Lease Commitments

	Land & Buildings £	Other £	Land & Buildings £	Other £
Within one year	280,530	32,027	280,530	50,927
Between two to five years	1,122,118	17,236	1,122,118	26,133
More than five years	3,039,070	-	3,319,600	-
	<b>£4,441,718</b>	<b>£49,263</b>	<b>£4,722,248</b>	<b>£77,060</b>

At the year end the Group had the following minimum operating lease receipts:

	2022 Land & Buildings £	2021 Land & Buildings £
Within one year	250,885	250,885
Between two to five years	1,003,540	1,003,540
More than five years	441,595	692,480
	<b>£1,696,020</b>	<b>£1,946,905</b>

### 23. Related Party Transactions

	2022 £	2021 £
Transactions with related parties:		
Management fee from ESCA Estates Limited	137,620	96,536
Rent paid to ESCA Estates Limited	280,530	280,530
Service charges paid to Esca Estates Limited	197,977	132,802
Dividend received from Esca Estates Limited	240,000	240,000
Provision of Assessment services from Certsure LLP	68,640	343,319
Balances due from / (to) related parties:		
Bluesky Trustee Company Limited	130,813	138,863
ESCA Estates Limited	(113,147)	(119,370)
Certsure LLP	3,425	-

ESCA Estates Limited, Bluesky Trustee Company Limited and Certsure LLP are associated undertakings of the Electrical Contractors' Association.

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2022

#### 24. Financial risk management

##### Liquidity Risk

The objective of the Association in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Association expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all of its financial obligations, it has significant UK stock market investments that could be realised for cash.

#### 25. Financial assets and liabilities

	2022 £	2021 £
Financial assets measured at fair value through profit and loss	21,920,565	10,814,541
Financial assets measured at amortised cost	9,804,527	12,498,020
Financial liabilities measured at amortised cost	(4,333,269)	(5,359,921)

#### 26. Contingent Liability

ECA Limited is the guarantor for the JIB Staff Defined Benefit Pension Scheme. The last actuarial report as at 31 January 2018 has shown the assets of the pension scheme were less than the liabilities by £6,000. The funding of the shortfall is being met on an annual basis.

#### 27. Ultimate Controlling Party

The Council Members consider there to be no ultimate controlling party.

#### 28. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Investment properties are professionally valued at regular intervals, in intervening years they are valued by the Council based upon their best estimate of current and future rental yields
- Valuation of Debtors is based upon management's best estimate of the provision for doubtful debts against the relevant balances.