

**THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)**

COMPANY NO. 1317536

CHARITY NO. 273978

**TRUSTEES' ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2004**

THE SINDEN THACKERAY PARTNERSHIP
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
23 STAR HILL
ROCHESTER
KENT ME1 1XF



**THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

The BMTA Trust Limited is a limited company governed by its Memorandum and Articles of Association.

The Charity Registration Number is 273978.

The Company Registration Number is 1317536.

The Trustees and members of the Management Council during the year covered by this report were:

T. Neville (Chairman)*
J.A. Williams*
A. Pearson
P.N. Guy*
S.G.M. Caffyn

* Indicates a member of the Investment Sub-Committee.

When a vacancy arises on the Council of Management the existing Trustees suggest suitable new candidates and a decision is made by majority vote.

The Company Secretary is Mrs L Dolphin.

Registered Office: 23 Star Hill
Rochester
Kent
ME1 1XF

Charity Bankers: Cafcash Limited
Kingshill
West Malling
Kent ME19 4TA

Charity Solicitors: Osmond, Gaunt and Rose
Winston House
349 Regents Park Road
London

Charity Auditors: The Sinden Thackeray Partnership
23 Star Hill
Rochester
Kent ME1 1XF

Investment Advisors: HSBC Investment Management
HSBC Republic Bank (UK) Limited
10 Lower Thames Street
London EC3R 6HB

**THE BMTA TRUST LIMITED
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**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

1. The Management Council has pleasure in presenting their report and financial statements for the year ended 30 June 2004.

Principal Activities and Business Review

2. The principal activity of the Company is that of a Trust which gives welfare grants. The results for the year and the financial position at the year end were considered satisfactory by the Management Council.
3. The following extract from the Memorandum of Association gives an explanation of the objects of the Charity:

“The objects for which the Association is established are to relieve persons who are poor, needy, incapacitated, infirm or otherwise in necessitous circumstances and the wives, widows, husbands, widowers, parents, children or other dependants of such persons with preference for persons who are employed or have been employed in the Motor Trade or Motor Industry.”

4. The Trust's investment policy aims to produce a sustainable income and maintain the real value of the investments in accordance with the Trustee Investments Act 1961. Reserves are retained to ensure that these objectives can be met.
5. There have been no material changes in policy since the last Trustees' Report.
6. The organisation of the Charity is as follows:-

There are five Trustees who make up the Council of Management. All the Trustees are involved in the decisions concerning cases for assistance.

7. Three Trustees form the Investment Sub-Committee, which makes decisions, based on the recommendations of the Trust's Investment Advisors. The Sub-Committee reports to the full Council at meetings.
8. The Trust has a Company Secretary to deal with the financial and administrative affairs of the Charity and a Case Secretary to deal with applications, submit them to Trustees and implement the Trustees' decisions.

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Review of Developments and Activities

9. Applications to the Trust have decreased this year with 263 applications being received (2003 – 315). Of these, 147 were rejected; 59 were offered assistance; 4 did not require assistance; 40 did not return the application form; and 13 will be considered in the next financial year.
10. The Charity's main aim is to provide assistance for individuals with a welfare need with preference being given to applicants with a motor industry connection. Small charities are also supported.
11. Short-term educational grants are given to enable children to complete their current stage of schooling when families have suffered unforeseen financial difficulties.
12. A grant total of £114,306 (2002/2003 - £145,867) was split between 109 beneficiaries, giving an average grant of £1,048 each. (2002/2003 average - £1,073).
13. 19% of the grant total was given to beneficiaries with a motor industry connection (2003 – 16%). The percentage of grants given for educational purposes was 84% (2003 – 88%), with the balance of 16% being given for welfare purposes (2003 – 12%)

Assistance Strategy

14. The Trust's Case Secretary reviews all applications received in the light of the guidelines issued by the Trustees. The Trustees aim to consider primarily cases brought about by unforeseen disaster rather than giving assistance to fund over ambitious plans. The intention is that qualifying educational cases should be supported up to GCSE level with further education being funded only in exceptional cases where alternative State-funded arrangements are for some reason not practical. Whilst welfare cases extend in many cases beyond a single year's assistance, there is a requirement to review these from time to time to ensure that assistance remains necessary.

Review of the Financial Position of the Charity

15. The charity has applied the Statement of Recommended Practice "Accounting by Charities" to its accounts.
16. The Accumulated fund and the Capital Reserve were merged into the General Fund in 1996/97. All income is applied to this fund.

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Review of the Financial Position of the Charity (Continued)

17. A designated fund was established in 1996/97 to cover the future grant commitments of the Charity. The Trustees have agreed that sufficient funds to cover two years' future grant commitments should be held in the designated fund and a transfer from the General Fund was made to cover this. Grant payments are made from the designated fund and a transfer is made each year to cover any change in outstanding commitments. The trustees previously agreed that 1% of each year's opening portfolio value could be distributed out of capital, if necessary to maintain the level of grants made.
18. The Charity complies with the SORP and investments are shown on the Balance Sheet at market value.
19. The Charity's assets are available and adequate to fulfil the obligations of the Charity; the balance on deposit with the stockbrokers being sufficient to meet the Designated Fund commitments and the General Fund liabilities.

GRANT STATISTICS

			2004	
	Education	Welfare	TOTAL	2003
	£	£	£	£
20. Grant Payments				
Individuals	95,476	16,275	111,751	143,367
Organisations	0	2,555	2,555	2,500
	<u>95,476</u>	<u>18,830</u>	<u>114,306</u>	<u>145,867</u>

			2004	2003
	No.	No.	No.	No.
21. Number of Beneficiaries				
Individuals	71	33	104	131
Organisations	-	5	5	5
	<u>71</u>	<u>38</u>	<u>109</u>	<u>136</u>

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22. Grants to Organisations of £1,000 and over	2004	2003
	£	£
Viking Youth Club	-	1,000
	<u>-</u>	<u>1,000</u>

23. Taxation

The company enjoys charitable status and accordingly is not liable to Income, Corporation or Capital Gains Tax on its charitable income.

24. Directors

The Directors during the year under review were:

T. Neville (Chairman)
J.A. Williams
A. Pearson
P.N. Guy
S.G.M. Caffyn

All the Directors, being eligible, offer themselves for election at the forthcoming Annual General Meeting. All the above were also trustees during the period.

Statement of Directors' Responsibilities

25. Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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Statement of Directors' Responsibilities (Continued)

26. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.
27. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

28. The auditors, The Sinden Thackeray Partnership, have indicated their willingness to continue in office and in accordance with the provisions of Section 385 of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.
29. This Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Council


.....
Company Secretary

Dated: 21 October 2004

Wildwood
Fairfield Road
Shawford
Winchester
Hants SO21 2DA

**THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)**

**Report of the Independent Auditors to the Members of
the BMTA Trust Limited**

We have audited the financial statements of The BMTA Trust for the year ended 30 June 2004 on pages nine to fifteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

The 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 auditors' 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 directors and auditors

As described on pages five and six the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors is not consistent with the financial statements, if the 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 directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)**

**Report of the Independent Auditors to the Members of
the BMTA Trust Limited**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The Sinden Thackeray Partnership
23 Star Hill
Rochester
Kent
ME1 1XF
Chartered Accountants
Registered Auditor

*The Sinden Thackeray
Partnership*

Dated: 29/10/04

THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Note	30.06.04	30.06.03
		£	£
INCOME		176,513	181,266
EXPENDITURE			
Administrative Expenses	4	45,713	45,356
Grants paid		114,306	145,867
NET SURPLUS/(DEFICIT) BEFORE DISPOSAL OF INVESTMENTS		<u>16,494</u>	<u>-9,957</u>

THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2004

	Note			30.06.04	30.06.03
		General Fund	Designated Fund	Total	Total
		£	£	£	£
Incoming Resources					
Investment Income		162,779		162,779	159,629
Deposit Interest		12,704		12,704	20,437
Other Income		30		30	0
Grants refunded		1,000		1,000	1,200
Total Incoming Resources		<u>176,513</u>		<u>176,513</u>	<u>181,266</u>
Resources Expended					
Direct Charitable Expenditure:					
Grants			114,306	114,306	145,867
Other expenditure:					
Management & Administration	4	45,713		45,713	45,356
Total Resources Expended		<u>45,713</u>	<u>114,306</u>	<u>160,019</u>	<u>191,223</u>
Net Incoming Resources before Transfers		130,800	-114,306	16,494	-9,957
Transfer to Designated Fund		-82,881	82,881	0	0
		<u>47,919</u>	<u>-31,425</u>	<u>16,494</u>	<u>-9,957</u>
Other Recognised Gains & Losses					
Unrealised gain on investments held		135,325		135,325	-176,823
Realised gain on sale of investments		41,199		41,199	-110,478
Net Movement in Funds		<u>224,443</u>	<u>-31,425</u>	<u>193,018</u>	<u>-297,258</u>
Fund Balances b/f at 1 July 2003		3,478,424	70,466	3,548,890	3,846,148
Fund Balances c/f at 30 June 2004		<u><u>3,702,867</u></u>	<u><u>39,041</u></u>	<u><u>3,741,908</u></u>	<u><u>3,548,890</u></u>

THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 JUNE 2004

	Note	30.06.04 £	30.06.04 £	30.06.03 £	30.06.03 £
Fixed Assets					
Investments	5	<u>3,373,525</u>	3,373,525	<u>2,943,338</u>	2,943,338
Current Assets					
Debtors	6	4,183		3,728	
Short term Deposits	7	350,287		588,279	
Loans	8	10,000		10,000	
Cash at Bank and in Hand		<u>5,463</u>		<u>5,095</u>	
		369,933		607,102	
Current Liabilities					
Amounts falling due within one year	9	<u>1,550</u>		<u>1,550</u>	
Net Current Assets			368,383		605,552
Net Assets			<u><u>3,741,908</u></u>		<u><u>3,548,890</u></u>
Funds					
General Fund			3,702,867		3,478,424
Designated Fund			<u>39,041</u>		<u>70,466</u>
			<u><u>3,741,908</u></u>		<u><u>3,548,890</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

ON BEHALF OF THE BOARD

Thomas Neville
.....
TRUSTEE

Approved by the Board on :

21 Oct 04
.....

**THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the Companies Act (1985), Statement of Recommended Practice and the Financial Reporting Standards for Smaller Entities (effective June 2002).

(b) Income

Income represents investment income and sundry receipts in the year.

(c) Investments

Quoted investments are revalued on an annual basis at the balance sheet date.

(d) General Fund

The Accumulated Fund and the Capital Reserve have been merged into the General Fund. All income is applied to this fund. All funds are unrestricted.

(e) Designated Fund

A designated fund has been established to cover the future grant commitments of the Charity. The Trustees have agreed that sufficient funds to cover two years' future grant commitments should be held in the Designated Fund and a transfer from the General Fund has been made to cover this. Grant payments are made from the Designated Fund and a transfer is made to cover increases in outstanding commitments.

**THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

ACCOUNTING POLICIES (Continued)

(f) Grants Payable

The Charity assesses applications, based primarily on the welfare needs of the applicants and their immediate family. The criteria employed include welfare, the amount of benefit to be gained by the recipient compared to the cost and problems faced by the potential beneficiary with preference being given to those with a motor industry connection.

(g) Cost of Management

Costs of management and administration of the Charity are shown as expenses incurred by the Charity.

2. EMPLOYEE INFORMATION

	2004	2003
The average number of employees during the period was:	<u>Nil</u>	<u>Nil</u>

3. EMOLUMENTS OF THE MANAGEMENT COUNCIL

	£	£
Emoluments were:	<u>Nil</u>	<u>Nil</u>

4. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2004	2003
	£	£
Audit Fees	1,550	1,550
Case Secretary	21,631	22,035
Company Secretary	6,500	6,500
Investment Advisors	13,585	13,182
General Expenses	347	350
Council of Management Meeting Expenses	<u>2,100</u>	<u>1,739</u>
	<u>45,713</u>	<u>45,356</u>

**THE BMTA TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

5. FIXED ASSETS – INVESTMENTS

Quoted Investments

	2004	2003
	£	£
Market Value	<u>3,373,525</u>	<u>2,943,338</u>
Cost	<u>3,011,705</u>	<u>2,780,254</u>

The geographical analysis of quoted investments was as follows:

	2004	2003
	£	£
United Kingdom	<u>3,304,145</u>	<u>2,876,498</u>
Outside United Kingdom	<u>69,380</u>	<u>66,840</u>

The valuation of the overseas holdings incorporates the adjustment required to value overseas holdings at current exchange rates so as to restate them at closing market values.

6. DEBTORS / PREPAYMENTS

	2004	2003
	£	£
Income tax refund	1,881	1,330
Case Secretary	1,733	1,733
Interest receivable	<u>569</u>	<u>665</u>
	<u>4,183</u>	<u>3,728</u>

7. SHORT TERM DEPOSITS

The Short term deposits consist of the HSBC Capital and Income account with the two offsetting, as the Capital account shows a negative balance of £780,838 (2003 - negative £384,190), and the Income account shows a positive balance of £1,131,125 (2003 - £972,469).

8. CURRENT ASSETS

Included in current assets is a loan for £10,000. It is considered to be long term as no repayments will be made during next 12 months from the balance sheet date.

**THE BMTA TRUST LIMITED
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Audit fee	<u>1,550</u>	<u>1,550</u>
	<u>1,550</u>	<u>1,550</u>

10. LIMITED LIABILITY (BY GUARANTEE)

The liability of the Members is limited. Every Member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Association contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding £1.

11. PAYMENTS TO TRUSTEES

The Charity paid £2,100 (2003 - £1,739) in the year to the Trustees in respect of travel and subsistence costs incurred whilst working on the Charity's behalf.