

THE BMTA TRUST LIMITED
(FORMERLY B.M.T.A EDUCATIONAL & WELFARE TRUST LIMITED)

(LIMITED BY GUARANTEE)

COMPANY NO. 1317536

CHARITY NO. 273978

TRUSTEES' ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2000



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

THE BMTA TRUST LIMITED
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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)*

A.W. Wright

J.A. Williams*

A. Pearson

P.N. Guy*

S.G.M. Caffyn - Appointed 14.3.00

* 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: National Westminster Bank plc
1 Portman Square
London W1A 1DW

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 Investment Bank plc
6 Bevis Marks
London EC3A 7JQ

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TRUSTEES' ANNUAL REPORT

1. The Management Council have pleasure in presenting their report and financial statements for the year ended 30 June 2000.

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 is 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 six 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 prepare details of cases and implement the Trustees' decisions.
9. The Trust changed its name to The BMTA Trust Limited on 4 July 2000.

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TRUSTEES' ANNUAL REPORT

Review of Developments and Activities

10. Applications to the Trust have continued to rise and 223 applications were received during the year. Of these, 109 were rejected; 52 were offered assistance; 6 did not require assistance; 41 did not return the application form; 15 will be considered in the next financial year.
11. 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.
12. Short-term educational grants are given to enable children to complete their current stage of schooling when families have suffered unforeseen financial difficulties.
13. A grant total of £180,225 (1998/99 - £184,884) was split between 124 beneficiaries, giving an average grant of £1,453 each. (1998/99 average - £1,503).
14. 31% the grant total was given to beneficiaries with a motor industry connection. The percentage of grants given for educational purposes was 86% (1998/99 - 89%). At the year end, loans for welfare purposes, totalling £13,450 had been approved.

Assistance Strategy

15. 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 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

16. The charity has applied the Statement of Recommended Practice "Accounting by Charities" to its accounts.
17. 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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TRUSTEES' ANNUAL REPORT

Review of the Financial Position of the Charity (Continued)

18. 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 increase in outstanding commitments. The Trustees are in the process of reviewing their investment policy and grant making policy in view of the changes in the tax system which will inhibit their ability to generate unrealised gains in the future.
19. The Charity complies with the SORP and investments are shown on the Balance Sheet at market value.
20. 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

	Education	Welfare	2000	
			TOTAL	1999
	£	£	£	£
21. Grant Payments				
Individuals	154,860	18,365	173,225	179,384
Organisations	500	6,500	7,000	5,500
	<u>155,360</u>	<u>24,865</u>	<u>180,225</u>	<u>184,884</u>

	No.	No.	No.	No.
22. Number of Beneficiaries				
Individuals	98	18	116	117
Organisations	<u>1</u>	<u>7</u>	<u>8</u>	<u>6</u>
	<u>99</u>	<u>25</u>	<u>124</u>	<u>123</u>

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TRUSTEES' ANNUAL REPORT

23. Grants to Organisations of £1,000 and over	2000	1999
	£	£
Kelston Boys Club	1,000	1,000
Viking Youth Club	1,500	2,000
Springfield Boys Club	1,000	-
Hope & Homes	1,000	-
Extra Care	<u>1,000</u>	<u>1,000</u>
	<u>5,500</u>	<u>4,000</u>

24. Taxation

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

25. Directors

The Directors during the year under review were:

T. Neville (Chairman)
A.W. Wright
J.A. Williams
A. Pearson
P.N. Guy
S.G.M. Caffyn - Appointed 14.3.00

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

26. The Trustees record with regret the death of W.L. Sleigh Esq., on 1 December 1999.

Statement of Directors' Responsibilities

27. 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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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2000

Statement of Directors' Responsibilities (Continued)

28. 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.
29. 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

30. 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.
31. 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: 12 October 2000

Wildwood
Fairfield Road
Shawford
Winchester
Hants SO21 2DA

THE BMTA TRUST LIMITED
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Report of the Auditors to the Members of
the BMTA Trust Limited

We have audited the financial statements on pages eight to fourteen which have been prepared under the historical cost convention and the accounting policies set out on pages eleven and twelve.

Respective responsibilities of directors and auditors

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

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

*The Sindén Thackeray
Partnership*

Dated: 12/10/00

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

	Note	30.06.00	30.06.99
		£	£
INCOME		204,643	216,562
EXPENDITURE			
Administrative Expenses	4	38,895	48,659
Grants paid		180,225	184,884
NET DEFICIT BEFORE DISPOSAL OF INVESTMENTS		<u><u>-14,477</u></u>	<u><u>-16,981</u></u>

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2000

	Note	General Fund	Designated Fund	30.06.00 Total	30.06.99 Total
		£	£	£	£
Incoming Resources					
Investment Income		184,670		184,670	178,189
Deposit Interest		19,196		19,196	37,914
Rental Income		0		0	219
Members Subscriptions		12		12	0
Grants refunded		765		765	240
Total Incoming Resources		<u>204,643</u>		<u>204,643</u>	<u>216,562</u>
Resources Expended					
Direct Charitable Expenditure:					
Grants		0	180,225	180,225	184,884
Other expenditure:					
Management & Administration	4	38,895	0	38,895	48,659
Total Resources Expended		<u>38,895</u>	<u>180,225</u>	<u>219,120</u>	<u>233,543</u>
Net Incoming Resources before Transfers		165,748	-180,225	-14,477	-16,981
Transfer to Designated Fund		-147,865	147,865	0	0
		<u>17,883</u>	<u>-32,360</u>	<u>-14,477</u>	<u>-16,981</u>
Other Recognised Gains & Losses					
Unrealised Gain on investments held		-26,131		-26,131	146,075
Realised Gain on sale of investments		93,609		93,609	53,656
Net Movement in Funds		<u>85,361</u>	<u>-32,360</u>	<u>53,001</u>	<u>182,750</u>
Fund Balances B/F at 1 July 1999		4,328,252	268,617	4,596,869	4,414,119
Fund Balances C/F at 30 June 2000		<u>4,413,613</u>	<u>236,257</u>	<u>4,649,870</u>	<u>4,596,869</u>

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BALANCE SHEET AS AT 30 JUNE 2000

	Note	30.06.00 £	30.06.00 £	30.06.99 £	30.06.99 £
Fixed Assets					
Investments	5	4,379,642		4,010,831	
			4,379,642		4,010,831
Current Assets					
Debtors	6	7,895		13,648	
Short term Deposits		267,140		573,017	
Cash at Bank and in Hand		1,004		3,461	
		276,039		590,126	
Current Liabilities					
Amounts falling due within one year	7	5,813		4,088	
Net Current Assets			270,226		586,038
Net Assets			4,649,868		4,596,869
FUNDS					
General Fund			4,413,611		4,328,252
Designated Fund			236,257		268,617
			4,649,868		4,596,869

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 : 12th October 2000

THE BMTA TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

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).

(b) Income

Income represents investment income and sundry receipts in the year.

(c) Tangible Fixed Assets

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Office Machinery: 100%

Quoted Investments: Nil (Revalued at Balance Sheet Date)

(d) Loans

Loans are made by the company in certain circumstances. These are treated as grants in the financial statements and recoveries are brought into income when received.

(e) 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.

(f) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

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

	2000	1999
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

	2000	1999
	£	£
Audit Fees	1,550	1,550
Case Secretary	18,417	24,760
Company Secretary	6,500	6,500
Investment Advisors	7,494	10,344
General Expenses	749	1,063
Council of Management Meeting Expenses	<u>4,185</u>	<u>4,442</u>
	<u>38,895</u>	<u>48,659</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

5. FIXED ASSETS - INVESTMENTS

Quoted Investments

	2000	1999
	£	£
Market Value	<u>4,379,642</u>	<u>4,010,831</u>
Cost	<u>3,347,115</u>	<u>2,842,215</u>

The geographical analysis of quoted investments was as follows:

	2000	1999
	£	£
United Kingdom	<u>4,276,791</u>	<u>4,010,831</u>
Outside United Kingdom	<u>102,851</u>	<u>Nil</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

	2000	1999
	£	£
Income tax refund	5,660	10,966
Other Debtors	2,235	2,682
	<u>7,895</u>	<u>13,648</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Subscription in advance	6	18
Overdraft	4,075	-
Audit fee	1,550	1,550
Bank charges	18	20
Other	164	-
Investment Management Fee	-	2,500
	<u>5,813</u>	<u>4,088</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)

The cashbook overdraft arises as a result of a timing difference between the date when cheques were drawn on the current account and the date when the deposit account transfer was credited to the current account.

8. 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.

9. PAYMENTS TO TRUSTEES

The Charity paid £4,185 (1999- £4,348) in the year to the Trustees in respect of travel and subsistence costs incurred whilst working on the Charity's behalf.