

DO NOT STAPLE
PRINT ON ONE SIDE ONLY

FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during
the
year to which the return relates?

Yes

No

(Tick as appropriate)

General Secretary:

Contact name for queries
regarding
the completion of this return:

Telephone Number:

e-mail:

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the
Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



ECIA Office Bearers @31/12/2016

From 01/01/2016 until 19/05/2016

President	Mike Wilkins
Deputy President	Nigel Francis Resigned 31/03/2016
Vice President	Mark Phillips
Vice President	Ian Guy

From 19/05/2016 until 31/12/2016

President	Mike Wilkins
Deputy President	Derek Hunter
Vice President	Mark Phillips
Vice President	Ian Guy

RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
195	1	-	7	203

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office. – See Attachment

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Deputy President	Nigel Francis		31/03/2016
Deputy President		Derek Hunter	21/05/2016

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,832,784	From Members	Subscriptions, levies, etc		1,788,794
24,573	Investment income	Interest and dividends (gross)	28,996	
35,532		Bank interest (gross)	41,322	
31,045		Investment Revaluation	260,204	330,522
-	Other income	Rents received	-	
440,647		Insurance commission	358,009	
1,575		Consultancy fees	-	
1,260		Publications/Seminars	1,200	
52,460		Miscellaneous receipts (specify)		
62,576		Spring Ball	43,425	
		Other	73,826	476,460
2,482,452				2,595,776
		TOTAL INCOME		
	EXPENDITURE			
	Administrative expenses			
1,185,916		Remuneration and expenses of staff	1,137,010	
137,165		Occupancy costs	116,702	
31,453		Printing, Stationery, Post & Telephones	33,775	
51,557		Regional Offices	43,293	
89,291		Legal and Professional fees	105,491	
240,022		Travel, hotels & entertaining	180,465	
114,397		Spring Ball	99,457	
9,298		Motor running costs	-	
36,172		Computer costs	27,264	
(1,895,271)				(1,743,457)
	Other charges	Depreciation	11,031	
10,546		Sums written off	30,025	
(12,392)		Affiliation fees	5,000	
5,187		EEF Subscriptions	17,169	
16,695		Conference and meeting fees	124	
476		Contribution to NJC	575,000	(638,349)
600,000				
(620,513)				
(6,209)	Taxation			(16,587)
(2,521,993)		TOTAL EXPENDITURE		(2,398,393)
(39,541)		Surplus/Deficit for year		197,383
5,056,708		Amount of fund at beginning of year		5,017,167
5,017,167		Amount of fund at end of year		5,214,550



ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period		87,185		87,185
Additions during period		5,159		5,159
Less: Disposals during period				
Less: DEPRECIATION:		(80,024)		(80,024)
Total to end of period		12,320		12,320
BOOK AMOUNT at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET		12,320		12,320

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £	
QUOTED	British Government & British Government Guaranteed Securities		
	British Municipal and County Securities		
	Other quoted securities (to be specified)		
	Foreign & Colonial Investment Trust Plc	837,760	
	Schroder Managed Balance Fund Income	425,438	
	Henderson Global Investment Trust Plc	252,668	
	TOTAL QUOTED (as Balance Sheet)	1,515,866	
	*Market Value of Quoted Investments	1,515,866	
UNQUOTED	British Government Securities		
	British Municipal and County Securities		
	Mortgages		
	Other unquoted securities (to be specified)		
		TOTAL QUOTED (as Balance Sheet)	
		*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	1,788,794		1,788,794
From Investments	330,522		330,522
Other Income (including increases by revaluation of assets)	476,460		476,460
Total Income	2,595,776		2,595,776
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	(2,398,393)		(2,398,393)
Funds at beginning of year (including reserves)	5,017,167		5,017,167
Funds at end of year (including reserves)	5,214,550		5,214,550
ASSETS			
Fixed Assets			12,320
Investment Assets			1,515,866
Other Assets			5,368,250
		Total Assets	6,896,436
LIABILITIES		Total Liabilities	(1,681,886)
NET ASSETS (Total Assets less Total Liabilities)			5,214,550

NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

A large, empty rectangular box with a black border, intended for the user to enter or attach notes to the accounts. The box occupies most of the page's vertical space below the instructions.

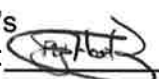

ACCOUNTING POLICIES

(see notes 37 and 38)

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>MICHAEL J. HOCKLEY.</u> Date: <u>27th MAY 2017.</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>MICHAEL WILKINS</u> Date: <u>27th MAY 2017</u>
---	---

CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	<input checked="" type="checkbox"/>	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	<input checked="" type="checkbox"/>	NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES/NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES/NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

YES/NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 45)

SEE FINANCIAL STATEMENTS ATTACHED.

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

ASSOCIATION INFORMATION

Management Board

Mr M Wilkins
Mr D Hunter
Mr I Guy
Mr M Philips
Mr S Lafferty
Mr S Hicks
Mr C Gilmour
Mr R Dean
Dr G Banham
Mr D McGrail
Mr K J Lightning
Mr D Billington
Mr C Claypole
Mr G Duncan
Mr A Boucher

Registered office

Broadway House
Tothill Street
London
SW1H 9NS

Independent auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

CONTENTS

	Page
Management Board's report	1 - 2
Independent auditors' report	3 - 4
Income statement	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 16

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

MANAGEMENT BOARDS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Management Board present their report and the financial statements for the year ended 31 December 2016.

Management Board's responsibilities statement

The Management Board are responsible for preparing the Management Board's report and the financial statements in accordance with applicable law and regulations.

Trade Union and Labour Relations law requires the Management Board to prepare financial statements for each financial year. The Management Board has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under the law the Management Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the profit or loss of the Association for that period. In preparing these financial statements, the Management Board is required to:

- select suitable accounting policies for the Association's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992. The Management Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £197,383 (2015 - loss £39,541).

Council members

The members who served on the Management Board during the year were:

Mr M Wilkins
Mr D Hunter
Mr I Guy
Mr M Philips
Mr S Lafferty
Mr S Hicks
Mr C Gilmour
Mr R Dean
Dr G Banham
Mr D McGrail
Mr K J Lightning
Mr D Billington
Mr C Claypole
Mr G Duncan
Mr A Boucher

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**MANAGEMENT BOARDS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditors

Each of the persons who are Management Board members at the time when this Management Board's report is approved has confirmed that:

- so far as the member of the Management Board is aware, there is no relevant audit information of which the Association's auditors are unaware, and
- the Management Board member has taken all the steps that ought to have been taken as a member of the Management Board in order to be aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Association since the year end.

This report was approved by the Management Board on 5 April 2017 and signed on its behalf.



Management Board

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

We have audited the financial statements of Engineering Construction Industry Association for the year ended 31 December 2016, set out on pages 5 to 16. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Association's members, as a body, in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. 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 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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Council and Auditors

As explained more fully in the Management Board's responsibilities statement on page 1, the Management Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Board; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION (CONTINUED)

Opinion on the Management Board's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Management Board's Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Board's report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



George Crowther (Senior statutory auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

5 April 2017

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover		2,265,254	2,391,302
Administrative expenses		(2,381,806)	(2,515,784)
Operating loss		<u>(116,552)</u>	<u>(124,482)</u>
Income from other fixed asset investments		28,996	24,573
Interest receivable and similar income		41,322	35,532
Fair value movements		260,204	31,045
Profit/(loss) before tax		<u>213,970</u>	<u>(33,332)</u>
Tax on profit/(loss)	4	<u>(16,587)</u>	<u>(6,209)</u>
Profit/(loss) for the year		<u><u>197,383</u></u>	<u><u>(39,541)</u></u>

The notes on pages 8 to 16 form part of these financial statements.

**ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION
REGISTERED NUMBER:**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	12,320	18,191
Investments	6	1,515,866	1,255,662
		<u>1,528,186</u>	<u>1,273,853</u>
Current assets			
Debtors: amounts falling due within one year	7	1,663,740	1,435,664
Current asset investments	8	3,000,000	3,500,000
Cash at bank and in hand		704,510	826,540
		<u>5,368,250</u>	<u>5,762,204</u>
Creditors: amounts falling due within one year	9	(1,433,568)	(1,787,159)
Net current assets		<u>3,934,682</u>	<u>3,975,045</u>
Total assets less current liabilities		<u>5,462,868</u>	<u>5,248,898</u>
Provisions for liabilities			
Deferred tax		(186,068)	(169,481)
Dilapidation provision		(62,250)	(62,250)
		<u>(248,318)</u>	<u>(231,731)</u>
Net assets		<u><u>5,214,550</u></u>	<u><u>5,017,167</u></u>
Reserves			
Profit and loss account		<u>5,214,550</u>	<u>5,017,167</u>
		<u><u>5,214,550</u></u>	<u><u>5,017,167</u></u>

The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Management Board and were signed on its behalf on 5 April 2017.


Management Board

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Profit and loss account £	Total equity £
At 1 January 2015	5,056,708	5,056,708
Loss for the year	(39,541)	(39,541)
At 1 January 2016	5,017,167	5,017,167
Profit for the year	197,383	197,383
At 31 December 2016	<u>5,214,550</u>	<u>5,214,550</u>

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

1.1 General Information

The Engineering Construction Industry Association (ECIA) is the principal trade and employer Association for the UK Engineering Construction Industry (ECI). The UK ECI designs, constructs and maintains process plant across the oil and gas, water, environment, steel and metal, cement, glass, paper, brewing and distillation, food, power generation, nuclear waste, reprocessing, pharmaceutical production, petrochemical and chemical sectors.

The ECIA provides its members with a collective voice to represent their interests on all matters affecting their industry. Through its structure, members enjoy access to government, legislators, clients and trade unions. It is supported by the statutory Engineering Construction Industry Training Board (ECITB).

The ECIA aims to provide member companies with a range of specialist, quality, value-adding services, designed to assist with the safe and successful management of people on UK engineering construction sites.

The Association is a Trade Association and domiciled in England. The address of its registered office is Broadway House, Tothill Street, London.

1.2 Statement of Compliance

The financial statements of the Engineering Construction Industry Association have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Trade Union and Labour Relations (Consolidation) Act 1992.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The Management Board consider that there are no critical accounting estimates or key sources of estimation uncertainty used in the preparation of the financial statements.

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Association will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Dividend and interest income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised in the period in which it was earned.

2.4 Employee benefits

The Association provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

(a) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(b) Defined contribution pension plans

The Association operates a defined contribution plan for its employees.

A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity. Once the contributions have been paid the Association has no further payment obligations.

The contributions are recognised as an expense in the period on which they fall due. Amounts not paid are shown in accruals in the Statement of Financial Position.

The assets of the plan are held separately from the Association in independently administered funds.

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment	- 3 to 5 years
Computer equipment	- 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

2.6 Operating leases: the Association as lessee

At inception the Association assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Rentals paid under operating leases are charged to the Income statement on a straight line basis over the lease term.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

2.7 Dilapidation provision

The Association makes provision for dilapidation on the property that it occupies which is expected to be payable at the end of the lease term.

2.8 Valuation of investments

Investments in listed company shares are remeasured to fair value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Income statement for the period.

2.9 Debtors

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

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Association would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the 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.

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.13 Current and deferred taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	903,510	966,695
Social security costs	107,798	116,636
Cost of defined contribution scheme	49,826	64,548
	<u>1,061,134</u>	<u>1,147,879</u>

The average monthly number of employees, including directors, during the year was 15 (2015 - 16).

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Taxation

	2016 £	2015 £
Deferred tax		
Capital gains	16,587	6,209

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	213,970	(33,332)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	42,794	(6,665)
Effects of:		
Disallowable items	19,944	18,802
Capital allowances for year in excess of depreciation	-	1,881
Other timing differences leading to an increase (decrease) in taxation	60	-
Non-taxable income	(66,525)	-
Deferred tax not recognised	11,445	(11,124)
Rate change adjustment	8,869	3,315
Total tax charge for the year	16,587	6,209

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2016	27,021	60,164	87,185
Additions	5,159	-	5,159
At 31 December 2016	<u>32,180</u>	<u>60,164</u>	<u>92,344</u>
Depreciation			
At 1 January 2016	25,732	43,262	68,994
Charge for the period on owned assets	2,579	8,451	11,030
At 31 December 2016	<u>28,311</u>	<u>51,713</u>	<u>80,024</u>
Net book value			
At 31 December 2016	<u>3,869</u>	<u>8,451</u>	<u>12,320</u>
At 31 December 2015	<u>1,289</u>	<u>16,902</u>	<u>18,191</u>

6. Fixed asset investments

	Listed investments £
Valuation	
At 1 January 2016	1,255,662
Revaluations	260,204
At 31 December 2016	<u>1,515,866</u>

The cost of investments recognised above is £408,257 (2015 £408,257).

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. Debtors

	2016 £	2015 £
Trade debtors	1,561,836	1,365,607
Other debtors	51,176	26,863
Prepayments and accrued income	50,728	43,194
	<u>1,663,740</u>	<u>1,435,664</u>

8. Current asset investments

	2016 £	2015 £
Cash held on deposit	3,000,000	3,500,000
	<u>3,000,000</u>	<u>3,500,000</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	51,421	385,377
Corporation tax	-	31
Other taxation and social security	170,186	151,480
Other creditors	19,919	-
Accruals and deferred income	1,192,042	1,250,271
	<u>1,433,568</u>	<u>1,787,159</u>

10. Deferred taxation

	2016 £	2015 £
At beginning of year	(169,481)	(163,272)
Charged to the Income Statement	(16,587)	(6,209)
At end of year	<u>(186,068)</u>	<u>(169,481)</u>

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Capital gains	(186,068)	(169,481)
	<u>(186,068)</u>	<u>(169,481)</u>

11. Pension commitments

The Association operated a defined contribution pension scheme for all employees.

Contributions made into this scheme are paid by the Association at rates specified in the rules of the scheme. The assets of the scheme are held separately from those of the Association in an independently-administered fund.

Contributions payable by the Association during the year amounted to £49,826 (2015 - £64,548) and has been recognised in the Income Statement. As at the Statement of Financial Position date, there are no outstanding liabilities to be paid over to the fund (2015 - £Nil).

12. Controlling party

The members of the Association are the ultimate controlling party.

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016		2015	
	£	£	£	£
Subscriptions and levies				
Subscriptions		<u>1,788,794</u>		<u>1,832,785</u>
Other Income				
Welplan Insurance	358,009		440,647	
Spring Ball	43,425		52,460	
Secretarial Fees	45,998		46,450	
OCA Dues	5,000		5,000	
Seminar Income	-		3,640	
Publications	1,200		1,260	
Consultancy	-		1,575	
Other income	<u>22,828</u>		<u>7,485</u>	
		<u>476,460</u>		<u>558,517</u>
TURNOVER		<u>2,265,254</u>		<u>2,391,302</u>
Employee and Staff Costs				
Permanent staff remuneration	902,888		964,800	
National Insurance	107,798		116,636	
Pension Contributions	49,826		64,548	
Redundancy costs	22,992		-	
Medical Insurance	29,980		32,565	
Life Insurance	22,148		-	
Training and Conferences	<u>756</u>		<u>5,471</u>	
	<u>1,136,388</u>		<u>1,184,020</u>	
Temporary staff remuneration	622		1,895	
		<u>1,137,010</u>		<u>1,185,915</u>
Contribution to National Joint Council	<u>575,000</u>		<u>600,000</u>	
		<u>575,000</u>		<u>600,000</u>
Establishment Costs				
Rents and service charges	73,212		96,637	
Rates and insurance	<u>43,490</u>		<u>40,528</u>	
		<u>116,702</u>		<u>137,165</u>

ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016		2015	
	£	£	£	£
Administration Costs				
Printing, stationery, journals and papers	10,184		8,600	
Postage and telephone	23,591		22,853	
Legal and professional charges	85,475		68,330	
Travel, hotel, catering and events	211,609		240,022	
Equipment depreciation	11,031		10,547	
Computer expenses	27,264		36,172	
PR and marketing	24,215		27,916	
Bad debt provision	30,025		(12,392)	
Audit and accountancy fee	20,016		20,961	
	<u>443,410</u>		<u>423,009</u>	
Other Operating Costs				
EEF Subscriptions	17,169		16,965	
Subscription and membership fees	5,000		5,187	
Publications	6,000		13,437	
Seminars	124		476	
Special projects	38,098		82,073	
	<u>66,391</u>		<u>118,138</u>	
Regional costs				
Northern counties	11,712		18,036	
Scottish	25,000		25,000	
South Western	3,000		3,382	
Yorkshire and Humberside	3,581		5,139	
	<u>43,293</u>		<u>51,557</u>	
ADMINISTRATIVE EXPENDITURE	<u>2,381,806</u>		<u>2,515,784</u>	
OPERATING LOSS	<u>(116,552)</u>		<u>(124,482)</u>	