

# Form AR27

## Trade Union and Labour Relations (Consolidation) Act 1992

### Annual Return for an Employers' Association

Name of Employers' Association:	Engineering Construction Industry Association				
Year ended:	31st December 2019				
List No:	244E				
Head or Main Office:	5th Floor				
	Broadway House				
	Tothill Street				
	London				
Postcode	SW1H 9NS				
Website address (if available)	<a href="http://www.ecia.co.uk">www.ecia.co.uk</a>				
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	M J Hockey				
Contact name for queries regarding the completion of this return:	M J Hockey				
Telephone Number:	0207 7992000				
E-mail:	<a href="mailto:MichaelHockey@ecia.co.uk">MichaelHockey@ecia.co.uk</a>				

**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: 0330 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: [returns@certoffice.org](mailto:returns@certoffice.org)

For Employers' Associations based in Scotland: [ywm@tcyoung.co.uk](mailto:ywm@tcyoung.co.uk)

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## 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
172	1		12	185

## Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
President		Ian Guy	16 May 2019
Vice President	Ian Guy		16 May 2019
Vice President		Cameron Gilmour	16 May 2019

# Officers in post

(see note 10)

Please complete list of all officers in post at the end of the year to which this form relates.

Name of Officer	Position held
From 1 January 2019 until 16 May 2019	
Derek Hunter	Deputy President
Ian Guy	Vice President
Simon Lafferty	Vice President
From 16 May 2019 until 31 December 2019	
Ian Guy	President
Derek Hunter	Deputy President
Cameron Gilmour	Vice President
Simon Lafferty	Vice President

## Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	<b>Income</b>			
1,617,419	From Members	Subscriptions, levies, etc	1,589,218	1,589,218
	Investment income	Interest and dividends (gross)		
27,975		Bank interest (gross)	39,300	39,300
		Other (specify)		
34,777		Dividends	37,594	37,594
		Total Investment Income	76,894	76,894
	Other Income	Rents received		
369,126		Insurance commission	330,740	330,740
		Consultancy fees	10,850	10,850
11,465		Publications/Seminars	414	414
		Miscellaneous receipts (specify)		
21,375		Spring Ball		
-85,255		Investments revaluation	290,067	290,067
86,394		Other	84,592	84,592
		Total of other income		716,663
2,083,276		<b>Total income</b>		<b>2,382,775</b>
		<b>Interfund Transfers IN</b>		
	<b>Expenditure</b>			
947,835	Administrative expenses	Remuneration and expenses of staff	934,728	934,728
124,977		Occupancy costs	128,013	128,013
28,928		Printing, Stationery, Post	31,485	31,485
		Telephones		
80,240		Legal and Professional fees	118,214	118,214
		Miscellaneous (specify)		
29,363		Regional Offices	25,000	25,000
174,733		Travel, hotel & entertaining	207,549	207,549
58,830		Spring Ball	32,946	32,946
59,296		Other	57,231	57,231
		Office refurbishment	41,570	41,570
1,504,202		Total of Admin expenses		1,576,736
	Other Charges	Bank charges		
1,642		Depreciation	4,436	4,436
14,906		Sums written off	-52,582	-52,582
5,000		Affiliation fees		
		Donations		
2,245		Conference and meeting fees	189	189
		Expenses		
		Miscellaneous (specify)		
550,000		Contributions to NJC	550,000	550,000
18,323		EEF subscriptions	18,817	18,817
		Total of other charges		520,860
592,116		Taxation	49,356	49,356
-99				
2,096,219		<b>Total expenditure</b>		<b>2,146,952</b>
		<b>Interfund Transfers OUT</b>		
-12,943		Surplus/Deficit for year		235,823
5,438,601		Amount of fund at beginning of year		5,425,658
5,425,658		Amount of fund at end of year		5,661,481



**Accounts other than Revenue Account/General Fund**

(see notes 17 to 18)

Account 4		Fund Account	
Name of account:		£	£
<b>Income</b>			
From members			
Investment income			
Other income (specify)			
		<b>Total Income</b>	
<b>Interfund Transfers IN</b>			
<b>Expenditure</b>			
Administrative expenses			
Other expenditure (specify)			
		<b>Total Expenditure</b>	
<b>Interfund Transfers OUT</b>			
			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:		£	£
<b>Income</b>			
From members			
Investment income			
Other income (specify)			
		<b>Total Income</b>	
<b>Interfund Transfers IN</b>			
<b>Expenditure</b>			
Administrative expenses			
Other expenditure (specify)			
		<b>Total Expenditure</b>	
<b>Interfund Transfers OUT</b>			
			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 and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
<b>Cost or Valuation</b>				
At start of period		32,831		32,831
Additions during period		13,359		13,359
Less: Disposals				
Less: Depreciation		-35,271		-35,271
Total to end of period		10,919		10,919
<b>Book Amount</b> at end of period		10,919		10,919
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>Total of Fixed Assets</b>		10,919		10,919

# Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Foreign & Colonial Investment Trust Plc	1,178,100
	Schroder Managed Balance Fund Income	476,576
	Henderson Global Investment Trust Plc	294,992
	Total Quoted (as Balance Sheet)	1,949,668
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Total Unquoted (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 note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes		No	<b>X</b>
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If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
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### Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes		No	
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If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders
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### Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes		No	
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If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders
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## Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
<b>Income</b>		
From Members	1,589,218	1,589,218
From Investments	76,894	76,894
Other Income (including increases by revaluation of assets)	716,663	716,663
<b>Total Income</b>	<b>2,382,775</b>	<b>2,382,775</b>
<b>Expenditure</b> (including decreases by revaluation of assets)		
<b>Total Expenditure</b>	<b>2,146,952</b>	<b>2,146,952</b>
<b>Funds at beginning of year</b> (including reserves)	5,425,658	5,425,658
<b>Funds at end of year</b> (including reserves)	5,661,481	5,661,481
<b>ASSETS</b>		
Fixed Assets		10,919
Investment Assets		1,949,668
Other Assets		5,192,463
<b>Total Assets</b>		<b>7,153,050</b>
<b>Liabilities</b>		
<b>Total Liabilities</b>		<b>1,491,569</b>
<b>Net Assets (Total Assets less Total Liabilities)</b>		<b>5,661,481</b>

## Notes to the accounts

(see note 34)

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

Please see attached financial statements

# Accounting policies

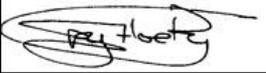
(see notes 35 & 36)

Please see attached financial statements

## Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Secretary's Signature: 	Chairman's Signature: 
Name: Mike Hockey, ECIA Managing Director	Name: Ian Guy, ECIA President
Date: 03 June 2020	Date: 03 June 2020

## Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	<b>Y</b>	No	
Has the list of officers been completed? (see Page 2A)	Yes	<b>Y</b>	No	
Has the return been signed? (see Note 37)	Yes	<b>Y</b>	No	
Has the auditor's report been completed? (see Note 41)	Yes	<b>Y</b>	No	
Is the rule book enclosed? (see Note 39)	Yes	<b>Y</b>	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	<b>Y</b>	No	

## Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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)

Please explain in your report overleaf or attached.

2. 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)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

**In our opinion the financial statements:**

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

## Auditor's report (continued)

We have audited the financial statements in accordance with the requirements of sections 28 to 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

In our opinion the financial statements give a true and fair view of the Association's financial affairs at 31 December 2019 and of its transactions of the year then ended.

Please see our full audit report in the attached financial statements.

Signature(s) of auditor or auditors:	<i>Haysmacintyre LLP</i>	
Name(s):	Haysmacintyre LLP	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es)	10 Queen Street Place London EC4R 1AG	
Date:	10 June 2020	
Contact name for enquiries and telephone number:	George Crowther 0207 969 5547	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

**ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

**ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

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**ASSOCIATION INFORMATION**

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**Management Board**

Dr G Banham  
Mr D Hunter  
Mr I Guy  
Mr S Lafferty  
Mr M Wilkins  
Mr C Gilmour  
Mr P Hughes  
Mr K Lightning  
Mr C Claypole  
Ms S Cook (appointed 16 May 2019)  
Mr P Atkinson  
Mr D Redmond (appointed 16 May 2019)  
Mr P Carvill (appointed 16 May 2019)  
Mr W Tivnen (appointed 16 May 2019)

**Registered office**

Broadway House  
Tothill Street  
London  
SW1H 9NS

**Independent auditors**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

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**ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

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## ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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### MANAGEMENT BOARDS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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The Management Board present their report and the financial statements for the year ended 31 December 2019.

#### **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 to 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 £235,823 (2018 - loss £12,943).

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## ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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### MANAGEMENT BOARDS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Management Board members

The members who served during the year were:

Dr G Banham  
Mr D Hunter  
Mr I Guy  
Mr S Lafferty  
Mr M Wilkins  
Mr S Hicks (resigned 31 July 2019)  
Mr C Gilmour  
Mr R Dean (resigned 30 April 2019)  
Mr P Hughes  
Mr K Lightning  
Mr C Claypole  
Mr G Duncan  
Ms S Cook (appointed 16 May 2019)  
Mr P Atkinson  
Mr A Boucher (resigned 31 July 2018)  
Mr P Carvill (appointed 16 May 2019)  
Mr W Tivnen (appointed 16 May 2019)

#### 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 Management Board is aware, there is no relevant audit information of which the Association's auditors are unaware, and
- the Management Board 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 11 March 2020 and signed on its behalf.



Mr I Guy  
Management Board

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## **ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

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#### **Opinion**

We have audited the financial statements of the Engineering Construction Industry Association (the 'Association') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 Association's affairs as at 31 December 2019 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.

#### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require to report to you where:

- the Management Board's members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Board's members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other matters**

The Management Board approved the financial statements on 11 March 2020 which was prior to the Government's initial announcement on 16 March 2020 that everyone should work from home wherever possible due to COVID 19 which was followed by further lockdown announcements. These events are non-adjusting post balance sheet events, although it is expected that the Association's investment portfolio will have fallen by some 20% since 31 December 2019. Management have prepared further cash flow forecasts since 11 March 2020 which confirm that in their opinion the company will have sufficient cash resources for at least 12 months from

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## **ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION (CONTINUED)**

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the date of the audit report.

#### **Other information**

The Management Board's 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 Auditors' report thereon. Our opinion on the 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 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.

#### **Matters on which we are required to report by exception**

In the light of the 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.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of Management Board members**

As explained more fully in the Management Boards' responsibilities statement on page 1, the Management Board's 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 Management Board's members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Board's members are responsible for assessing 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 Management Board's members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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## ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION (CONTINUED)

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#### Auditors' 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 Auditors' 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.

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 Auditors' report.

#### Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 36 of 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.



George Crowther (Senior statutory auditor)

for and on behalf of  
**Haysmacintyre LLP**

Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

21 May 2020

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ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

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	Note	2019 £	2018 £
Turnover		2,015,814	2,105,779
<b>Gross profit</b>		<u>2,015,814</u>	<u>2,105,779</u>
Administrative expenses		(2,097,596)	(2,096,318)
<b>Operating (loss)/profit</b>		<u>(81,782)</u>	<u>9,461</u>
Income from fixed assets investments		37,594	34,777
Interest receivable and similar income		39,300	27,975
Fair value movements		290,067	(85,255)
<b>Profit/(loss) before tax</b>		<u>285,179</u>	<u>(13,042)</u>
Tax on profit/(loss)	4	(49,356)	99
<b>Profit/(loss) for the financial year</b>		<u><u>235,823</u></u>	<u><u>(12,943)</u></u>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 9 to 17 form part of these financial statements.

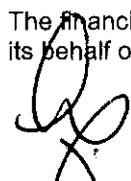
**ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION  
REGISTERED NUMBER:**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	5	10,919	1,996
Investments	6	1,949,668	1,659,601
		<u>1,960,587</u>	<u>1,661,597</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	1,176,989	1,105,821
Current asset investments	8	3,000,000	3,500,000
Cash at bank and in hand		1,015,474	624,308
		<u>5,192,463</u>	<u>5,230,129</u>
Creditors: amounts falling due within one year	9	(1,199,609)	(1,223,420)
<b>Net current assets</b>		<u>3,992,854</u>	<u>4,006,709</u>
<b>Total assets less current liabilities</b>		<u>5,953,441</u>	<u>5,668,306</u>
<b>Provisions for liabilities</b>			
Deferred tax	10	(229,710)	(180,398)
Other provisions		(62,250)	(62,250)
		<u>(291,960)</u>	<u>(242,648)</u>
<b>Net assets</b>		<u><u>5,661,481</u></u>	<u><u>5,425,658</u></u>
<b>Capital and reserves</b>			
Profit and loss account		<u>5,661,481</u>	<u>5,425,658</u>
		<u><u>5,661,481</u></u>	<u><u>5,425,658</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 11 March 2020.



**Mr I Guy**  
Management Board

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**ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	5,438,601	5,438,601
Loss for the year	(12,943)	(12,943)
<b>At 1 January 2019</b>	<u>5,425,658</u>	<u>5,425,658</u>
Profit for the year	235,823	235,823
<b>At 31 December 2019</b>	<u><u>5,661,481</u></u>	<u><u>5,661,481</u></u>

The notes on pages 9 to 17 form part of these financial statements.

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## ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 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 an Employers' 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Association's accounting policies. See Note 2.14.

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## ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Association and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover consists of members subscriptions, insurance commissions, and sundry income. Members subscriptions are recognised in the subscription year to which they relate. Insurance commissions are recognised in the month in which the related insurance policies commence, and the profit commission arising on insurance policies is recognised on an annual basis at the point it can be reliably measured. Sundry income is recognised in the period in which it is earned.

##### 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.

##### 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.

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## ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets (continued)

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	- 2 to 5 years
Computer equipment	- 2 to 5 years

##### 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 Statement of comprehensive income 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 securities are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss 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.

##### 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 instrument 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 ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

**2.12 Creditors**

Short term creditors are measured at the transaction price.

**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.

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## ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.14 Judgments in applying accounting policies and key sources of estimation uncertainty

In the process of applying its accounting policies, the Association is required to make certain estimates, judgements and assumptions that it believes are reasonable based on information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

The financial statements include a provision for dilapidations and the costs associated with the removal of the fixtures and fittings and the alterations that have been made to the leased offices. The size of the provision is an area involving estimation and judgement. The current provision is based on management's current best estimate of the future obligation, having taken into account the size and condition of the office and the extent of the alterations that have been made to it.

#### 3. Employees

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	742,064	766,425
Social security costs	89,730	92,966
Cost of defined contribution scheme	38,764	37,536
	<u>870,558</u>	<u>896,927</u>

The average monthly number of employees during the year was 10 (2018 - 11).

#### 4. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	44	14,395
<b>Deferred tax</b>		
Capital (losses)/gains	49,312	(14,494)
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>49,356</u>	<u>(99)</u>

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ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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4. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	285,179	(13,042)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	54,184	(2,478)
<b>Effects of:</b>		
Disallowable items	6,830	27,376
Adjustments to tax charge in respect of prior periods	43	-
Chargeable gains	55,113	(16,198)
Other permanent timing differences leading to an increase in taxation	24	-
Non-taxable income	(62,256)	(10,669)
Deferred tax not recognised	332	148
Losses carried back	1,838	-
Rate change adjustment	(6,752)	1,722
<b>Total tax charge for the year</b>	<b>49,356</b>	<b>(99)</b>

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ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2019	26,787	6,044	32,831
Additions	11,455	1,904	13,359
At 31 December 2019	<u>38,242</u>	<u>7,948</u>	<u>46,190</u>
<b>Depreciation</b>			
At 1 January 2019	24,791	6,044	30,835
Charge for the year on owned assets	3,960	476	4,436
At 31 December 2019	<u>28,751</u>	<u>6,520</u>	<u>35,271</u>
<b>Net book value</b>			
At 31 December 2019	<u>9,491</u>	<u>1,428</u>	<u>10,919</u>
At 31 December 2018	<u>1,996</u>	<u>-</u>	<u>1,996</u>

6. Fixed asset investments

	Listed investments £
<b>Valuation</b>	
At 1 January 2019	1,659,601
Revaluations	290,067
At 31 December 2019	<u>1,949,668</u>

The cost of investments recognised above is £408,257 (2018: £408,257).

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ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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7. Debtors

	2019 £	2018 £
Trade debtors	1,123,062	1,047,640
Other debtors	12,890	12,460
Prepayments and accrued income	41,037	45,721
	<u>1,176,989</u>	<u>1,105,821</u>

8. Current asset investments

	2019 £	2018 £
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

	2019 £	2018 £
Trade creditors	14,669	27,874
Corporation tax	-	14,352
Other taxation and social security	107,855	116,948
Other creditors	25,237	14,824
Accruals and deferred income	1,051,848	1,049,422
	<u>1,199,609</u>	<u>1,223,420</u>

10. Deferred taxation

	2019 £	2018 £
At beginning of year	(180,398)	(194,892)
Charged to the Income Statement	(49,312)	14,494
<b>At end of year</b>	<u>(229,710)</u>	<u>(180,398)</u>

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**ENGINEERING CONSTRUCTION INDUSTRY ASSOCIATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**10. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Capital gains	(229,710)	(180,398)
	<u>(229,710)</u>	<u>(180,398)</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 £38,764 (2018 - £37,536) and has been recognised in the Income Statement. As at the Statement of Financial Position date, there are liabilities of £6,289 to be paid over to the fund (2018 - £Nil).

**12. Commitments under operating leases**

At 31 December 2019 the Association had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	51,300	51,300
	<u>51,300</u>	<u>51,300</u>

**13. Controlling party**

The members of the Association are the ultimate controlling party.